



Stock Code: 1337

Asia Plastic Recycling Holding Limited

2024 Annual Report

Website to inquire the annual report:
MOPS: mops.twse.com.tw
Asia Plastic Website: asia-recycle.com

Printed on May 22, 2025

I. Spokesperson

Name of spokesperson: Wang, Wei-Min, CFO	Name of acting spokesperson: Ting, Hua-Hsiung, Deputy general manager
Tel: (07) 269 6099	Tel: (86) 0595-8201-0739
Email: markuhsueh@gmail.com	Email: huaxiong@sansd.cn

II. Head Office, Subsidiary, and Factory's address

(I) Head office

Name: Asia Plastic Recycling Holding Limited	Address: 4 th Floor, Willow House, Cricket Square, P. O. Box 2804, Grand Cayman KY1-1112, Cayman Islands
	Tel: (86) 0595-8201-0739

(II) Operation Head Office

Name: Sansda (Fujian) Plastic Co., Ltd.	Address: No. 163, Qianjin R. South, Fangjiao Villiage, Chendai Town, Jinjiang City, Fujian Province, China
	Tel: (86) 0595-8519-9888

(III) Subsidiary

Name: Sansda Holding Limited	Address: P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands.
	Tel: (86) 0595-8201-0739
Name: Sansda (Hong Kong) Co., Ltd.	Address: 5/F, Jardine House 1 Connaught Place Central HK
	Tel: (86) 0595-8201-0739
Name: Sansda (Fujian) Plastic Co., Ltd.	Address: No. 163, Qianjin R. South, Fangjiao Villiage, Chendai Town, Jinjiang City, Fujian Province, China
	Tel: (86) 0595-8201-0739
Name: Sansda Hong Kong Trading Co., Ltd.	Address: Golden Sun Ctr 59-67 Bonham Strand Wwst HK
	Tel: (86) 0595-8201-0739
Name: Kaohsiung Office	Address: 12F-2, No. 190, Siwei 4th Rd., Lingya District, Kaohsiung City
	Tel: (07) 269-6099

III. Name, Title, Telephone Number, and E-mail address of the Attorney for Litigation and Non-Litigation within the boundaries of the Republic of China

Name: Wang, Wei-Min

Title: Assistant Manager of Finance

Accounting

Tel: (07) 269 6099

Email: weimin831@gmail.com

IV. List of Board of Directors

Title	Name	Nationality	Major experience
Chairman	Ting, Chin-Shan	The Philippines	Chairman, Asia Plastic Recycling Holding Limited.
Director	Ding Holding Limited	British Virgin Islands	No
Director	Chang, Hui-Chun	ROC	Vice Chairman, Asia Plastic Recycling Holding Limited. Ruyi Xiangzhuang Ltd., Chang-Tai County Chairman Ruyi Entertainment Ltd., Chang-Tai County Chairman
Director	Chang, To-Chung	ROC	Ruyi Xiangzhuang Ltd., Chang-Tai County General Manager Ruyi Entertainment Ltd., Chang-Tai County General Manager
Independent Director	Li, Chun-Te	ROC	CFO, Wayi International Digital Entertainment Co., Ltd.
Independent Director	Li, Fan	ROC	Bin Chuan Enterprise Co., Ltd. Deputy general manager for Finance
Independent Director	Liao, Cheng-Pin	China	Honorary Chairman, China Plastics Processing Industry Association

V. Agency Handling Shares Transfer

Name of Securities Broker: Yuanta Securities Co., Address: B1F, No. 67, Sec. 2, Dunhua S. Rd., Taipei City

Ltd.

Stock Affair Agency

Department

Tel: (886) 2-2586-5859

Website: <http://www.yuanta.com>

VI. Attesting CPAs Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year

Name of attesting CPA:

Lin, Chao-Min and Shih, Dai-Ping, CPA

Address: 13F., No. 159, Section 1, Keelung Road, Taipei City

Website: <http://www.taiwancpa.com.tw/tc/index.php>

Name of accounting firm:

Candor Taiwan CPA

Tel: (886) 2-2763-0434

VII. Name of Any Exchanges Where the Company's Securities are Traded Offshore: None

VIII. Company's Website: asia-recycle.com

Table of Content

One. Letter to Shareholders	1
I. 2024 Business results	1
II. Summary of 2025 business plan and future development strategies	3
Two. Corporate Governance Report	6
I. Information on directors, supervisors, general managers, deputy general managers, assistant general managers, and officers of departments and branches	6
II. Remuneration for directors, supervisors, general managers and deputy general managers in the latest year	14
III. Implementation of corporate governance	22
IV. Information on CPA professional fees	89
V. Information on the replacement of CPAs	89
VI. Any of the Company's Chairman, General Manager, or Managers in charge of finance or accounting held a position in the CPA's firm or its affiliates in the most recent year	89
VII. Changes in shareholding and shares pledged by directors, supervisors, managers and shareholders with 10% shareholding or more in the most recent year and as of the date of printing of the annual report	90
VIII. Information on the top ten shareholders who are related to each other or as spouses or relatives within the second degree of kinship as defined in IAS No. 6	91
IX. Number of shares held by the Company, the Company's directors, supervisors, managers and directly or indirectly controlled entities on the same investee, and comprehensive shareholding percentage calculated in a consolidated manner	91
Three. Capital Raising	92
I. Capital and shares	92
II. Corporate bond	98
III. Preferred stock	98
IV. Global depositary receipt	98
V. Employee share subscription warrants and new restricted employee stocks	98
VI. Status of new shares issuance in connection with mergers and acquisitions	101
VII. Financing plans and implementation	101
Four. Operation Overview	102
I. Business activities	102
II. Market, production, and sales overview	119
III. Information on employees for the last 2 years up to the date this annual report was published	134
IV. Information on environmental protection expenditure	134
V. Labor relations	135
VI. Cyber security management	137
VII. Important contracts	139

Five.	Review and Analysis of the Financial Status and Financial Performance and Risks	140
	I. Financial status	140
	II. Financial performance	141
	III. Cash flow	142
	IV. Influence of major capital expenditure items on financial business in the most recent year	142
	V. Re-investment analysis in the most recent year	143
	VI. Risk issues	144
	VII. Other important events	153
Six.	Special Items to Be Included	154
	I. Information of affiliates	154
	II. Handling of private marketable securities in the most recent year and as of the date of printing of the annual report	159
	III. Other necessary supplements	159
	IV. Events that have a significant impact on shareholders' equity or securities price as stipulated in Section 36.3(2) of the Securities Exchange Act in the most recent year and as of the date of the annual report	159
	V. Significant deviations from the provisions on the protection of shareholders' rights in China	159

One. Letter to Shareholders

I. 2024 Business results

(I) Result of business plan:

The 2024 consolidated operating revenue of Asia Plastic Recycling Holding Limited (hereafter “the Company”) is NT\$817,359 thousand, increase NT\$45,325 thousand, or 5.87%, from NT\$772,034 thousand in 2023; the net consolidated loss after tax in 2024 is NT\$414,488 thousand, down NT\$2,996 thousand or 0.73% from NT\$411,492 thousand for the net consolidated loss after tax in 2023. The full year EPS is -NT\$1.54.

(II) Implementation of 2024 budget:

The Company did not disclose the financial forecast in 2024.

(III) Financial accounts and analysis of profitability:

The cash balance at the end of 2024 is NT\$1,879,297 thousand, increase NT\$743,903 thousand from the beginning of the year. Of which, the net cash outflow from operating activities is NT\$206,343 thousand; the net cash outflow from investing activities is NT\$491,193 thousand, Net cash inflow from financing activities of NT\$1,398,116 thousand. The net cash outflow from investing activities is mainly due to the investment in the property, facility and equipment for the construction of a shoe textile park in the current year. The net cash inflow from financing activities is mainly due to the increase in long-term and short-term borrowings in the current year. As a conclusion, the debt ratio of the Company is increased from 3.97% in 2023 to 34.36% in 2024; the current ratio is decreased from 1,199.56% in 2023 to 130.30% in 2024.

(IV) Research development conditions:

1. As a result of its consistent efforts, the R&D team has developed a new flame-retardant foaming material (PSD) and a purely bio-based and completely degradable forming material. A patent has been granted by China National Intellectual Property Administration on the new flame-retardant forming material (PSD). Following that, an additional patent is also expected to be granted on the purely bio-based and completely degradable foaming material. The completed developments include plasticizer, an high resilient rubber and its preparation, biodegradable

plastic for use in production of foam pads for children and its processing method, preparation method and application of highly wearable rubber composition, SEBS thermoplastic elastomer jigsaw pads for children and its preparation, preparation method and application of maleic anhydride grafted LDPE, non-benzene butanone EVA forming material and its manufacturing method, antimony trioxide compound and its application in highly flame-retardant EVA forming material, and applications and licenses for the inventive patents of dozens of products. In response to the development needs of the industry and the Group, SANSD Fujian has been certified with the “Regulations of Industries Adopting Wasted Plastic Comprehensively” by the Ministry of Industry and Information Technology of China, products are certified with GRS, as well as a provincial level enterprise technical center and municipal R&D center in Fujian Province, with sustained advancement of their national industrial laboratories. Sansda Fujian and Sansda Jiangsu are making continuous efforts in promoting industry-university-research cooperation, facilitating establishment of strategic partnership with the Polymer Research Center of Fuzhou University Jinjiang Research Institute, and boosting research and development of diversified products, process improvement and innovation.

2. Equipment employed by the Group in production of EVA material can be engineered and reconstructed according to product structures, characteristics and quality requirements, and may also be improved based on R&D to better the technological process of production lines and yield. To effectively improve the production efficiency, reduce waste during the process, cut labor and material costs, the Group uses consistent production process from front-end waste plastic recycling, EVA granulation, EVA foam material formulation design and EVA foaming to rear-end formed material rolling and cutting, which helps form a low-cost advantage and provide customers with services of high quality, high efficiency and high economic benefits. While constantly improving the process efficiency, the Group is also active in automating the production process. Sansda Fujian worked closely with Harbin Institute of Technology, a well-reputed automation development institute in China, and jointly developed an automated recycling, foaming and deep

processing process. It is expected that the process may effectively improve the product matching accuracy and production efficiency. It is also listed as a major science and technology project and a benchmarking project of Jinjiang City. Since May 2023, the Company has collaborated with China Ordnance Equipment Group Automation Institute Co., Ltd. to promote an online monitoring system project for foaming machine hydraulic systems. The project aims to use information technology to address quality, equipment maintenance, and repair issues caused by oil leakage in hydraulic systems that are in continuous production with a high production load. In addition, to meet the increasingly tough environmental protection and supervision requirements, Sansda Fujian has set up respective special environment improvement technology and equipment teams to assist environmental protection regulatory authorities and attend to technological improvement of environmental protection equipment, energy saving, emission reduction, clean production and others, so as to constantly improve the environmental conditions of production.

II. Summary of 2025 business plan and future development strategies

(I) Development strategy:

In recent years, local government of the location where the Fujian Plant is located have followed the Central Government's policies regarding environmental protection and carbon reduction, and actively planned the efficiency of land utilization. In light of the common fact that local factories and residences in Jinjiang City are mixed, tending to result in illegal drainage and pollutant discharges that affect the environment. Not only is the city's appearance seriously affected, and inspections are difficult, for the long term, these become hidden risks of fire safety and environmental health.

Pursuant to the "Fifteen Measures to Support the Promotion for Standardized Construction of Industrial Parks" issued by the Office of the Comprehensive Deepening Reform Committee of the Jinjiang Municipal Party Committee, the Jinjiang Municipal Government intends to guide small and medium-sized factories to move to legally compliant plants in the industrial parks and gradually realize the separation of factories and residences. Incentive policies such as increasing the land plot ratio, are used to encourage local large-scale enterprises to increase the efficiency of factory utilization, and expand standard plant buildings, to further absorb the vast local shoemaking industry chain to become tenants.

According to the 2021 national economic and social development statistics of the Jinjiang Municipal Government, the annual production value of the footwear industry is approximately RMB159.2 billion. More than half of the shoe companies in Fujian are located in Jinjiang. There are about 2,350 shoe manufacturers in the city, employing about 230,000 people. The Company is located in the plant area of Jinxin Road, Jinjiang City, covering an area of 228 acres. Other than being adjacent to Quanzhou Airport, it is located in the transportation hub from Jinjiang City to Quanzhou City and Shishi City. There are more than 50 logistics companies in the neighborhood, and it has the development advantages of a medium-sized industrial park.

For the long-term planning of the Company, the Board of Directors' resolved in a board meeting to approve a budget of RMB1,337,339,400 for the “Sansda Shoe and Textile Park” project. The Company constructs standardized industrial factories through entrusted construction of its own land and generates revenue from the development, sale, rental, and other service management of industrial parks as the Company's stable sources of income on top of its core business development.

In addition to effectively improving land utilization efficiency and revitalizing assets, the continuous and stable rental incomes will help to increase shareholders' equity in the long run. The Company intends to absorb downstream manufacturers to move in on the basis of the existing foam material industry position, and integrate the complementary resources of enterprises in the park, to realize the advantages of industrial clusters.

(II) Expected sales volume and basis:

Based on the actual operating performance in 2024, the overall foaming market environment, the upstream and downstream supply and demand conditions of the industry, the expected orders from customers and the Company's production capacity planning to determine the expected sales target of 200,000 cubic meters for 2025.

III. The impact from competitive environment, regulatory environment and overall operating environment:

China's “13th Five-Year Plan for the Plastics Industry” aims to

develop new eco-friendly EVA high-polymer materials and promote green recycling using physical and chemical technologies. The plan also envisages the circular utilization of plastics, the production of new plastic materials through alloying, blending, modification, and other technologies, and the functionalization and high performance of plastics through plastics engineering. Developing high-performance engineering plastics and low-cost plastics is also a trend for the future. Additionally, the potential of EVA foaming materials has not been fully explored, and new emerging fields are expected to expand in the future. Having been deeply engaged in this field for nearly three decades, the Group will continue seeking a stable supply of resources from overseas to sustain its leading position in the industry, with the anticipation to make more achievements.

We wish you

health and prosperity.

Chairman: Ting, Chin-Shan



General Manager: Ting, Chin-Kuang



Accounting Officer: Wang, Wei-Min



Two. Corporate Governance Report

I. Information on directors, supervisors, general managers, deputy general managers, assistant general managers, and officers of departments and branches

(I) Information on directors and supervisors--(The Company has no supervisor appointed)

April 15, 2025; Unit: shares

Title	Nationality or place of registration	Name	Gender/Age	Date elected or appointed	Term of office	Commencement date of elected or appointed	No. of shares held at time of election		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others Shareholding		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Shares	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage			Title	Name	Relationship with the endorser/guarantor	
Chairman	The Philippines	Ting, Chin-Shan	Male/71-75 years old	June 2022	Three years	June 2022	—	—	—	—	—	—	—	—	Chendai Jiangtou Elementary School General manager, Sansda (Fujian) Plastic Co., Ltd.	Director, Ding Holding Limited Director, Sansda Holding Limited Director, Sansda (Hong Kong) Co., Ltd. Chairman, Sansda (Fujian) Plastic Co., Ltd.	—	—	—	—
Director	British Virgin Islands	Ding Holding Limited	-	June 2022.06	Three years	June 2013	59,894,651	23.07%	38,888,293	14.45%	—	—	—	—	—	—	—	—	—	—
	Mainland China	Representative: Ting, Chin-Kuang	Male/56-60 years old	June 2022	Three years	June 2022.	—	—	—	—	—	—	—	—	Department of Business Administration, China University of Political Science and Law Business Administration, CEO Program, EMBA, Tsing Hua University Special Assistant to Chairman and General manager of Brand Operation Center, Jin Fa Da (Fujian) Shoe Plastic Limited	General manager, Sansda (Fujian) Plastic Co., Ltd.	—	—	—	—
Director	Republic of China	Chang, Hui-Chun	Male/76-80 years old	June 2022	Three years	June 2016	—	—	—	—	—	—	—	—	Department of Business Administration, International Junior College of Business Chairman, Winco Co., Ltd. Vice Chairman, Zhang Zhou City Taiwanese Business Investment Association	Vice Chairman, Asia Plastic Recycling Holding Limited. Chairman, Ruyi Xiangzhuang Ltd., Chang-Tai County Chairman, Ruyi Entertainment Ltd., Chang-Tai County	Director Deputy General Manager	Chang, To-Chung Ting, Hua-Hsiung	Father/son Father/son in law	—
Director	Republic of China	Chang, To-Chung	Male/41-45 years old	June 2022	Three years	May 2010	—	—	—	—	—	—	—	—	Department of Finance, Quanzhou Huaqiao University General manager, Winco Co., Ltd.	General manager, Ruyi Xiangzhuang Ltd., Chang-Tai County General manager, Ruyi Entertainment Ltd., Chang-Tai County	Director Deputy General Manager	Chang, Hui-Chun Ting, Hua-Hsiung	Father/son Brother s in law	—

Title	Nationality or place of registration	Name	Gender/Age	Date elected or appointed	Term of office	Commencement date of elected or appointed	No. of shares held at time of election		Shareholding now		Shareholding of spouse and minor children now		Shareholding in the name of others Shareholding		Major Experience (Education)	Concurrent positions in the Company and other companies now	Spouse or relatives within the second degree of kinship who are officers, directors or supervisors of the Company			Remarks
							Shares	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage	Number of Shares (shares)	Shareholding Percentage			Title	Name	Relationship with the endorser/guarantor	
Independent Director	Republic of China	Li, Chun-Te	Male/ 66-70 years old	June 2022	Three years	June 2016	—	—	—	—	—	—	—	Bachelor, Department of Business Administration, Soochow University Master of Business Administration, National Chengchi University PhD, Economics, Fujian Normal University Chief, Department of Planning, Financial Supervisory Commission, Executive Yuan Counselor, Financial Supervisory Commission, Executive Yuan Deputy general manager, the Motor Vehicle Accident Compensation Fund	CFO, Wayi International Digital Entertainment Co., Ltd. Independent Director of Ching Feng Home Fashion Co. Ltd. Independent Director of TOPLUS GLOBAL CO., LTD.	—	—	—	—	
Independent Director	Republic of China	Li, Fan	Male/ 56-60 years old	June 2022	Three years	June 2016	—	—	—	—	—	—	—	Department of Accounting, Tunghai University Team leader, Deloitte Taiwan Vice Manager, Underwriting Department, Fubon Securities Co., Ltd.	Deputy general manager for Finance, Bin Chuan Enterprise Co., Ltd. Director, Bin Chuan Enterprise Co., Ltd.	—	—	—	—	
Independent Director	Mainland China	Liao, Cheng-Pin	Male/ 86~90 years old	June 2022	Three years	March 2010	—	—	—	—	—	—	—	Department of Physics, Chengdu University Vice Chief, Office of Plastic, China National Light Industry Council Vice Chairman and Chief Secretary, China Plastics Processing Industry Association President, China Plastics Processing Industry Association Member of Review Panel, National Office for Science & Technology Awards	Honorary Chairman, China Plastics Processing Industry Association	—	—	—	—	

Table 1: Major shareholders of corporate shareholders

April 15, 2025

Names of corporate shareholders	Major shareholders of corporate shareholders	Ownership
Ding Holding Limited	Ting, Chin-Shan	32.5%
	Ting, Chin-Tsao	25.0%
	Ting, Chin-Ti	13.5%
	Ting, Chin-Kuang	13.0%

II. Information on professional qualifications of directors and supervisor, and independence of independent director:

April 15, 2025

Criteria Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Ting, Chin-Shan	1. Education: Chendai Jiangtou Elementary School 2. Current position: Chairman of Asia Plastic Recycling Holding Limited; Director of Ding Holding Limited; Director of Sansda Holding Limited; Director of Sansda (Hong Kong) Co., Ltd.; and Director of Sansda (Fujian) Plastic Co., Ltd. 3. Experience: former General Manager, Sansda (Fujian) Plastic Co., Ltd. 4. Expertise: Marketing, operation management; plastic recycling and production; plastic processing 5. Possessing working experience in commerce and required for the Company's business, and the professional qualification 6. Not a person with any of the circumstances under Article 30 of the Company Act.	-	0
Ting, Chin-Kuang (Note 3)	1. Education: Department of Business Administration, China University of Political Science and Law; Business Administration, CEO Program, EMBA, Tsing Hua University 2. Current position: General Manager of Asia Plastic Recycling Holding Limited; General Manager of Sansda (Fujian) Plastic Co., Ltd. 3. Experience: Special Assistant to Chairman and General manager of Brand Operation Center, Jin Fa Da (Fujian) Shoe Plastic Limited 4. Expertise: Marketing, operation management; plastic recycling and production; plastic processing; risk management 5. Possessing working experience in commerce and required for the Company's business, and the professional qualification 6. Not a person with any of the circumstances under Article 30 of the Company Act.	-	0
Chang, Hui-Chun	1. Education: Department of Business Administration, International Junior College of Business 2. Current position: Vice Chairman of Asia Plastic Recycling Holding Limited; Chairman of Chairman, Ruyi Xiangzhuang Ltd., Chang-Tai County; Chairman of Chairman, Ruyi Entertainment Ltd., Chang-Tai County 3. Experience: Chairman, Winco Co., Ltd.; Vice Chairman, Zhang Zhou City Taiwanese Business Investment Association 4. Expertise: Marketing, operation management; risk management 5. Possessing working experience in commerce and required for the Company's business, and the professional qualification 6. Not a person with any of the circumstances under Article 30 of the Company Act.	-	0

Chang, To-Chung	1. Education: Department of Finance, Quanzhou Huaqiao University 2. Current position: General Manager, Ruyi Entertainment Ltd., Chang-Tai County 3. Experience: General Manager, Winco Co., Ltd. 4. Expertise: Operation management; finance 5. Possessing working experience in commerce and required for the Company's business, and the professional qualification 6. Not a person with any of the circumstances under Article 30 of the Company Act.	-	0
Li, Chun-Te (Note 4)	1. Education: Bachelor, Department of Business Administration, Soochow University, Master of Business Administration, National Chengchi University, PhD, Economics, Fujian Normal University 2. Current position: CFO, Wayi International Digital Entertainment Co., Ltd.; Independent Director of Ching Feng Home Fashions Co. Ltd.; Independent Director of Yv Ding International Co., Ltd. Toplus Global Co., Ltd. 3. Experience: Chief, Department of Planning, Financial Supervisory Commission, Executive Yuan; Counselor, Financial Supervisory Commission, Executive Yuan; Deputy general manager, the Motor Vehicle Accident Compensation Fund 4. Expertise: Insurance; accounting; laws 5. Serving as the convener of the Audit Committee and member of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during two years prior to the appointment and the term of office.	1
Li, Fan (Note 4)	1. Education: Department of Accounting, Tunghai University 2. Current position: Deputy general manager for Finance, Bin Chuan Enterprise Co., Ltd.; Director of Bin Chuan Enterprise Co., Ltd. 3. Experience: Team leader, Deloitte Taiwan; Vice Manager, Underwriting Department, Fubon Securities Co., Ltd. 4. Expertise: Securities; accounting; laws 5. Serving as the member of the Audit Committee and convener of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during two years prior to the appointment and the term of office.	0
Liao, Cheng-Pin (Note 4)	1. Education: Department of Physics, Chengdu University 2. Current position: Honorary Chairman, China Plastics Processing Industry Association 3. Experience: Vice Chief, Office of Plastic, China National Light Industry Council; Vice Chairman and Chief Secretary, China Plastics Processing Industry Association; President, China Plastics Processing Industry Association; Member of Review Panel, National Office for Science & Technology Awards 4. Expertise: Plastic recycling and production; plastic processing 5. Serving as the member of the Audit Committee and member of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during two years prior to the appointment and the term of office.	0

III. Diversity and Independence of the Board of Directors

(I) Diversity of the board of directors:

1. Diversity policy:

The Board has established the “Corporate Governance Best Practice Principles” and “Procedures for Election of Directors” to specify the diversity policy of the board of directors. Both Article 20 of the “Corporate Governance Best Practice Principles” and Article 3 of “Procedures for Election of Directors” specify that the composition of the board of directors shall be determined by taking diversity into consideration, and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- Basic requirements and values: Gender, age, nationality, and culture.
- Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the abilities that must be present in the board as a whole shall include: the ability to make judgments about operations; accounting and financial analysis ability; business management ability; crisis management ability; knowledge of the industry; an international market perspective; leadership ability; and decision-making ability.

2. Specific goals:

The company's board of directors guides the company's strategy, supervises the management, and is accountable to the company and shareholders. The operations and arrangements of its corporate governance system all play a role in ensuring that the board of directors exercises its powers in accordance with laws, regulations of the company's articles of association, or resolutions of the shareholders' meeting. Our company actively cooperates with the Financial Supervisory Commission to promote the 5 main objectives of the Company Governance 3.0 Sustainable Development Blueprint. The company has taken several steps to ensure good corporate governance. These include meeting the requirement that at least one-third of the total director seats be held by independent directors, appointing a corporate governance officer, obtaining director liability insurance, approving quarterly financial statements through the audit committee (starting in 2022), implementing electronic voting, and preparing and submitting a 2022 Sustainability Report from 2023 onwards. Additionally, according to regulatory policies, the company plans to appoint at least one female director during the comprehensive director election in 2025.

3. Achievement:

The proportion of directors with employee status is 43%. Currently, seven directors are all male, two directors are 40-45 years old, two are 56-60 years old, one is 65-70 years old, one is 71-75 years old, one is 76-80 years old, and one is 85-90 years old. The proportion of independent directors is 43%, and the tenure of the three independent directors is 4 to 8 years. Related implementation are as

below:

Core items of diversity Director's name	Basic composition								Industrial experience				Professional background/abilities						
	Nationality	Gender	Concurrently serving as the Company's employee	Age					Terms as an independent director	Securities	Insurance	Marketing	Business management	Plastic recycling and production	Accounting	Laws	Finance	Risk management	Plastic processing
				40-45	56-60	66-70	71-75	76-80	81-85										
Ting, Chin-Shan	The Philippines	Male	V				V					V	V	V					V
Ding Holding Limited (Representative: Ting, Chin-Kuang)	China	Male	V		V								V	V			V		
Chang, Hui-Chun	ROC	Male	V					V					V	V				V	
Chang, To-Chung	ROC	Male		V										V			V		
Li, Chun-Te	ROC	Male				V				V		V				V	V		
Li, Fan	ROC	Male			V						V					V	V		
Liao, Cheng-Pin	China	Male							V	V				V					V

On June 13, 2025, the Company re-elected seven directors and elected one independent female director, bringing the total number of female directors to 14% (1/7). However, the proportion of directors of either gender on the Board of Directors has not yet reached one-third. The reasons and improvement measures are as follows:

(I) Reasons for Not Reaching One-Third:

● The industry in which the Company operates has long been male-dominated, with a majority of senior management being male, resulting in a limited number of female

candidates qualified to serve as directors.

- During the director selection process, candidates' professional experience and industry background are primarily considered, with no specific gender ratio requirement set.

(II) Plans and Measures to Enhance Gender Diversity on the Board of Directors:

- Establish an internal talent development mechanism to prioritize the development of female senior executives with director potential, providing leadership training and internal promotion opportunities.

- When seeking external directors, prioritize candidates of different genders with professional backgrounds, such as those from industry associations, professional groups, and academic institutions.

- Regularly review the progress of Board diversity and disclose it publicly in the annual report.

- Set a target of achieving at least 30% female director representation by 2031.

(II) Independence of the board of directors:

1. The sixth Board of Directors of the Company consists of seven directors, three of whom are independent directors, accounting for 43%, and three directors are concurrent employees, accounting for 43%. All independent directors maintain independence when performing business, having no interest in the Company. They also serve as members of the Audit Committee. They are responsible for the fair presentation of the Company's financial statements, the selection (discharge) of CPAs and their independence and performance, the effective implementation of the Company's internal control, the Company's compliance with relevant laws and regulations, and fulfillment of the supervision duty.
2. There are two directors among the directors are relatives within the second degree of kinship, accounting for 29%. There is no spouse or relatives within the second degree of kinship among independent directors, or between independent directors and directors, complying with Article 26-3, paragraphs 3 and 4 of the Securities Exchange Act.

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3: Representatives of corporate directors.

Note 4: Independent Director

(II) Information on general managers, deputy general managers, assistant general managers, and officers of departments and branches

April 15, 2025; Unit: shares

Title	Nationality or place of registration	Name	Gender	Date elected or appointed	Shareholding.		Shareholding of spouse and minor children now		Shareholding in the name of others		Major Experience (Education)	Concurrent positions in other companies now	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage			Title	Name	Relationship with the endorser/guarantor	
Chairman	The Philippines	Ting, Chin-Shan	Male	June 2022	—	—	—	—	—	—	Department of Geological Exploration, Longyan University General manager, Sansda (Fujian) Plastic Co., Ltd.	Director, Ding Holding Limited Director, Sansda Holding Limited Director, Sansda (Hong Kong) Co., Ltd. Chairman, Sansda (Fujian) Plastic Co., Ltd.	General Manager	Ting, Chin-Kuang	Brother	—
Vice Chairman	ROC	Chang, Hui-Chun	Male	June 2016	—	—	—	—	—	—	Department of Business Administration, International Junior College of Business Chairman, Winco Co., Ltd. Vice Chairman, Zhang Zhou City Taiwanese Business Investment Association	Chairman, Ruyi Xiangzhuang Ltd., Chang-Tai County Chairman, Ruyi Entertainment Ltd., Chang-Tai County	Deputy general manager of Sales	Ting, Hua-Hsiung	Father/son in law	—
General Manager	China	Ting, Chin-Kuang	Male	December 2023	—	—	—	—	—	—	Chendai Minzu Middle School Procurement Manager, Sansda (Fujian) Plastic Co., Ltd. General Manager, Jin Fa Da (Fujian) Shoe Plastic Limited General Manager/ Wankaida Shoes Co., Ltd.	General Manager, Jin Fa Da (Fujian) Shoe Plastic Limited General Manager/ Wankaida Shoes Co., Ltd.	Chairman	Ting, Chin-Shan	Brother	—
General Manager, Sansda (Fujian)	The Philippines	Ting, Chih-Meng	Male	October 2014	—	—	—	—	—	—	Department of Business Administration, China University of Political Science and Law Business Administration, CEO Program, EMBA, National Tsing Hua University Special Assistant to Chairman and General manager of Brand Operation Center, Jin Fa Da (Fujian) Shoe Plastic Limited	General manager, Sansda (Fujian) Plastic Co., Ltd.	—	—	—	—
Deputy general manager of Sales, Sansda (Fujian)	The Philippines	Ting, Hua-Hsiung	Male	January 2006	—	—	—	—	—	—	Department of Marketing, Quanzhou Huaqiao University	—	Vice Chairman	Chang, Hui-Chun	Father/son in law	—
Deputy general manager of Procurement, Sansda (Fujian)	The Philippines	Ting, Chih-Wei	Male	July 2008	—	—	—	—	—	—	Department of Business Administration, Fuzhou University Sansda (Fujian) Plastic Co., Ltd. Manager, Procurement Department	—	—	—	—	—
Assistant VP, Finance and Accounting	ROC	Wang, Wei-Min	Male	September 2013	6	—	—	—	—	—	Department of Accounting, Chung Yuan Christian University Vice Manager, Deloitte Taiwan Finance Manager, Yang's Aquaculture, Shunde District, Foshan City Audit Manager, Asia Plastic Recycling Holding Limited	—	—	—	—	—
Assistant VP of Audit	ROC	Liang, Wei-Jie	Male	May 2015	—	—	—	—	—	—	Department of Accounting, Law and Business College, National Chung Hsing University Manager, Accounting Department, DTE Technologies Corp. Manager, Accounting Department, J touch Corporation	—	—	—	—	—

II. Remuneration for directors, supervisors, general managers and deputy general managers in the latest year

(1) The remunerations to directors (including independent directors)

Unit: NT\$ thousand, December 31, 2024

Unit: 10,000 New Taiwan Dollars

Title	Name	Directors' remuneration							A, B, C and D as a % of the net profits after tax	Remuneration for a concurrent position as an employee										A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from invested enterprises outside subsidiaries or from the parent company			
		Base remuneration (A)		Severance and pension (B)		Remuneration for directors (C)		Business execution expenses (D)		Salary, bonus, allowance (E)		Severance and pension (F)		Remuneration for employees (G)				Number of shares to be subscribed via the employee share subscription warrants (H)					Number of obtained new restricted employee shares (I)		
		All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	The Company		All companies in the financial statements		The Company	All companies in the financial statements	The Company		All companies in the financial statements		
															Cash bonus amount	Dividend bonus amount	Cash bonus amount	Dividend bonus amount							
Chairman	Ting, Chin-Shan	—	—	—	—	—	—	—	—	—	3,488	3,488	—	—	—	—	—	—	—	—	—	—	3,488 -0.85%	3,488 -0.85%	No
Director	Ding Holding Limited (Representative: Ting, Chin-Kuang)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	No
Director	Chang, Hui-Chun	—	—	—	—	—	—	89	89 -0.02%	89 -0.02%	—	—	—	—	—	—	—	—	—	—	—	—	89 -0.02%	89 -0.02%	No
Director	Chang, To-Chung	—	—	—	—	—	—	89	89 -0.02%	89 -0.02%	—	—	—	—	—	—	—	—	—	—	—	—	89 -0.02%	89 -0.02%	No
Independent Director	Li, Chun-Te	—	—	—	—	—	—	103	103 -0.03%	103 -0.03%	—	—	—	—	—	—	—	—	—	—	—	—	103 -0.03%	103 -0.03%	No
Independent Director	Li, Fan	—	—	—	—	—	—	103	103 -0.03%	103 -0.03%	—	—	—	—	—	—	—	—	—	—	—	—	103 -0.03%	103 -0.03%	No
Independent Director	Liao, Cheng-Pin	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	No
Except as disclosed above, the remuneration for the directors of the Company for providing services to all companies in the financial statements (such as serving as a non-employee consultant, etc.) in the most recent year: None. The independent director's remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure: the directors are only paid with the transportation subsidies, not linked to the operating performance and future risk exposure; meanwhile, pursuant to the Company's Articles of Incorporation, the Company recorded net loss after tax this year, and thus no directors' remunerations will be paid.																									

