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Ho Tung Chemical Corp.

2024 Annual Report

Prepared by Ho Tung Chemical Corp.
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Ho Tung Chemical Corp. official website: http://www.htgroup.com.tw

I. Spokesperson:

Name: Hui-yen Lin

Title: Senior Manager

Tel: (02) 8976-9268 ext. 8405

E-mail: lin@htgroup.com.tw

Deputy spokesperson:

Name: Shu-Hui Liao

Title: Assist Manager

Tel: (02) 8976-9268 ext. 8423

E-mail: iris.liao@htgroup.com.tw

II. Headquarter and plants:

Registered address (Kaohsiung Plant): No. 1, Zhugong 2nd Ln., Renwu Dist., Kaohsiung City

Tel: (07) 371-2917-8

Fax: (07) 372-1593

Taipei Office: 8F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City

Tel: (02) 8976-9268 (representative)

Fax: (02) 8976-9269

III. Stock transfer agent:

Name: Ho Tung Chemical Corp.

Address: 8F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City

Tel: (02) 8976-9268 (representative)

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

IV. CPAs for the financial statements in the most recent year:

CPAs: Ming-chuan Hsu, Jing-lian Huang

Accounting firm: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City

Tel: (02) 2729-6666

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

V. Oversea securities exchange : None

VI. Company website: http://www.htgroup.com.tw

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Chapter 1 Letter to Shareholders

I. 2024 Operating Results

(I) Results of business plan:

1. The 2024 consolidated operating revenue was NT$ 20,619,248 thousand, a increase of 1.61% from NT$ 20,292,410 thousand in 2023.
2. The net profit after tax in 2024 was NT$ 415,463 thousand, an decrease of 30.65% from NT$ 599,062 thousand in 2023. The EPS of 2024 was NT$ 0.41, an decrease of 31.67% from NT$ 0.60 in 2023.

(II) Budget implementation: None. The Company has not prepared financial forecast for 2024.

(III) Analysis of financial revenue, expenditure and profitability:

Main causes of profit increase:

The increase in net profit margin and earnings per share in 2023 were attributable to higher interest rates on outstanding customer accounts receivable and the interest rate on time deposits in 2023 as compared to 2022 .

Please refer to the following table for the financial ratio analysis:

Analysis Item		2023	2024
Financial structure (%)	Debt to asset ratio	28.10	28.18
	Ratio of long-term capital to property, plant, and equipment	387.02	411.74
Solvency	Current ratio (%)	419.15	385.89
	Quick ratio (%)	331.10	304.35
	Interest coverage ratio	12.70	14.26
Profitability	Return on assets (%)	4.13	3.38
	Return on equity (%)	5.28	4.32
	Net profit margin (%)	4.29	3.48
	Earnings per share (EPS) (in NT$, after retroactive adjustment))	0.60	0.41

II. Summary of 2025 Business Plan

The Company's main business is the trading of chemicals and oil products. In addition, the Company also strives to promote its operational efficiency by reorganizing its corporate structure and lowering the management cost so that the Company can strengthen its competitiveness in the detergent industry.

(I) Business strategy:

1. Raising the added value of products:
   The Company aims to increase the value-added of products and competitiveness in the market by integrating various specialties of all segments and accelerating the process of research and development or introducing all kinds of state-of-art technologies. Horizontally, the Company is also proactively tapping into the green energy industry, enlarging the application fields.
2. Lowering business risks:
   The Company focuses on its main businesses to lower risks, expands and integrates the momentum from all investees and segments, adheres to the core will of safe

production and operation of each plant, and pursues sustainable development of the Company.

3. Establishing and developing professional teams:
   Supporting management personnel and technical teams with the best organizational structure and job rotation.

(II) Business plans:

1. Developing other related products such as surfactants in the upstream and downstream:
   The Company has developed a series of surfactant products with high value added. These products are all certified by international brands of daily necessities. Currently, the Company is expanding into a more advanced market of raw materials for personal care products to diversify its products and increase the value-added of products.
2. Increase production capacity where necessary:
   The Company continues to increase the production scale of normal paraffin, alkyl benzene, and advanced surfactants in different locations to increase its profits.
3. International Market Development:
   Strategic cooperation with market peers to enhance product selection diversity. With the two goals of product refinement and market segmentation and reasonable strategic alliances, we will further promote other surfactant products.

(III) Expected volume of sales and its basis of projection:

Generally speaking, the supply of NP is still sufficient while the business of LAB is growing steadily. Meanwhile, the volume of sales of related products grows stably, and thus, oversea revenues and net profits are growing steadily. The operation in 2024 will mainly focus on internationalization and development. In addition to closely monitoring the trend of the raw materials, the Company aims at maintaining a good relationship with NP suppliers this year. The Company will also enhance competitiveness by actively boosting production efficiency to reduce production costs. Meanwhile, the Company will increase other trading operations and establish sales channels to enhance overall interest. Moreover, the Company will continue market assessment and layout to further improve the investment base and promote the business of other surfactant products to increase competitiveness and profitability.

(IV) Policies of production and sales:

1. The Company continues to devote itself to developing and researching new processes and energy-saving technology, implementing better quality control in compliance with ISO-9001 and environmental protection methods in compliance with ISO-14001 to maximize the performance and efficiency of management and production.
2. The Company is promoting customer-oriented services, providing comprehensive quality, and reinforcing management of resources from the whole business chain so that the Company will be able to achieve the goal of sharing the profits and creating a win-win situation.

III. Future Development Strategies of the Company

Chemicals:

1. Grasp opportunities in emerging markets:
   Due to the increased awareness of epidemic prevention, the global demand for raw materials of detergents is rising and demands are growing rapidly, driving the development of the entire industry.
2. Focus on chemical business while exploring other markets upstream and downstream of the business chain:
   The Company's strategies for future development will continue to focus on the main business of chemical products while developing and integrating the upstream and downstream of the business chain systematically, and utilizing various resources effectively. By doing so, the Company will be able to increase its market share and secure the supply of raw materials necessary for plant expansion and increase value-added of products and competitiveness by developing other related detergent raw materials.

Oil products:

1. Reach out to diversify its operations, expedite internationalization, with equal emphasis placed on "efficacy, sustainability, and internationalization", and externally define "customer orientation" as the paramount corporate core value, value customers' opinions and needs, and create a favorable operational environment where collaboration with contractors brings about profits, which are the most important operational goals of the Company.
2. Promote streamlining of work flows, create a brand new flat organization, improve the operational efficacy, efficiency, and flexibility through business groups, the project task force, and the digital cloud system, enhance corporate operational efficiency, and boost the utilization efficacy of human resources reflective of organizational adjustment and operational demand.
3. Reinforce the internal management of the Taichung Plant by consolidating industrial safety and environmental protection and continuing to educate employees on awareness of industrial safety incidents, environmental protection ideas, regulatory compliance, and staff in-service training, among others, and hold various drills periodically and from time to time.

IV. Impact on the Company Due to Competition, Governmental Regulations, and Overall Operation Environment

1. Impact from external competitive environment:

   Chemical products:
   The global oil price often fluctuates. As a result, knowing the production costs and reflecting the changes in oil prices on the selling prices of products where necessary are two major issues. The timely and stable supply of raw materials and management of production efficiency is essential for the purchase of normal paraffin and sales of alkyl benzene. Currently, the global demand for alkyl benzene, one of the key raw materials for detergent, is growing steadily. In addition to the supply of normal paraffin and alkylbenzenes, how to increase the sales of linear alkylbenzene and Fatty alcohol

polyoxyethylene ether, sodium sulfate is an important topic for the company, and stable operation is the main goal this year.

Oil products:
Business recruitment for the Free Trade Zone continues to expand. Besides intra-industrial competition, reduced end-user demand due to inflation and fluctuating oil prices directly impacted by the unstable international situation have indirectly impacted the willingness of international oil traders to enter into long-term contracts. To reflect the environmental changes throughout the industry, the prior traditional operational model is transforming and more flexible, agile, rapid, and elastic approaches continue to be adopted in providing quality service that helps fulfill customers' goals.