Note : The fourth term of directors were elected on June 15, 2016, and the Audit Committee was established to replace the supervisors' functions.

Director remuneration ranges

Remuneration ranges paid to each director of the Company	Director's name			
	Total amount of the first four remunerations (A+B+C+D)		Total amount of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All companies in the financial statements	The Company	All companies in the financial statements
Lower than 1,000,000	Ting, Chin-Shan, Ting, Chin-Kuang, Chang, Hui-Chun, Chang, To-Chung, Li, Chun-Te, Li Fan, Liao, Cheng-Pin	Ting, Chin-Shan, Ting, Chin-Kuang, Chang, Hui-Chun, Chang, To-Chung, Li, Chun-Te, Li Fan, Liao, Cheng-Pin	Ting, Chin-Kuang, Chang, Hui-Chun, Chang, To-Chung, Li, Chun-Te, Li Fan, Liao, Cheng-Pin	Ting, Chin-Kuang, Chang, Hui-Chun, Chang, To-Chung, Li, Chun-Te, Li Fan, Liao, Cheng-Pin
1,000,000(inclusive)~2,000,000	—	—	—	—
2,000,000(inclusive)~3,500,000	—	—	Ting, Chin-Shan	Ting, Chin-Shan
3,500,000(inclusive)~5,000,000	—	—	—	—
5,000,000(inclusive)~10,000,000	—	—	—	—
10,000,000(inclusive)~15,000,000	—	—	—	—
15,000,000(inclusive)~30,000,000	—	—	—	—
30,000,000(inclusive)~50,000,000	—	—	—	—
50,000,000(inclusive)~100,000,000	—	—	—	—
More than NT\$100,000,000	—	—	—	—
Total	9	9	9	9

- (2) Remunerations paid to the supervisors in the most recent year: not applicable, as the Company elected the fourth term of directors on June 15, 2016, and the Audit Committee was established to replace the supervisors' functions.

(3) Remuneration paid to the General Manager and Deputy General Manager in the most recent year

Unit: NT\$ thousand, December 31, 2024

Unit: NT\$ thousand, December 31, 2021

Title	Name	Salary (A)		Retirement pay and pension (B)		Bonus and allowance (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Employee stock options obtained		Number of obtained new restricted employee shares		Remuneration from invested enterprises outside subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	
								Cash bonus amount	Dividend bonus amount	Cash bonus amount	Dividend bonus amount							
Chairman	Ting, Chin-Shan	3,488	3,488	—	—	—	—	—	—	—	—	3,488 -0.85%	3,488 -0.85%	—	—	—	—	No
General Manager	Ting, Chin-Kuang	1,157	1,157	—	—	—	—	—	—	—	—	1,157 -0.28%	1,157 -0.28%	—	—	—	—	No
General Manager, Fujian Sansda	Ting, Chih-Meng	1,600	1,600	—	—	125	125	—	—	—	—	1,725 -0.42%	1,725 -0.42%	—	—	—	—	No
Deputy general manager of Sales, Sansda (Fujian)	Ting, Hua-Hsiung	1,345	1,345	—	—	353	353	—	—	—	—	1,698 -0.41%	1,698 -0.41%	—	—	—	—	No
Deputy general manager of Procurement, Sansda (Fujian)	Ting, Chih-Wei	1,600	1,600	—	—	125	125	—	—	—	—	1,725 -0.42%	1,725 -0.42%	—	—	—	—	No
Assistant VP, Finance and Accounting	Wang, Wei-Min	1,402	1,402	—	—	117	117	—	—	—	—	1,519 -0.37%	1,519 -0.37%	—	—	—	—	No
Assistant VP of Audit	Liang, Weh-Jie	1,262	1,262	—	—	105	105	—	—	—	—	1,367 -0.33%	1,367 -0.33%	—	—	—	—	No

Remuneration ranges for the general managers and deputy general managers

Remuneration ranges paid to each General Manager and Deputy General Manager of the Company	Name of general manager or deputy general manager	
	The Company	All companies in the financial statements
Lower than 1,000,000	–	–
1,000,000(inclusive)~2,000,000	Ting, Chin-Kuang , Ting, Chih-Meng ,Ting, Hua-Hsiung, Ting, Chih-Wei, Wang, Wei-Min, Liang, Wen-Chieh	Ting, Chin-Kuang , Ting, Chih-Meng ,Ting, Hua-Hsiung, Ting, Chih-Wei, Wang, Wei-Min, Liang, Wen-Chieh
2,000,000(inclusive)~3,500,000	Ting, Chin-Shan	Ting, Chin-Shan
3,500,000(inclusive)~5,000,000	–	–
5,000,000(inclusive)~10,000,000	–	–
10,000,000(inclusive)~15,000,000	–	–
15,000,000(inclusive)~30,000,000	–	–
30,000,000(inclusive)~50,000,000	–	–
50,000,000(inclusive)~100,000,000	–	–
More than NT\$100,000,000	–	–
Total	Seven	Seven

(4) The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution for the most recent year

Expressed in Thousands of NTD

Title	Name	Amount of share remuneration	Amount of cash remuneration	Total	Total amount as a % of the net profits after tax (%)
Chairman (Note2)	Ting, Chin-Shan	-	-	-	-
General Manager	Ting, Chin-Kuang				
General manager of Procurement, Sansda (Fujian)	Ting, Chih-Meng				
Deputy general manager of Sales, Sansda (Fujian)	Ting, Hua-Hsiung				
Deputy general manager of Procurement, Sansda (Fujian)	Ting, Chih-Wei				
Assistant VP, Finance and Accounting	Wang, Wei-Min				
Assistant VP of Audit	Liang, Weh-Jie				

Note 1: There is a loss in 2024; pursuant to the Company's Articles of Incorporation, no employees' remunerations will be provided.

(5) Remuneration paid to each of its top five management personnel of TWSE or the TPEx listed companies:

Unit: NT\$ thousand, December 31, 2024

Title	Name	Salary (A)		Retirement pay and pension (B)		Bonus and allowance (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from invested enterprises outside subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash bonus amount	Dividend bonus amount	Cash bonus amount	Dividend bonus amount			
Chairman	Ting, Chin-Shan	3,488	3,488	—	—	—	—	—	—	—	—	3,488 -0.85%	3,488 -0.85%	No
General manager of Procurement, Sansda (Fujian)	Ting, Chih-Meng	1,600	1,600	—	—	125	125	—	—	—	—	1,725 -0.42%	1,725 -0.42%	No
Deputy general manager of Sales, Sansda (Fujian)	Ting, Hua-Hsiung	1,345	1,345	—	—	353	353	—	—	—	—	1,698 -0.41%	1,698 -0.41%	No
Deputy general manager of Procurement, Sansda (Fujian)	Ting, Chih-Wei	1,600	1,600	—	—	125	125	—	—	—	—	1,725 -0.42%	1,725 -0.42%	No
Assistant VP, Finance and Accounting	Wang, Wei-Min	1,402	1,402	—	—	117	117	—	—	—	—	1,519 -0.37%	1,519 -0.37%	No

(IV) Compare and describe the total remuneration paid to directors, supervisors, general managers, and deputy general managers in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profits after tax, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Analysis of the total remuneration paid to the Company's directors, supervisors, general manager and deputy general manager as a percentage of net income after tax in the parent-only or consolidated financial reports for the last two years by the Company and all companies in the consolidated financial statements:

Expressed in Thousands of NTD

Item	2023				2024			
	Individual remuneration (Note)		Consolidated remuneration		Individual remuneration (Note)		Consolidated remuneration	
	Amount	%	Amount	%	Amount	%	Amount	%
Director	-	-	3,719	-0.91	-	-	3,872	-0.95
Supervisor	-	-	-	-	-	-	-	-
General manager and deputy general manager	-	-	12,089	-2.95	-	-	12,679	-3.08

Note: The Company only prepares the consolidated financial reports of the parent and subsidiaries, and thus this is not applicable.

2. The policy, criteria and composition for the payment of remuneration, the procedures for setting remuneration, and the correlation with operating performance and future risks:

- I. Remuneration policy, standards, and package

1. Pursuant to Article 65 of the Company's Articles of Incorporation, directors' remuneration may vary, and regardless of the Company's profit or loss, the remuneration may be paid annually based on the following factors: (a) the extent of their participation in the Company's operations; (b) the value of their contribution to the Company; (c) with reference to the normal level of the peers; and (d) other relevant factors. Pursuant to Article 105 of the Articles of Incorporation, if the Company has made profits in the current year during the listing period, at least 2% shall be withdrawn as the employee remuneration (unless otherwise specified in Cayman decree or listing (OTC) rules, qualification of those employees shall be determined by the Board of Directors), which shall be distributed to the employees of the Company and (or) subsidiaries by issuing new shares and/or cash, and no higher than 1% shall be withdrawn as the director remuneration and shall be distributed to various directors, provided that at least two-thirds of directors of the Board present and more than half of directors have adopted the resolution. The Company regularly evaluates the remunerations of directors based on the "Rules for Performance

Evaluation of Board of Directors.” The relevant performance appraisal and the reasonableness of remuneration are reviewed by the Remuneration Committee and the Board.

2. For the remunerations to the Company's managerial officers and employees, the work compensations and bonuses are clearly stipulated pursuant to the Company's human resources management manual to demonstrate compassion and reward employees for their hard work. Relevant bonuses are also assessed and paid depending on the Company's annual operating performance, financial status, operational status and personal work performance; in addition, if the Company makes profits for a year, pursuant to Article 105 of the Company's Articles of Incorporation, no less than 2% shall be provided as employees' remuneration. The reference to disburse the bonus to managerial officers and employees is based on the results of performance evaluation conducted pursuant to the HR Management Manual, which are based on the overall consideration of the participation in the Company's operation and performance, as well as the three major aspects, including the implementation of the Company's core values and operational management ability for 40% (the measurements include ethics and integrity, practice of the Company's business philosophy, corporate culture, demonstrating leadership and management capabilities); financial and business performance indicators for 40% (the measurements include profitability, growth rate, market leadership, and product quality), and other special contributions or major negative events account for 20% (other special contributions such as the Company's acquires international certification or awards; major negative events such as major negative news, or improper internal management); these are included in performance evaluation and remuneration considerations. The remuneration system is subject to timely review depending on the actual operations and related laws and regulations.

3. The package of the Company's remuneration is determined pursuant to the Remuneration Committee Charter, including cash compensation, subscription warrant, share bonus, retirement benefits or severance pay, various allowances, and other measures with substantial incentives; its scope shall be identical to the remunerations of directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies of Taiwan.

II. Procedures for determining remuneration

1. To evaluate the remunerations of directors and managerial officers periodically, the appraisal results pursuant to the Rules for Performance Evaluation of Board of Directors and the human resources management manual applicable to managerial officers and employees serve as the basis.

2. In 2024, the self-evaluation results for the performance of the Board of Directors, Board members, and members of each functional committee were all excellent. However, in recent years, the Company has been affected by China-

US trade war and weak demand, and has continued to make losses, so it has not been provided and distributed directors' remunerations.

3. The relevant performance appraisals and remuneration reasonableness of the Company's directors and managerial officers are regularly evaluated and reviewed by the Remuneration Committee and the Board every year. In addition to referring to the personal performance achievement rate and contribution to the Company, it also considers the Company's overall operating performance, the future risks and development trends of the industry, while reviewing the remuneration system depending on the actual operating conditions and relevant laws and regulations any time. After comprehensively considering the current corporate governance trends, reasonable remunerations will be given to achieve a balance between the Company's sustainable operation and risk control.

III. Linkage to operating performance and future risk exposure

1. The review of the payment standards and system related to the Company's remuneration policy takes the overall operation of the Company as the main consideration, and determines the payment standard based on the performance achievement rate and contribution in order to improve the overall organizational effectiveness of the Board of Directors and managers. Additionally, it also refers to industry remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry, to retain excellent management talents.

2. The performance goals of the Company's managerial officers are integrated with risk control to ensure that possible risks within the scope of duties can be managed and prevented, and the results of ratings based on actual performance are linked to relevant human resources and related remuneration policies. The important decisions of the Company's management are made after comprehensive considerations of various risk factors. The performance of relevant decisions reflects the Company's profit situation, and thus links the remunerations of the management with the performance of risk control.

III. Implementation of corporate governance

(I) The operation of the board of directors

The board of directors convened 5 meetings in 2024. The attendance of the directors is described below:

Title	Name	Actual number of attendances (B)	Number of attendance by proxy	Attendance in person (%) [B/A]	Remarks
Chairman	Ting, Chin-Shan	5		100.00	
Director	Ding Holding Ltd (Representative: Ting, Chin-Kuang)	5		100.00	
Director	Chang, Hui-Chun	5		100.00	
Director	Chang, To-Chung	5		100.00	
Independent Director	Li, Chun-Te	5		100.00	
Independent Director	Li, Fan	5		100.00	
Independent Director	Liao, Cheng-Pin	5		100.00	

Other matters required to be recorded.

- I. If the operation of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described: The Company has established the Audit Committee and thus Article 14-3 of the Securities and Exchange Act is not applicable; meanwhile, there as no independent director expressing objection or qualified opinions to the board's resolutions.
 - 1) Matters addressed in Article 14-3 of the Securities and Exchange Act:
 - 2) In addition to the previous matters, other board meeting resolutions have been opposed or reserved by independent directors with records or written statements.
- II. In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated:
 - (I) Board of Directors meeting on November 11, 2024

Agenda: Proposal for the sale of 100% equity of the subsidiary, Fujian Sansda Recycling Co., Ltd. (hereinafter referred to as Sansda Recycling Limited).

Directors recused due to conflict of interest: Ting, Chin-Shan, representative appointed by Ding Holding LTD, Ting, Chin-Kuang.

Reason for recusal and vote participation: Except for Director Ting, Chin-Shan and the representative appointed by Ding Holding LTD (Ting, Chin-Kuang), who did not participate in the discussion or vote, the remaining directors unanimously passed the resolution according to Article 206 of the Company Act.
- III. Listed companies should disclose information on the periodicity and duration, scope, method and content of the self-evaluation (or peer evaluation) by the board of directors:

Evaluation frequency	Once a year			
Evaluation duration	January 1, 2024 to December 31, 2024			
Evaluation scope	Board of directors	Board members	Audit Committee	Remuneration Committee
Evaluation method	Internal Self-Evaluation of the Board of Directors	Board members	Peer Evaluation	
Evaluation content	1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; 5. Internal control	1. Alignment of the Company's objectives and tasks; 2. Perception of directors' responsibilities; 3. Participation in the operation of the company; 4. Internal relationship management and communication; 5. Professionalism and continuing education of directors; 6. Internal control	1. Participation in the operation of the company; 2. Awareness of the duties of the Audit Committee; 3. Improvement of quality of decisions made by the Audit Committee; 4. Makeup of the Audit Committee and election of its members; 5. Internal control	1. Participation in the operation of the company; 2. Awareness of the duties of the Remuneration Committee; 3. Improvement of quality of decisions made by the Remuneration Committee; 4. Makeup of the Remuneration Committee and election of its members; 5. Internal control
Evaluation score	94	96	100	100
Evaluation results	1. The evaluation results were all excellent, and the overall operation is functioning well. 2. The Board of Directors and functional committees have effectively fulfilled their respective roles, with board members leveraging their expertise and diligently performing their duties. 3. The implementation status of the above performance evaluations for the year 2024 will be reported to the Board of Directors on March 10, 2025.			

- IV. Evaluation of the objective for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and its implementation in the current year and the most recent year:
- (I) The Company has established the Audit Committee in 2016. Please refer to the Audit Committee Operation for the implementation.
- (II) For the outcome of the 11th Corporate Governance Evaluation, the Company was ranked at the first 60%~80% range of the public companies. In the future, the Company will disclose the related information on the official website and the website designated by the competent authority to improve the information transparency.

Conduct the training sessions for directors and supervisors, and encourage directors, supervisors, and managerial officers to attend the corporate governance education:

The 2024 continuing education of the directors is as below:

Title	Name	Date of session	Course organizer	Course name	Hours of session
Chairman	Ting, Chin-Shan	December 20, 2024	Taiwan Corporate Governance Association	Digital era corporate performance management: Performance reward strategy and application of tools	3
				Concept and practice of information security governance	3
Director	Ding Holding Ltd	December 20, 2024	Taiwan Corporate Governance Association	Digital era corporate performance management: Performance reward strategy and application of tools	3
				Concept and practice of information security governance	3
				Digital era corporate performance management: Performance reward strategy and application of tools	3
Director	Chang, Hui-Chun	December 20, 2024	Taiwan Corporate Governance Association	Concept and practice of information security governance	3
				Digital era corporate performance	3

				management: Performance reward strategy and application of tools	
Director	Chang, To- Chung	December 20, 2024	Taiwan Corporate Governance Association	Concept and practice of information security governance	3
				2024 Insider Trading Prevention Educational Seminar	3
Independent Director	Li, Chun-Te	October 4 2024	Securities and Futures Institute	Latest practice and development of insider trading prevention and response measures in Taiwan (including gender equality)	3
		November 13 2024	Securities and Futures Institute	Digital era corporate performance management: Performance reward strategy and application of tools	3
		December 20, 2024	Taiwan Corporate Governance Association	Concept and practice of information security governance	3
Independent Director	Li, Fan	December 20, 2024	Taiwan Corporate Governance Association	Digital era corporate performance management: Performance reward strategy and application of tools	3
				Concept and practice of information security governance	3
Independent Director	Liao, Cheng- Pin	December 20, 2024	Taiwan Corporate Governance Association	Digital era corporate performance management: Performance reward strategy and application of tools	3
				Concept and practice of information security governance	3

(II) Operation of the Audit Committee or supervisors' participation in the board of directors

The Audit Committee's participations in the board of directors in 2024 are listed as below:

The Audit Committee convened 5 meetings (A) in 2024. The attendance of the independent directors is described below:

Title	Name	Number of attendance in person (B)	Attendance in person (%) [B/A]	Remarks
Independent Director	Li, Chun-Te	5	100.00	
Independent Director	Li, Fan	5	100.00	
Independent Director	Liao, Cheng-Pin	5	100.00	

The Audit Committee consists of three independent directors; the Committee aims to help the board of directors to fulfill the supervisory duties for implementing the quality and reliability regarding accounting, auditing, financial reporting process and financial control. The professional qualifications and experiences of the members are as follows:

Criteria Name	Professional qualifications and experience
Li, Chun-Te	1. Education: Bachelor, Department of Business Administration, Soochow University, Master of Business Administration, National Chengchi University, PhD, Economics, Fujian Normal University 2. Current position: CFO, Wayi International Digital Entertainment Co., Ltd.; Independent Director of TOPLUS GLOBAL CO., LTD. 3. Experience: Chief, Department of Planning, Financial Supervisory Commission, Executive Yuan; Counselor, Financial Supervisory Commission, Executive Yuan; Deputy general manager, the Motor Vehicle Accident Compensation Fund 4. Expertise: Insurance; Accounting; Laws 5. Serving as the convener of the Audit Committee and member of the Remuneration Committee 6. At least 5 years of possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.

Li, Fan	1. Education: Department of Accounting, Tunghai University 2. Current position: Deputy general manager for Finance, Bin Chuan Enterprise Co., Ltd.; Director of Bin Chuan Enterprise Co., Ltd. 3. Experience: Team leader, Deloitte Taiwan; Vice Manager, Underwriting Department, Fubon Securities Co., Ltd. 4. Expertise: Securities; accounting; laws 5. Serving as the member of the Audit Committee and convener of the Remuneration Committee 6. At least 5 years of possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.
Liao, Cheng-Pin	1. Education: Department of Physics, Chengdu University 2. Current position: Honorary Chairman, China Plastics Processing Industry Association 3. Experience: Vice Chief, Office of Plastic, China National Light Industry Council; Vice Chairman and Chief Secretary, China Plastics Processing Industry Association; President, China Plastics Processing Industry Association; Member of Review Panel, National Office for Science & Technology Awards 4. Expertise: Plastic recycling and production; plastic processing 5. Serving as the member of the Audit Committee and member of the Remuneration Committee 6. At least 5 years of possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.

In 2024, the Audit Committee convened 5 meetings. The key tasks are summarized as follows:

- Major deliberations

1. Audit of financial statements, and accounting policies and procedures.
2. Internal Control System and Related Policies, Procedures, and Methods, Evaluation of Internal Control Effectiveness, and Annual Audit Plan.
3. Responsibilities for pre-sale and performance guarantee of industrial park.
4. Bookkeeping write-off by the group's subsidiaries.
5. Proposal for sale of 100% equity of the subsidiary, Fujian Sansda Recycling Limited
6. Compliance.
7. Qualifications, independence, and performance appraisal of CPAs.
8. The hiring or dismissal of a CPA, or their compensation.
9. Fulfillment of the Audit Committee's duties.

- Review financial reports

The Board of Directors have prepared the 2024 business report, consolidated financial statements, and deficit compensation proposal; of which, the consolidated financial statements were audited by Candor Taiwan CPAs, with the independent auditor's report presented. The Audit Committee has reviewed the said business reports, consolidated financial statements and deficit compensation proposal; no inconsistency is found.

- Assessment of the effectiveness of the internal control system.

The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system (including control measures of finance, operation, risk management, information security, outsourcing, and legal compliance), and reviews the regular reports from the Company's audit department, CPAs, and management, including risk

management and compliance. Referring to the internal control system - the integrated framework of internal control issued by COSO in 2013, the Audit Committee believes that the Company's risk management and internal control systems are effective, and the Company has adopted necessary control mechanisms to monitor and correct violations.

● Appointment of attesting CPAs

The Audit Committee is entrusted with the responsibility of overseeing the independence of the Certified Public Accountants to ensure the impartiality of the financial statements. Generally speaking, except for tax-related services or items specially approved, the attesting accounting firm shall not provide other services to the Company. All services provided by the attesting accounting firm must be approved by the Audit Committee.

The 13th meeting of the Audit Committee of the 3rd term on December 20, 2024, and 14th Board meeting of the 6th term on December 20, 2024, approved to re-appoint CPAs, Lin, Chao-Min and Shih, Dai-Ping, from Candor Taiwan as the attesting CPAs and their 2025 professional service fees. Both of them meet the independence assessment standards, and are sufficient to serve as the Company's financial attesting public accountants.

Other matters required to be recorded.

I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

- 1) Matters addressed in Article 14-5 of the Securities and Exchange Act.
- 2) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors.

Audit Committee	Description of proposal	Dissenting or qualified opinion or significant recommendation of the independent directors	Matters listed in Paragraph 14-5 of the Securities and Exchange Act	Resolutions are not approved by the Audit Committee but agreed by more than two-thirds of all directors
9th meeting of the 3rd term March 6, 2024	1. The 2023 business report and consolidated financial report	None such circumstance	V	None such circumstance
	2. Proposal for 2023 deficit compensation of the Company	None such circumstance	V	None such circumstance
	3. Approval of the assessment for the effectiveness of the internal control system of the Company and the subsidiaries of Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and issuance of the Statement of Internal Control System	None such circumstance	V	None such circumstance
	Resolutions of the Audit Committee (March 6, 2024): Approved by all members of the Audit Committee.			
	The Company's handling of the Audit Committee members' opinions: approved by all attending directors			

	10th meeting of the 3rd term May 6, 2024	1. The consolidated financial report for Q1 2024.	None such circumstance	V	None such circumstance	
		2. Proposal of supplementary instructions for private placement of cash capital increase and ordinary share issuance	None such circumstance	V	None such circumstance	
		Resolutions of the Audit Committee (May 6, 2024): Approved by all members of the Audit Committee.				None such circumstance
		The Company's handling of the Audit Committee members' opinions: Not applicable, as the proposal was approved by all Audit Committee members.				
	11th meeting of the 3rd term August 21, 2024	1. The consolidated financial report for the first half of 2024	None such circumstance	V	None such circumstance	
		2. Proposal for the Company's 2023 Sustainability Report	None such circumstance	V	None such circumstance	
		3. Amendments to the Company's "Rules of Procedure for Shareholders' Meetings"	None such circumstance	V	None such circumstance	
		4. Amendments to the Company's "Audit Committee Charter"	None such circumstance	V	None such circumstance	
		5. Amendments to the "Procedures for Acquisition or Disposal of Assets" of the subsidiary in Fujian	None such circumstance	V	None such circumstance	
		Resolutions of the Audit Committee (August 21, 2024): Approved by all members of the Audit Committee.				
		The Company's handling of the Audit Committee members' opinions: Not applicable, as the proposal was approved by all Audit Committee members.				
	12th meeting of the 3rd term November 11, 2024	1. The consolidated financial report for Q3 2024.	None such circumstance	V	None such circumstance	
		2. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.	None such circumstance	V	None such circumstance	
		3 Approved the accounts write-off of the Group's subsidiaries, Sansda (Hong Kong) Co., Ltd. and Fujian Sansda Recycling Limited	None such circumstance	V	None such circumstance	
		4. Proposal for sale of 100% of the equity of the subsidiary, Fujian Sansda Recycling Limited	None such circumstance	V	None such circumstance	
		5. Approved the accounts write-off of	None such circumstance	V	None such circumstance	

		the Group's subsidiaries, Sansda (Hong Kong) Trading Co., Ltd. and Sansda (Fujian) Plastic Co., Ltd.				
		6. Proposal for cancellation of registration of the subsidiary, Sansda (Hong Kong) Trading Co., Ltd.	None such circumstance	V	None such circumstance	
		Resolutions of the Audit Committee (November 11, 2024): Approved by all members of the Audit Committee.				None such circumstance
		The Company's handling of the Audit Committee members' opinions: Not applicable, as the proposal was approved by all Audit Committee members.				
	13th meeting of the 3rd term December 20, 2024	1. Proposal for formulation of the Company's Enforcement Rules for Sustainability Information Management and Internal Audit Thereof, and amendments to the internal audit system	None such circumstance	V	None such circumstance	
		2. Amendments to the Enforcement Rules for the Internal Control System and Internal Audit Thereof of the subsidiary in Fujian	None such circumstance	V	None such circumstance	
		3. Amendments to the "Corporate Governance Best Practice Principles."	None such circumstance	V	None such circumstance	
		4. Proposal to formulate the 2025 audit plan for the Company and the subsidiary, Sansda (Fujian) Plastic Co., Ltd.	None such circumstance	V	None such circumstance	
		5. Proposal to approve the 2025 service fee of the CPAs, the assessment of the independence of the CPAs, and the non-assurance services of Candor Taiwan CPAs	None such circumstance	V	None such circumstance	
		6. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.	None such circumstance	V	None such circumstance	
		Resolutions of the Audit Committee (December 20, 2024): Approved by all members of the Audit Committee.				None such circumstance

	The Company’s handling of the Audit Committee members’ opinions: Not applicable, as the proposal was approved by all Audit Committee members.				None such circumstance
14th meeting of the 3rd term March 10, 2025	1. Approved the 2024 business report and consolidated financial report	None such circumstance	V	None such circumstance	
	2. The proposal of 2024 deficit compensation.	None such circumstance	V	None such circumstance	
	3. Approved the assessment for the effectiveness of the internal control system in the Company, and the subsidiaries including Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and presentation of the Statement of Internal Control System.	None such circumstance	V	None such circumstance	
	4. Formulated the proposal to amend the Company’s “Articles of Incorporation.”	None such circumstance	V	None such circumstance	
	5. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.	None such circumstance	V	None such circumstance	
	Resolutions of the Audit Committee (March 10, 2025): Approved by all members of the Audit Committee.				None such circumstance
	The Company’s handling of the Audit Committee members’ opinions: Not applicable, as the proposal was approved by all Audit Committee members.				None such circumstance
15th meeting of the 3rd term April 30, 2025	1. Approved the proposal not to execute the cash capital increase by private placement with issuance of common shares approved by the general shareholders’ meeting on June 14, 2024	None such circumstance	V	None such circumstance	
	2. Proposal for the Supplementary Explanation on the Private Placement of Cash Capital to Issue Common Stock.	None such circumstance	V	None such circumstance	
	Resolutions of the Audit Committee (May 6, 2024): Approved by all members of the Audit Committee.				
	The Company’s handling of the Audit Committee members’ opinions: Not applicable, as the proposal was approved by all Audit Committee members.				
16th meeting of	1. The consolidated financial report for Q1 2025.	None such circumstance	V	None such circumstance	

the 3rd term May 8, 2025	2. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.	None such circumstance	V	None such circumstance	
	Resolutions of the Audit Committee (May 6, 2024): Approved by all members of the Audit Committee.				None such circumstance
	The Company’s handling of the Audit Committee members’ opinions: Not applicable, as the proposal was approved by all Audit Committee members.				
II. In the implementation of an independent director’s recusal for being an interested party in a proposal, the independent director’s name, the proposal content, the recusal reasons and his or her participation in voting should be stated: No such situation.					
III. Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):					
1. Policies communicated:					
(1) The Audit Committee and the CPAs meet regularly at least once a year. The CPAs report to the Audit Committee on the Company's financial status, the financial and overall operation of domestic and overseas subsidiaries, and the audit over their internal control, as well as whether there is major entry adjustment, or any legal amendment impacting accounting for sufficient communication. Meetings may be convened at any time in case of major abnormalities.					
(2) The Audit Committee commissions CPAs to audit the financial statements of the Company, and issues an auditors’ report to the Audit Committee for consideration.					
(3) The internal audit officer and the Audit Committee meet regularly at least every quarter, to report on the Company's annual audit plan, internal audit execution status, and internal control operations. Meetings may be convened at any time in case of major abnormalities.					
2. Summary of the communications between the Audit Committee and the CPAs in the past:					
	Elected or appointed	Emphasis of communication		Opinions of the Audit Committee and follow-up	
	March 6, 2024	1. The accountants report and explain to the Audit Committee the key audit items and report contents of the 2023 consolidated financial report, and reply to the questions raised by the members. 2. CPAs reported on the 2023 internal control audit.		Not applicable.	
	March 10, 2025	1. The accountants report and explain to the Audit Committee the key audit items and report contents of the 2024 consolidated financial report, and reply to the questions raised by the members. 2. CPAs reported on the 2024 internal control audit.		Not applicable.	
3. Summary of the communications between the Audit Committee and the internal audit supervisors in the past:					
	Elected or appointed	Emphasis of communication		Opinions of the Audit Committee and follow-up	
	March 6, 2024	1. Report on the audit plan implementation at the		Not applicable.	

		parent and subsidiaries. 2. Report on the 2023 CPAs' audit on the internal control. 3. Approved the 2023 assessment for the effectiveness of the internal control system in the Company, and the subsidiaries including Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and presentation of the Statement of Internal Control System	
	May 6, 2024	Report on the audit plan implementation at the parent and subsidiaries.	Not applicable.
	August 21, 2024	Report on the audit plan implementation at the parent and subsidiaries.	Not applicable.
	November 11, 2024	Report on the audit plan implementation at the parent and subsidiaries.	Not applicable.
	December 20, 2024	Report on the 2025 annual audit plans for the Company and its subsidiaries, Sansda (Fujian).	Not applicable.
	March 10, 2025	1. Report on the audit plan implementation at the parent and subsidiaries. 2. Report on the 2024 CPAs' audit on the internal control 3. Approved the 2024 assessment for the effectiveness of the internal control system in the Company, and the subsidiaries including Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and presentation of the Statement of Internal Control System	Not applicable.
	May 8, 2025	Report on the audit plan implementation at the parent and subsidiaries.	Not applicable.

(III) The Company's implementation of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reason

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?"	V		The Company has formulated a set of "Corporate Governance Best Practice Principles" and disclosed it on the Market Observation Post System and the Company website.	No significant difference.
II. The Company's equity structure and shareholder equity				
(I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes, litigations, and implemented them according to the procedures?		V	The Company has not specified operating procedures, and litigations are handled by the spokesperson or acting spokesperson currently. The Taiwan office is responsible for communication on shareholder service. The 12th board meeting of the 5th term on May 12, 2021 approved to appoint the Head of Accounting, Mr. Wang, Wei-Min to concurrently serve as the corporate governance officer, and he may reflect shareholders' opinions any time to the senior management.	No significant difference.
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		Currently, the Company has appointed the dedicated personnel to manage relevant information, so it is able to grasp the major shareholders who actually control the Company and the list of the ultimate controllers of the major shareholders.	No significant difference.
(III) Has the Company established and implemented risk control and firewall	V		The Company has formulated the "Regulations Governing the Intercompany Financial and Business	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
mechanisms between affiliated companies?			Operations between Affiliates of the Company" and disclosed it on the MOPS and the Company's website. The Regulations clear define the operation, business and financial dealings with affiliates, which have achieved the risk control mechanism.	
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		1. The Company has prescribed the "Ethical Corporate Management Best Practice Principles", "Procedures for Handling Material Inside Information", and "Operational Procedures for Prevention of Insider Trading" to stipulate the matters that insiders should observe. 2. The Company conducts education and promotion, at least once a year, for current directors, managers and employees, on the "Operational Procedures for Prevention of Insider Trading", "Procedures for Handling Material Inside Information", and related laws and regulations. For the new directors and managerial officers, the trainings are scheduled within three months of being onboard. The new employees will be educated and promoted by HR during orientations. 3. The Company conducts at least two hours of education and promotion for the incumbent directors, managerial officers and employees every year. The course content includes material information and confidentiality operation, the	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			reasons for the formation of insider trading and the recognition process and example explanations, the scope of internal material information, confidentiality operation, disclosure operations, and treatment of violations; the presentation and video-audio files are placed on the Company's internal website for reference by all employees, and the implementation of the prevention of insider trading is disclosed on the Company's website every year.	
III. Composition and responsibilities of the Board of Directors				
((I) Does the board of directors formulate diversified policies, and specific management objectives and implementation?	V		1. The Company has approved the amendment to the “Corporate Governance Best Practice Principles” in the 14th meeting, the Board of the 6th term on December 20, 2024. In Chapter 3, “Strengthening the Power of the Board of Directors”, the diversity guidelines were prescribed. The nomination and election of the board members, comply with the provisions of the Company's Articles of Incorporation. The nomination system of candidates shall be adopted for the election of any director. Other than evaluating the qualifications such as education and experience of each candidate, the opinions of stakeholders shall be taken into account, and the "Procedures for	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			Election of Directors" and "Corporate Governance Best Practice Principles" were complied with, to ensure the diversity and independence of directors. 2. Currently, the Company's board consists of seven directors (including three independent directors), with rich experience and expertise in accounting, legal, business administration, and plastics. The professional qualification and diversity policy of the Board of Directors, and the implementation thereof, please refer to pages 8-12 of the annual report. 3. The diversity policy regarding the board's composition is disclosed on the official website and MOPS.	
(II) Does the Company voluntarily establish functional committees other than the Remuneration Committee and the Audit Committee?		V	The Company establishes the Remuneration Committee and the Audit Committee as required by laws; for other functional committee, the board of directors will authorize the establishment when required.	No significant difference.
(III) Does the Company formulate a performance evaluation method for the Board of Directors, conduct performance evaluation annually and regularly, and report the performance evaluation results to the Board of Directors and apply it as a reference for the	V		The Company's Board of Directors approved the "Rules for Self-Evaluation or Peer Evaluation of the Board of Directors" on August 13, 2016. On November 10, 2020, the Board of Directors has passed the amendment to change the name to the "Rules for Performance Evaluation of Board of Directors". The	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
consideration of remuneration and nomination of each director?			Board of Directors shall conduct the performance evaluation of the Board of Directors, the members of the Board of Directors, the Remuneration Committee, and the Audit Committee at least once a year. The scope, methods, and procedures of the internal evaluation shall be implemented in accordance with the regulations at the end of each year. The measurement items for the performance evaluation of the Board include the following five aspects: 1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors; 5. Internal control The measurement items for the performance evaluation of the Board members include the following aspects: 1. Alignment of the Company's objectives and tasks; 2. Perception of directors' responsibilities; 3. Participation in the operation of the company; 4. Internal relationship management and communication; 5. Professionalism and continuing education of directors; 6. Internal control The measurement items for the performance evaluation	

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			of the Audit Committee include the following aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the Audit Committee; 3. Improvement of quality of decisions made by the Audit Committee; 4. Makeup of the Audit Committee and election of its members; 5. Internal control The measurement items for the performance evaluation of the Remuneration Committee include the following aspects: 1. Participation in the operation of the company; 2. Awareness of the duties of the Remuneration Committee; 3. Improvement of quality of decisions made by the Remuneration Committee; 4. Makeup of the Remuneration Committee and election of its members; 5. Internal control The evaluation is conducted by the Comprehensive Administration Department and the secretary of the Board, by adopting the internal questionnaires. For the four parts including the Board of Directors' operation, director's participation, operation of the Remuneration Committee and operation of the Audit Committee, the directors evaluate of the Board's operation, their own	

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			participation; the Remuneration Committee members evaluate the operation of the committee, and the Audit Committee members evaluate the operation of the committee. The above-mentioned performance evaluation results will be used as a reference when selecting or nominating directors, and the performance evaluation results of directors and functional committee members will be used as a reference for determining their individual remuneration. After all the questionnaires are collected in January every year, the Company's Comprehensive Administration Department and the secretary of the Board will analyze based on the method previously mentioned, and report the results to the board of directors, and with approaches for improvement are proposed based on the directors' suggestions. The Company completed the 2024 performance evaluations for the overall Board, each Board member, and each functional committee in January 2025; in the Board meeting on March 10, 2025, the evaluation outcomes and the directions for the continual enhancement in 2022 were reported. The evaluation results of this year please refer to pages 23 of the annual report. Suggestions and improvement actions for the Board of Directors and functional committees are as follows:	

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			1. Board of Directors: a. The evaluation result is 94 points, which is good. b. Suggestions for improvement of directors: According to the “Corporate Sustainability Action Plan for TWSE (TPEX) Listed Companies” issued by the Financial Supervisory Commission (FSC), starting in 2024, TWSE- (TPEX)-listed companies must appoint at least one female director upon the expiration of the term of the Board of Directors. The Company currently has no female director. It is recommended that the company select at least one female director when the Board of Directors is fully re-elected in the next term. c. Improvement plan: The Company will undergo a full Board election in 2025, at which time at least one female director shall be selected. 2. Remuneration Committee a. The evaluation result is 100 points, which is good. b. No suggestion is furnished by members 3. Audit Committee: a. The evaluation result is 100 points, which is good. b. Suggestions for improvement of the directors: No suggestions were made by the committee at this time.	

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
(IV). Does the Company regularly evaluate the independence of the attesting CPAs?	V		The Audit Committee of the Company evaluates the independence and competence of the Company's CPAs every year. In addition to requesting the CPAs to provide a statement of independence and audit quality indicators, the evaluation is conducted pursuant to the standards in Note 1 and 13 audit quality indicators. It is confirmed that the CPAs has no other financial interests or business relationship with the Company except for the fee for the attestations, and the family members of the CPAs do not violate the independence requirements. By referring to the audit quality indicators, it is confirmed that the CPAs and the firm are excellent in the five aspects, namely professionalism, quality control, independence, supervision and innovation ability, and 13 audit quality indicators. The latest assessment was deliberated and approved by the Audit Committee on December 20, 2024, and submitted to the Board meeting for deliberation and approval of the assessment of the independence and competence of the CPAs on December 20, 2024.	No significant difference.
IV. Does the Company as a listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters	V		1. Upon the resolution adopted in the 12th board meeting of the 5th term on May 12, 2021, the Head of Accounting, Wang, Wei-Min, was appointed to concurrently serve as the first corporate governance officer, to protect the shareholders' interest and	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
(including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with the law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?			enhance the board's functions. Mr. Wang Wei-Min has worked as an officer in finance area for public companies more than three years. The main duties of the corporate governance officer are to administer matters related to Board of Directors meetings and shareholders' meetings, prepare minutes of the Board of Directors and shareholders' meetings, assist directors in their appointment and continuing education, provide information necessary for directors to carry out their business, and assist directors in complying with laws and regulations. As Mr. Wang Wei-Min just took office, so he has not yet completed the continuing education for the first term. 2. The assistant vice president, Wang, Wei-Min has finished his 12-hour onboard continuing education in 2024.	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		The Company has set up a dedicated section for stakeholders on the Company's website, with dedicated personnel and e-mail mailboxes, to handle matters related to the Company's external relations and stakeholder affairs.	No significant difference.
VI. Has the Company appointed a professional	V		The Company commissions Yuanta Securities Co., Ltd.	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
stock affairs agency to handle matters for shareholder meetings?			to handle the shareholders' meeting and stock affairs. Website: http://www.asia-recycle.com	
VII. Information Disclosure				
(I). Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		The Company has built a website for investors to inquire information about finance, business, and corporate governance.	No significant difference.
(II). Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		The Company has established a spokesperson system, and has also designated dedicated personnel in charge of the disclosure of material information, and uploading to MOPS and Company website on time. The investor conferences are convened from time to time, and the contents of the investor conferences are announced on MOPS as required.	No significant difference.
(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year? The financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	The Company has not made any early announcement and filing, but the statutory deadlines are met always.	No significant difference.
VIII. Does the Company have any other important information that helps understand the corporate governance operation (including but not limited to employee rights, employee care, investor relations, supplier relations,	V		1. The Company has always valued the interests of employees, with a harmonious labor-management relationship. In addition, the Company has established an internal control system and various management measures, defining the rights and	No significant difference.

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
rights of stakeholders, advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the acquisition of the liability insurance by the Company for directors and supervisors, etc.)?			obligations of employees and benefit items; the content of benefits is regularly reviewed, to protect the interests of employees. 2. The Company has arranged the continuing education for the directors and independent directors. 3. Other than special circumstances, all directors and independent directors attend meetings, and if directors have interests in any proposal in the agenda, they are not allowed to vote. 4. Currently, the board of directors of the Company has no proposals involving directors' interests. 5. The Company has dedicated personnel and e-mail mailboxes in place to serve stakeholders, and handle shareholder proposals. 6. The Company has prescribed various internal regulations to conduct various risk managements and assessments. 7. The Company has purchased liability insurances for the directors. 8. All customers are industrial customers, and all business relationships with customers are in compliance with obligations of contract performance. 9. The Company understands that the development of the industry requires the cooperation and efforts of	

Evaluation Items	The State of Operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary Description	
			all suppliers. Therefore, the Company insists the principles of co-prosperity and mutual benefits, to create industrial development and enhance self-competitiveness, in order to seek the greatest interests of shareholders.	
IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved: - For the 11th Corporate Governance Evaluation in 2024, the Company had the score of 60.58, and the score for 2023 was 61.74. There was a total of 952 companies were evaluated, and seven ranges were divided for the outcomes. The Company was ranked in the sixth range (66%~80%). - The indicators missed scores in the 11th Evaluation, but expected to score in the 12th Evaluations are as follows; other indicators unable to be improved have resulted from the amendment of Articles of Incorporation and regulations, and the costs to implement improvements. The Company will plan the continuing improvement when proper.				
	No. in the 12th Evaluation	No. in the 11th Evaluation	Indicators:	
	4.11	4.11	Has the company disclosed its water consumption and total waste volume for the past two years?	

Note 1: Evaluation standards of the independence of the CPAs

Evaluation Items	Evaluation result	Status of independence
1. Has the independence statement issued by the CPA and the AQIs been obtained?	Yes	Yes
2. Does the CPA have any direct or material indirect financial interest in the Company?	No	Yes
3. Does the CPA have any financing or guaranteed behaviors with the Company or the directors?	No	Yes
4. Does the CPA have close business relationships or potential employment relationship with the Company?	No	Yes
5. Does the CPA and any audit service team member of the accounting firm serve, or used to be a director, managerial officer of the Company, or employed by the Company in a position to exert significant influence over the subject matter of the audit engagement within the last two years?	No	Yes
6. Does the CPA provide any non-audit service that may directly affect the audit tasks?	No	Yes
7. Does the CPA break the shares or other securities issued by the Company?	No	Yes
8. Does the CPA serve as the defender of the Company, or act on the Company's behalf to coordinate the conflict with other third-party?	No	Yes
9. Does the CPA have any family member who is a director, or managerial officer of the Company or an employee of the Company who is in a position to exert significant influence over the subject matter of the audit engagement?	No	Yes

(IV). If the Company has a remuneration committee, it should disclose its composition, duties and operation.

1. Information on the members of the Remuneration Committee

April 15, 2025

Criteria Name	Identity	Professional qualifications and experience	Independence	Number of other public companies in which the individual is concurrently serving as an independent director
Li, Chun-Te	Independent Director (Convener)	1. Education: Bachelor, Department of Business Administration, Soochow University, Master of Business Administration, National Chengchi University, PhD, Economics, Fujian Normal University 2. Current position: CFO, Wayi International Digital Entertainment Co., Ltd.; Independent Director of Yv Ding International Co., Ltd. 3. Experience: Chief, Department of Planning, Financial Supervisory Commission, Executive Yuan; Counselor, Financial Supervisory Commission, Executive Yuan; Deputy general manager, the Motor Vehicle Accident Compensation Fund 4. Expertise: Insurance; accounting; laws 5. Serving as the convener of the Audit Committee and member of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" during two years prior to the appointment and the term of office.	1

Li, Fan	Independent Director	1. Education: Department of Accounting, Tunghai University 2. Current position: Deputy general manager for Finance, Bin Chuan Enterprise Co., Ltd.; Director of Bin Chuan Enterprise Co., Ltd. 3. Experience: Team leader, Deloitte Taiwan; Vice Manager, Underwriting Department, Fubon Securities Co., Ltd. 4. Expertise: Securities; accounting; laws 5. Serving as the member of the Audit Committee and convener of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" during two years prior to the appointment and the term of office.	0
Liao, Cheng-Pin	Independent Director	1. Education: Department of Physics, Chengdu University 2. Current position: Honorary Chairman, China Plastics Processing Industry Association 3. Experience: Vice Chief, Office of Plastic, China National Light Industry Council; Vice Chairman and Chief Secretary, China Plastics Processing Industry Association; President, China Plastics Processing Industry Association; Member of Review Panel, National Office for Science & Technology Awards 4. Expertise: Plastic recycling and production; plastic processing 5. Serving as the member of the Audit Committee and member of the Remuneration Committee 6. Possessing working experience in commerce and required for the Company's business, and the professional qualification 7. Not a person with any of the circumstances under Article 30 of the Company Act.	Not in any circumstance specified in Article 3, paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during two years prior to the appointment and the term of office.	0

2. Information on the operations of the Remuneration Committee

There are three members of the Remuneration Committee of the Company.

Current term of office: From June 15, 2022 to June 14, 2025. There were 2 Remuneration Committee meetings (A) held in the most recent year up to the publication date of the annual report, all members attended the meetings in person with an average attendance rate of 100%. The qualifications and attendance of the Remuneration Committee members are as follows:

Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Actual attendance (%) (B / A)	Remarks
Convener	Li, Chun-Te	2	0	100.00	
Member	Li, Fan	2	0	100.00	
Member	Liao, Cheng-Pin	2	0	100.00	
The 2024 meeting date, session and the content and results of resolutions of the remuneration committee, as well as the Company's handling of the remuneration committee's opinions.					
Meeting date and session		Description of proposal and follow-up		Resolution	Company's handling of the remuneration committee's opinions
The 5th meeting, the 5th term November 11, 2024		Deliberated the 2024 current salary structure and remunerations of the Company and the subsidiaries.		Approved by all attending members of the Committee	Submitted to the Board and approved by all attending directors
The 6th meeting, the 5th term December 20, 2024		Deliberated the proposal of distributing 2024 year-end bonus before the Chinese New Year in 2025.		Approved by all attending members of the Committee	Submitted to the board meeting, and approved by all attending directors.
Other matters required to be recorded.					
I. If the Board of Directors does not accept or adjust the suggestions of the Remuneration Committee, the date, term, proposal content, the resolution of the Board of Directors, and the Company’s handling of the opinions of the Remuneration Committee members (such as, the remuneration resolved by the Board of Directors is superior to the suggestion made by the Remuneration Committee) should be described, including the deviation and the reasons: None					
II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, and opinions of all members, its handling of the members’ opinions should be stated: None.					

(V) The implementation of the sustainable development and its deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
I. Has the Company established a governance structure to promote sustainable development, and designated a full-time (part-time) unit to promote sustainable development, which is to be handled by the senior management with the authorization of the Board of Directors, and the actual supervision of the Board of Directors?	V		1. The Company has amended the “Corporate Social Responsibility Best Practice Principles” and renamed it “Sustainable Development Best Practice Principles” upon the approval of the Board meeting on May 3, 2022. 2. In August 2016, the Company appointed the President's Office as a dedicated unit for the promotion of sustainable development. The President serves as the convener, and the “Sustainable Development Task Promotion Team” was established. A number of senior executives from different fields of the company jointly examine the company's core operating capabilities and formulate medium- and long-term sustainable development plans. 3. The "Sustainable Development Task Promotion Team" serves as a cross-departmental communication platform for vertical integration and horizontal connection, and is responsible for the proposal and implementation of sustainable development policies, systems or related management guidelines and specific promotion plans. Through semi-annual meetings and task groups set up based on the issues, the sustainability issues related to the Company's operations and stakeholders' concerns are identified, corresponding strategies and work	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			guidelines are formulated, budgets related to sustainable development of each organization are prepared, the annual plans are planned and implemented, while tracking the implementation results to ensure that the sustainable development strategies are fully implemented in the Company's daily operations. 4. The convener of the “Sustainable Development Task Promotion Team” reports to the Board on the implementation results of sustainable development and future work plans every six months. A total of two meetings were held in 2024. The content of the proposals includes 1. Identifying sustainability issues needing attention, and formulating corresponding strategies and action plans. 2. Goals and policy amendment for sustainability issues. 3. Supervising the implementation of sustainable management issues, and assessing the implementation. 5. The Company's Board regularly listens to reports from the management team (including ESG reports) every six months. The management must propose company strategies to the Board. The Board must judge the possibility of success of these strategies and urge the management team to make adjustments when necessary.	
II. Does the company conduct risk assessments on	V		1. This information disclosure covers the	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:						
	Yes	No	Summary Description							
environmental, social, and corporate governance issues related to the Company’s operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?			Company's sustainable development performance in major locations from January 2024 to December 2024. The risk assessment boundary mainly covers the Company, including the existing bases in China, and is based on the relevance to the operation of the industry and the degree of impact on material topics; the subsidiary, Sansda (Fujian) Plastic Co., Ltd. is included in the scope. 2. The Company's Sustainable Development Task Promotion Team conducts analysis based on the principle of materiality, and communicates with internal and external stakeholders, while by reviewing domestic and foreign research reports, literature, and integrating assessment data from various departments and subsidiaries, to evaluate material ESG issues, formulate risk management policies for effective identification, measurement and assessment, supervision and control, and take specific action plans to reduce the impact of related risks. Based on the assessed risks, the related risk management policies and strategies are established as following: <table><tr><th>Key issues</th><th>Risk assessment item</th><th>Risk management policies or strategies</th></tr><tr><td>Environment</td><td>Environmental impact and management</td><td>1. Through the implementation of process safety</td></tr></table>	Key issues	Risk assessment item	Risk management policies or strategies	Environment	Environmental impact and management	1. Through the implementation of process safety	
Key issues	Risk assessment item	Risk management policies or strategies								
Environment	Environmental impact and management	1. Through the implementation of process safety								

Evaluation Items	The State of Operations				Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description		
					management and systematic management cycle, the Company effectively reduces pollution emissions and impact on the environment. 2. As the products are required to comply with environmental protection regulations, the Company has obtained the ISO 14001 environmental management system certification, with regular acquisition of the certifications subsequently. 3. The Company is committed to environmental protection and supports green and clean

Evaluation Items	The State of Operations					Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description			
					production. In the regard of process, other than replacing coal-burning boilers with natural gas boilers, a dust collector has been added, to effectively reduce polluting emissions and impacts on the environment, and reduce carbon dioxide emissions as an implementation of environmental protection of the sustainable development. The environment protection projects are formulated every year, and the goals are regularly tracked and reviewed, to	

Evaluation Items	The State of Operations					Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description			
					4. ensure the achievement of the goals. The annual internal audit plans are planned, aiming at the Company's compliance with the relevant environmental laws and regulations, and audits if each operation process has complied with the regulations.	
			Social	Occupational safety	1. All of the Company's plants and subsidiaries have completed and obtained the ISO 45001 occupational health and safety management system certification. For the protection	

Evaluation Items	The State of Operations				Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description		
					measures for the working environment and personal safety of employees, please refer to the description of the labor-management relations in “Five. Operation Overview” of the annual report. 2. Regular fire drills and industrial safety education and training are held every year to cultivate employees' emergency response and self safety management capabilities.
				Product safety	The Company obtained the ISO9001 quality management system certification (the latest issuance

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:		
	Yes	No	Summary Description			
					date of the certification is March 10, 2020, and valid until January 8, 2023). All products comply with the government's regulations on products and services, and through rigorous quality system management, the customers are provided with stable product quality for improving customer satisfaction. Customer satisfaction surveys are conducted annually to strengthen the relationship with customers.	
			Corporate governance	Socioeconomic and compliance	1. By establishing a governance organization and implementing the internal control mechanism, it is ensured that all personnel and operations of the	

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
				Company fully comply with relevant laws and regulations. 2. The products developed by the Company apply for patents to protect the rights and interests of the Company.
			Enhance the functions of directors	1. Plan relevant continuing education topics for directors, and provide directors with the latest regulations, system development and policies every year. 2. Insure directors with the directors' liability insurance to protect them from lawsuits or claims.
			Communication	1. To prevent

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:		
	Yes	No	Summary Description			
				with stakeholders	stakeholders from taking different position from the Company's, and causing misunderstandings that result in business or litigation risks, the Company analyzes important stakeholders and important issues they concern every year. 2. Establish various communication channels to communicate actively, and reduce confrontation and misunderstanding. Set up an investor mailbox to be handled and responded to by the spokesperson.	

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
III. Environmental issues				
(I) Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		Our company has always placed great importance on environmental protection and energy conservation. To fulfill our corporate responsibility toward environmental sustainability, our main operating entity, Sunstar (Fujian) Plastics Co., Ltd., has established environmental, safety, and health management regulations in accordance with local environmental laws. Pollution control equipment has been installed in compliance with legal requirements. All factory sites and subsidiaries follow the ISO 14001 environmental management system and continue to pass third-party certifications. In 2024, a total of eight environmental management programs were completed, focusing on areas such as environmental management planning, pollution prevention, and waste reduction. Through these efforts, we aim to contribute meaningfully to global environmental protection.	The Company has obtained ISO 14001 certification and has established greenhouse gas inventory and verification procedures. We will track emission reduction results according to the schedule and disclose them in the sustainability report and the Company’s website.
(II) Is the Company committed to improving energy utilization efficiency and using recycled materials with low impact on the environment?	V		The Company mainly uses EVA raw materials and recycled plastics to regenerate into EVA foaming materials. During the process, the recycled plastics must be cleansed, and the water in the cleansing system is recycled, so there is no sewage discharge. The gas generated in the process is collected via the gas gathering equipment for central treatment before emitting it. The Company has obtained the pollution discharge permit for the operating sites,	The Company has developed policies to improve energy efficiency and recycled material utilization according to the greenhouse gas inventory and verification procedures established. The items include data statistics, promotion measures, targets, and

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			and the gas emission complies with the regulations.	achievement status.
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to climate related issues?		V	Although the Company has not established the energy saving, carbon reduction and greenhouse gas reduction strategies, the unique process of recycling plastics not only reduces the Company's cost of procuring materials, mitigating the shortage of plastic raw materials, but also lowers the pollution of waste plastic materials to the environment, as a fulfillment of the responsibility for environmental protection.	The Company has developed a detailed explanation of climate change risk and opportunity analysis according to the established greenhouse gas inventory and verification procedures.
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?		V	Although the Company has not established the energy saving, carbon reduction and greenhouse gas reduction strategies, the unique process of recycling plastics not only reduces the Company's cost of procuring materials, mitigating the shortage of plastic raw materials, the water in the cleansing system is recycled, so there is no sewage discharge. The gas generated in the process is collected via the gas gathering equipment for central treatment before emitting it. The Company has obtained the pollution discharge permit for the operating sites, and the gas emission complies with the regulations. The pollution of waste plastic materials to the environment is also lowered, as a fulfillment of the responsibility for environment protection.	The Company has developed greenhouse gas reduction, water reduction, and other waste management policies according to the established greenhouse gas inventory and verification procedures. The items include data statistics, reduction targets, promotion measures, and achievement status.
IV. Social issues				
(I) Has the Company formulated relevant management policies and procedures according to relevant laws	V		The Company observes all relevant laws and regulations to ensure the principles of labor’s	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
and regulations and the International Bill of Human Rights?			human rights, and protect the legitimate interests of employees.	
(II) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		1. The Company has established and implemented reasonable employee benefit measures, and appropriately reflects the operating performance or results in employee remuneration. Please refer to the "Five. Operation Overview" for the labor-management relations and "Four. Financing Status" for the dividend policy and implementation status of this annual report. 2. Regarding workplace diversity and equality, the Company has the equal pay for equal work, and equal promotion opportunities for both genders, to enhance the sustainable and inclusive economic growth. In 2024, the average proportion of female employees was about 30%, and the average proportion of female managers was about 8%.	No significant difference.
(III) Operating performance or results are also appropriately reflected in the compensation of employees (annual salary adjustment and promotion based on performance appraisal)?	V		1. All plants and subsidiaries have passed the certification of ISO45001: 2018 occupational health and safety management system, with the registration number: 23S0143R2M-ZJ/008, issued on February 27, 2023, and valid until January 8, 2026. The work flow has passed the certification of “Work Safety Standardization” organized by the local government, striving to maintain a healthy working environment for employees and safeguard work safety of	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			employees. 2. The employees pay much attention to safety and health management, as follows: A. Provide employees with specialized labor protection appliances such as safety helmets, masks, special uniforms and rain boots, to safeguard the health and safety of employees. B. Regularly review and amend (if needed) the safety and health rules every year, and formulate the standard operating procedures of all machinery and equipment to ensure standard operation by employees. C. Carry out a spot check for machinery and equipment according to rules, and apply to the authority in charge of dangerous machinery and equipment for regular inspection every year to ensure the safe operation of machinery and equipment. D. Perform 5S management to improve the working environment and efficiency, and perform operating environment monitoring at least twice a year. E. Provide necessary education and training for new employees, equipment operators and special operation personnel every year according to law, and urge them to obtain relevant certificates and permits. F. Arrange for employees to receive medical examinations from time to time and make	

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			health files for employees to serve all employees. G. Set up a complete fire control system, and regularly inspect and report the system according to fire laws and regulations. 3. In 2024, the Company did not have an employee’s occupational accident, but the Company takes disaster prevention and disaster forestall as the core concept, to integrate the occupational safety issues in the plant areas, propose effective countermeasures, and continuously improve the occupational safety culture. In case of any occupational accident, the Company will thoroughly review the improvement measures and implement such, and activate supervisors to care about the physical and mental state of the employees to ensure the safety of the employees during work.	
(IV) Does the company have an effective career development training program planned for employees?	V		Each year, the consolidated company plans comprehensive competency training for all levels of supervisors and employees based on business operations, strategic direction, and forward-looking development. This includes onboarding training, advanced professional training, and leadership training, supporting employees in continuous learning and growth through diverse learning methods. Training programs related to corporate ethics are also incorporated to cultivate key	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			competencies among employees. In 2024, a total of 234 employees completed career development training, with a combined total of 712 training hours. During annual performance reviews, supervisors and employees jointly discuss and set individual annual development plans. Through regular reviews and feedback, employees are supported in creating personalized development plans tailored to their growth needs.	
(V) Does the Company comply with relevant laws and international standards, and formulate relevant consumer right and interest protection policies and grievance procedures to deal with customers for products and services, such as customer health and safety, customer privacy, marketing and labelling, etc.?	V		1. In addition to the passage of the ISO14001 environmental management system certification, which covers the relevant environmental management activities involved in the production of EVA foam materials and recycled pellets, the Company has also passed the ISO9001 quality management system certification, covering the production of EVA foam materials and recycled pellets. Furthermore, the China Compulsory Certification is passed, focusing on product quality, safety and service marketing labels. 2. The Company has a customer service hotline, and the relevant personnel are responsible for handling customers’ questions to protect the interests of customers. 3. The Company has a personal data protection management system and policy in place to manage and protect customer privacy, and to	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			guard customer data through crisis prevention and education and training.	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?		V	Although the Company has not yet established any supplier management policy that clearly requires suppliers to observe the regulations related to environment protection, occupational health and safety, or labor rights, currently, suppliers are assessed annually. Their records of impacting society and environment will be assessed and reviewed in the future, and depending on the situation, the agreements entered with the major suppliers may include clauses terminating or rescinding the agreement at any time if it involves a violation of the corporate social responsibility policy and has a significant impact on the environment and society.	The Company is discussing to formulate the supplier management policies and related compliance regulations, which has ambitious and specific requirements for suppliers in terms of environmental protection, occupational safety and health, or labor human rights; and through self-assessment, coaching or education, and performance evaluation of suppliers for their implementation.
V. Does the Company refer to the internationally accepted reporting standards or guidelines to prepare the sustainability reports for disclosing the Company’s non-financial information? Has the assurance or opinion from third-party certifying institutions been obtained for the aforementioned reports?	V		In 2023, the Company compiled the previous year Sustainability Report according to the widely accepted Global Reporting Initiative (GRI) Standards for sustainability reporting. This report has been duly submitted as required. The sustainability report has been independently and limitedly assured by Candor Taiwan CPAs according to the Assurance Standard Bulletin No. 1: “Assurance Engagements on Non-Historical Financial Information” formulated by the Accounting Research and Development Foundation in accordance with the guidelines outlined in the International Standards on Assurance Engagements	No significant difference.