2. Impact from governmental regulations:

   The Company runs its business based on the good faith principle and complies with all relative governmental regulations, such as Article 16 of the Air Pollution Control Act and Article 28 of the Soil and Groundwater Pollution Remediation Act.

3. Impact on overall operating environment:

   Chemical products:
   Due to the increased awareness of epidemic prevention,, the demand for cleaning products will continue to grow, which will be of significant benefit to the company's operations.

   Oil products:
   Promotion of marine conservation, climate change, energy conservation and carbon reduction, and applicable government laws and regulations has continued over the past few years. How to apply technology and cloud application and management to cope with environmental changes throughout the industry is the trend along the path to technology, intelligence, and Industry 4.0. The Company continues to provide customers with flexible, agile, elastic, and innovative service models that bring about benefits and profits.

   The Company will continue to advance its management, improve its efficiency, innovate in R&D, and break through the present situation, in the hope of creating richer investment returns for all shareholders. We also hope that all shareholders will give the management team more support and encouragement!

Chapter 2 Corporate Governance Report

I. Information on the Directors, General Manager, Deputy General Manager, Associate Manager, and Supervisors of Divisions and Branch Units

(I) Information on Directors:

1. Information on Directors:

March 31, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected/ Appointed	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Shares Currently Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Education Background/Work Experience	Current Position in the Company and other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note (Note 1)
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
	R.O.C.	Hung I Investment Co., Ltd.	—	2023.06.21	2023.06.21 to 2026.06.20	2002.11.04	101,690,169	10	101,690,169	10	0	0	0	0	-	-	None	-	-	None
Chairman	R.O.C.	Representative of Hung I Investment Co., Ltd.: Li-Chiu Chang	Male/												NCCU Department Of Risk Management And Insurance	I. Position in the Company: None II. Position in other Companies: Please refer to Note 2	None	-	-	None
Director	R.O.C.	Representative of Hung I Investment Co., Ltd.: Yi-Hsiung Chen	70-80	2023.06.21	2023.06.21 to 2026.06.20	1994.04.11	0	0	0	0	0	0	0	0	Department of Agricultural Chemistry, National Taiwan University; Ph.D., Chemistry and Biochemistry, Kent State University	I. Positions held in the Company: None II. Positions held concurrently in other companies: Please refer to Note 3	None	-	-	None
Director	R.O.C.	Representative of Hung I Investment Co., Ltd.: Wei-yu Chen	Male/												M.B.A. of University of California, Berkeley	I. Position in the Company: None II. Position in other Companies: Please refer to Note 4	Director	Yi-ju Chen	Relative-in-law within the second degree of kinship	None
Director	R.O.C.	Representative of Hung I Investment Co., Ltd.: Shun-Keng Chen	70-80	2023.06.21	2023.06.21 to 2026.06.20	2008.08.01	275,446	0.027	275,446	0.027	360,805	0.035	0	0	Department of Economics, Soochow University.	I. Position in the Company: None II. Position in other Companies: Please refer to Note 5	None	-	-	None
Director	R.O.C.	Yi-Ju Chen	Female/ 50-60	2023.06.21	2023.06.21 to 2026.06.20	2019.05.13	4,422,697	0.435	4,422,697	0.435	0	0	0	0	Master of Animal Science, Master of Applied Economics, Cornell University, USA	I. Positions held in the Company: President II. Positions held concurrently in other companies: Please refer to Note 6	Director	Wei-Yu Chen	Relatives within 2nd degree of kinship	None
Director	R.O.C.	Kuo-jung Shih	Male/ 60-70	2023.06.21	2023.06.21 to 2026.06.20	2005.06.29	0	0	0	0	0	0	0	0	M.B.A. of Rutgers University; Assistant General Manager of the Discretionary Investment Services Segment in PGIM; Senior Vice President in Capital Securities Corp.	I. Position in the Company: None II. Position in other Companies: Supervisor of Tung Bao Co., Ltd., Chairman of Chenergy Global Co., Ltd.	None	-	-	None

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected/ Appointed	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Shares Currently Held by Spouse and Minor Children		Shareholding by Nominee Arrangement		Education Background/Work Experience	Current Position in the Company and other Companies	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note (Note 1)
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
Independent Director	R.O.C.	Tzu-Ming Wang	Male/ 70-80	2023.06.21	2023.06.21 to 2026.06.20	2015.01.19	0	0	0	0	0	0	0	0	Bachelor, Department of Finance and Taxation, Feng Chia University, Director, Mega Securities & Trust, Director of National Taxation Bureau of Taipei, Ministry of Finance; Section Chief of National Taxation Bureau of Taipei, Ministry of Finance	I. Positions held in the Company: None II. Positions held concurrently in other companies: Independent Director, FOCI FIBER OPTIC COMMUNICATIONS, INC.	None	-	-	None
Independent Director	R.O.C.	Ko-Shun Wang	Male/ 60-70	2023.06.21	2023.06.21 to 2026.06.20	2018.4.25	0	0	0	0	0	0	0	0	Master of Business Administration, Andrews University , Vice Chairman, Petrochemical Industry Association of Taiwan, President of USI Corporation, President of China Petrochemical Development Corporation, and Acting President of ICI China Ltd.	I. Positions held in the Company: None II. Positions held in other companies: Note 7	None	-	-	None
Independent Director	R.O.C.	Hui-Chin Tu	Female/ 60-70	2023.06.21	2023.06.21 to 2026.06.20	2023.06.21	0	0	0	0	0	0	0	0	LLM, Institute of Technology Law, School of Law, National Chiao Tung University; Judge, Intellectual Property and Commercial Court	I. Positions held in the Company: None II. Positions held in other companies: None	None	-	-	None

Note 1: Where the chairperson of the Board of Directors and the general manager or person of an equivalent post (the highest level manager) of the Company are the same people, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., by increasing the number of independent directors and having a majority of directors who are not also employees or managers, etc.)

Note 2: Chairman, Li-Chiu Chang, concurrently holds the following positions: Chairman of Sun Ten Pharmaceutical Co., Ltd., Chairman of Sun Ten International Investment Co., Ltd.; Chairman of Panion & BF Biotech Inc. Ltd., Chairman of Bowlin Biotech Co.,(USA); Chairman of T3EX Global Holding Corp., Chairman of Herbiotek Co., Ltd., Chairman of CHENG FONG CHEMICAL CO., LTD., Chairman of YH Bio Co., Ltd., Chairman of Viarich Biotechnology Co., Ltd., Director of TriKnight Capital Corporation, Director of FOCI Fiber Optic Communications, Inc., Representative of Corporate Director of Formosan Union Chemical Corp., Director of Anti-Microbial Savior BioteQ Co.,Ltd., Independent Director of ACME Electronics Corporation, Independent Director of Taiwan Hopax Chemical Industrial Co., Ltd., Independent Director of Compal Electronics, Inc.

Note 3: Director Yi-Hsiung Chen concurrently holds the following positions: Chairman of Vita Genomics,Inc., Chairman of CREATIVE GENE BIOTECH, INC. (representative of corporate director), Chairman of Olu Biotech Consulting Co., Ltd. (representative of corporate director), Chairman of Ya Tung Investment Co., Ltd. (representative of corporate director), Representative of Corporate Director and President of Yuan He Biotech Co., Ltd, Director of Hakers Enterprise Co., Ltd and Independent Director of Pharmigene, Inc.

Note 4: Director Wei-Yu Chen concurrently hold the following positions: Chairman of Ho Mao Venture Capital Co., Ltd., Chairman of Hsin Tay Petroleum Co., Ltd., Director of Hsin Tay Ltd., Director of Signpost Enterprises Ltd., Director of Signpost (HK) Limited , Director of Jiangsu Jintung Chemical Corp., Ltd., Director of Jiangsu Jintung Surfactant Corp., Ltd., Director of Xiamen Jintung Synthetic Detergent Co., Ltd., Director of Nanjing He Sheng Pao New Energy Technology Co., Ltd., Chairman of Chih Sheng (Huizhou) Petrochemical Co., Ltd ., Vice Chairman of Guangzhou Litze Chemical Co., Ltd., Director of Hua Chung Co., Ltd., Director of Ho Tung Cement Corp., Director of Ally Solution LTD., Director of Oceanwise International Ltd., Chairman of Wmk Insurance Brokers Ltd, and Director of Chenergy Global Co., Ltd.

Note 5: Director Shun-Keng Chen concurrently holds the following positions: Director of Profit Circle and Director of Jintung Petrochemical Corp., Ltd

Note 6: Director Yi-Ju Chen concurrently holds the following positions: Chairman and President of Paotze Investment Co., Ltd., Vice Chairman of Jintung Petrochemical Co., Ltd.; Vice Chairman of Sichuan Jintung Fine Chemical Corp., Ltd.; Vice Chairman of Anhui Jintung Fine Chemical Corp., Ltd., Vice Chairman of Jiangsu Jintung Chemical Corp., Ltd., Vice

Chairman of Jiangsu Jintung Surfactant Corp., Ltd.,, Vice Chairman of Xiamen Jintung Synthetic Detergent Co., Ltd., Director of Nanjing He Sheng Pao New Energy Technology Co., Ltd.; Chairman of Hsin Tay (Shanghai) Ltd., Director of Tianjin Tianzhi Fine Chemical Co., Ltd., Director of Hsin Tay Petroleum Co., Ltd., Director of Tianjin Port Free Trade Zone Hsing Tung Chemical Co., Ltd., Director of Guangzhou Litze Chemical Co., Ltd., Director of Chih Sheng (Huizhou) Petrochemical Co., Ltd, Director of Ho Mao Venture Capital Co., Ltd., Chairman of Bing Rong Co., Ltd., Chairman of Hsing Tai Co., Ltd., President of Ji Chiang Co., Ltd., President of Chenergy Global Co., Ltd., Director of Big Success Co., Ltd., and Director, Inadvance Holdings Ltd., Supervisor of Ho Tung Cement Corp.

Note 7: Independent Director Ko-Shun Wang concurrently holds the following positions : Chairman of Huan Hao Sustainability Technology Co. Ltd., Chairman of Pythia Biotech Ltd. and President of HoneyBear Biosciences, Inc.

2. Major shareholders of the institutional shareholder: (note updated)

March 31, 2025

Name of institutional shareholders	Major shareholders of Institutional Shareholder
Director: Hung I Investment Co., Ltd.	Bing Rong Co., Ltd. (9.3%), Chwan Yih Co., Ltd. (0.1%), and Chin-hua Lin (33.67%).

* The above information was all provided by the institutional shareholders, and the Company relies solely on the information provided by them.

3. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form:

Name of institutional shareholders	Major shareholders of Institutional
Bing Rong Co., Ltd.	Yi-ju Chen (5.91%)
Chwan Yih Co., Ltd.	Chin-hua Lin (5%)

* The above information was all provided by the institutional shareholders, and the Company relies solely on the information provided by them.

4. Information on Directors:

(1) Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors

The Company's current term of board member (term of office: 2023.6.21 - 2026.6.20)

Criteria / Name	Diversified Core Competences									Professional Qualifications and Work Experience		Independence Criteria	Number of other public companies in which the individual is concurrently serving as an Independent Director
	Nationality	Gender	Age			Term of Independent Director			A Concurrent Employee of the Company	Industry experience and professional ability	Whether or not under any of the categories stated in Article 30 of the Company Act		
			Below 60	60-70	Over 70	Less than 3 years	3 to 6 years	6 to 9 years					
Li-Chiu Chang/ Chairman	R.O.C.	Male			V					— Served for many years as chief of audit Division of The Taipei Municipal Tax Bureau and chief of the Securities Regulatory Commission of the Ministry of Finance, familiar with financial and financial regulations. — Served for many years as General Manager of UOB and Yuanta Securities, familiar with corporate governance laws and regulations. — Former Independent Director of Ruenvex Biotech Inc. — Served as chairman, director and independent director of cross-industry companies for many years. and has professional experience in the chemical industry, biotechnology and medicine, optical fiber communications and venture capital. He has professional capabilities in operations management, leadership decision-making, corporate sustainability, industry knowledge and risk management..	None	-	3
Yi-Shyon Chen/ Director	R.O.C.	Male			V					Hold a doctorate degree in biochemistry from Kent State University in the United States, and is a world-renowned expert in the field of genetics. He has served as the director and supervisor of several companies, and has professional capabilities in industry knowledge, operations management, international markets, etc.	Yes	-	1
Wei-yu Chen/ Director	R.O.C.	Male	V						–	— Master, Haas School of Business, University of California, Berkeley — Former Marketing Manager of Netscape. — Director and responsible person of Ho Tung Chemical Co., Ltd. and its subsidiaries since 2008.	None	-	None
Shun-Keng Chen/ Director	R.O.C.	Male	V							— Department of Economics, Soochow University. — Vice President of Ho Tung Chemical Co., Ltd. — Director of Profit Circle Ltd.	None	-	None
Yi-Ju Chen/ Director	R.O.C.	Female	V						V	— President of Chenergy Global Co., Ltd. — President of Ho Tung Chemical Co., Ltd.	None	-	None
Kuo-jung Shih/Director	R.O.C.	Male		V						— 20 years of experience in capital markets, with industry and financial analysis skills. — Ability to objectively judge the trend of international politics and markets.	None	-	None

Criteria / Name	Diversified Core Competences									Professional Qualifications and Work Experience		Independence Criteria	Number of other public companies in which the individual is concurrently serving as an Independent Director
	Nationality	Gender	Age			Term of Independent Director			A Concurrent Employee of the Company	Industry experience and professional ability	Whether or not under any of the categories stated in Article 30 of the Company Act		
			Below 60	60-70	Over 70	Less than 3 years	3 to 6 years	6 to 9 years					
Tzu-Ming Wang/ Independent Director Director	R.O.C.	Male			V	V				— Bachelor, Department of Public Finance, Feng Chia University. — Many years of experience as an independent director, Served as Director, Mega Securities & Trust, Director of National Taxation Bureau of Taipei, Ministry of Finance; Section Chief of National Taxation Bureau of Taipei, Ministry of Finance. Provide valuable advice on company auditing, finance, etc.	None	Compliant with directors' independence as stated in the Article 26-3 of the Securities and Exchange Act	1
Ko-Shun Wang/ Independent Director	R.O.C.	Male		V		V				— Master of Business Administration, Andrews University. — Former Vice Chairman of Petrochemical Industry Association of Taiwan. — President of USI Corporation — President of China Petrochemical Development Corporation — Acting President of ICI China Ltd. — Has accumulated many years of professional experience in the petrochemical industry, and has branched out into the biotechnology and technology fields in recent years. He has professional capabilities in industry knowledge, corporate sustainability, international development, risk management, etc.	None	Compliant with directors' independence as stated in the Article 26-3 of the Securities and Exchange Act	None
Hui-Chin Tu/ Independent Director	R.O.C.	Female		V		V				— LLM, Institute of Technology Law, School of Law, National Chiao Tung University — Former Judge of Intellectual Property and Commercial Court, Relying on intellectual property and judicial experience.	None	Compliant with directors' independence as stated in the Article 26-3 of the Securities and Exchange Act	None

(2) Diversification and Independence of the Board of Directors

The Company defines in Article 20 of its "Corporate Governance Best Practice Principles" that the composition of the Board of Directors shall take into consideration diversification. Besides the fact that directors who are also managers in the Company may not account for more than one-third of all directors, other suitable diversification policies shall be defined reflective of its own operation, the operational pattern and developmental needs of the Company based on the criteria that cover to major domains as follows:

1. Basic requirements and values: gender, age, nationality, and culture, etc.; female directors, in particular, shall account for one-third of all director seats.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The capabilities expected of the Board of Directors as a whole for the sake of achieving the ideal goals of corporate governance are as follows:

I. Operational judgment
II. Accounting and financial analyses
III. Operational management
IV. Crisis management
V. Industrial knowledge
VI. International market views
VII. Leadership
VIII. Decision-making
Besides the foregoing eight expected competencies, in light of the increasing emphasis over corporate governance and environmental protection-related issues around the world, “law” and “environmental protection” are the two professional skills expected of the members of the Board of Directors in terms of diversification. On June 21, 2023, the Company re-elected the 15th term of the Board of Directors with a total of 9 members. All of these members are engaged in different industries (including the biotechnology industry, chemical industry, pharmaceutical industry, law, and cable industry) and possess the international market perspective, business management ability, industry knowledge, and leadership ability. The Company has implemented diversity policy in the Board of Directors and has increased the number of female directorships to 2 when the new directors were re-elected in 2023. The goal of increasing the proportion of female board members to one-third will continue to be pursued in future re-elections. There are total 9 newly elected directors, including 3 independent directors, of which 1 is a female independent director and 1 is a female director. By the end of 2024, after the reelection, there are 3 directors in the age range of 50 to 60, and all other directors are over 60 years old. All of the independent directors are working in the fields of finance and accounting, biotechnology industry, law and chemical-related industries. Please refer to the above information on the directors, including their academic qualifications, gender, professional qualifications, work experience and diversified status.