Evaluation Items	The State of Operations			Deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and the reasons:
	Yes	No	Summary Description	
			(ISAE) 3000. The report is publicly available on the Company’s website. (http://www.asia-recycle.com/governance/responsibility/). In addition, the Company has passed ISO14001 (environmental management system certification, registration number: 23E0171R2M-ZJ/008, date of issuance February 27, 2023, valid until January 8, 2026); ISO9001 (quality management system certification, registration number: 07623Q0306R2M-ZJ/008, issued date February 27, 2023, valid until January 8, 2026); ISO45001 (occupational health and safety management system certification, registration number: 23S0143R2M-ZJ/008, issued date February 27, 2023, valid until January 8, 2026); and EVA plastic toy floor mats have passed China Compulsory Certification (referred to as CCC certification) and other certifications.	
VI. If the Company has the sustainable development best practice principles formulated in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between its operation and the principles: No significant difference.				
VII. Other Important Information to Help Understand Sustainable Development: The Company and each subsidiary engage in community activities with passion, promote and encourage the employees to participate, too, for the harmonious relationship with communities. In addition, when emergencies occur in the society, it also makes generous donations, and encourages the employees of the Company to join the donation ranks to give back to the society.				

Climate-related information and implementation status of listed companies

1. Climate-related information implementation status

Item	Implementation
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The company's sustainable development work implementation team conducts analysis based on the principle of materiality every year to evaluate significant sustainable development issues, formulate risk management policies that effectively identify, measure, evaluate, supervise and control, and take specific action plans. Among them, Including the impact on the environment to reduce the impact of related risks. The sustainable development work implementation team reports the sustainable development implementation results and future work plans to the board of directors every six months. The board of directors uses the report content to supervise the responsible units and make timely suggestions for changes and review the progress of the strategy.
2. Describe how the identified climate risks and opportunities impact the company's business, strategy, and financials (short-term, mediumterm, and long-term).	As sustainable development has become an important goal of corporate operations, the company has implemented process safety management and institutionalized management cycles to effectively reduce pollution emissions and the impact on the environment. Since products are required to comply with environmental protection regulations, the company has Obtain ISO14001 environmental management system certification, and subsequently obtain certification regularly. Our company is committed to environmental protection and responds to green and clean production. In terms of manufacturing processes, in addition to changing coal-fired boilers to natural gas boilers, and adding dust collectors, we can effectively reduce pollution emissions and impact on the environment, reduce carbon dioxide emissions, and implement environmentally friendly policies. Sustainable development. Plans for environmental protection projects are formulated every year, and various goals are regularly tracked and reviewed to ensure the goals are achieved. At present, solar panels have been installed in the factory. After identifying climate risks and opportunities, we will study countermeasures in terms of impact on business, strategy and finance.
3. Describe the impact of extreme climate events and transition actions on financials.	It is still under identification and discussion, but in order to prevent business interruption and damage to property and equipment caused by extreme weather events, the company has purchased property and casualty insurance

	to pass on part of the risks it may bear. The financial impact of transformation actions may include improving energy efficiency, Low-carbon product design, development and manufacturing costs.
4. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.	The Company has adopted corresponding risk management policies or strategies for the risk assessment of environmental issues, as detailed on pages 53 to 60 of this annual report. It is currently unclear how the more detailed climate risk identification, assessment and management processes are integrated into the overall risk management system. In the process of identification research.
5. If scenario analysis is used to assess resilience to climate change risks, please describe the scenarios, parameters, assumptions, analytical factors, and key financial impacts used.	There is no usage scenario analysis and evaluation, so it is not applicable.
6. If there are transition plans to manage climate-related risks, describe the content of these plans, as well as the metrics and targets used to identify and manage physical risks and transition risks.	There is currently no transformation plan to manage climate-related risks, so it is not applicable.
7. If internal carbon pricing is used as a planning tool, please describe the basis for setting the price.	Internal carbon pricing is not used as a planning tool, so not applicable.
8. If climate-related targets have been set, please describe the activities covered, the scope of greenhouse gas emissions, the planning timeline, and annual progress. If carbon offsets or renewable energy certificates (RECs) are used to achieve these targets, provide details on the source and quantity of the carbon offsets or the number of RECs used. °	No climate-related targets have been set yet, so not applicable.
9. Details on greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans.	According to the Financial Supervisory Commission's Order No. 11203852314 issued by the Financial Supervisory Commission on November 13, 2020, the company should complete the disclosure of greenhouse gas inventory information, carbon reduction goals, strategies and specific action plans starting from 2027, and complete the disclosure of confident information starting from 2029 , so it is not applicable for the time being.

1-1 The Company's GHG Inventory and Assurance in the Most Recent Two Years

1-1-1 GHG Inventory Information

Describe the GHG emission volume, measured in tCO ₂ e, intensity, measured in tCO ₂ e/NTD million, and data coverage for the most recent two years.

According to the Financial Supervisory Commission's Order No. 11203852314 issued by the Financial Supervisory Commission on November 13, 2020, the company should complete the disclosure of greenhouse gas inventory information, carbon reduction goals, strategies and specific action plans starting from 2027, and complete the disclosure of confident information starting from 2029, so it is not applicable for the time being.

1-1-2 Information on Greenhouse Gas Assurance

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, assurance institution, assurance criteria, and assurance opinions.

According to the Financial Supervisory Commission's Order No. 11203852314 issued by the Financial Supervisory Commission on November 13, 2020, the company should complete the disclosure of greenhouse gas inventory information, carbon reduction goals, strategies and specific action plans starting from 2027, and complete the disclosure of confident information starting from 2029, so it is not applicable for the time being.

1-2 GHG reduction goals, strategies and concrete action plans

Describe the GHG reduction base year and data, reduction goals, strategies, and concrete action plans, as well as the achievement of the reduction goals.

According to the Financial Supervisory Commission's Order No. 11203852314 issued by the Financial Supervisory Commission on November 13, 2020, the company should complete the disclosure of greenhouse gas inventory information, carbon reduction goals, strategies and specific action plans starting from 2027, and complete the disclosure of confident information starting from 2029, so it is not applicable for the time being.

(VI) The Practice of Ethical Corporate Management and Related Policies and Variation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons.
	Yes	No	Summary Description	
I. Establishment of ethical corporate management policy and proposal				
(I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company’s regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the policy?	V		The Company has established the "Ethical Corporate Management Best Practice Principles", which was approved by the 5th meeting of the board of directors of the 5th term on March 13, 2020, and submitted to the 2020 AGM, as well as uploaded to the MOPS and the Company's website, expressing the policy of ethical management, practices, and the commitment of the board of directors and senior management, to actively implement operational policies.	No significant difference.
(II) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company has considered and assessed the risk of unethical conduct, and clearly specified the programs and scope of preventing ethical conduct in Article 7 of the "Ethical Corporate Management Best Practice Principles.”	No significant difference.
(III) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as	V		The Company has clearly specified in the "Ethical Corporate Management Best Practice Principles," "prohibiting unethical conducts and objects," "prohibiting from accepting various forms of	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
regular reviews and amends it?			bribery", "prohibition of disguised bribery" and "prohibiting from offering or accepting unreasonable gifts, entertainment or other undue benefits," with the counter programs and operational procedures. The “Handling Procedure for Reporting Illegal, Immoral and Unethical Conduct" has been established as the guidelines for conduct, punishment and complaint system for violations, with implementations. The said programs are reviewed and amended annually. In order to create a highly ethical management philosophy, the Company incorporates the ethical management policy into the "Performance Appraisal Management Measures" and integrates it with employee performance appraisal to establish a clear and effective reward and punishment system.	
II. Implementation of Ethical Corporate Management				
(I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		The Company's "Ethical Corporate Management Best Practice Principles" specify the preventive programs and scope of unethical conduct; for the suppliers, customers and business transaction counterparty involved in unethical conduct, the business relationship should be terminated. It is also advisable to incorporate ethical management into the contractual terms or specifying ethical matters.	No significant difference.
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management	V		1. In August 2016, the Company appointed the general manager's office as a dedicated unit for promoting ethical management. The general manager serves as the convener, with the	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
policy and plan to prevent unethical conduct and monitor their implementation?			subordinating “Ethical Management Promotion Panel” formed among Sales, Comprehensive Administration, Finance, and Procurement. By the functions and scope of each department, the panel is in charge of assisting the board and management to establish and supervise the implementation of the ethical management policies and preventive programs, to ensure the implementation of the Ethical Corporate Management Best Practice Principles, and the general manager reports its implementation to the board of directors at least once a year. 2. In order to prevent conflicts of interest and provide appropriate channels for opinion expression, the Company has amended the "Ethical Corporate Management Best Practice Principles" in 2020. 3. The Company implements the ethical management policy, and the relevant implementations in 2024 were as follows: A. Trainings In line with our commitment to ethical business practices, we conducted a total of 1,154 training sessions for 3,445 employees in 2024, covering both internal and external aspects of ethical business operations. These training sessions encompassed compliance with ethical business laws and regulations, accounting systems, and internal controls.	

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			B. Promotion of compliance The "Ethical Management Promotion Pane" promotes the promotional education. In 2024, with the theme of "Implementing Ethical Management", it promoted the matters needing attention when conducting business through videos. The number of participants was 498, with a total of 996 person-hours. C. Whistleblowing system and protection to whistle blowers The Company has established a specific whistleblowing system in the “Corporate Governance Best Practice Principles”, “Ethical Corporate Management Best Practice Principles”, and “Handling Procedures for Reporting on Illegal and Unethical or Immoral Conducts” to actively prevent unethical conduct, and encourage internal and external personnel to report unethical or misconduct. The Comprehensive Administration Department is appointed as the unit responsible for accepting reports of unethical conduct involving the employees. The investor relations section of the Company’s website provides effective communication methods for employees, shareholders, stakeholders, and outsiders, and the whistleblower protection system is established to keep the identity of whistleblowers and the content of whistle-	

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			blowing confidential and promise to protect whistleblowers from being improperly treated due to whistleblowing. No whistleblowing case was filed in 2024. D. Periodical inspection The Company conducts risk assessments of corruption-related situations for all operating bases, through self-assessment of Sales Department, Comprehensive Administration Department, Finance Department, and Procurement Department every six months, as well as the self-assessment of legal compliance, audited independently by the audit unit, to ensure the overall operation of the mechanism, to jointly manage and prevent unethical conducts. In 2024, there were no corruption, anti-competitive behavior, and unethical conduct.	
(III) Does the Company have the policy to prevent conflict of interest, provide appropriate channels for an explanation, and implement it?	V		In the “Ethical Corporate Management Best Practice Principles” and the “Rules of Procedure for Board of Directors Meetings,” it is specifically required when the relationship of a director or the corporate shareholder he/she represents is likely to prejudice the interests of the Company, the director may state his/her opinions and answer questions and may not participate in discussion or voting on that agenda item, and further, shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			on that matter.	
(IV) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		The Company's accounting system refers to the Securities and Exchange Act, the Company Act, the Business Entity Accounting Act, the International Financial Reporting Standards, the International Accounting Standards, Interpretation, Interpretation Announcements and other relevant laws and regulations approved by the Financial Supervisory Commission; the internal control system refers to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." All are implemented thoroughly. The Company's "Ethical Corporate Management Best Practice Principles" clearly stipulates that no external accounts or secret accounts retained; in addition to the regular audits on the compliance of the aforesaid system by the internal auditors, and the audit reports are prepared and submitted to the board of directors, the quarterly financial statements are also commissioned to the CPAs for audit (or review) before issuance.	No significant difference.
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		In addition to the "Ethical Corporate Management Best Practice Principles", the Company also regularly organizes internal training on ethical management every year, and promotes such at various meetings from time to time, so that employees may clearly understand the ethical management philosophy and regulations.	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
III. The operation of the Company's whistleblower reporting system				
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		1. To foster a corporate culture of integrity and transparency, promote sound management, and protect the rights of whistleblowers, the Company's Board of Directors has approved the "Company Guidelines for Handling Reports of Illegal, Unethical, or Dishonest Behavior," establishing internal and external reporting channels and procedures, and posting them on the Company's website. The Company's website includes a dedicated reporting hotline, email address, or mailing address, providing internal and external personnel with the opportunity to report and handle reports of crimes, fraud, or violations. The Company will assign stakeholders responsible for handling and investigating reports. If an investigation uncovers a major violation or the potential for significant harm to the Company, a report will be filed immediately. The Audit Department will review the investigation report, issue an opinion, and submit an accompanying report to the Chairman of the Board for immediate and appropriate action. Independent directors will also be notified in writing. 2. The reporting channels are as follows: a.Report Hotline: Headquarters - +86-0595-82010739	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			Taiwan Office - (07)269-6099 Or mail to Taiwan Office (12F-2, No. 190, Siwei 4th Road, Lingya District, Kaohsiung City) to Accounting Assistant Wang Weimin b. Reporting Email and Investigation Unit: (a)Stakeholders (Customers, Employees, Suppliers, and Communities) - Human Resources Manager Yin E-mail: hua.yin@sansd.cn (b)Stakeholders (Shareholders and Investors) - Wang Weimin, Assistant Accountant E-mail: weimin831@gmail.com	
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms?	V		1. Our company's "Regulations for Reporting Illegal, Unethical, or Dishonest Behavior" stipulates the reporting unit, reporting channels, handling procedures, follow-up measures for investigation reports, and protection of whistleblowers. 2. Acceptance Principles: A report may be dismissed or suspended if any of the following circumstances occur; however, the report should still be recorded in the report register for future reference: A. Anonymous reports may be accepted if the content of the report is specific and clear, and is accompanied by verifiable information or directions, and the receiving unit deems it necessary to investigate. B. The reported case did not provide any	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			evidence to reasonably suspect illegal or dereliction of duty. C. The same facts are currently under investigation or being handled by other agencies, or have been previously reported by others without providing specific new evidence, unless the latter report can provide important evidence that is more conducive to the investigation. D. The same facts have already been decided to be dismissed or closed after investigation. However, this does not apply if the informant presents specific new evidence proving that the case needs to be re-investigated. E. The report is a management or supervisory matter within the whistleblower's responsibilities, and the whistleblower failed to provide suggestions or recommendations for improvement at relevant company meetings or in accordance with relevant company policies. However, this does not apply if the whistleblower provides evidence that they have fully provided suggestions or recommendations for improvement, but the company has not addressed them without justifiable reasons. If, during the Company's investigation of a complaint, the complainant files another	

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			complaint regarding the same case with the investigative agency, the Company may suspend the investigation. 3. Investigation Procedures (including processing time limit) A. Verification of reported cases shall be conducted by telephone, in writing, or in person, as appropriate to the case. A complete record of the verification process and content shall be maintained. Files provided by the informant shall be encrypted and protected, and transfer and access to files shall be restricted to personnel involved in the investigation. B. The investigation report shall be completed within two months after the case is filed and submitted to the Chairman for approval. If the investigating unit deems it necessary to extend the period before the expiration of the period, it may state the reasons and submit it to the Chairman for approval. C. The investigation report issued by the audit unit shall be handled in accordance with the Company's "Internal Control and Audit System Implementation Measures." 4. Confidentiality Mechanism: During the acceptance and investigation procedures of whistleblower cases, the identity of the whistleblower and the content of the report will	

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Company” and the Reasons.
	Yes	No	Summary Description	
			be kept confidential. Information that can identify the whistleblower shall not be leaked, disclosed, or made public to unnecessary third parties, and effective and appropriate protection measures will be implemented.	
(III) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting? improperly handled due to reporting?	V		1. The Company has established "Procedures for Handling Reports of Illegal, Unethical, or Dishonest Behavior," which applies to all of its subsidiaries. This system includes a whistleblower protection system, which stipulates that whistleblowers shall not be dismissed, terminated, demoted, have their salary reduced, have their rights under law, contract, or custom harmed, or receive any other adverse action as a result of a report. If a whistleblower believes they have received adverse action as a result of a report, they may file a complaint with the Company's Human Resources Department, which will submit a report to the Company's Human Resources Department at the most recent meeting of the Integrity Management Committee. 2. The Company and its subsidiaries received no reports in fiscal 2024.	No significant difference.
IV. Intensification of Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company has disclosed the content of the "Ethical Corporate Management Best Practice Principles" on the Company's website, and has set up an external mailbox, so the channels for information disclosure and reporting are smooth.	No significant difference.

Evaluation item	The State of Operations			Deviation From the “Ethical Corporate Management Best Practice Principles for TWSE or TPEX Listed Company” and the Reasons.
	Yes	No	Summary Description	
V. If the Company has its own Ethical Code of Conduct established in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies ", please describe the differences between the two: the two are not materially different, please refer to the above.				
VI. Other important information to facilitate a better understanding of the Company’s ethical corporate management operating status (e.g. the status of review and amend its policies): The Company always monitor the development of relevant regulations of ethical management at home and abroad, and encourages directors, managerial officers and employees to make suggestions, for reviewing and improving the Ethical Corporate Management Best Practice Principles prescribed by the Company, to enhance the effectiveness of the Company's ethical management. The Company also requires all employees to operate ethically pursuant to local laws and regulations when conducting business. In accordance with the working rules, employment contracts, labor agreements or relevant internal management measures between the Company and its employees, the Company requires all employees to respect the trade secrets of customers and others, and everyone is obliged to protect the Company's property from loss, damage, improper use, undue reading and theft, while complying with all bylaws and regulations related to the management and use of the Company’s properties. In addition, since the preparation for listing, the Company has implemented the educational sessions to the board of directors and management regarding laws and regulations for the public companies, and the corporate governance, to enhance the board and management's understanding of securities trading-related laws and regulations, as well as effectively comply with laws and regulations. So far, the implementation is good.				

(VII) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched: the Company has established the corporate governance best-practice principles and related bylaws, and such may be searched at:

Please refer to the official website: <http://www.asia-recycle.com/governance/rules/> (corporate governance/key bylaws)

Or refer to MOPS: mops.twse.com.tw (corporate governance)

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed.

Please refer to the official website: <http://www.asia-recycle.com/governance/organized/index.html> (corporate governance)

Or refer to MOPS: mops.twse.com.tw (corporate governance)

(IX) Implementation of internal control system

1. Statement of internal control system

Asia Plastic Recycling Holding Limited.

Statement of internal control system

March 10, 2025

The Company bases on the result of the self-assessment performed on the 2024 internal control system to make declaration as follows:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of the internal control system adopted in the "Regulations" are based on the process of managerial control and divide the internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.
- IV. The Company has adopted the aforementioned criteria of the internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. The Company bases on the evaluation results in the preceding paragraph to conclude that the internal control system on December 31, 2024 (including the supervision and management of subsidiaries), including understanding the operational effect and the extent of efficiency realization, the reporting is reliable, timely, transparent, and complying with the relevant norms and relevant laws and regulations, the compliance with governing laws and regulations, and other design and implementation, is effective, which can reasonably ensure the achievement of the aforementioned objectives.

- VI. This statement will become the main content of the Company's annual report and prospectus and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This statement was approved by the Board of Directors on March 10, 2025 by the seven directors present unanimously and it is so stated for the said purpose.

Asia Plastic Recycling Holding Limited.



Chairman: Ting, Chin-Shan



Seal/Signature

President: Ting, Chih-Kung



Seal/Signature

2. The review report of the CPAs should be disclosed if the internal control system is reviewed by the CPAs: None.

(X) Major resolutions of the shareholder and board meetings in the most recent year to the day this Annual Report was printed:

1. The content and implementation of important resolutions of the shareholders' meeting

Elected or appointed	Important resolutions
June 15, 2024	1. 2023 business report and consolidated financial statements. 2. Proposal of 2023 deficit offsetting. 3. Approved the proposal for issuance of common shares for cash capital increase by private placement. 4. Approved the proposal for amendment to the “Rules of Procedure for Shareholders’ Meetings” of the Company. 5. Approved the proposal for the cancellation of the non-compete restriction of directors of the Company. Implementation: The key company regulations regarding corporate governance are announced on the official website.

2. Important resolutions of the Board of Directors

Elected or appointed	Important resolutions
March 6, 2024	1. Approved the 2023 business report and consolidated financial report 2. Approved the 2023 deficit compensation proposal. 3. Approved the assessment for the effectiveness of the internal control system in the Company, and the subsidiaries including Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and presentation of the Statement of Internal Control System. 4. Approved the proposal for cancellation of non-compete restriction of directors of the Company 5. Approved the convention of the 2024 regular shareholders’ meeting
May 6, 2024	1. Approved the consolidated financial report for Q1 2024. 2. Approved the proposal on supplementary instructions for the private placement of cash capital increases and ordinary share issuance
August 21, 2024	1. Approved the consolidated financial report for the first half of 2024. 2. Approved the Company's 2023 Sustainability Report 3. Approved the amendments to the Company's “Rules of Procedure for Board of Directors Meetings” 4. Approved the amendments to the Company's “Audit Committee Charter” 5. Approved the proposal for amendments to the “Procedures for Acquisition or Disposal of Assets” of the subsidiary in Fujian. 6. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.
November 11, 2024	1. Approved the consolidated financial report for Q3 2024. 2. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.

Elected or appointed	Important resolutions
	3. Approved the 2024 current salary structure and remunerations of the Company and the subsidiaries. 4. Approved the accounts write-off of the Group's subsidiaries, Sansda (Hong Kong) Co., Ltd. and Fujian Sansda Recycling Limited 5. Approved the proposal for the sale of 100% of the equity of the subsidiary, Fujian Sansda Recycling Limited 6. Approved the accounts write-off of the Group's subsidiaries, Sansda (Hong Kong) Trading Co., Ltd. and Sansda (Fujian) Plastic Co., Ltd. 7. Approved the proposal for cancellation of registration of the subsidiary, Sansda (Hong Kong) Trading Co., Ltd.
December 20, 2024	1. Approved the proposal for the formulation of the Company's Enforcement Rules for Sustainability Information Management and Internal Audit Thereof, and amendments to the internal audit system 2. Approved the amendments to the Enforcement Rules for the Internal Control System and Internal Audit Thereof of the subsidiary in Fujian 3. Approved to the intention of amendments to the "Corporate Governance Best Practice Principles." 4. Approved the proposal to formulate the 2025 audit plan for the Company and the subsidiary, Sansda (Fujian) Plastic Co., Ltd. 5. Approved the proposal for the service fee of the CPAs, the assessment of the independence of the CPAs, and the non-assurance services of Candor Taiwan CPAs 6. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park. 7. Approved the 2025 budgets 8. Approved the proposal of distributing 2024 year-end bonus before the Chinese New Year in 2025.
March 10, 2025	1. Approved the 2024 business report and consolidated financial report 2. Approved the proposal of 2024 deficit compensation. 3. Approved the assessment for the effectiveness of the internal control system in the Company, and the subsidiaries including Sansda (Fujian) Plastic Co., Ltd. and Sansda (Hong Kong) Trading Co., Ltd., and presentation of the Statement of Internal Control System. 4. Approved the proposal to amend the Company's "Articles of Incorporation." 5. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park. 6. Approved the proposal of full election for directors 7. Approved the proposal to release newly elected directors from non-compete clauses. 8. Approved the proposal for the Company to accept the shareholders with shareholding exceeding 1% of the shares to nominate candidates for the directors and independent directors and whether they are to be listed in the candidate roster and related matters 9. Approved the convention of 2025 regular shareholders' meeting
April 30, 2025	1. Approve the proposal and review the list of candidates for directors and independent directors nominated by the Board of Directors 2. Approved the proposal not to execute the cash capital increase by private placement with issuance of common shares approved by the general shareholders' meeting on June 14, 2024

Elected or appointed	Important resolutions
	3. Approved the issuance of common shares for capital increase in cash by private placement. 4. Approved the proposal for the addition of the causes for convention of 2025 general shareholders' meeting of the Company
May 10, 2025	1. Approved the consolidated financial report for Q1 2025. 2. Approved the pre-sale and performance guarantee of the factory of Sansda Shoe Textile Park.

(XII) During the most recent year or the current year up to the date of publication of the annual report, if board directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements, the main content of the opinions: None.

(XIII) Summary of relevant resignations and dismissals during the most recent year and during the current year up to the date of publication of the annual report:

IV. Information on CPA professional fees

Accountant's Fee Information Interval Table

CPA firm	CPA name		Audit Period	Note
Candor Taiwan CPA	Lin, Chao-Min	Shih, Dai-Ping	From January 1, 2024 to December 31, 2024	

Unit: Thousand NTD

CPA firm	CPA Name	Audit fee	Non-audit fee					CPA audit period	Note
			System design	Business registration	Human resources	Others (note)	Subtotal		
Candor Taiwan CPA	Lin, Chao-Min	3,400	-	-	-	150-	-	January 1, 2024 to December 31, 2024	Other tasks related to the execution of sustainability reports
	Shih, Dai-Ping								

(II) The audit fee paid for the change of the accounting firm and the year of the change is less than the audit fees of the previous year, and the amount, proportion and reasons for the reduction of the audit fee: No such situation.

(III) The audit fee which has been reduced by more than 10% compared with the previous year: No such situation.

V. Information on the replacement of CPAs: No such situation.

VI. The chairman, general manager, or officer in charge of financial or accounting matters of the Company, who has worked in the firm of the CPAs or its affiliated companies within the last year: None.

VII. Particulars about changes in shareholding and equity pledge of directors, supervisors, managerial officers and shareholders holding more than 10% in the past year and as of the date of publication of the annual report:

(1) Changes in shareholdings of directors, supervisors, managerial officers and major shareholders

Unit: shares

Title	Name	2024		Up to April 16, 2025	
		Number of Shares Held Increase (decrease)	Number of pledged shares Increase (decrease)	Number of Shares Held Increase (decrease)	Number of pledged shares Increase (decrease)
Chairman	Ting, Chin-Shan	—	—	—	—
Director Shareholders with 10% or more stake	Ding Holding Limited	—	—	—	—
	(Representative: Ting, Chin-Kuang)	—	—	—	—
Director	Chang, Hui-Chun	—	—	—	—
Director	Chang, To-Chung	—	—	—	—
Independent Director	Li, Chun-Te	—	—	—	—
Independent Director	Li, Fan	—	—	—	—
Independent Director	Liao, Cheng-Pin	—	—	—	—
General manager of Procurement, Sansda (Fujian)	Ting, Chih-Meng	—	—	—	—
Deputy general manager of Sales, Sansda (Fujian)	Ting, Hua-Hsiung	—	—	—	—
Deputy general manager of Procurement, Sansda (Fujian)	Ting, Chih-Wei	—	—	—	—

(2) Equity transfer information: None.

(3) Equity pledge information: None.

VIII. Information on the top ten shareholders who are related to each other or as spouses or relatives within the second degree of kinship as defined in IAS No. 6

April 15, 2025 Unit: shares

Name	Shareholdings of the Principal		Shareholding of spouse and minor children now		Total shares held in the names of others		The title or names and relationships of the top-ten shareholders who are related parties, spouse, and relatives within the second degree of kinship as defined in the R.O.C. Financial Accounting Standards No. 6 should be disclosed.		Note
	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Number of shares	Shareholding Ratio	Title or Name of Directors	Relationship with the endorser/guarantor	
1 Ding Holding Limited (Representative: Ting, Chin-Kuang)	38,888,293	14.45%	—	—	—	—	Ting, Chin-Tsao	Note	—
2 Ting, Chin-Tsao	15,993,089	5.94%	—	—	—	—	Ding Holding Limited	Note	—
3 Cheng, Chin-Hung	13,561,000	5.04%	—	—	—	—	—	—	—
4 Ou, Shu-Ching	7,199,000	2.68%	—	—	—	—	—	—	—
5 Phillip Securities Ltd.	5,782,140	2.15%	—	—	—	—	—	—	—
6 Tseng, Ming-Hsiu	3,708,520	1.38%	—	—	—	—	—	—	—
7 Hsu, Hang-Chien	2,396,930	0.89%	—	—	—	—	—	—	—
8 Hung, Hsien-Chi	1,520,000	0.57%	—	—	—	—	—	—	—
9 Hsu, Shih-Chieh	1,480,000	0.55%	—	—	—	—	—	—	—
10 DFA Emerging Markets Core Securities Investment Account	1,370,533	0.51%	—	—	—	—	—	—	—
Total	91,899,505	34.17%	—	—	—	—	—	—	—

Note: Ting, Chin-Tsao is a shareholder of Ding Holding Limited.

IX. Number of shares held by the Company, the Company's directors, supervisors, managers and directly or indirectly controlled entities on the same investee, and comprehensive shareholding percentage calculated in a consolidated manner:

Invested enterprises	The Company's investment		The investment of directors, supervisors, managers, and businesses directly or indirectly controlled by the Company		Total investments	
	Number of Shares	Ownership	Number of Shares	Ownership	Number of Shares	Ownership
Sansda Holding Limited	1	100%	-	-	1	100%
Sansda (Hong Kong) Co., Ltd.	1	100%	-	-	1	100%
Sansda (Fujian) Plastic Co., Ltd.	Note	100%	-	-	Note	100%
Fujian Sansda Recycling Co., Ltd.	Note	100%	-	-	Note	100%
Sansda (Hong Kong) Trading Co., Ltd.	1	100%	-	-	1	100%

Note 1: The subsidiaries in Mainland China are limited companies and have no shares.

Note 2: The Company approved the proposal for the sale of 100% of the equity of the subsidiary, Fujian Sansda Recycling Limited, during the Board of Directors' meeting held on November 11, 2024.