Name of Director \ Diversified Core Competences		Industry Experience/Professional Ability							
		Operational judgment	Accounting and financial analysis	Operating ability	Crisis handling ability	Industrial Knowledge	Global market view	Leadership skills	Decision-making skills
Chairman	Li-chiu Chang Representative of Hung I Investment Co., Ltd.	V	V	V	V	V	V	V	V
Director	Yi-Hsiung Chen (Representative of Hung I Investment Co., Ltd.)	V	V	V	V	V	V	V	V
Director	Wei-Yu, Chen (Representative of Hung I Investment Co., Ltd.)	V	V	V	V	V	V	V	V
Director	Shun-Keng Chen (Representative of Hung I Investment Co., Ltd.)	V	V	V	V	V	V	V	V
Director	Yi-Ju Chen	V		V	V	V	V	V	V
Director	Kuo-Jung Shih	V	V	V	V	V	V	V	V
Independent Director	Tzu-Ming Wang	V	V		V				V
Independent Director	Ko-Shun Wang	V	V	V	V	V	V	V	V
Independent Director	Hui-Chin Tu			V		V			

(3) Succession of Members and Operation of the Board of Directors

Besides following the Articles of Incorporation and the "Corporate Governance Best Practice Principles" while selecting members of its Board of Directors, the Company continues to promote its director succession plan and creates its director candidate database applying:

Ⅰ. The criteria defined under the "Corporate Governance Best Practice Principles".

Ⅱ. Professional knowledge and skills that answer to the core values of the Company and help with corporate operation and management.

Ⅲ. Ethical Corporate Management Best Principles defined by the Company.

Ⅳ. Industrial experience.

and invites applicable members to join for continuation of professionalism, independence, and diversification of the Board of Directors. Professional domains such as corporate strategy, accounting and taxation, finance, law, administration, and product management, finance, law, administration, and production are covered, too.

The Company stipulates that the screening of director candidates to be included in the list will comply with eligibility review and applicable regulations in order to ensure that new director candidates may be effectively identified and selected in cases of vacancies or an increase in the number of seats available for directors.

The Company also has in place its "Guidelines for the Compensation and Remuneration to Directors, Independent Directors, and Managers" that is approved by the Board of Directors. Items to be weighed in the performance evaluation, including daily corporate operation and management, financing demand, attendance and voting rates in meetings, professional functions and continuing education, internal control, and statement of substantial opinions help confirm the operational effectiveness of the Board of Directors and determine the performance of the Board of Directors and will serve as reference in the future upon screening of directors.

(II) Information on the General manager, Deputy General manager, Associate manager, and Supervisors of Divisions and Branch Units:

March 31, 2024

Title	Nationality	Name	Gender	Date Elected/ Appointed	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Educational Background/Work Experience	Current Positions at Other Companies	Managers Who Are Spouses or within Second Degree of Kinship to Each Other			Remark (Note 1)
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
General Manager	R.O.C.	Yi-ju Chen	Female	2019.08.11	4,422,697	0.435	0	0	0	0	Master of Applied Economics, Master of Animal Science, Comell University Director of Ho Tung Chemical Corp.	Note 2	None	-	-	None
Associate Manager	R.O.C.	Jung Pin Po	Female	2022.08.10	0	0	0	0	0	0	Master of Law, North West University, US Asia-Pacific Chief Legal Officer of Verizon Media (Yahoo), Vice President of Legal Affairs of Fidelity International, Assistant Vice President of Legal Affairs/Chief Compliance Officer (Acting) of Nanshan Life Insurance Co., Ltd., Medium-to-Large-Sized Law Firm (Lexcel Partners, LCS & Partners, Yangming Partners [Qilin]), specializing in mergers & acquisitions, telecommunications	Note 3	None	-	-	None

											and media, capital market and general company-related legal affairs					
Senior Manager	R.O.C.	Hui-Yen Lin	Female	2015.04.01	0	0	0	0	0	0	Department of Accounting, National Taipei University of Business Ho Tung Chemical Corporation/ Accounting Manager	Note 4	None	-	-	None
Senior Manager	R.O.C.	Yuan-Rung Chang	Male	2024.12.18	0	0	0	0	0	0	Master of Science in Finance, National Chengchi University Administrative Officer at United Microelectronics Corp; Assistant Manager at Lite-On Technology Corporation; Finance Manager at Bizlink International Corp; Senior Finance Manager at Gogoro Inc	Note 5	None	-	-	None

Note 1: If the General Manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

Note 2: General Manager Yi-Ju Chen concurrently holds the following positions: Director of Ho Tung Chemical Co., Ltd., Chairman and President of Paotze Investment Co., Ltd., Vice Chairman of Jintung Petrochemical Co., Ltd.; Vice Chairman of Sichuan Jintung Fine Chemical Corp., Ltd.; Vice Chairman of Anhui Jintung Fine Chemical Corp., Ltd., Vice Chairman of Jiangsu Jintung Chemical Corp., Ltd., Vice Chairman of Jiangsu Jintung Surfactant Corp., Ltd.,, Vice Chairman of Xiamen Jintung Synthetic Detergent Co., Ltd., Director of Nanjing He Sheng Pao New Energy Technology Co., Ltd.; Chairman of Hsin Tay (Shanghai) Ltd., Director of Tianjin Tianzhi Fine Chemical Co., Ltd., Director of Hsin Tay Petroleum Co., Ltd., Director of Tianjin Port Free Trade Zone Hsing Tung Chemical Co., Ltd., Director of Guangzhou Litze

Chemical Co., Ltd., Director of Chih Sheng (Huizhou) Petrochemical Co., Ltd, Director of Ho Mao Venture Capital Co., Ltd., Chairman of Bing Rong Co., Ltd., Chairman of Hsing Tai Co., Ltd., President of Ji Chiang Co., Ltd., President of Chenergy Global Co., Ltd., Director of Big Success Co., Ltd., and Director, Inadvance Holdings Ltd., Supervisor of Ho Tung Cement Corp.

Note 3: Jung Pin Po, AVP of Legal Affairs Office, is appointed as the Corporate Governance Officer. At present, he concurrently holds the following positions: Supervisor of Jintung Petrochemical Co., Ltd., Supervisor of Sichuan Jintung Fine Chemical Corp., Ltd., Supervisor of Anhui Jintung Fine Chemical Corp., Ltd., Director of Jiangsu Jin Tung Chemical Corp., Ltd., Supervisor of Jiangsu Jintung Surfactant Corp., Ltd., Director of Nanjing He sheng Pao New Energy Technology Co. Ltd., Director of Guangzhou Litze Chemical Co., Ltd., Director of Chih Sheng (Huizhou) Petrochemical Co., Ltd, Director of Tianjin Tianzhi Fine Chemical Co., Ltd., Director of Tianjin Tianjin Port Free Trade Zone Hsing Tung Chemical Co., Ltd., Director of Sharpinvest International Ltd., Director of Hsin Tay Petroleum Co., Ltd., Supervisor of Chenergy Global Co., Ltd., Director of Hua Chung Co., Ltd., Director of Ho Tung Cement Corp., Director of Ho Mao Venture Capital Co., Ltd.

Note 4: Hui-Yen Lin, head of accounting, currently also serves as the supervisor of Hua Chung Co., Ltd., supervisor of Ho Mao Venture Capital Co., Ltd., director of Tianjin Tianzhi Fine Chemical Company Limited.

Note 5: Head of finance Yuan Rung Chang took office on December 18,2024.

Succession Planning for Key Management

In addition to establishing and updating the internal promotion system to cultivate succession planning for current management personnel, the Company and its subsidiaries also continue to pay attention to market talent, recruit suitable candidates through various channels to take over the management level, and work together with the current management level to promote talent retention.

In addition, the company's management will also be assigned to group-affiliated companies or subsidiaries to serve as directors, supervisors (supervisors) and other positions based on the individual expertise of the talents, so that they can be deeply involved in the group's operations. At the same time, through internship opportunities in different companies/industry chains and consultation and cooperation with external joint venture partners, we cultivate capabilities including strategic development, cross-regional operations, marketing and innovation management.

The current general manager joined the group in 2018 and has led subsidiaries and the company's business department. After taking over the position of general manager in 2018, he promoted a number of reforms, including the systematization of the group's financial accounting, simplification of the organizational structure, and improvement of the audit system, making important contributions to the development of the group.

The human resources department and corporate governance unit of our company jointly establish a talent succession and talent retention mechanism, clearly define job responsibilities and key position agency and succession plans, and plan short-term, medium-term and long-term job allocation or rotation based on the qualifications, maturity and stability of the personnel in the company to ensure that there is sufficient preparation of backup talents when positions become vacant.

The company also actively seeks external resources to provide training for management with different professional backgrounds. At the same time, online or physical summits are held regularly for all important management levels of the group, covering topics such as business strategy, marketing and procurement integration, organizational optimization, etc., to promote in-depth communication and cooperation among the leadership team.

II. Remuneration Paid to the Directors, Independent Directors, General Manager, and Deputy General Managers:

(I) Remuneration of Directors (including Independent Directors)

Unit: NT$ thousands

<table>
<tr><th rowspan="4">Title</th><th rowspan="4">Name</th><th colspan="8">Directors' Remuneration</th><th colspan="2" rowspan="2">Sum of A+B+C+D and ratio to net income</th><th colspan="8">Remuneration received by directors for concurrent service as an employee</th><th colspan="2" rowspan="2">Sum of A+B+C+D+E+F+G and ratio to net income</th><th rowspan="4">Remuneration received from investee enterprises other than subsidiaries or from the parent company</th></tr>
<tr><th colspan="2">Base Compensations (A)</th><th colspan="2">Severance pay and Pension (B)</th><th colspan="2">Director profit-sharing compensation (C)</th><th colspan="2">Allowances (D)</th><th colspan="2">Salaries, Bonus and Special Expenses (E)</th><th colspan="2">Severance pay and Pension (F)</th><th colspan="4">Employee profit-sharing compensation (G)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th><th colspan="2">The Company</th><th colspan="2">All Companies Included in the Financial Statements (Note 7)</th><th rowspan="2">The Company</th><th rowspan="2">All Companies Included in the Financial Statements</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Chairman</td><td>Representative of Hung I Investment Co., Ltd.: Li-Chiu Chang</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">4,737</td><td rowspan="6">4,737</td><td rowspan="6">792</td><td rowspan="6">802</td><td rowspan="6">Sum 5,559 Ratio 1.33%</td><td rowspan="6">Sum 5,569 Ratio 1.33%</td><td rowspan="6">7,660</td><td rowspan="6">7,660</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">2,842</td><td rowspan="6">0</td><td rowspan="6">2,842</td><td rowspan="6">0</td><td rowspan="6">Sum 15,716 Ratio 3.86%</td><td rowspan="6">Sum 15,726 Ratio 3.86%</td><td rowspan="6">None</td></tr>
<tr><td>Director</td><td>Representative of Hung I Investment Co., Ltd.: Wei-yu Chen</td></tr>
<tr><td>Director</td><td>Representative of Hung I Investment Co., Ltd.: Shun-Keng Chen</td></tr>
<tr><td>Director</td><td>Representative of Hung I Investment Co., Ltd.: Yi-Hsiung Chen</td></tr>
<tr><td>Director</td><td>Yi-Ju Chen</td></tr>
<tr><td>Director</td><td>Kuo-Jung Shih</td></tr>
<tr><td>Independent Director</td><td>Tzu-Ming Wang</td><td rowspan="3">3,600</td><td rowspan="3">3,600</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">114</td><td rowspan="3">114</td><td rowspan="3">Sum 3,714 Ratio 0.90%</td><td rowspan="3">Sum 3,714 Ratio 0.90%</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">0</td><td rowspan="3">Sum 3,714 Ratio 0.90%</td><td rowspan="3">Sum 3,714 Ratio 0.90%</td><td rowspan="3">None</td></tr>
<tr><td>Independent Director</td><td>Hui-Chin Tu</td></tr>
<tr><td>Independent Director</td><td>Ko-Shun Wang</td></tr>
<tr><td colspan="23">1. Please state the remuneration payment policy, system, standard and structure of independent directors, and the correlation between the remuneration amount and the responsibility, risk, investment time and other factors. Remuneration for directors and independent directors of the company is mainly remuneration for performing their duties. Remuneration for directors and supervisors assigned according to the articles of association of the Company is based on their participation in the operation of the Company and their contribution to the value of the company and with reference to the general payment level of the industry at home and abroad.
2. Other than disclosure in the above table, Director remunerations earned by providing services (e.g. providing consulting services as a non-employee for parent company/all companies included in the financial statements):None.</td></tr>
</table>

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than NT$1,000,000	Wei-yu Chen; Shun-Keng Chen ;Yi-hsiung Chen	Wei-yu Chen; Shun-Keng Chen ;Yi-hsiung Chen	Wei-yu Chen; Shun-Keng Chen ;Yi-hsiung Chen	Wei-yu Chen; Shun-Keng Chen ;Yi-hsiung Chen
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	Li-Chiu Chang; Yi-ju Chen; Kuo-jung Shih; Tzu-Ming Wang; Hui-Chin Tu; Ko-Shun Wang	Li-Chiu Chang; Yi-ju Chen; Kuo-jung Shih; Tzu-Ming Wang; Hui-Chin Tu; Ko-Shun Wang	Li-Chiu Chang; Kuo-jung Shih; Tzu-Ming Wang; Hui-Chin Tu; Ko-Shun Wang	Li-Chiu Chang; Kuo-jung Shih; Tzu-Ming Wang; Hui-Chin Tu; Ko-Shun Wang
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	0	0	0	0
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	0	0	0	0
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	0	0	0	0
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	0	0	Yi-ju Chen	Yi-ju Chen
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	0	0	0	0
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	0	0	0	0
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	0	0	0	0
Over NT$100,000,000	0	0	0	0
Total	9	9	9	9

Note 1: The names of the directors shall be listed separately (the institutional shareholder shall list the name of the institutional shareholder and its representative separately), and various payment amounts shall be disclosed in an aggregated manner.

Note 2: Remuneration of Directors in the most recent year (including salaries, job remuneration, severance, bonuses, and reward, etc.).

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

Note 4: Refers to revelant business expenses paid out to Directors in the most recent year (including transport, special expenses, various allowances, accommodation, vehicles, and provision of physical goods and services). If a house, a car or other transportation means or exclusive personal allowances are provided, please disclose the nature and cost of the assets, rent imputed based on the actual value of fair value, fuel expenses and other benefits. If a driver is assigned, please specify in the note the compensation paid to the driver by the Company, excluding the remuneration.