Note 3: The Company approved the cancellation of the registration of the subsidiary, Sansda (Hong Kong) Trading Co., Ltd. during the Board of Directors' meeting held on November 11, 2024.

Three. Capital Raising

I. Capital and shares

(I) Source of share capital

1. The formation of share capital

April 15, 2025

Year/Month	Issue price	Authorized capital		Paid-in capital		Remarks		
		Number of Shares (thousand shares)	Amount (NT\$ thousand)	Number of Shares (thousand shares)	Amount (NT\$ thousand)	Share capital Source	Using property other than cash as payment of shares	Others
January 2010	US\$1	50	US\$50	—	—	—	—	—
March 2010	US\$1	50	US\$50	—	—	—	—	—
March 2010	NT\$10	360,000	NT\$3,600,000	120,000	NT\$1,200,000	Note	Note	—
October 2010	NT\$78	360,000	NT\$3,600,000	120,840	NT\$1,208,400	Cash capital increase	—	—
July 2011	NT\$84	360,000	NT\$3,600,000	123,600	NT\$1,236,000	Cash capital increase	—	July 19, 2011 Tai-Zheng-Shang-Er-Zhi. No.1001702521
August 2011	NTD \$95	360,000	NT\$3,600,000	138,080	NT\$1,380,800	Cash capital increase	—	August 16, 2011 Tai-Zheng-Shang-Er-Zhi. No.10000272241
July 2012	NT\$10	360,000	NT\$3,600,000	158,792	NT\$1,587,920	Earning capitalization	—	—
October 2012	NTD \$83	360,000	NT\$3,600,000	175,292	NT\$1,752,920	Cash capital increase	—	September 20, 2012 Jin-Guan-Zheng-Fa-Zi No.1010042289
July 2013	NT\$10	360,000	NT\$3,600,000	199,833	NT\$1,998,329	Earning capitalization	—	—
July 2014	NT\$10	360,000	NT\$3,600,000	250,175	NT\$2,501,751	Earning capitalization	—	—
August 2014	NT\$10	360,000	NT\$3,600,000	249,829	NT\$2,498,291	Cancellation of Treasury shares	—	—
August 2015	NT\$10	360,000	NT\$3,600,000	259,588	NT\$2,595,884	Earning capitalization	—	—
November 2016	NT\$10	360,000	NT\$3,600,000	265,368	NT\$2,653,681	Earning capitalization	—	—
September 2017	NT\$10	360,000	NT\$3,600,000	267,776	NT\$2,677,761	Earning capitalization	—	—
September 2018	NT\$10	360,000	NT\$3,600,000	268,955	NT\$2,689,547	Earning capitalization	—	—

Note: In order to apply for the first listing in Taiwan, the Company agreed to exchange equity with the holding company which wholly owns Sansda (Fujian) Plastic Co., Ltd., and indirectly acquired 100% ownership of Sansda (Fujian) Plastic Co., Ltd. (equivalent to using 1 common share of the company to exchange for HKD 0.675 of the capital of Sansda (Fujian) Plastic Co., Ltd.).

2. Types of issued shares

April 16, 2025; Unit: shares

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common shares	268,954,729	91,045,271	360,000,000	Shares of listing company

3. Summary of information related to the shelf registration: Not applicable.

(II) List of major shareholders: List the name, number of shares held and shareholding ratio of the shareholders with the ratio over 5% or the top ten shareholders

April 16, 2025; Unit: shares

Shares Names of major shareholders	Number of Shares Held	Ownership
Ding Holding Limited	38,888,293	14.46%
Ting, Chin-Tsao	15,993,089	5.95%
Cheng, Chin-Hung	13,561,000	5.04%
Ou, Shu-Ching	7,199,000	2.68%
Phillip Securities Ltd.	5,782,140	2.15%
Tseng, Ming-Hsiu	3,708,520	1.38%
Hsu, Hang-Chien	2,396,930	0.89%
Hung, Hsien-Chi	1,520,000	0.57%
Hsu, Shih-Chieh	1,480,000	0.55%
DFAEmerging Markets Core Securities Investment Account	1,370,533	0.51%

(III) Information on market price, net worth, earnings and dividends of each share

Unit: NT\$ thousand; thousand shares

Item \ Year		2023	2024	March 31, 2025 (Note 4)
per share Market price	Highest	9.49	8.29	7.03
	Lowest	6.85	6.30	5.92
	Average	7.50	7.29	6.43
Net worth per share	Before distribution	16.36	15.38	15.29
	After distribution	16.36	15.38	15.29
Earnings per share	Weighted average shares	Before adjustment	268,955	268,955
		After adjustment	268,955	268,955
	Earnings per share	Before adjustment	(1.53)	(1.54)
		After adjustment	(1.53)	(1.54)
Dividend per share	Cash dividend		-	-
	Stock dividends	-	-	-
		-	-	-
	Cumulative undistributed dividends		-	-
Analysis of return on investment	Price to earnings ratio (Note 1)		(4.90)	(4.73)
	Price to dividends ratio (Note 2)		-	-
	Cash dividends yield (Note 3)		-	-

Note 1: Price-to-earnings ratio = average closing price per share for the year/earnings per share.

Note 2: Price-to-dividends ratio = average closing price per share for the year/cash dividend per share.

Note 3: Cash dividends yield = cash dividend per share/average closing price per share for the year.

Note 4: Financial statements for the first quarter of 2025 reviewed by accountants.

(IV) Dividend policy and implementation

1. Dividend policy defined by the Articles of Association:

- (1) In accordance with Cayman decree, listing (OTC) rules and these Articles, the Company shall not distribute dividends and bonuses if there are no earnings. But if the statutory surplus reserves have exceeded 50% of the paid-

in capital of the Company, the exceeded amount shall be distributed in full or in part, as the dividends and bonuses according to the ordinary resolution of the shareholders' meeting. During the listing period of the Company, dividends shall be distributed in New Taiwan Dollar.

(2) A. Unless otherwise specified in Cayman decree, listing (OTC) rules or these Articles, if the Company has made profits in the current year during the listing period, at least two percent (2%) shall be withdrawn as the employee remuneration (unless otherwise specified in Cayman decree or listing (OTC) rules, qualification of those employees shall be determined by the Board of Directors), which shall be distributed to the employees of the Company and (or) subsidiaries by issuing new shares and/ or cash, and no higher than one percent (1%) shall be withdrawn as the director remuneration and shall be distributed to various directors, provided that at least 2/3 directors of the Board present and more than 1/2 directors have adopted the resolution. But if the Company has some accumulated losses, the amount for making up such losses shall be reserved firstly, and employee and director remuneration shall be withdrawn from the remaining amount as per the foregoing percentages. Distribution plan for employee and director remuneration shall be submitted to the Board of Shareholders. Unless otherwise specified in listing (OTC) rules, director remuneration shall not be distributed by issuing new shares.

B. Except as otherwise provided in the Cayman acts, listing (OTC) regulations or the Articles of Association, if the Company has a surplus at the end of a fiscal year, it shall pay all relevant taxes, make up for the loss (including the loss of the previous year). After allocating the statutory surplus reserve in accordance with the listing (OTC) regulations (but not applicable if the total statutory surplus reserve has reached the total issued capital of the Company) and the special surplus reserve (if any), the ordinary resolution of the shareholders meeting shall be passed to pay dividends or bonuses to shareholders at 10% of the remaining surplus of the current year based on each shareholder's shareholding ratio, and the amount of cash dividends shall not be less than 10% of the total dividends and bonuses paid.

C. The Company shall also distribute the dividends and bonuses by making use of the unappropriated earnings from the previous years, in accordance with the ordinary resolution of the regular shareholders' meeting.

D. The Board of Directors shall deduct any amount (if any) that is due and should be paid by the shareholder to the Company, from any dividend, bonus

or other account payable related to the shares.

E. Unless otherwise specified in Cayman decree and listing (OTC) rules, any special reserves shall be reversed into the unappropriated earnings of the Company.

2. The proposed dividend distribution for this year:

Due to the after-tax loss in 2024, the Company does not plan to distribute dividends.

3. Expected material changes in dividend policy: None.

(V) The effect of the proposed stock dividends of shares at the shareholders' meeting on the Company's operating results and earnings per share:

The Company has not distributed bonus share in 2024, so it is not applicable.

(VI) Remuneration of employees and remuneration of directors and supervisors

1. The number or scope of the remuneration of employees and the remuneration of directors and supervisors stated in the Articles of Incorporation

If the Company has made profits in the current year during the listing period, at least two percent (2%) shall be withdrawn as the employee remuneration (unless otherwise specified in Cayman decree or listing (OTC) rules, qualification of those employees shall be determined by the Board of Directors), which shall be distributed to the employees of the Company and (or) subsidiaries by issuing new shares and/ or cash, and no higher than one percent (1%) shall be withdrawn as the director remuneration and shall be distributed to various directors, provided that at least 2/3 directors of the Board present and more than 1/2 directors have adopted the resolution. But if the Company has some accumulated losses, the amount for making up such losses shall be reserved firstly, and employee and director remuneration shall be withdrawn from the remaining amount as per the foregoing percentages. Distribution plan for employee and director remuneration shall be submitted to the Board of Shareholders. Unless otherwise specified in listing (OTC) rules, director remuneration shall not be distributed by issuing new shares.

2. The Company's estimation basis of estimated amounts of employees' remuneration and directors' and supervisors' remuneration, the basis for calculating the number of shares of employee remuneration distributed by stocks, and the accounting treatment in the event that the actual allotment amount differs from the estimated amount in the current period:

(1) The estimation basis of current estimated amounts of employees'

remuneration and directors' and supervisors' remuneration: Please refer to the description of dividend policy in (VI) 1. above.

- (2) The basis for calculating the number of shares of remuneration distributed by stocks in the current period: The number of issued shares is calculated based on the closing price of the Board of Directors on the previous day and by considering the effects of ex-rights and ex-dividends. The remuneration of employees calculated as less than one share is paid in cash.
- (3) The accounting treatment in the event that the actual allotment amount differs from the estimated amount in the current period: When there is a major change in the issuing amount of the Board of Directors' resolution, the change will adjust the original annual expenses. If the amount still changes at the date of the shareholders' meeting, it will be treated as the changes in accounting estimates and recorded in the statement in the year of the resolution of the shareholders' meeting.

3. Remuneration distribution approved by the Board of Directors

- (1) If the amount of employees' remuneration and directors' and supervisors' remuneration distributed in cash or shares is different from the annual estimated amounts of expenses, such difference, reason and treatment should be disclosed. Due to the after-tax loss in 2023, the Company does not plan to distribute the remuneration of employees and remuneration of directors and supervisors.
 - (2) The amount of employees' remuneration distributed by stocks and its proportion to the total amount of after-tax net profit and total employee remuneration for the current period: Due to the after-tax loss in 2023, the Company does not distribute stock dividends to employees, so it is not applicable.
4. The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of allotted shares, amount and stock price), and if there is any difference between it and the recognized remuneration, and the number of difference, reason and treatment should be stated: Due to the after-tax loss in 2023, the Company does not distribute the remuneration of employees, directors and supervisors, so it is not applicable.

(VII) Repurchase shares of the Company by the Company

No application for repurchase of shares of the Company has been made in the most recent year and as of the printing date of the annual report

II. Corporate bond: None

III. Preferred stock: None

IV. Global depositary receipt: None

V. Employee share subscription warrants and new restricted employee stocks:

(I) The Company's employee stock options have not yet expired

May 22, 2025

Type	2017 First time employee share subscription warrants		
Date of approval by the competent authority	April 13, 2018		
Issuing (handling) date	April 30, 2018		
Number of units issued	20,000,000 shares		
Number of issued options to be subscribed as a percentage of the total number of shares issued	7.44%		
Duration of subscription	10 years		
Contract Performance Method	Issuance of new shares		
Restricted stock period and percentage (%)	Upon two years after the expiration of the share subscription warrants granted to employees by the Company, the warrant holders can exercise the subscription rights according to the following schedule		
	Schedule	Seniority	Exercisable subscription ratio (cumulative)
	After two full years (from the third year)	After four full years	30%
		After six full years	60%
		After eight full years	100%
Number of shares exercised	0		
Amount of shares exercised	0		
Number of unexercised stock options	20,000,000 shares		
Subscription price per share for unexecuted subscriptions	NT\$11.2/share		
Ratio of number of unexecuted subscription for shares to total issued shares (%)	7.44%		
Effect on shareholders' equity	No significant influence		

(II) The name, acquisition and subscription status of managers who have obtained the employee stock option certificates and the top ten employees who have obtained the number of subscription for shares of stock option certificates

May 22, 2025

Title	Name	Number of stock options acquired	Number of stock options acquired as a percentage of the total number of shares issued	Executed				Unexecuted			
				Number of stock options	Price of stock options	Amount of stock options	Number of stock options as a percentage of the total number of shares	Subscription Quantity	Price of stock options	Subscription Amount	Number of stock options as a percentage of the total number of shares issued
Chairman	Ting, Chin-Shan	13,000,000	4.83%	-	-	-	-	13,000,000	11.2	145,600,000	4.83%
Deputy general manager of Sansda (Fujian)	Ting, Hua-Hsiung										
Deputy general manager of Sansda (Fujian)	Ting, Chih-Wei										
Special Assistant to Chairman	Xue, You-Wei										
Assistant VP, Finance and Accountin	Wang, Wei-Min										
General Manager, Sansda (Fujian)	Ting, Chih-Meng										
Assistant VP of Audit	Liang, Weh-Jie	5,000,000	1.86%	-	-	-	-	5,000,000	11.2	56,000,000	1.86%
Chairman's Secretary	Huang, Chiu-Po										
Finance manager of Sansda (Fujian)	Huang, Ssu-Kuan										
Deputy general manager of Marketing, Sansda (Fujian)	Ting, Chin-Hua										
R&D manager of Sansda (Fujian)	Ting, Chin-Fu										
Quality control manager of Sansda (Fujian)	Wei, Chang-Chung										
General manager of Marketing, Sansda (Fujian)	Wang, Chao-Yang										
Vice manager, Finance	Yu, Ping-Rou										

VI. Status of new shares issuance in connection with mergers and acquisitions:

The Company was established and registered in the Cayman Islands in 2010 in order to comply with the requirements of applying for listing in Taiwan. In March 2010, it issued 120,000 thousand new shares (common shares) with a denomination of NT\$10 per share. It carried out equity exchange with Ding Holding Limited and completed the reorganization of the equity structure of the Group. After the reorganization, the Company directly or indirectly holds 100% stake of Sansda Holding Limited, Sansda (Hong Kong) Co., Ltd. and Sansda (Fujian) Plastic Co., Ltd. There is no other transaction for M&A.

VII. Financing plans and implementation:

(I) Contents of plans

1. As of the quarter before the printing date of the annual report, the plans which have not been completed in the previous issuance or private securities: None.
2. The plans which have been completed within the past three years and the plans which have not yielded significant benefits: None.

(II) Implementation

Regarding the purpose of each plan mentioned in the preceding paragraph, analyze item by item the implementation and the comparison with the originally expected benefits as of the quarter before the printing date of the annual report: None.

Four. Operation Overview

I. Business activities:

(I) Business scope

(1) The main content of the business

The Company currently arranges Sansda (Fujian) Plastic Co., Ltd. as the main operating entity, mainly engaging in the research and development, manufacturing and sales of Ethylene-Vinyl Acetate copolymer (EVA) foam material, and recycle of waste plastics and scraps. With the characteristics of good plasticity, good elasticity, shock resistance, chemical resistance and low-temperature resistance, EVA blended foam products can be widely applied. At present, the foam products manufactured by the Company are mainly divided into five types of foam products:

- A. Sole sheets
- B. Bag sheets
- C. Common sheets
- D. Rubber foam
- E. Floor mats
- F. Other special sheets

(2) Proportions of main business items in 2023 and 2024

Unit: NT\$ Thousands, %

Product	2023		2024	
	Turnover	Operating proportion (%)	Turnover	Operating proportion (%)
Common sheets	242,667	31.43	224,286	27.44
Bag sheets	363,119	47.03	425,130	52.01
Specialty panel materials	940	0.12	768	0.09
Floor mats	34,282	4.44	32,105	3.93
High elasticity formed material	49,692	6.44	63,752	7.80
Other (note)	81,334	10.54	71,498	8.75
Total	772,034	100.00	817,359	100.00

Note: Others include the income from high foams, shoe upper linings, shoe sole inlays, and rental incomes, etc. and the rental incomes in 2022 and 2023 are NT\$41,094 thousand and NT\$38,155 thousand, respectively.

(3) Items and purposes of main products

EVA foaming technology uses physical foaming or chemical cross-linking foaming to foam plastic materials (open or closed type) to achieve lightweight, buffering, sound absorption, shock absorption, heat preservation, filtration, packaging and other functions. The products not only have the special functions mentioned above, but also can reduce the cost by reducing the specific gravity through foaming. Therefore, foamed products are not only widely used in consumer goods (such as shoe materials, water sports equipment, cushions, etc.), but also are in demand for building materials (air-conditioning insulation pipes, floors, skirting boards, etc.) and industrial uses (such as packaging, insulation, shockproof, filtration, etc.). The description of items and uses of the Company's products are as follows:

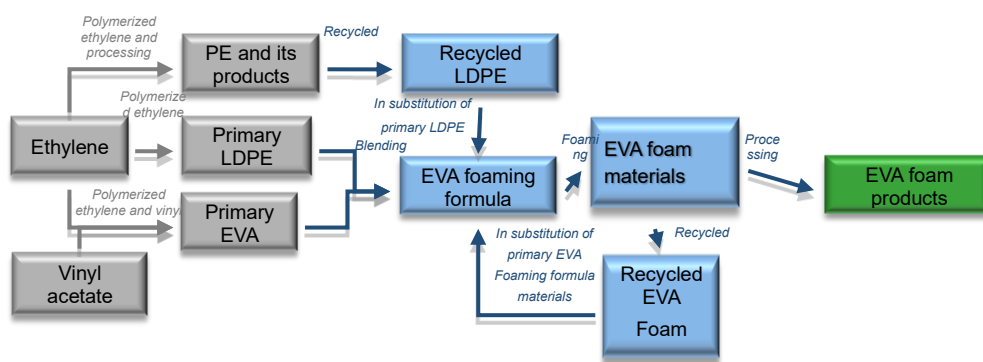
Item	Purpose
A. Sole sheets	EVA blended foaming products have the properties of softness, good elasticity, chemical resistance, etc., so they are widely used in the soles and interior materials of middle and high-end sneakers, hiking shoes, slippers, and sandals. There are many varieties of EVA sole materials, mainly concentrated in outsole, midsole and insole, as well as foam materials, footwear inserts, linings, among other things.
B. Bag sheets	High-quality linings for products such as trolley cases, suitcases, and computer bags. The material must be soft, highly elastic, shaped and fit with leather fabrics, so it is gradually replacing traditional foam materials including NBR, SBR and CR foam rubber and PVC foam plastic to become the preferred material for luggage lining.
C. Common sheets	The basic EVA sheet has the characteristics of sound insulation, heat insulation, and light-specific gravity. It is widely used in craft gifts, toys, industrial product packaging, surface lining, sports and leisure and other fields. The main applications in sports and leisure products include: Exercise mats, floating plate and floating beds, life jackets, shoulder pads, knee pads, water supplies, yoga mats and rhythmic balance mats, among other things.
D. High elasticity foamed products	Featured lightweight, high elasticity, non-absorbency, heat preservation, heat insulation, shock resistance, etc., they are widely used in sports equipment, protective gear and construction materials.
E. Highly processed products	Mainly used for children's toy mats. Foam materials made of EVA/PE foam are widely used in children's play areas in homes, kindergartens, shopping malls, etc. They are soft and comfortable, elastic, easy to clean and shockproof.
F. Other sheets	1. Special sheets: They are more flexible than common sheets and have better surface density. They are applied in printable slippers, toys, handicrafts, etc.

Item	Purpose
	2. Rubber foam: With a closed bubble structure, low water absorption, low thermal conductivity, good thermal insulation effect, strong flexibility, and with properties such as shock absorption and sound absorption, cold resistance, heat resistance and anti-dry performance, it is widely used in industrial products and sports equipment. 3. Anti-static formed material: With a volume resistance up to $10\Omega/\text{cm}$, the product has excellent antistatic and electromagnetic shielding properties, shock resistance, sound insulation, heat insulation, moisture resistance, corrosion resistance, etc., and is mainly used in electronic packaging materials. 4. Flame-retardant formed material: Featuring heat insulation, flame retardant, cold insulation, shock resistance, insulation and heat preservation, etc., the product is widely used in civil engineering for doors and windows, waterproof and leakproof projects, and insulation for wall pits and pipelines in water and electricity projects, and insulation for electrical sockets. 5. Shock-absorbing formed material: Featuring high shock absorption and impact resistance, heat insulation and moisture resistance, strong chemical stability, and outstanding property of shape memory, the product is better than ordinary EVA and PE foam, and is widely applied in sports equipment, fitness equipment, harnesses, and electronic packaging materials, etc.

(4) New products planned to be developed

The special foams of environmental protection, flame retardant, shock absorption, sound absorption, antibacterial property, antistatic property and other properties developed and produced by the Company have been widely used in many fields such as electronics, automobiles, ships and architectural decoration. EVA foam materials will also develop towards ultra-light new materials. With the wider application scope of EVA materials, the development of new flame retardants and synergistic flame retardants, reduction of the amount of main flame retardants, increase in the dispersibility and interface compatibility will become the direction of EVA flame retardant research. The new products that the Company plans to develop include:

- A. Anti-static and electromagnetic shielding EVA material
- B. High-pressure-resistant and lightweight silt drainage pipe material for river channels
- C. EVA solar back sheet



(II) Industry overview

(1) Industry Current Status and Development

The Company applied for registration in the British Cayman Islands in 2010. With its wholly-owned subsidiary Sansda (Fujian) Plastic Co., Ltd. (hereinafter referred to as Sansda (Fujian)) as the main operating entity, it mainly engages in the production of blended foam products made from ethylene-vinyl acetate copolymer (EVA) and recycling of waste plastics and scraps.

Foamed plastics are resin-based plastic products with numerous microporous gases inside. It is a foaming material made by molded foaming with EVA as raw material and LDPE or other additives added. Its raw materials include primary EVA, LDPE plastics, and recycled materials made from waste plastics, which are then recycled into EVA blended foamed products.

The foaming principle of plastics is to dissolve gases in a liquid polymer to form a saturated solution, and then produce foam through nucleus interaction; the foaming agent can be dissolved in the liquid polymer in advance, and will release gases when the temperature rises and the pressure drops to form bubbles. The existence of bubbles endows the EVA foam material with many advantages such as water resistance, corrosion resistance, ease of processing, heat preservation, sound insulation, and high elasticity. Water resistance brings moisture-proof function, which is not easy to absorb water; corrosion resistance can play its role in seawater, grease and acid-base environments, which is antibacterial and pollution-free; the characteristics of ease of processing make hot pressing, cutting, laminating and other processes available to produce various types of molded products; heat preservation and sound insulation are beneficial to improve the performance of household products; and high elasticity provides the softness characteristic required by the contact surface of sports products. Based on the above properties, EVA foam materials can be processed into various products, and are widely used in footwear, luggage, sports and leisure, construction materials,

electronic packaging materials and other fields.

A. Industrial development under macroeconomic environment

The Company is mainly engaged in the R&D, manufacturing and sales of EVA foam materials, being a part of the plastics industry. Since the plastics industry is an important pillar of the basic livelihood industry, its application can be seen in every corner of the economy, and it is also closely related to the national consumption capacity. China is the main sales market of the Company. The stage of China's economic development and the people's living standards affect the development of the overall plastics industry, and also guide the development of EVA industry.

From the perspective of the composition of GDP of China's Mainland and the contribution rate of economic growth, the final consumption expenditure accounted for the highest proportion of GDP of China's Mainland between 2015 and 2019, about 57.5% to 69.0%. In 2022, the rate of disposable income from savings of households of China's Mainland is higher than that in previous years. As the impact of the epidemic gradually fades, consumer confidence will be enhanced and part of excess savings will be turned into real consumption. Besides, the consumption upgrade mentioned in the "14th Five-Year Plan", people's livelihood construction, smart cities, tax reform, household registration reform, and regional development will be promoted to guide consumption upgrades, and improve overall consumption levels and people's disposable income. Therefore, private consumption will replace exports and infrastructure investment in 2022 and become the main catalyst for the economic growth of China's Mainland. In 2022 the effect of consumption-driven economic growth will be greatly improved. China's economy is shifting from rapid growth to high-quality development, and the innovation investment continues to be intensified. Such shift will have a profound impact on many areas including consumption, production, investment, trade, and research and development in China. In addition, green development is the direction of future development. On one hand, green development strengthens environmental governance to increase the cost of polluting industries, which will increase efforts to eliminate backwardness and overcapacity in combination with supply-side structural reforms. On the other hand, green economy development also provides huge new demands in environmental governance and other fields, bringing new opportunities for the environmental protection industry and low-energy enterprises.

B. Plastic consumption trends in China's urbanization stage

Demand by China's economic development, urbanization remains a long-term trend in China. The deepening of urbanization will further promote economic development and expand the consumption of urban residents. The process of urbanization has a profound impact on the purchasing behavior, purchasing decision, purchasing intention, and purchasing ability of consumers. Therefore, urbanization is also one of the important driving forces to the improvement of China's demand structure. China is a populous country, so a higher urbanization rate will bring more urban population and consumption. Various industries closely related to people's livelihood will also benefit from this. While the shoe industry, luggage industry, toy industry, sporting goods industry, construction materials industry, etc. directly influences the quality of life of people, and they are expected to be positively affected by the deepening of urbanization. More other industries, such as the electronics industry and the automobile industry, will also be stimulated by the increase in demand resulted from the increase in urbanization.



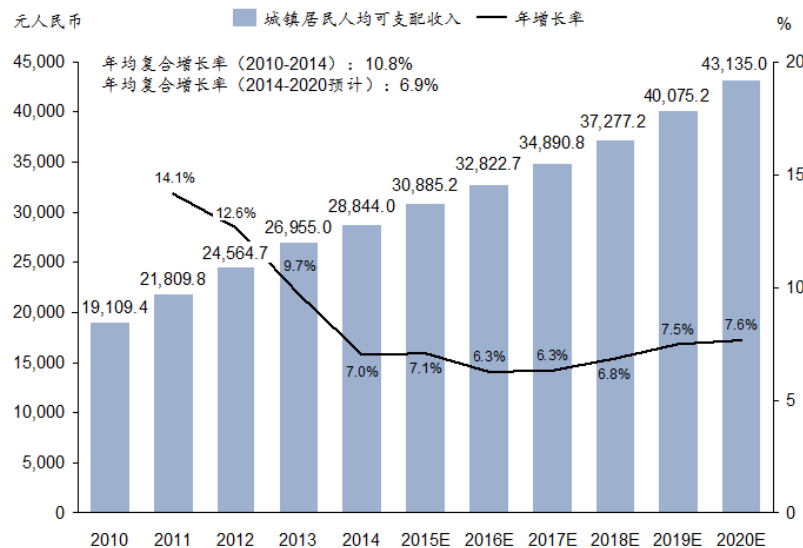
Source: National Bureau of Statistics of China

According to data released by the National Bureau of Statistics, China's GDP reached RMB 121 trillion in 2022 due to the economic plan implemented by the Chinese government and the gradual recovery of the global economy.

Affected by the continuous increase in wages in recent years, the per capita disposable income of residents has grown rapidly. The per capita disposable income of Chinese residents reached RMB 36,883 in 2022. Compound average growth rate reached 5.0%. The increase in disposable income will help release more consumption potential.

Considering the expectation of a further slowdown in China's nominal GDP and per

capita GDP growth rate, the personal per capita disposable income will also be affected to some extent. However, in view of the Chinese government's economic stimulus policies, the adjustment of the personal income tax threshold, the further increase in the urbanization rate and the expected global economic recovery.



Source: National Bureau of Statistics of China

Benefiting from increased China's GDP, raised employment rate and the development of the urbanization process, the income level of urban households has increased sharply. Considering the expectations of China's continued economic growth and improvement of urbanization, the increase in disposable income of urban households is expected to bring more consumption power and benefit the people's livelihood-oriented industries closely related to urban family life.



Source: National Bureau of Statistics of China

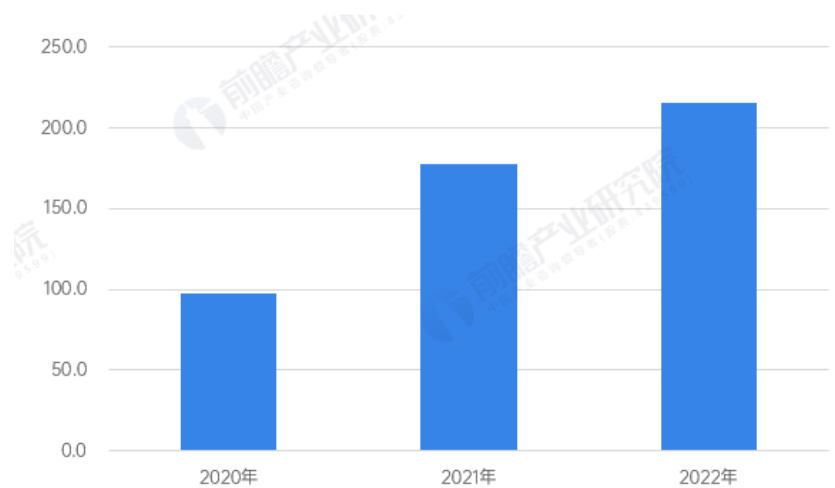
The plastic manufacturing industry is also a major part of the people's livelihood-

oriented industries. After a long period of development, the plastics industry in China has gradually expanded its application fields. As the growth of plastic consumption is inseparable from GDP growth, many countries also take per capita plastic consumption as a quantitative indicator to measure and reflect the economic strength of a country. Therefore, the continuous growth of China's national economy actually provides an important foundation for profit for the development of the plastic industry.

According to statistics from Xinhua Net and Data Research Department of DRCNET, China's plastic products industry has grown rapidly each year at a rate higher than GDP in the past ten years. In recent years, the production and economic operations of China's plastic products have been performing well, and the output of various products has continued to sustain a good development trend, which outperforms the early stage. According to data from China Plastics and Rubber Web, the total output of plastic products in China in 2022 was 77.716 million tons. In addition, the plastic products industry consists of plastic film, plastic sheet, foamed plastic (expanded plastic), plastic artificial leather, plastic packaging and containers, etc. As the plastic foaming industry is an important item in the plastics manufacturing industry and has a wide variety of products, it is widely applied in industry, agriculture, construction, and daily life. Nowadays, the demand for foamed materials in the Chinese plastics market is also increasing. On the basis of guidelines in the Outline of the National Medium and Long Term Science and Technology Development Program (2006-2020), National Innovation Driven Development Strategy Program, 13th Five-Year Plan on Scientific and Technological Innovation, A Guideline on Emerging Sectors of Strategic Importance during the 13th Five-Year Plan, 13th Five-Year Plan National New Material Planning, and centering on the two major plans of the Development and Guidance Opinions on Plastics Processing Industry during the "13th Five-Year" and the Development and Guidance Opinions on the Technological Progress of Plastics Processing Industry during the "13th Five-Year", the innovation-oriented development strategies should be upheld, and upstream and downstream industries should be united to highlight the direction of "being functionalized, lightweight, eco-friendly, micro-molding", promote technological innovation and technological progress in the industry, boost high-quality development of the industry, and advance the plastics processing industry from a large production towards a strong one.