Note 5: Refers to salaries, job-related allowances, severance pay, various bonuses, incentives, transportation allowances, special allowances, various allowances, accommodation allowance and driver allowance received by Directors who concurrently serve as employees (including as General Manager, Deputy General Manager, other managerial officer and an employee) in the most recent year. If a house, a car or other transportation means or exclusive personal allowances are provided, please disclose the nature and cost of the assets, rent imputed based on the actual value of fair value, fuel expenses and other benefits. If a driver is assigned, please specify in the note the compensation paid to the driver by the Company, excluding the remuneration. Any salary recognized under IFRS 2 "Share-Based Payment", including issuance of employee stock options, new restricted employee shares, and cash capital increase by stock subscription shall also be included in compensation.

Note 6: If the Director who also concurrently serves as an employee of the Company (including General Manager, Deputy General Manager, managerial officer and employees) received the employee bonus (including stocks and cash) in the most recent year, the amount of employee bonus approved by the Board of Directors and distributed shall be disclosed. If the amount cannot be estimated, the amount for this year shall be calculated based on the allocated amount in the prior year, and be listed in Table 1-3.

Note 7: Please disclose the aggregate amount of the remuneration to the Company's Directors from the companies included in the consolidated financial statements (including the Company).

Note 8: When the aggregate amount of the remuneration to the Company's Directors is disclosed, the name of the Director shall also be disclosed in the relevant range.

Note 9: When the aggregate amount of the remuneration paid to the Company's Directors from all companies in the consolidated financial statements (including the Company) is disclosed, the name of the Director shall also be disclosed in the relevant range.

Note 10: Net profit after tax refers to the one in the most recent year. Where IFRSs are adopted, net profit after tax refers to the net profit after tax recorded in the parent company only or individual financial statements.

Note 11:
a. The amount of remuneration received from investees other than subsidiaries by the company's Directors should be stated clearly in this column. Fill in “None” if this field is not applicable.
b. If the director of the company receives the Company remuneration related to the investment business from other than the subsidiary company or the parent company, the remuneration received shall be included Company in the I column of the range of remuneration, and rename the column as "Parent Company and All Reinvestment Businesses".
c. Remuneration refers to compensation, remunerations (including remunerations of employees, directors and supervisors), and business execution expenses received by the directors of the company as directors, supervisors or managers of investment businesses other than subsidiaries or the parent company.

* The remuneration disclosed herein is different from the income stipulated in the Income Tax Act. Thus, the content in the table is only intended for the disclosure of information, not for taxation purposes.

(II) Remuneration for the General Managers and Deputy General Managers:

Unit: NT$ thousand

Title	Name	Salary (A)		Severance pay and Pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D) (Note)				Sum of A+B+C+D and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company	All Companies Included in the Financial Statements	The Company		All Companies Included in the Financial Statements		The Company	All companies included in the financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Yi-ju Chen	3,696	3,696	0	0	4,580	4,580	2,842	0	2,842	0	Sum 11,118 Ratio 2.68%	Sum 11,118 Ratio 2.68%	None

*Regardless of job title, all positions equivalent to general manager or deputy general manager (e.g. president, chief executive officer, director, etc.) should be disclosed..

Range of Remuneration

Range of remuneration paid to each General Manager and Deputy General Manager	Names of General Managers and Deputy General Managers	
	The Company	All companies included in the financial statements E
Less than NT$1,000,000	0	0
NT$1,000,000 (inclusive) - NT$2,000,000 (not inclusive)	0	0
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	0	0
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	0	0
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	0	0
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	Yi-ju Chen	Yi-ju Chen
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	0	0
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	0	0
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	0	0
Over NT$100,000,000	0	0
Total	1	1

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

Note 2: Please specify the salaries, duty allowances and severance pay paid to the General Manager and Deputy General Manager in the most recent year.

Note 3: Cash and non-cash compensations to the General Managers and Deputy General Managers in the most recent year, including bonuses, rewards, reimbursement of expenses, special allowances, various subsidies, housing and use of vehicles. If a house, a car or other transportation means or exclusive personal allowances are provided, please disclose the nature and cost of the assets, rent imputed based on the actual value of fair value, fuel expenses and other benefits. If a driver is assigned, please specify in the note the compensation paid to the driver by the Company, excluding the remuneration. Any salary recognized under IFRS 2 "Share-Based Payment," including the issuance of employee stock options, new restricted employee shares and cash capital increase by stock subscription shall also be included in compensation.

Note 4: It refers to compensations paid to General Manager and Deputy General Manager (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion to the compensations paid last year and the amount shall be listed in Table 1-3. Net profit after income tax refers to the one in the most recent year. Where IFRSs are adopted, net profit after tax refers to the net profit after income tax recorded in the parent company only or individual financial statements.

Note 5: The aggregate amount of remunerations paid to the Company's General Managers and Deputy General Managers from all companies (including the Company) included in the consolidated financial statements shall be disclosed.

Note 6: Total remuneration paid to each General Manager and Deputy General Manager by the Company shall be disclosed and the names of the General Managers and Deputy General Managers shall also be disclosed in the proper remuneration range.

Note 7: Total compensation of various items paid to every General Manager and Deputy General Manager of The Company by all companies (including the Company) listed in the consolidated statement shall be disclosed. The name of the General Manager and Deputy General Manager shall also be disclosed in the proper compensation range.

Note 8: Net profit after tax refers to the net profit after tax of the most recent year; if IFRS has been adopted, the net profit after tax refers to the net profit after tax of the parent company only or individual financial report of the most recent year.

Note 9:
a. Compensation for the execution of business received by the General Manager or Deputy General Managers from any invested companies other than subsidiaries or parent company shall be clearly stated in this column. Fill in “None” if this filed is not applicable.
b. If the General Managers and Deputy General Managers of the Company receive remuneration from investee companies or the Parent Company other than subsidiaries, the amount of remuneration received by the General Managers and Deputy General Managers from investment companies or the Parent Company other than subsidiaries shall be combined into Column E of the range of remuneration, and this column shall be renamed as "The Parent Company or All Investee Companies".
c. Remuneration herein refers to remuneration, compensation (including remuneration as a company employee, Director, or supervisor), business expenses, and other related payments received by the General Managers or Deputy General Managers of the Company for being a Director, supervisor, or managerial officer of other non-subsidiary companies that the Company has invested in or the Parent Company.

* The remuneration disclosed herein is different from the income stipulated in the Income Tax Act. Thus, the content in the table is only intended for the disclosure of information, not for taxation purposes.

(III) Employee Compensation Paid to Managerial Officers:

December 31, 2024
Unit: NT$ thousand

	Title	Name	Stock	Cash	Total	Ratio of total amount to net income
Managerial Officers	General Manager	Yi-Ju Chen	0	4,737	4,737	1.14%
	Head of Finance Department	Yuan-Rung Chang (Note 1)				
	Head of Legal Affairs Department	Jung Pin Po				
	Head of Accounting Department	Hui-Yen Lin				

Note 1: Head of Finance Department Yuan-Rung Chang took office on December 18, 2024.

Note 2: The scope of application to managers shall be defined under Letter Taiwan MOF SFB (III) No. 0920001301 dated March 27 2003 from the former Securities and Futures Bureau, Ministry of Finance, which is specified below:

(1) General manager and equivalent level positions

(2) Deputy General Managers and equivalent level positions

(3) Deputy assistant general manager and equivalent level positions

(4) Head of Finance Department

(5) Head of Accounting Department

(6) Other people entitled to manage affairs and sign on behalf of the Company

(IV) Comparison of the ratio of total remuneration paid by the Company and all companies included in the consolidated financial statements for the two most recent years to the Company's Directors, General Manager and Deputy General Managers, to the net profit after tax and remuneration policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance:

1. Ratio of total remuneration to the net profit after tax

Title	2023		2024	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	2.85%	2.88%	4.75%	4.76%
General Managers and Deputy General Managers	1.35%	1.35%	2.53%	2.53%

2. The policies, standards, and combination for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance:

(1) Remuneration policies, standards, and combination:

A. The Company pays remuneration to Directors in accordance with Article 26 of the Company's Articles of Incorporation: The Company shall pay salaries to Directors regardless of the Company's profits or losses after they execute the Company's businesses. The Directors of the Company are entitled to remuneration and transportation fees. The Board is authorized to determine the value of the Directors' involvement and contribution to the Company as well as by reference to the industry standards. According to the Article 29 of Articles of Incorporation, a ratio of profit distributable to the current year shall be distributed as employees' compensation and Directors' remuneration. The ratio shall be no less than 1% for employees' compensation and shall not be higher than 3% for Directors' and Supervisors' remuneration. However, if the Company still records a cumulative loss, the profit shall first be used to make up the loss. The term "profit" as used in the preceding paragraph refers to the profit before tax for the year before deducting the employee compensation and Directors' remuneration. The employees' compensation may be distributed in cash or shares. When it is given in shares, employees from subordinate companies that meet certain conditions.” may be included.