According to CNCIC's analysis, the consumption volume of China's EVA market is as follows:

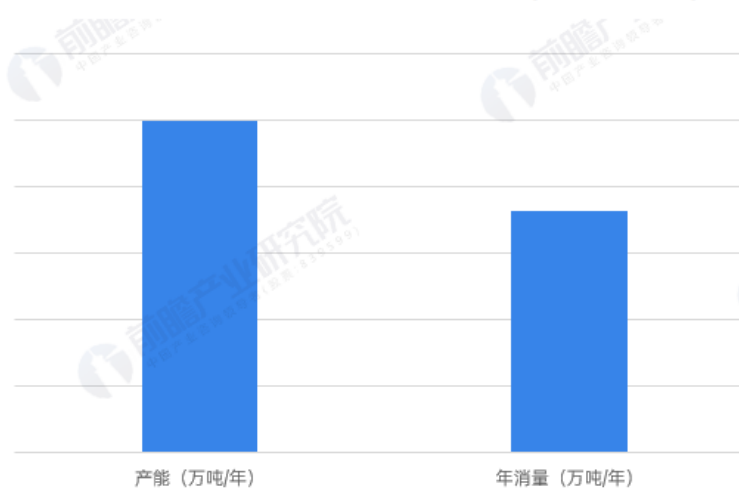
图表1：2020-2022年中国EVA材料产能变化情况(单位：万吨/年)



资料来源：CNCIC 前瞻产业研究院

@前瞻经济学人APP

图表4：2025年中国EVA材料行业市场供需预测(单位：万吨/年)



资料来源：CNCIC 前瞻产业研究院

@前瞻经济学人APP

Source: China Insights Consultancy

EVA resin features good flexibility, impact strength, low-temperature resistance and environmental stress cracking resistance, as well as good optical performance, chemical stability, aging resistance and ozone resistance, and is non-toxic and harmless, so it is widely used in the areas such as foaming materials, films, injection molding products, blow molding products, wires and cables, hot melt adhesives, and solar energy. In addition, EVA resin can also be used as a raw material of modification for other resins, showing a broad prospect for development and utilization.

C. Current status of the plastic recycling industry under the trend of environmental protection

Environment-friendly recycling of waste plastics for reproduction in China is an

extension of the plastic industry. Since fossil energy resources are diminishing, waste plastics can be recycled and reused through technology, making them an inexhaustible “second kind of oil field”. Therefore, due to its environmental concerns, plastic recycling has gradually become an emerging industry that has attracted much attention.

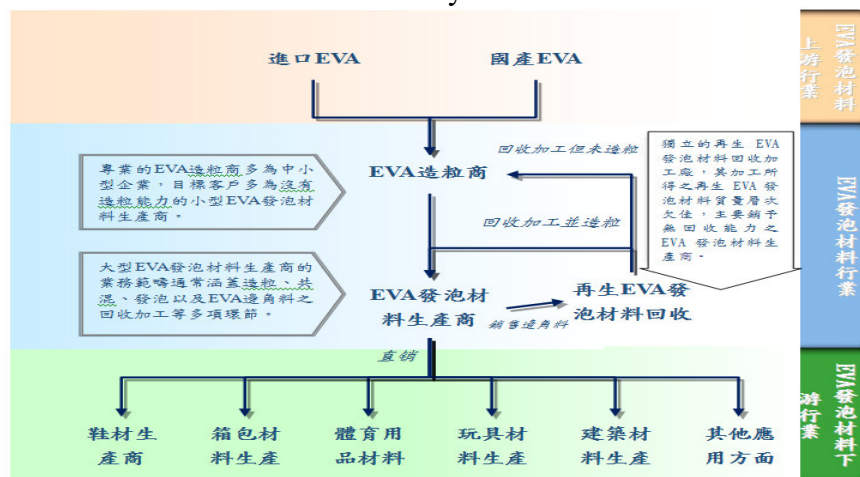
From the perspective of plastics industry development, the recycling of waste plastics is an important way to turn waste into wealth and solve ecosystem pollution. As a measure to save energy and protect the environment, the recycling of waste plastics is taken seriously by countries all over the world. China is deficient in plastic raw materials, so the import volume is large; at the same time, the recycling rate of waste plastics is very low. The development of waste plastic recycling industry is an effective way to solve the shortage of plastic raw materials. The available data suggest that the recycling rate of waste plastics is less than 10%, while China’s plastic products industry has developed rapidly in recent years, ranking second among the world’s plastic product output. With the soaring international oil prices, the overall plastics industry has been gaining little profit. Experts believe that the structural adjustment of the plastic products industry needs to be accelerated. As one of the directions of structural adjustment, the recycling of waste plastics not only has become the key to the entire recycling industry chain, but is also a link with higher technology and higher profits in the current industry. At the present stage, China’s recycling rate of waste plastic and packaging is less than 10%, while Japan has reached 26%. Since the development and research work on the recycling of waste plastics started early in some developed countries, and many technologies are advancing day by day, which has produced great benefits. The waste plastic recycling industry in China is a promising environmental protection industry with great development potential. From the perspective of economic benefits, the advantage of the waste plastic recycling industry lies in its low cost. According to calculations, compared with the current price of plastic raw materials, the cost of products made from reprocessing of waste plastics is only about 50% of that of the products made from quality raw materials.

In the early days, the waste plastic industry in China mainly relied on traditional material recycling systems. In recent years, the waste landfills in various regions have changed from manual collection, sorting, and processing of waste plastics to industrialized and automatic operation. However, only a few large-scale enterprises attach importance to long-term growth and sustainable management, and such enterprises are concentrated on the coastal area. In waste plastic industry, large enterprises have more advanced plastic classification technology and equipment production lines, lower

purchase costs, higher production efficiency, and better environmental protection facilities than smaller enterprises, and their wastewater discharge can meet the standards, avoiding secondary pollution. With the rapid development of China's national economy, the shortage of resources and environmental pollution have become increasingly prominent, and the recycling of waste plastics is in grave difficulties. In order to protect the environment and realize the sustainable development of the national economy, the Chinese government has formulated the Outline of the National Medium and Long-Term Science and Technology Development Program, in which the strategic goals of the waste plastic planning in the field of renewable resources are: the recycling rate of waste plastics will reach 50% by 2020. Therefore, it can be expected that: the processing and comprehensive utilization of waste plastics will become an emerging industry with huge business opportunities and market prospects. It is expected that the industry will advance China's plastics and waste plastic recycling industry to a more scaled and efficient state with the help of government policy support, continuous technological upgrades and an increase in the investment of environmental protection facilities in the future.

(2) The relevance of the upper, middle and lower reaches of industry

EVA foam material market: Upstream and downstream industrial chains of EVA foam material industry



The Company mainly purchases EVA, LDPE raw materials and plastic granulation materials for waste plastic recycling from upstream raw material suppliers, so as to produce EVA foamed products by blending different proportions of foaming formula materials. Since EVA raw materials are derived from ethylene-vinyl acetate copolymers, the operating rate of global petrochemical industry will significantly affect the supply of plasticized raw materials

derived from ethylene. But EVA and LDPE can achieve interconversion in the manufacturing process. With years of R&D experience, the Company can recycle waste plastics produced by the consumption of people's livelihood and scraps from EVA production process through professional technologies, and recycle and remake them into EVA foaming formula materials according to different recycling ratios. Therefore, the Company can respond to the supply change risk of midstream and upstream industrial chains by using proprietary process technologies and combination of different raw materials. In the downstream market of EVA foam materials, the shoe industry and luggage industry account for about 70%; the toy industry, sporting goods industry, and construction materials industry account for about 25%; and the emerging fields such as automotive interiors and electronic components account for about 5% of the Chinese market. Besides, China's domestic downstream companies will gradually embark on the road of producing mid-to-high-end products. At present, the application potential of EVA foam materials has not been fully tapped. In China, injection molding and foaming products are the largest areas of EVA resin consumption, accounting for about 65% of the total consumption. It is expected that more emerging areas will be expanded in the future, such as electronic engineering, heat preservation and air-conditioning, car decoration and shipbuilding industry and other emerging fields. As the Company uses part of recycled waste plastics as raw materials, which has complementary characteristics with downstream industries, so the future industry development of the Company is indeed promising.

(3) Development trends and competitive situations of products

A. Development trends of products

(A) Continuously expand application areas through product innovation

The EVA foaming technology has higher requirements, especially on the key technologies such as product formulation, physical reaction and control procedures. After the evolution of industrial environment, the technology and mechanical equipment of EVA industry have become more mature and stable, so its market is widening and the scope of application is also expanding. In addition to many products such as sports goods, packaging materials, and construction materials, other industries such as materials for aquaculture are also involved. The breadth and depth of application continue to expand, and EVA foam products keep making improvements, and new products are introduced. New products continue to emerge through R&D, especially the thermoplastics with recyclable characteristics and great substitutability,

which will replace most other foam materials. It is expected that the EVA industry will remain vigorous development. In the future, EVA foam manufacturers can increase their degree of customization, and adjust various parameters that affect EVA foam in response to customer needs to further expand its application fields, so that the supply of EVA foam materials tends to be more diversified and specialized.

(B) Recycling to conform to the trend of environmental protection

The negative impact of economic activities on the global natural environment is becoming more and more serious, and the deteriorating natural environment also has an increasing impact on the industrial activities of various countries. How to design an analysis framework that studies the relationship between economic activities and the changes in the natural environment has become a natural development trend, and the green economy stands out under such situation.

At the climate change summit held by the UN, China promised to reduce carbon intensity per unit GDP by 2020 by 40%-45% compared to 2005. As one of the world's greenhouse gas emitters, China is trying to adjust its industrial structure to transform its economic development mode and fulfill its commitment to reducing emissions, while meeting its needs of sustainable industrial development. The recycling of plastics can effectively reduce energy consumption and environmental pollution, and achieve sustainable use of resources.

In terms of recycling of EVA foam materials, waste plastics produced by the consumption of people's livelihood and scraps from EVA production process can be recycled through professional technologies, and be recycled and remade into EVA foaming formula materials according to different recycling ratios. In addition to improving the utilization of resources and materials and reducing industrial production costs, recycling can also create substantial benefits for environmental protection, which conforms to the trend of green economy.

(C) The industry is moving towards the competitive convergence to select the superior and eliminate the inferior

The consumption of EVA foam materials in China has developed rapidly, which has attracted many manufacturers to enter the industry over the years. According to statistics, most of the EVA foam material manufacturers in the Chinese market are small and medium-sized enterprises with annual sales of less than RMB 30 million; a small

number of manufacturers are large and medium-sized enterprises with annual sales of RMB 30 million to RMB 100 million. The quantity of large-scale manufacturers with annual sales of more than or close to RMB 100 million is the minimum. The data also show that all the top ten companies of the sales of EVA foam materials in 2014 were companies with sales of more than RMB 100 million, accounting for about 13.7% of the market share. It reflects that although there are many manufacturers in the market, the large-scale manufacturers occupy a dominant position in the market.

Since the scattered manufacturers in China's EVA foam material industry are small in scale and has a low level of production integration, the capital and manpower invested in the business are limited compared with other large companies, which makes their market competition position more unfavorable. In such environment, there will be the trend that the strong ones will remain strong and the trend of selecting the superior and eliminating the inferior in the industry. The companies that outcompete will continue to grow in scale, and their management systems, production capacity of equipment, R&D technologies, and scale of operations will become important indicators and investment thresholds for the future development of the industry.

(D) The Chinese government intends to establish standards and specifications for plastic products

It is expected that China's economy will continue to grow steadily in the next few years. With the accelerated development of industrialization and urbanization, and in the face of increasing concerns about resources and the environment, the Chinese government hopes to minimize the economic and social activities' demand for natural resources and impact on the ecological environment, so it takes initiative to establish standards and specifications for plastic products. China National Standardization Technical Committee has proposed a standard system framework for related fields, including comprehensive and general standards, test method standards and product standards. Among them, the implementation of the development plan for the resource conservation and comprehensive utilization of plastic products, the basic reuse and recycling standards of plastic waste and related test methods for rigid foamed plastics for building energy conservation are listed as key projects. Although China has not yet established specific product standards and specifications for the EVA foam material industry, it is indirectly regulated by product standards and specifications in the downstream market since EVA foam materials can be used in many downstream

industries. The Chinese government is attaching greater importance to the standards of plastic products, especially for plastic products in the export market. This action also raises the requirements on the products of EVA foam material manufacturers, and also contributes to healthy competition in the EVA foam material industry. Manufacturers with unqualified products will be eliminated, which provides substantial benefits for the long-term development of the industry.

B. Competition

After more than ten years of product R&D and market expansion since its establishment, the Company has mastered the production technologies of various EVA foam compositions, EVA blended foams and special EVA blended foams, and established a complete system of foam products.

As there are only small less-integrated manufacturers which mostly enter the market later than the Company in China's EVA foam industry, the Company has great competitive advantages in management system, equipment capacity, waste recycling technology and scale of operation, especially the scrap recycling technology which can achieve the purpose of both environmental protection and cost control. This technology entails a long time of knowledge enhancement and experience accumulation. It has formed an important technical barrier for newcomers of the foam market, thus being a key advantage of the Company. In the future, the EVA foam manufacturers with this key technology will be quite likely to seek for patent production, and other enterprises will certainly look for a new path to cope with this key niche.

According to the statistics, there are more than 3,000 enterprises with EVA foam production capacity in the Chinese market. Most of them are small enterprises with annual sales less than RMB 30 million, and a small number of them are medium-sized enterprises with annual sales of RMB 30 million to RMB 100 million. Large foam manufacturers are rare. Beside the Company, large foam enterprises mainly include Jinjiang Chengzhang Shoes Material Co., Ltd., Fujian Quanzhou Sansheng Rubber Plastic Foamed Shoes Material Co., Ltd., Shantou Special Economic Zone Jianxin Plastic Co., Ltd., etc. For these enterprises, export sales account for a large proportion, which is greatly affected by the international financial turmoil and anti-dumping. The demand of EVA foams in the Chinese market has been increasing year by year. In this context, the Company has opened good sales channels in China, and mastered a nearly mature recycling technology to reduce costs. Thus, the Company has formed its own advantages without vicious price competition.

The Company was named as a project undertaker of the Science and Technology Program

in 2006, was listed as a key project of Fujian Technical Transformation Program in 2007, was designated as the vice president company of China Plastic Processing Industry Association, awarded as “China EVA Recycling Industrial Research Base” and rated as a Grade AAA Company of China’s Plastic Industry in 2009, and become a drafter of the National Standard of Floor Mats in 2015. Meanwhile, the Company has passed the certification of ISO 9001 quality system. It is shown that the Company has focused on not only increasing the revenue, but also stabilizing the internal system to achieve sustainable operation.

(III) Overview of Technology and R&D

(1) Technical level and R&D of business

The ethyl vinyl acetate (EVA) products produced by the Company are a kind of widely used plastic foam material. Because of wide application and diversified specifications, they differ greatly in product features. So far, the Company’s R&D team has developed excellent formula and special foaming techniques by virtue of more than ten years of experience and technology accumulation, full cooperation with customers in new formula development and increasing application of new materials, considerable formula and special foaming technologies have been established.

EVA materials imports VA monomer into the molecular chain of resin to improve the branching degree and lower the crystallinity of polymers, and produce soft, highly elastic, shock-absorbent, insulated and non-corrosive materials. Meanwhile, they can be made in different shapes and utilized. The Company has not only mastered the output features of products which are closely related to the empirical value of VA content, but also made a breakthrough in the blended foaming technology which combines recycled plastic scraps and virgin resins. The products produced by the Company can meet the market application standards in terms of physical characteristics and quality. As a result, plastic recycling has become a concrete and practical mode of operation and an important development indicator of EVA industry, and can greatly reduce the damage caused by plastic materials to the environment. In addition, the Company has begun to develop EVA structure with different chemical formulas and produce high-value special sheets with different materials, including: high-foaming EVA sheet, antistatic EVA sheet, NBR foaming sheet, coarse-pore foaming sheet, flame-retardant sheet, shock-absorbent foaming sheet, TPE foaming sheet, etc.

The Company has made abundant R&D achievements, accumulated rich technical experience, tapped a wide range of industries, such as shoes, luggage, sports equipment, toys, packaging materials and building materials, and gone ahead of Chinese competitors

in technology. In addition, the Company has also made great investment in R&D of flame-retardant, sound-proof and heat-barrier materials used in building and decoration materials, and mildew-proof and anti-bacterial materials used in home supplies, and explored various application fields according to the future market development trends, with a view to giving full play to the unlimited potential of EVA materials.

(2) R&D personnel and their educational background

Unit: Person

Educational background \ Year	2023	2024	March 31, 2025
	Number of people	Number of people	Number of people
University/college	50	49	50
Senior high school/secondary vocational school	42	42	38
Total	92	91	88

Note: The Company's R&D Department consists of the process improvement section, formula development section, and product application and promotion section. Some of the posts can be concurrently held by the employees of other departments.

(3) Annual R&D expenses as of the date of the Report

Expressed in Thousands of NTD

Year \ Item	2020	2021	2022	2023	2024	2025 Q1
Research and development expenses	39,245	37,939	20,687	21,821	20,772	4,731
Net revenue	1,008,157	1,107,098	643,603	772,034	817,359	182,531
Proportion in the revenue	3.89%	3.43%	3.21%	2.83%	2.54%	2.59%

(4) Developed technologies/products

The Company always attaches great importance to R&D, and since its establishment, has carried out continuous studies on new product development, production technology improvement, process improvement, energy saving and industrial safety and health to guarantee work safety, effectively save energy and improve production efficiency. In recent years, the Company has achieved great success in improving productivity and added value, and successfully developed a wide variety of products and technologies which are widely applied, including: environmentally-friendly flame-retardant foams, anti-bacterial, sound-absorbent and flame-retardant foams, heat-resistant and low-shrinkage foams, highly elastic foams used in building materials, antistatic electronic packaging materials and shock-

absorbent foams widely used in sports and fitness equipment. There are numerous technologies or products successfully developed, with wide applications and industries involved.

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

(1) Short-term plan

- A. Introduce new mechanical equipment, expand the production line, and replace some labors with automatic machines to raise productivity.
- B. Test and improve the production line and enhance the management to shorten the foaming duration, improve the production efficiency and maintain the quality, yield and unique properties of products.
- C. Increase the sales in key areas in a planned way, continue to consolidate the market share of shoe products, and further expand the sales channels of other foam products by virtue of the business opportunities brought by China's plans for domestic demand expansion and the update of Chinese laws and policies.
- D. Provide good after-sales services for existing customers to raise customer loyalty, and actively develop customized services to meet the diversified needs of customers.

(2) Long-term plan

- A. Gradually promote e-commerce development, expand the scale of operation, actively tap the export market and expand the business layout after carefully evaluating the future development trends of each region.
- B. Pay attention to the dynamics and trends of domestic and foreign EVA markets, continue to develop new flame-retardant, heat-insulated, UV-resistant or antistatic foam products, and cooperate with the academic community to raise product value.
- C. Develop and improve the waste recycling line, keep ahead in EVA recycling, and continuously enhance our core competitiveness.
- D. Improve the financial structure and group structure, raise the Group's competitiveness and make full use of working capital.

II. Market and sales overview

(I) Market analysis:

(1) Main sales regions:

The Company is one of the important EVA foam manufacturers in China. At present, our products are mainly sold in Chinese Mainland, especially the coastal provinces in East China

and South China. Despite no direct export, our products can enter foreign markets through downstream traders. With the consummation of the local industrial chain, this region has been gradually treated as an important source of procurement by foreign manufacturers, which is helpful for our products to enter the international market.

(2) Market share

EVA foams have many excellent features, such as stable chemical properties, ease to be colored and processed and strong corrosion resistance. They can be produced into various products and foam materials, and are widely applied in shoes, luggage, toys, sporting goods, building materials, etc. With its continuous technical innovation, quality improvement and market expansion, the Company has occupied 5% of the domestic EVA foam market in China, ranking first.

(3) Future supply-demand state and growth of the market

A. Future supply and demand

In 2021, the global EVA consumption was about 5 million tons, while the consumption and output of EVA in the Chinese market were 2.1 million tons and 1.772 million tons respectively, showing a self-sufficiency rate of 50%. It follows that China has become one of the major consumers of EVA in the world. EVA supply in China mainly relies on imports, accounting for 60% of the total market supply. Even with the domestic supply, China's EVA market still remains in short supply. Due to the wide gap between the plastic consumption and domestic plastic output in China, and the continuous increase of people's livelihood consumption and new product development, it is expected that China's demand for EVA will grow steadily in the future to meet the strong market demand.

Application Chart of EVA Foam Industry



Source: China Insights Consultancy

Currently, EVA foam products account for more than 60% in China's EVA consumption.

In spite of late start in China, EVA foams have grown rapidly in recent years due to their excellent process ability and wide application. The growth momentum of consumption has also accelerated the development of EVA foam technology in China, and expanded the application of EVA foam materials from such traditional fields as shoes and luggage to more necessities for people's livelihood (e.g., toys and sporting goods) and even building materials. With continuous innovation, it is expected that more new application fields of EVA will be developed in the future.



Source: China Insights Consultancy

In terms of EVA foam supply, many manufacturers have been attracted to the foam industry in recent years, due to the rapid growth of EVA foam consumption in China. The size of China's EVA foam market has grown from 365,000 tons in 2014 to 1,007,600 tons in 2021, thus driving the stable growth of downstream market demand in the context of global economic recovery.

B. Future growth

Statistics show that in the downstream markets of China's EVA foam industry in 2014, shoes and luggage accounted for about 70%; toys, sporting goods and building materials accounted for about 25%; emerging fields, such as automobile interiors and electronic accessories, accounted for only 5%. Their future growth is analyzed as follows:

(A) Shoes industry: On one hand, China, with a huge population, has a strong demand for shoes. On the other hand, China is also one of the largest exporters of shoes in the world, and Chinese shoes are mainly exported to the United States, Europe, Japan and Hong Kong,

China. From 2010 to 2014, the output value of the shoes industry showed an average annual compound growth of 13.3%, rising to RMB 477.31 billion in 2014. It is expected that under the industrial upgrading, the output value of the industry will have an average annual compound growth of 7.1% from 2014 to 2020.

(B) Luggage industry: On one hand, the demand of Chinese consumers for luggage keeps rising with the development of economy and the improvement of living standards. On the other hand, China is also one of the major exporters of luggage in the world, and Chinese luggage products are mainly exported to European and American countries. From 2010 to 2014, the output value of the luggage industry showed an average annual compound growth of 12.8%, rising to RMB 137.83 billion in 2014. It is expected that the luggage industry will continue the strategy of brand innovation, and its sales will gradually shift from foreign markets to the domestic market. It is further expected that the output value of the industry will have an average annual compound growth of 8.4% from 2014 to 2020.

(C) Toy industry: With the increase of China's newly-born population, the expenditures on toys of Chinese people will continue to rise. Apart from the consumption in the domestic market, Chinese toy products are mainly exported to foreign markets, especially Europe, the United States and Japan. From 2010 to 2014, the output value of the luggage industry showed an average annual compound growth of 14.9%, rising to RMB 198.41 billion in 2014. It is expected that with the development of the domestic market and the expansion of emerging overseas markets, the output value of the industry will have an average annual compound growth of 11.0% from 2014 to 2020.

(D) Sporting goods industry: With the rapid development of China's sporting goods industry and the continuous increase of fitness consciousness among Chinese people, the sporting goods market is growing increasingly. Currently, Chinese sporting goods are mostly sold in the domestic market, while a few are exported to the United States, Hong Kong (China), Japan and Europe. From 2010 to 2014, the output value of the luggage industry showed an average annual compound growth of 20.3%, rising to RMB 185.27 billion in 2014. It is expected that with the establishment of independent brands of Chinese sporting goods enterprises and the growth of domestic demand, the output value of the industry will have an average annual compound growth of 14.9% from 2014 to 2020.

(E) Building materials industry: The large-scale urbanization in China has greatly promoted the development of China's building materials market. Currently, the building materials made in China are mostly sold in the domestic market, while a few are exported to other Asian-Pacific countries and regions. From 2010 to 2014, the output value of the building materials industry showed an average annual compound growth of 11.7%, rising to RMB 1,699.08 billion in 2014. It is expected that with the continuation of urbanization, the output value of the industry will have an average annual compound growth of 6.8% from 2014 to 2020.

(F) Other emerging fields: The great potential of EVA foam materials has not yet been fully exploited. More downstream markets, such as automobile and electronic accessories, are expected to be developed in the future. These emerging fields will bring new opportunities for the development of EVA foam materials.

(4) Competitive edges

A. Unique recycling technology of waste plastics with great advantages

The Company has developed a unique recycling process of waste plastics ahead of its peers. In the recycling process, EVA scraps from different sources and waste EVA plastic products are first classified by property and processed through sorting, soil removal, washing, drying, etc., and then crushed into pieces and sheets, which are later sent to a plastic granulator for thermoplastic recycling, thus producing recycled EVA plastic particles. The EVA foam materials produced by extracting organics from waste plastics, and modifying chemical properties and setting physical properties by machinery are filled with active blended composite particles, which not only increases the tenacity, but also improves the mechanical properties of recycled products, and effectively raises the recycling efficiency of EVA. The huge achievements in this recycling technology have made the Company greatly surpass its peers. In addition, the recycling technology not only lowers the production costs and reduces the impact of rising oil prices on costs, but also helps the Company expand the market and improve its operation efficiency and market competitiveness.

B. Ability to independently develop machinery and equipment

The Company has the ability to independently design, develop and improve the machinery and equipment used for the production of EVA foam materials. In addition to developing and designing machinery and equipment according to the product structure,

properties and quality requirements, we also improve the technology and yield of the production line through continuous research, development and improvement. Especially, we have achieved great success in EVA recycling granulator. The granulator can increase the output of recycled EVA plastic particles, effectively alleviate the carbonization in the process of high-temperature hot melting recycling, improve the quality of recycled materials, and make a great breakthrough in the utilization efficiency of recycled foam materials, thus laying an important technical foundation for us. Relying on the competitive advantage brought by the ability to independently develop machinery and equipment, we can greatly shorten the process of production line, effectively promote mass production, and in combination with product R&D capabilities, accelerate the release of new products. Hence, this is an important competitive advantage making us leading the industry.

C. Production scale with consistent operation

The Company maintains a consistent production process in all links such as plastic recycling, EVA granulation, blending and stirring of EVA foam materials and EVA foaming at the front end and rolling and cutting of foam materials at the back end, and carries out automatic production in stages with a large production capacity. In this way, all links are connected. Hence, our production line is the most integrated one in the industry. The main stages of the production process include:

- (A) Collection of recycled EVA particles: Located at the back end of EVA recycling and granulation process. Install an induced draft fan behind each granulator to transport recycled materials to the raw material tank through special pipelines for uniform collection and packaging.
- (B) Electronic towing trough: Located at the front end of EVA foam production line. Design and plan the traffic flow of the plant in advance according to the characteristics of the production line, and install an electronic towing trough in the loading and transporting section of the internal mixer, of which the single loading capacity is nearly 5 times higher than that of manual operation.
- (C) Automation of EVA sheet production line: Design tight traffic flow for the front-end sheet drying, trimming and transportation to reduce manpower communication, and adjust the sheet passing angle and position at the electrofusion joint to improve the adhesion and smoothness and stabilize the shining process at the back end.

With the tight process arrangement and automatic design, the Company can effectively improve the production efficiency, reduce wastes in the process, and lower labor and material costs, thereby creating cost advantages and providing customers with high-quality, high-efficiency and high-benefit services. Most of the existing EVA plastic recycling devices in China are technologically backward, outdated and simple, with unstable quality and low recycling rate. By contrast, our EVA recycling line integrates a complete set of consistent production operations, and has set up a threshold for competition in the context of numerous small factories. It will not be overtaken by competitors in the short term.

D. Image of high-quality products built over the years

With many years of manufacturing experience, the Company has maintained stable product quality, won the trust of customers and built a good image by continuously improving the benefits of production technology. The key reason lies in the product content and design, and the quality standards which can meet consumer demands. The Company has a well-developed system for the management of suppliers and control of raw materials, and has passed the certification of ISO9001 and ISO14001 quality systems. The products sold to some export-oriented traders have all passed the strict inspection of the European Union. With this competitive advantage, the Company will continuously improve quality management so as to build a management mechanism for long-term operation and achieve the goal of sustainable operation.

E. Great emphasis on R&D and constant product innovation

The Company has been engaged in the production and sales of EVA foam materials since 1990s. Meanwhile, it has accumulated more than ten years of experience in product design and process technology development, and through continuous R&D innovation, fully understood the characteristics of EVA foam materials. With the increasing application of EVA foam materials in recent years, the products accumulated by the Company through long-term R&D have been brought into full play, e.g., EVA materials with antistatic and electromagnetic shielding properties and sound-absorbent and fireproof foam materials for interior decoration, all of which are new products. In the future, the Company will continue to develop diversified products following the trend of EVA foam materials.

(5) Advantages and disadvantages to future development and their countermeasures

A. Favorable factors

(A) The rapid development of economic activities drives the growth of demand

The income of urban residents in China has gradually increased since 1995, and the average annual disposable income of urban residents has increased from RMB 15,781 in the early period to RMB 29,975 in 2021. The rapid improvement in living standards and the increase in purchasing power in China have driven the continuous growth in domestic demand. In this context, the demand for necessities of life in the Chinese market will continue to rise, and the wide application of EVA foam materials in various fields concerning people's livelihood will provide new momentum for EVA foam market.

(B) The industry development conforms to the trend of environmental protection and the development of industrial policies

With the rising of environmental awareness and energy prices, energy conservation and carbon reduction have become an important issue of environmental protection in most countries. To improve the utilization rate of resources and protect and improve the environment, the Chinese government has promulgated several laws, such as the Circular Economy Promotion Law. With the rapid development of economy, the demand for plastic products have increased dramatically, which results in a sharp increase in waste plastics. As plastics cannot be degraded in nature, the conflict between environmental pollution and economic development has been increasingly severe. The Company's unique recycling process of waste plastics can produce EVA foam materials by extracting organics from waste plastics, which can not only cut the cost of raw materials and reduce the pressure of environmental protection, but also contribute to image enhancement and sustainable operation.

(C) Geographical advantages promote industrial clustering

China's EVA foam materials are mostly produced in southeast coastal provinces such as Fujian and Guangdong, and the distribution of their downstream industries is relatively concentrated. For example, shoes manufacturers are concentrated in Jinjiang of Fujian and Guangdong and luggage manufacturers are concentrated in Huadu, Guangdong and Quanzhou, Fujian. Industrial clustering will help to develop new customers and reduce logistics costs. The Company's production base is located in Jinjiang, Fujian, which is the main shoemaking city in China known as China's shoe capital. By taking advantage of the geographical location, the Company can supply

goods to downstream customers in time.