B. The remuneration to managers follows applicable personnel requirements of the Company, 27 of the Articles of Incorporation, and the “Guidelines for the Compensation and Remuneration to Directors, Independent Directors, and Managers” and the compensation shall be approved by the Board of Directors and defined taking into consideration operational performance. Operational performance covers finance (operating income, operating profit, and pre-tax net profit), customers, products, talent, safety (pollution, emissions, occupational hazards, and accidents on the premises), subsidiary management, among others, with sustainability-related indicators weighing at least 5%.

The remuneration structure of managers consists of basic salary, supervisory allowance, and food allowance. The company's remuneration policy is positioned to be competitive, motivating, and reasonable, taking into account the payment standards of relevant peers.

C. Policy on linking senior managers’ compensation with ESG sustainable performance

In order to realize the vision of sustainable corporate development, the company links ESG (environmental, social, and corporate governance) performance indicators with the variable compensation of senior managers, hoping to strengthen the leadership and influence of management in promoting sustainability through institutional design. Through a clear linkage mechanism, senior managers are encouraged to lead their teams to actively assume social responsibilities while maintaining stable operations, driving the company's continuous improvement in environmental protection, social care and governance quality, and creating a better future for the sustainable development of the company.

In addition to being designed based on market standards, job responsibilities and individual performance, the remuneration system also integrates corporate operating results and sustainable development performance to enhance management's commitment to and substantive participation in sustainable development issues.

1. Applicable to: Group general managers, assistant managers and other core senior executives.
2. ESG sustainable performance indicators and weightings

Indicators	Weightings	Descriptions
Financial Performance	50%	Focus on operational results such as revenue growth, cost control, and profit performance as the basis for overall business performance assessment.
Environment（E）	10%	Focus on improving energy and resource efficiency, promoting process carbon reduction measures, properly handling wastewater and exhaust gas, and continuously improving and verifying greenhouse gas inventory results to meet the company's sustainable carbon reduction goals.
Society（S）	10%	Focus on building a safe and respectful working environment, promoting employee participation and cohesion, and actively participate in local care or public welfare activities to implement human rights protection and labor-management harmony.
Corporate Governance（G）	20%	Implementation of internal control systems, transparent information disclosure, execution of risk management mechanisms, and enhancement of the diversity and functionality of organizations and the board of directors.
Leadership and Management Contributions	10%	Evaluate managers' overall performance in talent development and retention, cross-departmental collaboration, project promotion and innovation management.

The above ESG sustainable performance indicator assessment results will be included in the basis for the annual variable remuneration of senior managers and will be reviewed and approved by the Remuneration Committee.

(2) Procedure for determining remuneration:
   A. Remunerations paid to Directors and Supervisors by the Company mainly include compensation for their performance of their duties and remunerations distributed to Directors in accordance with the Company's Articles of Incorporation. The payment policies are remunerations is stipulated in the Company's Articles of Incorporation and the amount is calculated based on Directors' level of participation and contribution to the Company's operations and on the general standards in the industry.
   B. The compensation paid to the General Managers and Deputy General Managers is calculated based on their education, experience, operational performance, the achievement rate of goals and the general standards in the industry. The Remuneration Committee shall review and submit the remuneration to the Board of Directors and distribute the remuneration after approval. The compensation of employees shall be submitted to the Board of Directors for resolution and submitted to the Board of Directors for approval. Compensations for employees distributed from the Company's profits are calculated by the Remuneration Committee based on the amount of profits and in accordance with the distribution ratio stipulated in the Company's Articles of Incorporation and shall be submitted to the Board of Directors for resolution and to shareholders' meeting for recognition.

(3) Correlation with business performance and future risks:
   A. Remunerations to Directors paid from the Company's profits can be distributed only when the Company has profit distributable to the current year. The payment of remunerations is determined based on the business performance.
   B. The remuneration to managers fully takes into account the Company's revenue and earnings per share and has to do with the operational performance. Meanwhile, the performance of departments within their jurisdiction, forward-looking strategic planning and implementation efficacy, and counterpart competition for the specific year, among others, are considered and evaluated accordingly, before details and amounts of compensation and remuneration are defined and brought forth to the Compensation and Remuneration Committee to be made into suggestions that are to be approved by the Board of Directors. Meanwhile, the director and manager remuneration systems are adequately reflected upon according to the actual operational condition and applicable regulatory requirements at all times. Engaging in behavior that exceeds corporate risk management as a result of pursuing compensation and remuneration is not a rating criterion while the Company establishes its director and manager remuneration systems.

III. Implementation of Corporate Governance

(I) Board of Directors:

The Board of Directors held 6 meetings in the most recent year, and the attendance of directors is as follows (as of March 31, 2025):

Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Chairman	Representative of Hung I Investment Co., Ltd.: Li-Chiu Chang	6	0	100%	
Director	Representative of Hung I Investment Co., Ltd.: Wei-Yu Chen	6	0	100%	
Director	Representative of Hung I Investment Co., Ltd.: Yi-Hsiung Chen	5	1	83%	
Director	Representative of Hung I Investment Co., Ltd.: Shun-Keng Chen	6	0	100%	
Director	Yi-Ju Chen	6	0	100%	
Director	Kuo-Jung Shih	6	0	100%	
Independent Director	Tzu-Ming Wang	6	0	100%	
Independent Director	Ko-Shun Wang	6	0	100%	
Independent Director	Hui-Chin Tu	6	0	100%	

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act: On June 19, 2020, the Company elected three independent directors and established the Audit Committee. On June 21, 2024, the three new independent directors were re-elected. The matters related to Article 14-3 of the Securities and Exchange Act are as follows:

	Board Meeting	Motion Content	Opinions of all independent directors	Measures taken by the Company with respect to the independent directors' opinions	
	5th meeting of the 15th term 2024.3.13	1. Discussion on the Company's bank loan limit application.	No dissent or qualified opinion	All attending directors approved the proposal without objection	
		2. Discussion on the Company's 2023 business report and financial statements.			
		3. Discussion on the appropriation of the 2023 employee and director remuneration.			
		4. Discussion on the acquisition of shares of Ho Tung Cement and Chenergy from Ya Tung Investment.			
		5. Discussion of approving the 2023 statement of internal control system of the Company.			
		6. Discussion on the reasons for convening 2024 shareholders meeting of the Company.			
		7. Discussion on the appointment of the Company's corporate governance officer.			
		8. Discussion on the temporary appointment of the Company's financial officer.			
		9. Discussion on the amendments to the Company's "Audit Committee Charter".			
		10. Discussion on the amendments to the Company's "Rules of Procedure for Board of Directors Meetings".			
		11. Discussion on amendments to the Company's "Approval Authority Table".			
	6th meeting of the 15th term 2024.5.8	1. Discussion on the Q1 2024 consolidated financial statements of the Company.			
		2. Discussion on the 2023 earnings distribution proposal of the Company.			
		3. Discussion of the appointment of the Company's CPA for 2024.			