- (D) The performance advantages of EVA foam materials contribute to the development of more new fields

As EVA foam materials have outstanding versatility and can replace other foam materials, new fields of EVA foam materials can be developed through technical innovation. The exhibits on international plastics exhibitions over the years reflect the future industrial and consumer applications of plastic products, including the design of future automobile or kitchen & home supplies, latest commercial breakthroughs in medical equipment, electronic packaging materials with electromagnetic shielding properties, building insulation materials and rubber substitutes, etc. Therefore, there is a great potential for the development of new fields of EVA foam materials.

- (E) The trader system covers the whole of China, thus accelerating market development and reducing costs

In the face of increasingly fierce price competition in the Chinese market, many manufacturers cut prices to acquire orders. How to maintain gross profits in response to this trend is essential for the Company's profitability. In addition, the vast territory of China also brings a great challenge to the construction of general marketing channels, and the different customs in different provinces of China make it difficult to establish a unified marketing model and control marketing costs. In this context, enterprises which sell goods as traders emerge. As intermediaries, traders generally have a better understanding of customer demand than manufacturers, and know manufacturers' conditions and coordination better than customers. Relying on the role of traders in exploring the demand for commodities all over China, manufacturers engaged in the production of raw materials can save the cost and manpower for channel construction and quickly respond to market opportunities. After years of product R&D and market expansion since its establishment, the Group has developed a complete series of foam products. In addition, the Group has been engaged in the sales of EVA foam materials for more than 10 years. Hence, it can have a good understanding of market changes and product demands. Through the cooperation with traders all over China, the Group has established a mutually supportive and prosperous relationship.

B. Disadvantages and countermeasures

(A) China's policy of prohibiting the import of waste plastics

Since 2018, the Chinese government has carried out an Implementation Plan for Prohibiting the Entry of Foreign Garbage and Advancing the Reform of the Solid Waste Import Administration System. As the Company's EVA waste plastics are mainly purchased from large foreign manufacturers through traders, the raw materials are now in short supply due to the influence of the waste plastics import policy.

Countermeasures:

Actively seek for domestic sources of waste plastics, develop overseas strategic partners, and continuously evaluate the plans for setting up factories in foreign countries such as the United States, Japan and Australia, to secure stable supply of recycled plastics in the future.

(B) Rising labor costs

At present, some processing stages of EVA foam industry are still reliant on manual operation. China's "13th Five-Year" Plan which continues the spirit of "12th Five-Year" Plan aims at improving income distribution and increasing the income of urban and rural residents (especially low- and middle-income earners). Meanwhile, the wage adjustment plans and income distribution reforms of various provinces (cities) in Chinese Mainland also put forward the normal growth mechanism, payment protection mechanism, collective wage negotiation system and minimum wage growth mechanism. According to the information published by the Ministry of Human Resources and Social Security of China, the average annual salary of employees in the urban private sector was RMB 57,727 in 2021, an increase by RMB 4,123 or 7.69% compared with RMB 53,604 in 2020. As the labor costs in China rise year by year, the production costs of EVA foam industry in China will not decline significantly.

Countermeasures:

Continuously improve the manufacturing procedure and production process and move towards automatic production so as to improve the production efficiency and reduce the dependence on labor; raise the utilization efficiency of human resources through improvement of R&D and design ability, production process design and employee education and training, so as to reduce the demand for manpower in the process of production.

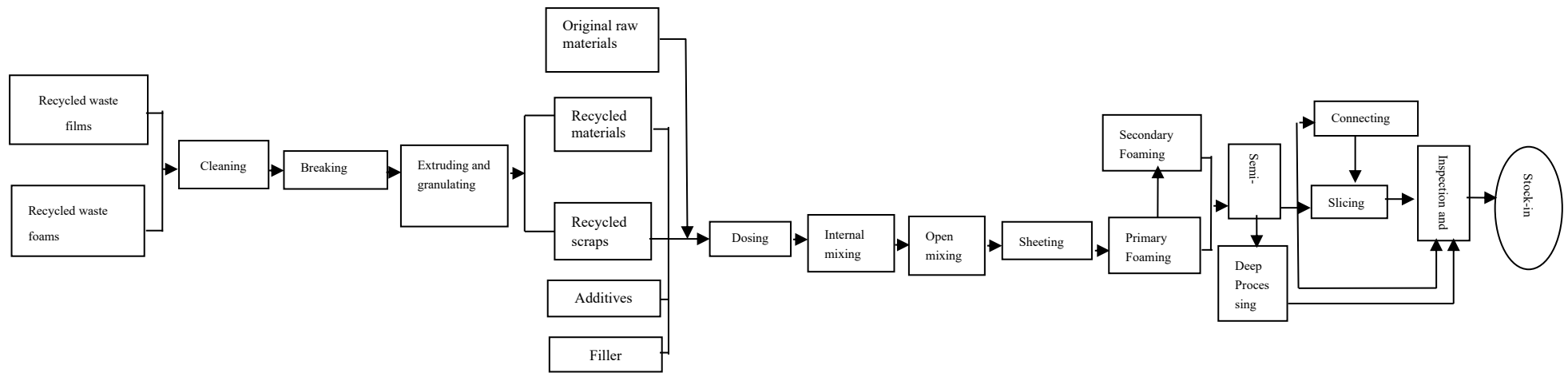
(II) Main uses and production process of products

(1) Important uses of main products:

- A. Sole sheets: Widely applied for soles, insoles and linings functional shoes.
- B. Luggage sheets: High-quality linings for such products as draw-bar boxes, suitcases and laptop bags.
- C. Ordinary sheets: Used in the fields of handicrafts, toys, industrial product packaging, sports and leisure.
- D. Rubber foams: Applied in industrial products and sports equipment.
- E. Highly processed products: Downstream terminal products, mainly puzzle mats.
- F. Other special sheets: The scope of application is not limited to special industries, e.g., building materials and electronic packaging materials.

(2) Production process of EVA foam materials

After being screened, crushed, granulated and dried, raw materials are proportionally added with special components and then foamed upon polymerization at high temperature and high pressure. The flow chart of the Company's production process is as follows:



(III) Supply of main raw materials

(1) Supply situation

The Company's major products are EVA foam materials which are made of such main raw materials as EVA, recycled scraps, recycled LDPE, LDPE and waste PE. In order to maintain good quality, high yield and stable supply and to control costs, the Company has established and maintained long-term good relationship with suppliers. Up to now, there has been no production suspension due to insufficient supply of raw materials.

(2) Main raw material suppliers

Main raw materials	Main supplier	Supply condition
EVA	Fujian Jinde New Materials Co, Ltd., Fujian Province Jinjiang City Import and Export Co, Ltd.	Stable
EVA scraps	Quanzhou Fulu Shoes Co., Ltd.	Stable
Recycled LDPE	Fuzhou Wangfengsheng Import and Export Trading Co, Ltd., Huanguo Jiaye (Xiamen) New Materials Co, Ltd.	Stable
LDPE	Xiamen Kai Sheng Hong Trading Ltd.	Stable

(IV) List of customers accounting for more than 10% of the gross purchases (sales) in the past two years

1. Information of main customers in the past two years

Expressed in Thousands of NTD

Item	2023				2024				2025 as of Q1			
	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net sales for the year (%)	Relationship with the Issuer	Name	Amount	Proportion in net sales of the whole year (%)	Relationship with the Issuer
1	Wei-Feng	36,460	4.72	—	Jinpin Shoe Materials	48,123	5.89	—	Huaxia Shoes and Clothes	10,900	5.97	—
2	Huaxia Shoes and Clothes	31,428	4.07	—	Betterway	46,248	5.66	—	Wei-Feng	7,122	3.90	—
3	Hongjun	23,317	3.02	—	Wei-Feng	42,916	5.25	—	Yufeng	6,679	3.66	—
4	Shunchang	21,422	2.77	—	Huaxia Shoes and Clothes	32,473	3.97	—	NickRong	5,620	3.08	—
5	Shamit	21,062	2.73	—	Hongjun	30,279	3.70	—	Hongjun	4,998	2.74	—
6	Huida, Guizhou	18,979	2.46	—	Brilliant Packaging	23,791	2.91	—	Jinpin Shoe Materials	4,467	2.45	—
7	Zhongxu	16,800	2.18	—	Yufeng	23,717	2.90	—	Betterway	4,129	2.26	—
8	Chan Mao Tong	14,312	1.85	—	Senda	12,770	1.56	—	Senda	3,674	2.01	—
9	Yufeng	14,219	1.84	—	Yingfengda	12,492	1.53	—	Brilliant Packaging	3,335	1.83	—
10	Doujin Shoe Material	11,713	1.52	—	Rong Xiang	10,390	1.27	—	Chuanmaotong	3,332	1.83	—
	Others	562,322	72.84	—	Others	534,160	65.35	—	Others	128,275	70.27	—
	Net sales	772,034	100.00		Net sales	817,359	100.00		Net sales	182,531	100.00	

All changes are made by the Company based on the market trend, product demand, industry prospect, R&D technology, sales profit and customer contract.

In the past two years, there was no customer accounting for more than 10% of the total sales.

2. Information of main suppliers in the past two years

Unit: NT\$ thousand

	2023				2024				2025 as of Q1			
Item	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	As a percentage of net purchases for the year (%)	Relationship with the Issuer	Name	Amount	Proportion in net purchases of the whole year (%)	Relationship with the Issuer
1	Tonggang Rubber	93,819	18.61	—	Huanguo Jiaya	51,075	11.51	—	Wangfengsheng	15,906	17.72	—
2	Risheng Hi-tech	54,342	10.78	—	Risheng Hi-tech	41,968	9.46	—	Lianbao New Materials	7,495	8.35	—
3	Huanguo Jiaya	50,462	10.01	—	Jindexing Materials	36,019	8.12	—	Xuda	7,212	8.03	—
4	Jindexing Materials	39,208	7.77	—	Wangfengsheng	27,040	6.09	—	Ziewen Trading	6,102	6.80	—
5	Lianbao New Materials	33,712	6.68	—	Yixin Zhaoya	22,949	5.17	—	Zhengchun New Materials	5,650	6.29	—
6	Wangfengsheng	19,799	3.93	—	Tonggang Rubber	22,896	5.16	—	Jindexing Materials	4,507	5.02	—
7	Yunhaishun	14,313	2.84	—	Ziewen Trading	18,868	4.25	—	Lilijin	4,190	4.67	—
8	Zhongjing	12,345	2.45	—	Lianbao New Materials	17,094	3.85	—	Yuanchuan Trade	3,867	4.31	—
9	Xuda	11,005	2.18	—	Jinjiang Exim	15,903	3.58	—	Jinjiang Exim	3,695	4.12	—
10	Lilijin	10,850	2.15	—	Xuda	11,890	2.68	—	Hengkangshun Trade	3,270	3.64	—
	Others	164,393	32.60	—	Others	177,996	40.13	—	Others	27,874	31.05	—
	Net purchase	504,248	100.00		Net purchase	443,698	100.00		Net purchase	89,768	100.00	

All changes are made by the Company based on the market trend, product demand, industry prospect, R&D technology, sales profit and customer contract.

III. Information on employees in the recent two years and as of the date of printing of the annual report

Year		2023	2024	2025 As of the date of publication
Number of employees	Direct	251	273	278
	Indirect	294	257	257
	Total	545	530	5375
Average age		44.01	43.63	43.4
Average seniority of service (years)		6.31	7.13	7.17
Educational background (%)	Master	0.18	0.19	0.19
	College	26.99	22.43	23.26
	Senior high school	48.80	57.22	51.78
	Under senior high school	24.03	20.16	24.77

IV. Environmental protection expenditure

1. Application for pollution facility permit or pollutant emission permit, payment of pollution prevention and control expenses and establishment of dedicated units for environmental protection according to law:

The Company mainly uses EVA raw materials and recycled plastics to regenerate into EVA foaming materials. During the process, the recycled plastics must be cleansed, and the water in the cleansing system is recycled, so there is no sewage discharge. The gas generated in the process is collected via the gas gathering equipment for central treatment before emitting it. The Company has obtained the pollution discharge permit for the operating sites, and the gas emission complies with the regulations. Meanwhile, in response to the government's call for use of clean energy, the Company replaced the coal-fired boiler with natural gas boiler in 2019, effectively reducing the emission of SO₂.

2. The Company's investment in major facilities for environmental pollution prevention and control, and their uses and possible benefits:

Details of Pollution Prevention and Control Facilities

Unit: NT\$ thousand, March 31, 2025

Equipment name	Quantity	Date of acquisition:	Investment cost	Undepreciated balance	Usage and expected benefits
Boiler flue gas desulfurizer	1	June 1, 2010	515	169	Remove SO ₂ in boiler exhaust, thus effectively reducing the emission of SO ₂
Wastewater treatment engineering	1	July 29, 2015	80,990	41,328	Recycle cleaning wastewater and cooling wastewater to meet the emission standard
Natural gas boiler	2	July 22, 2019	4,996	4,058	Provide steam and heat in lieu of the original coal-fired boiler, and eliminate SO ₂ to zero.

3. The Company's pollution dispute in the process of environmental pollution prevention and control in the past two years and up to the date of the Report (if any, the settlement process should be explained): None.
4. The Company's losses (including compensations) and penalties arising from environmental pollution in the past two years and up to the date of the Report, as well as the future countermeasures (including improvement measures) and possible expenses (including the estimated losses, penalties and compensations that may arise if no countermeasure is taken. The reason should be explained if the estimates cannot be provided): None.
5. The Company's current pollution, the impact of pollution improvement on the Company's earnings, competitive position and capital expenditure, as well as the Company's expected major capital expenditure on environmental protection in the next two years: None.

V. Labor relations

1. The Company's employee welfare programs, continuing education, training, retirement systems and their implementation, as well as labor-management agreements and various employee rights protection measures:

(1) Employee benefit plans and their implementation

The Company provides statutory benefits according to local laws and regulations, and has a special department responsible for planning and promoting employee benefits, which advances the benign development of human resources: The Company's existing benefits:

- A. Insurance benefits: Medical insurance, basic endowment insurance, unemployment insurance, occupational injury insurance, maternity insurance and housing provident fund.

B. Other benefits:

- a. Provide complete living and entertainment facilities such as staff dormitory, sports ground and cultural activity center in the plant area, to create a comfortable and pleasant working and living environment for employees.
- b. Set up a kindergarten in the plant area and provide school bus service for employees' children attending primary schools, to solve employees' worries about children's education.
- c. Hold variety shows and ball games to unite employees and enrich their leisure activities.

C. Trade union: The Company's employees have set up a trade union according to local laws and regulations. The Company pays labor union expenditure in time to organize union activities and provide other benefits.

(2) Further education and training of employees

The Company's measures for employee education and training mainly include:

A. Pre-job training.

B. On-the-job training: Internal training and external training. Internal training includes application and training of office software, promotion and improvement of lean production, optimization of corporate structure and occupational health and safety training; external training includes arranging for middle and senior managers to participate in professional skill training sponsored by local governments and study management, finance and automation in colleges and universities, and organizing visits to outstanding enterprises all over China.

(3) Retirement system and its implementation

The Company's major operating unit, Sansda (Fujian) Plastic Co., Ltd., complies with the "Basic Pension System for Enterprise Workers" at the country where it operates, and contributes 16% monthly pension to the dedicate account under the financial department of the local government. According to the local social insurance policy, endowment insurance is included in the social insurances (including medical insurance, maternity insurance, endowment insurance, work-related injury insurance and unemployment insurance). Therefore, once the formalities for social insurances of employees are completed, the Company will be deemed to have begun to fulfill its obligation of endowment insurances.

An employee who reaches the statutory age for retirement should be entitled to the basic endowment insurance benefits, provided that he has contributed premiums for a cumulative period of 15 years or more. The pension of an employee who has joined in work since January 1, 1993 consists of two parts: $\text{pension} = \text{basic pension} + \text{pension in individual account}$. Specifically, $\text{pension in individual account} = \text{deposit amount in individual account} \div \text{months of pension}$; $\text{basic pension} = \text{average monthly salary of on-the-job workers in the whole province in the previous year} (1 + \text{own average payment index}) \div 2 \times \text{years of payment} \times 1\%$.

The Company holds a farewell party for retirees in batches, and makes annual condolence plans. Retired middle and senior managers may be appointed as special consultants to provide necessary services for the operation and development of the Company.

(4) Labor relation coordination

The Company has always attached great importance to employees' interests and harmonious labor relations. Besides, the Company places a high value on employees' opinions and suggestions. Employees are allowed to communicate directly with the human resource department or appropriate senior managers to maintain good relations. As a result, no major labor disputes have occurred so far.

(5) Protective measures for working environment and personal safety

All plants and subsidiaries have passed the certification of ISO45001:2018 occupational health and safety management system, with the registration number: 23S0143R2M-ZJ/008, issued on March 27, 2023, and valid until January 8, 2026. The work flow has passed the certification of “Work Safety Standardization” organized by the local government, striving to maintain a healthy working environment for employees and safeguard work safety of employees.

The Company pays much attention to safety and health management, as follows:

- A. Provide employees with specialized labor protection appliances such as safety helmets, masks, special uniforms and rain boots, to safeguard the health and safety of employees.
- B. Regularly revise the safety and health rules, and formulate the standard operating procedures of all machinery and equipment to ensure standard operation by employees.
- C. Carry out a spot check for machinery and equipment according to rules, and apply to the authority in charge of dangerous machinery and equipment for regular inspection every year to ensure the safe operation of machinery and equipment.
- D. Perform 5S management to improve the working environment and efficiency.
- E. Provide necessary education and training for new employees, equipment operators and special operation personnel according to law, and urge them to obtain relevant certificates and permits.
- F. Arrange for employees to receive medical examinations from time to time and make health files for employees to serve all employees.
- G. Set up a complete fire control system, and regularly inspect and report the system according to fire laws and regulations.

(6) Measures for safeguarding employees’ interests

The Company has various internal controls and management measures, which expressly specify the rights, obligations and benefits of employees, and regularly reviews the benefit items to safeguard employees’ interests.

2. The Company’s losses arising from labor disputes in the past two years and up to the date of the Report, as well as the estimates of current and future possible losses and relevant countermeasures (the reasons should be explained if the estimates cannot be provided):

The Company attaches great importance to harmonious labor relations. As a result, there has been no loss caused by labor disputes in the past two years and up to the date of the Report.

VI. Cyber security management

1. Cyber security management framework

The Company set up an “Information Security Group” in 2019, in which the General Manager acts as the organizer and under which there are the Information Office, Finance Department, General Management Department, Audit Office, Sales Department and Procurement Department. Meanwhile, the Company has formulated an “Information Security Policy” to control and manage information security. The team meetings are convened regularly to examine the implementation and effects of the information security control measures, regularly review the information security policies, as well as coordinate the promotion of information security management. Currently, there are two professional information security personnel in the Information Office, and a total of seven information security representatives are appointed by the Finance Department, Comprehensive Administration Department, Audit Office and others, to jointly promote the management of

the Company's information security. The General Manager reports the implementation of cyber security management policy and status at least once per year.

2. Cyber security policy

In order to protect the confidentiality, integrity, availability and compliance of information assets (hardware, software, information, document and personnel related to information processing) and prevent internal and external intentional or accidental threats to information security, the Company has formulated the following information security policies after reviewing its business needs:

A. Information security governance: Continuously improve the management system, control risks, and strengthen risk prevention, including enhancing education and training and designing information security infrastructure.

B. Compliance with laws: Review and revise the internal operation standards regularly to meet the information security standards and local laws and regulations.

3. Cyber Security Controlling Measures and Specific Management Solutions

A. Use anti-spam software and firewall, and detect and isolate each email with its attachments and each link in the email, to effectively prevent employees from opening malicious email by mistake.

B. Improve employees' awareness of information security and division of responsibilities, and carry out continuous information security operations and information security drills.

C. In case of major hazard or damage, start the remote backup mechanism so that the server can launch and operate services quickly to reduce the impact.

4. Resources invested in cyber security management

A. Purchased anti-spam software and intranet firewall, and detect and isolate each email with its attachments and each link in the email, to effectively prevent employees from opening malicious email by mistake.

B. In 2024, the Company held two information security management meetings to review the implementation of information security policies by each unit, and found no risk of information security.

C. In 2024, the Company carried out one remote backup drill to strengthen employees' response and alertness to information security risks.

D. Conducted information security education and training. The courses included five courses, namely "phishing," "message security," "browser security," "commercial email," and "malware." A total of 312 people completed the training, and the training hours were 1,560 hours.

5. Cyber security risks and countermeasures

The Company has insured the operational assets, such as network equipment, with the electronic insurance for hardware equipment. Upon the evaluation of "Information Security Group," the Company is currently only exposed to the information security risk regarding receiving and sending e-mails, security and use of browsers, and ERP. However, the Company has set up an Information Security Group to deal with the matters related to information system security and crisis management, establish an available information backup mechanism for the information system architecture according to the risk level, evaluate the operational risks and impacts on finance, legal affairs and customers every year, plan, design, and upgrade software and hardware equipment in time, and improve the work flow and other countermeasures, thereby greatly reducing the impact of information security risks. In 2024, there has been no cyber security incident incurred in the Company; upon the evaluation of "Information Security Group," the Company has no material operational risk.

VII. Important contracts

Contract nature	Parties involved	Start and end time	Main content	Restricted clauses
Transfer of land use right	Sansda (Fujian) Plastic Co., Ltd. Bureau of National Land Resources, Jinjiang City	2006.12.30~2056.12.30	Land use right of the industrial land located in Fangjiao Village, None Chendai Town, Jinjiang City	No
Transfer of land use right	Sansda (Fujian) Plastic Co., Ltd. Bureau of National Land Resources, Jinjiang City	2009.07.03~2059.07.03	Land use right of the industrial land located in Fangjiao Village, None Chendai Town, Jinjiang City	No
Transfer of land use right	Sansda (Fujian) Plastic Co., Ltd. Jiangtou Hui Nationality Villagers' Committee, Chendai Town, Jinjiang City	2011.09.16~2061.09.16	Land use right of the industrial land located in Jiangtou Village, Chendai Town, Jinjiang City	No
Loan Agreement	Sansda (Fujian) Plastic Co., Ltd., Huaxia Bank Co., Ltd. Quanzhou Jinjiang Branch	2024.01.24~2027.01.21	Plant Construction Funds	No
Plant Construction Contract	Sansda (Fujian) Plastic Co., Ltd., Fujian Jinshun Construction Engineering Co., Ltd.	2024.02.21~2024.06.30	Shoe and Textile Industrial Park Plant Construction	No

Five. Review and Analysis of the Financial Status and Financial Performance and Risks

I. Financial status:

Expressed in Thousands of NTD

Item \ Year	End of 2023	End of 2024	Difference	
			Amount	—
Current assets	1,443,936	2,221,719	777,783	53.87
Property, plant and equipment	2,515,753	3,451,993	936,240	37.22
Other assets (including intangible assets)	621,304	627,267	5,963	0.96
Total Assets	4,580,993	6,300,979	1,719,986	37.55
Current liabilities	120,372	1,705,085	1,584,713	1,316.51
Long-term liabilities	61,563	460,014	398,451	647.22
Total liabilities	181,935	2,165,099	1,983,164	1,090.04
Share capital	2,689,547	2,689,547	-	-
Capital surplus	1,984,504	1,984,504	-	-
Retained earnings	176,578	(237,910)	(414,488)	(234.73)
Cumulative translation adjustment	(451,571)	(300,261)	151,310	33.51
Total shareholders' equity	4,399,058	4,135,880	(263,178)	(5.98)
Analysis of the reasons for the changes in the two periods which exceed 20% and involve more than NT\$ 10 million:				
1. Quick assets, property, plant and equipment and total assets: the increase in total assets is mainly due to the increase cash and cash equivalents from the Company's new bank loans in 2024, and increase in the property, plant and equipment as some of the loans have been invested in the construction of the shoe textile park.				
2. Current liabilities, long-term liabilities and total liabilities: mainly due to the Company's new short-term and long-term borrowings for the construction of the shoe textile park.				
3. Retained earnings: it is mainly due to the operating loss in 2024.				
4. Accumulated Translation Adjustment: The fluctuation in this item is primarily driven by exchange rate movements.				

II. Financial performance:

1. Comparative analysis of financial performance

Expressed in Thousands of NTD

Item \ Year	2023	2024	Difference	
			Amount	%
Total operating revenues	772,034	817,359	45,325	5.87
Net operating revenues	772,034	817,359	45,325	5.87
Operating costs	925,366	916,248	(9,118)	(0.99)
Gross operating profit (loss)	(153,332)	(98,889)	54,443	35.51
Operating expenses	(237,778)	(237,731)	47	(0.02)
Operating loss	(391,110)	(336,620)	54,490	(13.93)
Non-operating income and expenses	(20,382)	(77,868)	(57,486)	(282.04)
Net loss before tax	(411,492)	(414,488)	(2,996)	0.73
Income tax expense	-	-	-	-
Net loss of the current year	(411,492)	(411,488)	(2,996)	0.73
Analysis of the reasons for the changes in the two years which exceed 20% and involve more than NT\$ 10 million:				
1. Gross Profit (Loss): The increase in gross profit in 2024 is mainly due to the growth in operating revenue compared to the same period in the previous year.				
2. Non-operating income and expenses: mainly due to the loss from the disposal of property, plant, and equipment and the decrease in interest income due to cancellation of time deposits in 2024.				

2. Expected sales volume and its basis, possible impact on the future financial affairs and response plan

The Company's expected sales volume is an estimate of the market demand based on the sales performance in the previous years, and the annual delivery target is set on the basis of comprehensive consideration of the status of main raw materials, suppliers' condition and delivery period.

III. Cash flow

1. Analysis of changes in cash flow:

Item \ Year	End of 2023	End of 2024	Ratio of increase (decrease) (%)
Cash flow ratio (%)	(219.15)	(12.12)	94.46
Cash flow adequacy ratio (%)	(107.70)	(58.72)	45.48
Cash reinvestment ratio (%)	(3.63)	(2.78)	23.42
Analysis of the percentage of changes: 1. Cash flow ratio: mainly due to the increase in current liabilities 2. Cash flow adequacy ratio: mainly due to the increase in capital expenditure.			

2. Analysis of cash liquidity in the coming year and plan for improvement of liquidity shortage: None.

IV. Influence of major capital expenditure items on financial business in the most recent year

In 2024, the Company spent NT\$970,515 thousand to purchase property, plants, and equipment for the shoe textile park construction project.

The board of directors resolved to authorize the Fujian subsidiary to purchase lands at the east side of mid-section at Jinxin Rd., Jiangtou Industrial Park, Chendai Town, Jinjiang City. The property was acquired in the manner of engaging others to build on its own land after the lands were acquired. According to the comparison between the turnover of property, plant and equipment and the total assets turnover during 2022-2024 of RMB 1,297,339 thousand, the Company's new property, plant and equipment can generate revenue, and there is no adverse impact on the Company due to the increase of capital expenditure.

Turnover rate	2022	2023	2024
Turnover of property, plant and equipment (times)	0.42	0.46	0.48
Turnover rate of total assets (time)	0.12	0.16	0.11

V. Re-investment analysis in the most recent year

1. Reinvestment policy

The Company is now a professional investment holding company. Its reinvestment policy mainly focuses on business investment, rather than investment in other industries. The reinvestment policy is generally implemented by the department in charge according to the internal control system of “investment cycle” and “procedures for acquisition or disposal of assets”. These measures and procedures should be discussed and approved by the Board of Directors.

2. Main reasons for profit or loss of reinvestment in recent years

Expressed in Thousands of NTD

Invested enterprises	Most recent year (2024) Investment loss	Description
Sansda (BVI)	(478,250)	Recognized reinvestment loss of Sansda (HK) in the current year
Sansda (HK)	(478,250)	Recognized reinvestment loss of Sansda (Fujian), Fujian Sansda Renewable, and Sansda (HK) Trading in the current year
Sansda (Fujian)	(456,101)	Mainly due to operating losses
Fujian Sansda Renewable reinvestment loss of Sansda (Jiangsu)	23,952	Mainly due to the resolution of the Board of Directors to approve the write-off and the gain from the accounts payable of Sansda (Hong Kong)
Sansda (HK) Trading	(22,275)	Mainly due to the resolution of the Board of Directors to approve the write-off and the loss from the accounts receivable of Sansda (Fujian)

3. Investment plan for the coming year

The Company and its subsidiaries currently have no clear capital increase plan, and will, depending on the operating needs, make a capital increase plan in the future, which should be put into force after investment evaluation and relevant approval procedures of the Company.

4. Investment loss improvement plan

The Company's original profit model is that a large number of recycled plastics are imported and processed into recycled LDPE particles, and the price

difference between recycled materials and purchased materials is the Company's advantage over its peers. However, since China banned the import of waste plastics in 2018, the shortage of recycled materials has caused a huge impact on the plastic recycling industry.

At present, the Company is facing the challenge of industrial policy change. In this context, the Company's response policy is to continuously expand the sources of recycled waste plastics in China. In 2021, large petrochemical factories lowered new material prices under the pressure of destocking, and the market price of recycled materials also fell. Despite the relatively stable material prices, it is still difficult to acquire recycled LDPE materials of stable quality suitable for foaming. Hence, the Company still focuses on seeking long-term and stable material sources at home and abroad at the present stage to improve the gross profit structure.

VI. Risk issues

(I) Impact of changes in interest rate and exchange rate and inflation on the Company's profit and loss, and its countermeasures:

(1) Changes in interest rate

There was no interest payment in 2024; therefore, the movement of the interest rate level has little impact on the Company. If the interest rate is expected to fluctuate sharply in the future, and the Company needs to borrow money due to the increasing demand for funds, the Company will not only use the financing instruments in capital markets, but also keep an eye on the interest rate trend and borrow money at fixed or floating interest rates to avoid the risk of interest rate fluctuation.

(2) Exchange rate variation

The operating entities of the Company are Sansda (Fujian) and located in Chinese Mainland. As the target customers are manufacturers and traders in China, the Company's products are all priced in RMB. In addition, EVA materials, a key raw material of the Company, are imported through traders, and paid in RMB. As a result, the receipts and payments in daily operation of Sansda (Fujian) is almost in RMB. In addition, the applicant Asia Plastic adopts RMB as its bookkeeping base currency, thus a translation adjustment will be generated in the preparation of consolidated financial statements, which is not caused by the exchange gains and losses arising from transaction. Therefore, the changes in exchange rate have not yet had a significant impact on the Company's income and profit.

Currently, there is no significant risk of exchange rate fluctuation for the operating

entities of the Company. However, Asia Plastic, which applies for listing in Taiwan, is very likely to face the risk of exchange rate (RMB to NT\$) in the future, due to its distribution of dividends in New Taiwan dollars to domestic investors or conversion of raised funds in New Taiwan dollars into Renminbi. In the face of the risk, the Company's Finance Department may take the following countermeasures:

Countermeasures:

- A. Maintain appropriate foreign exchange positions at appropriate time according to the exchange rate trend to meet the operating needs of the Company and its subsidiaries, and reduce the impact of exchange rate fluctuation on the Company's profitability.
- B. Keep in close contact with major cooperative banks, and monitor the changes in foreign exchange market at any time, so that relevant personnel can have a full understanding of the trend of exchange rate changes, and make timely adjustments in response to unexpected change in payment currency.

(3) Inflation

The Company's business is closely related to people's livelihood consumption, and its principal market is in China. However, the Chinese economy is subject to the impact of global economy, especially in export-oriented people's livelihood products. After the financial turmoil, the global economy has been in recovery, and governments around the world have created loose monetary conditions to activate the market, thus advancing the economic recovery. However, some countries have huge debts, which cannot be reduced and solved in the short term, and have to rely on international rescue. In this context, other countries tend to raise the interest rate to prevent the pressure of inflation caused by surplus idle funds, which holds back the economic recovery. Due to the continuous speculation in the real estate market and the pressure of inflation, the Chinese government has also begun to reduce money supply. This may affect the future economic growth and also people's livelihood consumption, thus cramping the Company's performance growth and profit margin. The Company is constantly developing new products, and plans to actively explore new products to cope with the risks brought by future economic changes.

- (II) Policies for high-risk and high-leverage investment, loan to others, endorsement and derivative trading, main reasons for profit or loss, and future countermeasures:

Upholding the philosophy of prudent and pragmatic operation, the Company has not made high-risk or high-leverage investment, nor has it lent money to others or provided guarantee for others. The Company has formulated the “Procedures for Loaning of Funds to Others” and “Procedures for Endorsement and Guarantee”. In addition, the Company has formulated the “Procedures for Acquisition and Disposal of Assets” as the basis for risk control in forward exchange transactions that may be conducted in the future to avoid exchange rate risks. The procedure clearly specifies the procedures for trading of financial derivatives.

(III) Future research and development plans and estimated research and development expenses.

The Company has invested in the field of EVA plastic foam for a long time, and has made considerable achievements in improvement of production technology, output increase, quality optimization and diversification of products. EVA plastic foam has been widely used in many fields, e.g., shoes, luggage, sports equipment, automobile interiors, toys, home supplies and even building materials. Undoubtedly, it is a kind of indispensable base material. However, this material has a variety of properties, and different products may have different requirements for its properties such as softness, plasticity, weight, density and wear resistance. Therefore, the manufacturing of EVA plastic foam requires a long time of experience accumulation and formula development to meet different requirements in different markets. Relying on the long-term technical progress and good cooperation with academic units, the Company has successively developed many products with special functions in recent years, such as antistatic sheet, high-foam sheet, fireproof sheet, heat-insulated sheet, sound-proof sheet and many other high-performance sheets, thus expanding the application of its products to various industries of livelihood products. In the future, the Company will, based on the production technology of special materials, further develop products which can be used as building materials for indoor partition and feature high hardness, light weight and good heat and fire insulation, so as to bring new possibilities into the construction market. Furthermore, the Company has also invested in the R&D of packaging materials for high-tech products, and applied special antistatic, fireproof and moisture-proof materials as packaging materials for the electronic technology industry to improve the safety in handling and storage. Meanwhile, the Company plans to develop the materials for industrial pipelines such as sand pumping and desilting pipelines. It is expected that the Company will invest more in R&D in the future to develop products

with future potential.

New products planned to be developed:

- (1) Anti-static and electromagnetic shielding EVA material
It is suitable for special working environment such as electronic, medical and testing rooms, and able to reduce the interference of radio electromagnetic waves and create a sound working environment.
- (2) High-pressure-resistant and lightweight silt drainage pipe material for river channels
It is suitable for mobile operations in large rivers and for complex water flow conditions, and features high strength, tolerance and elasticity, different from traditional PVC pipelines.
- (3) High-elastic and lightweight EVA material
It is mainly composed of harmless main raw materials and additives, and is suitable for such industries as special packaging, medical equipment and building materials due to good resilience, light weight and high tear strength.
- (4) Composite EVA material with high density and light weight
It is suitable for high-strength functional shoes, e.g., insoles and soles for professional athletes and combat boots.
- (5) HIT Automation Process Improvement Project
 1. This project includes replacement of manual operation by 4 workers with three-dimensional pneumatic manipulator, as well as AGV automatic discharging system and automatic blending system for foaming industry, which continuously promotes the automation of the Company's production line.
 2. Continual progress and trial for the standardized automatic feeder and formulation drum system.
 3. Continual progress of the robotic arm for the closed mixing process.
 4. Continual improvement of the conveying cart and conveying belts for loading and unloading dies and material, and sheet output.
 5. Continual improvement of packing PE scrap film, and the semi-automated conveying of material feeding.
 6. Continual improvement of man-less picking for PE scrap film (mid- and long term) TPE yoga mat
- (6) TPE yoga mat
It is mainly made of environmentally friendly raw materials such as EVA, POE and TPE elastomers, and additives through molding and foaming, and features good comfort, strong skid resistance, high resilience and uneasy deformation. Hence, it is a good protective cushion for yoga.
- (7) High-performance graphene-EVA composite foam material
It is made of EVA which is the main raw material, and additives such as foaming agent, cross-linking agent, thermoplastic resin, graphene-based antistatic agent (independently developed), graphene-based wearproof agent, graphene-based antibacterial agent and compatibilizer. Besides, it is integrated by such technologies as in-situ polymerization, grafting, antistatic and antibacterial treatment, strengthening and toughening, and developed by such technologies as additive synthesis, closed mixing, open mixing, mold curing and foaming. This project addresses the key common technical problems such as binding force of interface between EVA resin and inorganic substances and dispersion of additives in foam materials, and overcomes the technical bottleneck in designing products that have not only excellent wearproof, antibacterial, antistatic and dustproof

properties, but also high elasticity.

- (8) Functional thermoplastic foam material which is wearproof, antiskid and antistatic

According to the R&D plan above, it is expected that the Company will invest more than RMB 3.5 million in R&D in 2025, accounting for about 1.5%~2.0% of the revenue. However, the investment in R&D will be planned and adjusted according to the Company's operating conditions.

(IV) Impact of changes in important policies and laws at home and abroad on the Company's financial business and its countermeasures:

The Company is registered in Cayman Island where financial services are the main economic activity, and mainly operates in Chinese Mainland, one of the major economies in the world. Due to the policy of prohibiting the import of waste plastics (Implementation Plan for Prohibiting the Entry of Foreign Garbage and Advancing the Reform of the Solid Waste Import Administration System) published by the Chinese government in 2018, the Company is now actively seeking for domestic sources of waste plastics, developing overseas strategic partners, and continuously evaluating the plans for setting up factories in Eastern Europe, Central Asia, Southeast Asia and even Taiwan, to secure stable supply of recycled plastics in the future.

(V) Impact of technical changes and industrial changes on the Company's financial business and its countermeasures:

The Company mainly produces EVA blended foam sheets which have a wide range of applications and are irreplaceable at present. EVA products have diversified properties due to the mixing of different materials, and use of different chemical additives and even different foaming technologies. Therefore, the technical innovation and change in the future will not reduce the use of EVA. Instead, the introduction of more new materials may help to develop new application fields. In the existing application market, products with new properties or functions may always storm the market and result in the elimination of old products, due to a large number of competitors. Therefore, the Company has never stopped its efforts in R&D and is committed to leading the market trends. Meanwhile, R&D personnel are required to pay close attention to the market trends, develop potential markets, and seek for new application needs, which will make great contributions to the Company's business.

(VI) Impact of corporate image change on corporate crisis management and its countermeasures:

The Company is a professional EVA sheet manufacturer. Since its establishment, the Company has been focusing on its main business, and has been well-known in the market for its diversified high-quality products. It is now under stable operation and has a good reputation. Moreover, the Company has attracted a large number of customers from the coastal areas from North China to South China with a sound product image and good reputation. Hence, there is no problem or crisis of corporate image change.

(VII) Expected returns and possible risks of M&A and their countermeasures:

The Company had no plans for M&A in recent years and up to the date of the Report. If there is a plan for M&A in the future, the Company will prudently evaluate whether the M&A can bring benefits to the Company, so as to safeguard the rights and interests of original shareholders.

(VIII) Expected returns and possible risks of plant expansion and their countermeasures:

In recent years, Chinese local governments have followed the Central Government's policies regarding environmental protection and carbon reduction, and actively planned the efficiency of land utilization. In light of the common fact that local factories and residences in Jinjiang City are mixed, tending to result in illegal drainage and pollutant discharges that affect the environment. Not only are the city's appearance seriously affected, and inspections are difficult, for the long term, these become hidden risks of fire safety and environmental health.

Pursuant to the "Fifteen Measures to Support the Promotion for Standardized Construction of Industrial Parks" issued by the Office of the Comprehensive Deepening Reform Committee of the Jinjiang Municipal Party Committee, the Jinjiang Municipal Government intends to guide small and medium-sized factories to move to legally compliant plants in the industrial parks and gradually realize the separation of factories and residences. Incentive policies such as increasing the land plot ratio, are used to encourage local large-scale enterprises to increase the efficiency of factory utilization, and expand standard plant buildings, to further absorb the vast local shoemaking industry chain to become tenants.

According to the 2021 national economic and social development statistics of the Jinjiang Municipal Government, the annual production value of the footwear industry is approximately RMB159.2 billion. More than half of the shoe companies in Fujian are located in Jinjiang. There are about 2,350 shoe manufacturers in the city, employing about 230,000 people. The Company is located in the plant area of Jinxin Road, Jinjiang City, covering an area of 228 acres. Other than being adjacent to Quanzhou Airport, it is located in the transportation hub from Jinjiang City to Quanzhou City and Shishi City. There are more than 50 logistics companies in the neighborhood, and it has the development advantages of a medium-sized industrial park.

Seizing the opportunity presented by the preceding Chinese local government policies and in line with the Company's long-term planning, the Board of Directors has approved the “Sansda Shoe and Textile Park” budget project. The Company's primary business activities include the development, sale, rental, and other service management income from standard industrial factories and industrial parks constructed through entrusted construction of its own land. These activities serve as a stable source of revenue for the Company, complementing its core foam business. In addition to effectively improving land utilization efficiency and revitalizing assets, the continuous and stable rental incomes will help to increase shareholders' equity in the long run.

The Company intends to absorb downstream manufacturers to move in on the basis of the existing foam material industry position, and integrate the complementary resources of enterprises in the park, to realize the advantages of industrial clusters.

(IX) Risks of and countermeasures for purchases or sales concentration:

(1) Risk of purchases:

The Company's main products are foam materials made of EVA, as well as LDPE and other additives by molding and foaming. The raw materials used include EVA raw materials, LDPE raw materials and recycled waste plastics, which can be recycled into EVA blended foam products. The waste plastics should be classified and screened, before they are added into the product process according to the content of different substances. Due to the policy of prohibiting the import of waste plastics (Implementation Plan for Prohibiting the Entry of Foreign Garbage and Advancing the Reform of the Solid Waste Import Administration System) published by the Chinese government in 2018, the Company is now actively seeking for domestic sources of waste plastics, developing overseas strategic partners, and continuously evaluating the plans for setting up factories in Eastern Europe, Central Asia, Southeast Asia and even

Taiwan, to secure stable supply of recycled plastics in the future.

(2) Risk in sales:

The Company is a manufacturer of EVA foam materials. Its products are widely applied in many fields, e.g., shoes, luggage, sporting goods, packaging materials for high-tech electronic products, furniture, automobiles and building materials, and have become necessities of life. The current application of Company's EVA products mainly lies in shoes and luggage, and is extending to other special materials. Due to a long term of engagement in this industry, the Company has developed products diversified in style and specification, thus attracting diversified customers. The Company is also committed to integrating the industry chain, and extending to the downstream in a planned way with the existing advantages of material cost control and the support of upstream and downstream traders. Meanwhile, the Company's highly processed products continue to grow and win stable orders from well-known supermarkets such as B. TOYS, Walmart, RT-Mart and New Hua Du.

(X) Impact, risks and countermeasures of substantial share transfer or exchange by directors, supervisors or majority shareholders (holding more than 10% of the shares):

The Company (Asia Plastic Recycling Holding Limited) was registered and incorporated in Cayman Island in January 2010, to apply for listing on Taiwan Stock Exchange as a holding company. In March 2010, the Company issued new shares to exchange for the shares of Sansda Holding Limited held by Ding Holding Limited. After this share exchange, the Company directly held 100% of the shares of Sansda Holding Limited and indirectly held 100% of the shares of Sansda (HK) and Sansda (Fujian), marking the consummation of restructuring. After the restructuring, Ding Holding Limited became the Company's sole shareholder (the sole shareholder of Ding Holding Limited is Mr. Ting, Chin-Tsao, who is also the Chairman of the Company). In order to conform to the relevant regulations on ownership dispersion, promote capital popularization and improve the Company's shareholder structure, Ding Holding Limited transferred a portion of its shares in the Company as necessary. Despite the restructuring and ownership dispersion, there has been no significant change in the Company's major business decisions and business management mechanism as of the date of the Report. In addition, the Company has elected three independent directors to strengthen the function of the Board

of Directors in executing major decisions and perform effective corporate governance. On the whole, there has been no operational risk caused by substantial share transfer or exchange.

(XI) Impact, risks and countermeasures of changes in management right:

In recent years and up to the date of the Report, there has been no change in the management right of the Company. In addition, the Company has improved corporate governance measures and elected independent directors to enhance the protection for shareholders' rights and interests. It plans to apply for listing on Taiwan Stock Exchange. After the application is approved by the competent authority, directors, supervisors and majority shareholders will carry out restricted transactions of collective share custody. Therefore, the Company will have no risk of changes in management right in the short term. After listing, the Company will advance capital popularization, share its operating results and profits with shareholders, and receive the sustainable support of shareholders. Therefore, the changes in the management right in the future will not have a significant negative impact on the Company's management and operating advantages, thereby causing adverse impact and risk on the Company.

(XII) Litigations or non-litigation cases:

Litigants	Date	Value of subject matter	Case description	As of the date of the Report
Plaintiff: The Company The Defendant: Founder of Glaucus, Matthew Wiechert, Chief Research Director, Soren Aandahl,	April 28, 2014	—	Suspected of manipulating stock prices in violation of Paragraph 6, Clause 1, Section 155.1(6) of the Securities	The case is still under investigation by Taipei District Prosecutors Office, and Taipei District Prosecutors Office has issued an arrest warrant for Matthew David Wiechert and Soren Wallace Aandahl. Facts: Knowing that it is forbidden to affect the trading price of securities in the

and other people offering help domestically.			and Exchange Act	centralized trading market, the two defendants spread rumors or false information with an aim to lowering the trading price of the securities of Asia Plastic Recycling Holding Limited, and successively published research reports containing false bad news on the website of Glaucus Research and entrusted public relations companies to spread them via electronic media, thus affecting the stock price of Asia Plastic Recycling Holding Limited. After being summoned by the US on the basis of mutual legal assistance, the two defendants failed to appear, and both of them are abroad. Given that, it is believed that the defendants have escaped. Accordingly, an arrest warrant was issued.
--	--	--	---------------------	---

VII. Other important events: None.

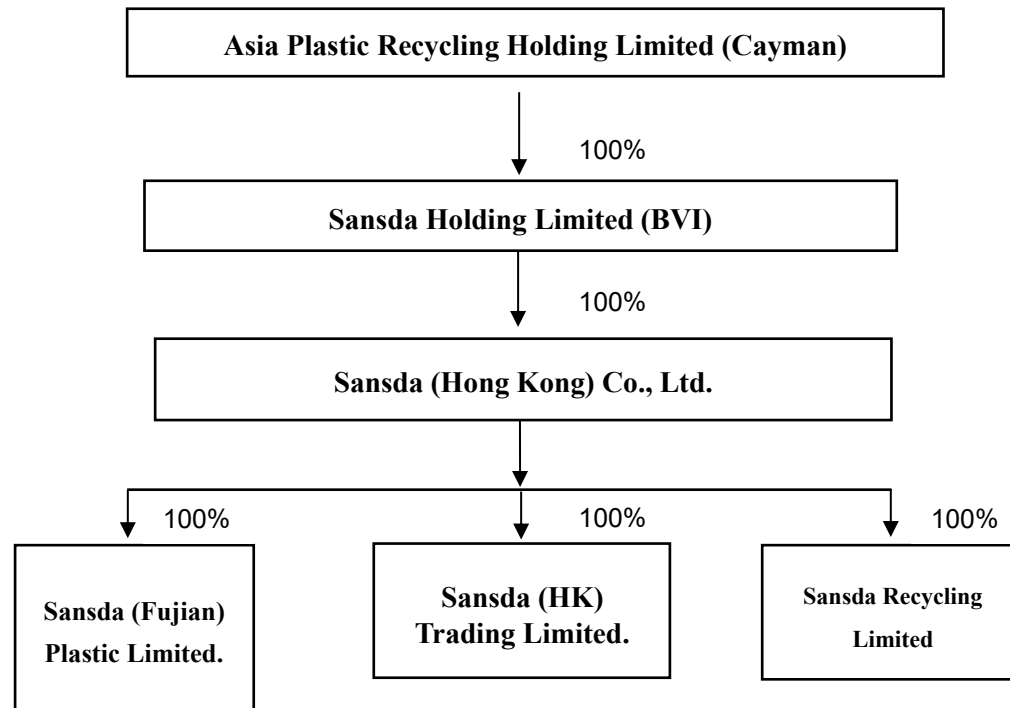
Six. Special Items to Be Included

I. Information of affiliates

(I) Profile of affiliates

1. Organizational structure of affiliates:

The Group was started as Sansda (Fujian) Shoe Industry Limited, which was established in August 1994. The production base is located at Jinjiang City, known as the shoe capital in China. The Company has strived to recycle and reuse the wasted old plastic bags, rubber and plastic scrapes, and invented a series of advanced recycling, reusing, and production technologies and fabrication processes from the researches including recycling to design and manufacturing of improving equipment. The Company mainly engages in the R&D, manufacturing, and sales of ethylene-vinyl acetate copolymer (EVA) foaming materials. The products are widely applied to shoe sole, lining of bags and luggage, sports goods, kids' toys, compound architectural materials, puzzle mats, among other things. On January 8, 2010, the Company established Asia Plastic Recycling Holding Limited at Cayman Islands, as the parent holding company of the Group, and the subject to apply the public offering in Taiwan. The reinvested subsidiaries of the Company include Sansda Holding Limited, Sansda (Hong Kong) Co., Ltd., Sansda (Fujian) Plastic Co., Ltd., Sansda Hong Kong Trading Co., Ltd., and Sansda Recycling Co., Ltd. The group's organizational chart is as follows:



2. Basic information of affiliates

Enterprise name	Date of establishment	Address:	Paid-in capital	Principal business or production items
Sansda Holding Limited	2009.12	British Virgin Islands	USD 1	International investment business
Sansda (Hong Kong) Co., Ltd.	January 2010	Hong Kong	HKD 1	International investment business
Fujian Sansda Recycling Co., Ltd.	2021.10	Jinjiang City, Fujian Province, China	RMB 10,000 thousand	Processing of renewable resources, recycling (other than the old and waste productive metals), sales, and engaging in investment activities with self-owned funds.
Sansda (Fujian) Plastic Co., Ltd.	1994.08	Jinjiang City, Fujian Province, China	HKD 200,000 thousand.	Production, manufacturing, sales of EVA foaming materials related products
Sansda (Hong Kong) Trading Co., Ltd.	2012.07	Hong Kong	RMB 29,300 thousand	Trading of bulk chemical raw materials

3. Information on the common shareholder information for those presumed to be in a controlling and subordinate relationship: None

4. Information on directors, supervisors and managerial officers of affiliates

Enterprise name	Title	Name or representative	Number of shares held (Note)	Shareholding ratio (note)
Sansda Holding Limited	Director	Ting, Chin-Tsao	USD 1	100.00%
Sansda (Hong Kong) Co., Ltd.	Director	Ting, Chin-Tsao	HKD 1	100.00%
Fujian Sansda Recycling Co., Ltd.	Director	Ting, Chin-Ti	RMB 1,000 thousand	100.00%
Sansda (Fujian) Plastic Co., Ltd.	Chairman	Ting, Chin-Tsao	HKD 200,000 thousand.	100.00%
	General Manager	Ting, Chih-Meng	—	—
Sansda (Hong Kong) Trading Co., Ltd.	Director	Ting, Chih-Wei	—	—

Note: It is not a company limited by shares, so there is no share. Only the amount and ratio of capital contribution are listed.

5. Overview of the operation of each affiliate

Expressed in Thousands of NTD

Enterprise name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Income/loss of the period (after tax)	Earnings per share (after tax) (NT\$)
Sansda Holding Limited	0.033	4,298,779	207	4,298,572	-	-	(478,250)	(Note 1)
Sansda (Hong Kong) Co., Ltd.	0.004	4,362,492	63,713	4,298,779	-	-	(478,250)	(Note 1)
Fujian Sansda Recycling Co., Ltd.	-	-	-	-	-	-	23,952	(Note 1)
Sansda (Fujian) Plastic Co., Ltd.	802,070	6,457,942	2,737,834	3,720,108	817,359	(318,572)	(456,101)	(Note 1)
Sansda (Hong Kong) Trading Co., Ltd.	131,205	272	-	272	-	-	(22,275)	(Note 1)

Note 1: It is not a company limited by shares, so there are no earnings per share.

Note 2: The above amounts are converted at the exchange rate at the end of 2024.

6. Industries covered by the business of all affiliates: Refer to Item 2. Note

7. Division of responsibilities among affiliates when their businesses are related to each other: On January 8, 2010, the Company established Asia Plastic Recycling Holding Limited at Cayman Islands, as the parent holding company of the Group, and the subject to apply the public offering in Taiwan. For the organizational structure of reinvestment, please refer to “Two. Company Profile-Structure Chart”. The Company also holds 100% of the shares of Sansda (Fujian) Plastic Co., Ltd., Fujian Sansda Recycling Co., Ltd., and Sansda (Hong Kong) Trading Co., Ltd. through Sansda (Hong Kong) Co., Ltd., one of its subsidiaries.

- (II) Consolidated financial statements of affiliates: Please refer to Market Observation Post System-2024 Financial Reports- Consolidated Financial Statements and Independent Auditors' Report For the Years Ended December 31, 2024 and 2023. The Consolidated Financial Statements and Independent Auditors Report is available at:
https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1337&year=113&seamon=&mtype=A&
- (III) Relationship report: None.

II. Handling of private marketable securities in the most recent year and as of the date of printing of the annual report: None.

III. Other necessary supplements: None.

IV. Events that have a significant impact on shareholders' equity or securities price as stipulated in Section 36.3(2) of the Securities Exchange Act in the most recent year and as of the date of the annual report: None.

V. Significant deviations from the provisions on the protection of shareholders' rights in China: Please refer to Appendix I.

The Illustrations of Matters Distinct from the Shareholders Rights Protection in Taiwan

Discrepancy Matters	Cayman Islands Laws and Regulations	Relevant Articles from M&A
A special resolution shall mean the resolution approved by a majority of the voting rights exercised by the members present at a general meeting attended by two-thirds or more of the shareholders. If the total number of shares represented by shareholders attending a shareholders' meeting is not sufficient to meet the criteria as specified in the abovementioned, the said resolution may be adopted by a larger majority representing two thirds of the votes at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares.	The special resolution provided for in Article 60 of Cayman Islands Companies Act shall mean a resolution that has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting.	For the purpose of complying with the requirement under the laws and regulations applicable to the public companies and in regard to the presence and voting rights of the shareholders meetings, we, Asia Plastic Recycling Holding Limited (hereinafter referred to the “Company”) take into account the gist of Tai-Zheng-Shang No. 0991701319 written explanations issued by the Taiwan Stock Exchange on April 13, 2010 and stipulate in Paragraph (1) of Article 31 and Paragraph (1) of Article 2 that the special resolution shall be passed by a majority of at least two-thirds of votes cast by such members as, being entitled to do so, present at a general meeting of the Company.

A company choosing to issue par value shares shall not convert its share to no par value shares; a company choosing to issue no par value shares shall not convert its shares into par value shares, either.	Pursuant to the last part of subsection (1) of section 8 of Cayman Islands Companies Act, no exempted company shall divide its capital into both shares of a fixed amount and shares without nominal or par value. Accordingly, based on the opinion of Cayman counsel, in accordance with the aforesaid rule and practical process of issuance of shares, an exempt company cannot convert its shares from par value shares to no par value shares, or vice versa.	Because all shares issued by the Company have been par value shares, the Company cannot issue no par value shares or convert its shares to no par value shares. The matter as set forth in the leftmost column does not apply to the Company. For avoidance of doubt, the Company, after evaluating the matter as set forth in the leftmost column and its current status, amended Paragraph (5) of Article 7 of current Amended and Restated Memorandum and Articles of Association (hereinafter referred to “ Articles of Association ”), which provides that “The Company shall neither issue Shares without par value nor convert its Shares from Shares with par value to Shares without par value.”
1. All general meetings to be held in physical locations shall be held in the Republic of	There are no relevant laws and regulations applicable to the matter as set forth in the left column in the	Article 25 of Articles of Association provides that “During the Relevant Period, all general

China (the “R.O.C.”). In the event that the general meetings are held in physical locations outside the R.O.C., the application of approval shall be filed to the Taiwan Stock Exchange within two (2) days after obtaining the approval from the board of directors or the permit to the member to convene the general meeting. 2. A company shall appoint a shareholders service agent to handle the voting matters when the general meetings are held in physical locations outside the R.O.C.	Cayman Islands.	meetings to be held in physical locations shall be held in the R.O.C.” There is no exception to this, so there is no need to stipulate that the approval from the competent authority or the relevant application is required to convene the general meetings in physical locations outside the R.O.C. Notwithstanding that all general meetings to be held in physical locations shall be held in the R.O.C., the Company will at all time appoint a shareholders’ service agent to handle the voting matters.
Any or a plural number of shareholder(s) of a company who has (have) continuously held three percent (3%) or more of the total number of outstanding shares for a period of one year or a longer time may, by filing a written proposal setting forth therein the subjects for discussion and the reasons, request the board of directors to	There are no relevant laws and regulations applicable to the matter as set forth in the left column in the Cayman Islands.	There is no competent authority responsible for approving shareholders to convene a special meeting of shareholders on his/their own in the Cayman Islands; hence Article 26 of Articles of Association provides that “Any one or more Member(s) holding at least three percent (3%) of the total issued Shares of the Company for a

call a special meeting of shareholders. If the board of directors fails to give a notice for convening a special meeting of shareholders within fifteen (15) days after the filing of the request, the proposing shareholder(s) may, after obtaining an approval from the competent authority, convene a special meeting of shareholders on his/their own.		period of one (1) year or a longer time may, by depositing the requisition notice specifying the proposals to be resolved and the reasons, request the Board to convene an extraordinary general meeting. If the Board does not give notice to Members to convene such meeting within fifteen (15) days after the date of the requisition notice, the proposing Member(s) may convene a general meeting.” without obtaining the approval from the competent authority first. This approach is consistent with the Tai-Zheng-Shang No. 0991701319 written explanations issued by the Taiwan Stock Exchange on April 13, 2010.
1. A company shall not cancel its shares, unless a resolution on capital reduction has been adopted by its shareholders' meeting; and capital reduction shall be effected based on the percentage of	Articles 14 and 18 of Cayman Islands Companies Act adopt strict regulations for reduction of share capital both in procedure and in substance, and the relevant regulations are mandatory requirements; therefore, when	Based on Cayman counsel’s opinion, the Company applies the approach of purchase and cancellation of its shares held by the shareholders in order to comply with the requirement set forth in the leftmost column. Paragraph (1) of Article

shareholding of the shareholders pro rata. 2. A company reducing its capital may return share prices (or the capital stock) to shareholders by properties other than cash; the returned property and the amount of such substitutive capital contribution shall require a prior approval of the shareholders' meeting and obtain consents from the shareholders who receive such property. 3. The board of directors shall first have the value of such property and the amount of such substitutive capital contribution set forth in the preceding paragraph audited and certified by a certified public accountant before the shareholders' meeting.	implementing reduction of share capital, a company shall do so in compliance with such mandatory regulations, whose application may not be excluded by any provision in the Articles of Association.	18-1 of Articles of Association provides that "Subject to the Law and the Applicable Listing Rules, the Company may carry out a compulsorily purchase and cancellation of its Shares on a pro rata basis (rounded up or down to the nearest whole number) among the Shareholders in proportion to the number of Shares held by each such Shareholder subject to approval by a Special Resolution. The purchase price payable to the Shareholders in connection with a purchase of Shares described in the preceding sentence may be paid in cash or in kind. Any purchase price to be paid in kind shall be subject to approval by a Special Resolution and shall be subject to individual consent by the Shareholder(s) receiving such payment in kind. Prior to convening the general meeting for approving such purchase of Shares, the Board shall determine the monetary equivalent value of any
--	---	--

		purchase price to be paid in kind and have such value audited and certified by a certified public accountant in the R.O.C.”
1. A company may explicitly provide for in its Articles of Incorporation that the surplus earning distribution or loss off-setting proposal may be proposed at the close of each quarter or each half fiscal year. 2. The proposal of surplus earning distribution or loss off-setting for the first three quarters or half fiscal year, together with the business report and financial statements, shall be forwarded to auditor committee for auditing, and afterwards be submitted to the board of directors for approval. 3. A company distributing surplus earning in accordance with the provision of	There are no relevant laws and regulations applicable to the matter as set forth in the left column in the Cayman Islands.	According to Paragraph (2) of Article 105 of Articles of Association, the dividend frequency of the Company is yearly and the matter as set forth in the leftmost column does not apply to the Company.

the preceding paragraph shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. 4. A company distributing surplus earning in the form of new shares to be issued by the company in accordance with the provision of the second paragraph shall be approved by a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company. If the total number of shares represented by the shareholders present at a meeting of shareholders is less than the threshold specified in the preceding paragraph,		
--	--	--

the resolution may be adopted by a large majority (2/3 or more) vote of the shareholders present at that meeting of shareholders attended by the shareholders representing a majority of the total number of the outstanding shares of the company. If such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the board of directors. 5. Surplus earning distribution or loss off-setting proposal by a company in accordance with the provisions of the preceding four paragraphs shall be made based on the financial statements audited or reviewed by a certified public accountant.		
1. Shareholder(s) who has/have been continuously holding 1% or more of the total number of the outstanding shares of	There are no relevant laws and regulations applicable to the matter as set forth in the left column in the Cayman Islands.	Article 75 of Articles of Association provides that one or more Members holding one percent (1%) or more of the total number of the total issued

the company over six months may request in writing the audit committee of the company to institute, for the company, an action against a director of the company, and Taiwan Taipei District Court may be the court of jurisdiction for the first instance. 2. In case the audit committee fail to institute an action within 30 days after having received the request made by shareholder(s), then the shareholder(s) filing such request may institute the action for the company, and Taiwan Taipei District Court may be the court of jurisdiction for the first instance.		Shares continuously for a period of six (6) months or a longer time may request in writing any Independent Director of the audit committee of the Company to file, on behalf of the Company, an action against a Director with a court having proper jurisdiction, including the ROC Taipei District Court. In case such Independent Director fails to file such action within thirty (30) days after receipt of the request aforesaid, the Members making such request may file the action for the Company. The Company will propose amendments to Articles of Association incorporating the matter set forth in the leftmost column for approval in the general meeting to be held on June 13, 2025 as per instructed by Taiwan Stock Exchange.
In the event the Company's total paid-in capital as of the close of the most recent financial year reaches NT\$2	There are no relevant laws and regulations applicable to the matter as set forth in the left column in the Cayman Islands.	The Company will propose amendments to Articles of Association incorporating the matter set forth in the leftmost

billion or more, the Company shall upload the electronic files of the manual for each general meeting and relevant materials thirty (30) days prior to the scheduled date of the relevant annual general meeting.		column for approval in the general meeting to be held on June 13, 2025 as per instructed by Taiwan Stock Exchange.
--	--	---