		4. Discussion of the cash-refunding capital reduction of the Company's subsidiary, Hsin Tay Petroleum Co., Ltd.			
		5. Discussion and approval of amendments to partial provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets".			
		6. Discussion and approval of the amendment to the Company's internal control system for “Shareholder Services”.			
		7. Discussion and approval of amendments to partial provisions of the Company's "Corporate Governance Best Practice Principles".			
		8. Discussion on the organizational restructuring of the Company.			
		9. Discussion on 2023 directors' remuneration and employee bonuses.			
		10. Discussion on the reasons for convening 2024 shareholders meeting of the Company (new item for discussion).			
	7th meeting of the 15th term 2024.8.7	1. Discussion on the Q2 2024 consolidated financial statements of the Company.			
		2. Discussion on the evaluation of the independence and suitability of the external auditors of the Company.			
		3. Discussion on 2024 appointment and remuneration of the external auditors of the Company.			
		4. Discussion of the Company's 2023 Sustainability Report.			
		5. Discussion and approval of amendments to partial provisions of the Company's "Sustainable Development Best Practice Principles".			
		6. Discussion and approval of amendments to partial provisions of the company's "Prevention and			

		Management of insider trading" and "Regulations Governing Related Party Transactions."			
		7. Discussion and approval of amendments to partial provisions of the company's "Risk Management Policy and Procedures" and "Audit Committee Charter."			
	8th meeting of the 15th term 2024.11.13	1. Discussion on the Q3 2024 consolidated financial statements of the Company.			
		2. Discussion of approving the Company's line of credit.			
		3. Discussion on the formulation of amendments to partial provisions of the Company's “Procedures for Sustainable Information Management”, “Procedures for the Preparation and Verification of the Sustainability Report” and “Sustainable Development Best Practice Principles”.			
		4. Discussion on the approval of the amendment to the Company's “Internal Control” and “Internal Audit” systems.			
		5. Discussion on the establishment of the Company's "Intellectual Property Management Policies" and the report on the "Intellectual Property Management Plan (2024).'"			
		6. Discussion on the lifting the non-compete restriction on the newly elected directors.			
	9th meeting of the 15th term 2024.12.18	1. Discussion of approving the Company's operating budget for 2025.			
		2. Discussion of approving the review of related party transactions in 2025.			
		3. Discussion of approving the proposed simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").			

		4. Discussion of approving the Company's 2025 audit plan.			
		5. Discussion of approving the Company's implementation plan for IFRS Sustainability Disclosure Standards.			
		6. Discussion on the approval of the amendment to the Company's Code of Business Conduct and Ethics for the Board of Directors and Managers.			
		7. Discussion on the approval of the amendment to the Company's Performance Evaluation Report.			
		8. Discussion of approving the year-end bonus for managerial officers.			
		9. Discussion of approving the appointment and dismissal of the financial officer.			
	10th meeting of the 15th term 2025.3.12	1. Discussion on the Company's 2024 business report and financial statements.			
		2. Discussion on the 2024 earnings distribution proposal of the Company.			
		3. Discussion of approving the 2024 statement of internal control system of the Company.			
		4. Discussion on the approval of the amendment to partial provisions of the Company's "Articles of Incorporation".			
		5. Discussion on the bank loan limit application.			
		6. Discussion on the approval of the amendment to partial provisions of the Company's "Procedures for Endorsement and Guarantees".			
		7. Discussion on the approval of the amendment to partial provisions of the Company's "Procedures for lending to others".			
		8. Discussion on the eleventh treasury stocks repurchase proposal.			

	9. Discussion of the Company's new capital loan to Chenergy Global Co., Ltd.			
	10. Discuss the simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").			
	11. Discussion the phase II of the soil pollution remediation plan and the budget proposal for the subsidiary, the Taichung Plant of the Chenergy Global Co., Ltd.			
	12. Discussion on the lifting the non-compete restriction on the newly elected directors.			
	13. Discussion on the reasons for convening 2025 shareholders meeting of the Company.			
	14. Discussion on the appropriation of the 2024 employee and director remuneration.			

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent director that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest; specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted:

Discussion on the lifting the non-compete restriction on the newly elected directors.

Explanation:

1. According to Item 1, Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. Pursuant to the announcement made by T3EX Global Holdings Corp. (hereinafter referred to as "T3EX Global") on October 30, 2024 that Mr. Li-Chiu Chang, who was formerly an independent director of T3EX Global, has been appointed as the director of Taihua as the legal representative of Aidegree Investments Corp. Furthermore, in an announcement on November 7, 2024, it was stated that the representative of Aidegree Investments Corp. would assume the position of Chairman of the board of T3EX Global. A proposal is intended to be submitted to the most recent shareholders' meeting to discuss the lifting of the non-compete restrictions for director Li-Chiu Chang and his representative as directors of a competing company.

3. Once this case has been approved by the Board of Directors, it will be submitted to the shareholders' meeting for discussion.

Resolution: Except for Director Li-Chiu Chang, who recused himself due to personal interest, the remaining directors present had no objections and passed the resolution as proposed without any objection. It will be submitted to the shareholders' meeting for discussion.

Motion: Discussion on the lifting the non-compete restriction on directors.

Explanation:

1. According to Item 1, Article 209 of the Company Act, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
2. It is proposed to submit a motion to the most recent shareholders' meeting to discuss, in accordance with the law, the lifting of non-compete restrictions for Independent Director Ko-Shun Wang, who concurrently serves as Chairman of Huan Hao Sustainability Technology Co., Ltd., Chairman and General Manager of Honey Bear Biosciences, Inc., and Chairman of Pythia Biotech Ltd., as well as for his representatives serving as directors of peer companies.
3. Once this case has been approved by the Board of Directors, it will be submitted to the shareholders' meeting for discussion.

Resolution: Except for Independent Director Ko-Shun Wang who recused himself due to personal interest, the remaining directors present were consulted by the Chairman and passed the resolution as proposed without any objection. It will be submitted to the upcoming shareholders' meeting for discussion.

III. Below is a implementation of the Board's self-evaluation:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
The results of the internal performance evaluation of the Board of Directors shall be completed once a year.	January 1, 2024 to December 31, 2024	Board of Directors Individual Board Members Functional Committee (including the Audit Committee	Evaluation methods include internal self-assessments conducted by the Board of Directors, self-assessment by Board members, self-assessments by the Audit Committee, self-assessments by the	The self-evaluation of the Board of Directors' performance consists of A. Participation in the operation of the company B. Improvement of the quality of the Board of Directors' decision making C. Composition and structure of the Board of Directors

			and the Remuneration Committee)	Remuneration Committee, and the appointment of an external organization or expert to perform evaluations in a suitable manner. The 2024 performance evaluation of the Board of Directors is conducted by the Secretary of the Board and is based on the self-assessment of the board members. The Company completed its Board performance evaluation in February 2025 and the results were presented at the board meeting on March 12, 2025. The results of the evaluation are presented in five levels: 1: extremely poor (strongly disagree); 2: poor (disagree); 3: moderate (average); 4: good (agree); 5: excellent (strongly agree). The Board of Directors Performance	D. Election and continuing education of the directors E. Internal control The Self-Performance Evaluation of the Board included A. Alignment of the goals and missions of the company B. Awareness of the duties of a director C. Participation in the operation of the company D. Management of internal relationship and communication E. The director's professionalism and continuing education F. Internal control The evaluation of the functional committees' performance consisted of A. Participation in the operation of the company B. Awareness of the duties of the functional committee C. Improvement of quality of decisions made by the functional committee D. Makeup of the functional committee and election of its members E. Internal control	

			Evaluation Report is being disclosed on the company website.	
Evaluated at least once every three years by an external independent professional organization or a team of external experts and scholars.	January 1, 2023 to December 31, 2024	Board of Directors	The Company has commissioned the Taipei Foundation Of Finance to conduct an external performance evaluation of the Board of Directors in 2023-2024, which has been reported to the Board of Directors' meeting held on March 12, 2024.	The components of the evaluation of the external performance of the Board of Directors include "safeguarding shareholders' rights and interests", "strengthening the Composition and structure of the Board of Directors", "participation in the operation of the company", "improvement of quality of decisions made by the functional committee, "enhancing the transparency of information", "internal control", "promoting sustainable development" and "other evaluation and considerations".

【The 2024 Performance Evaluation Report of Board of Directors】

(I) Basis: The Company's Rules for Performance Evaluation of Board of Directors stipulates that an internal performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the following year. The performance evaluation of the Board of Directors should be conducted at least once every three years by an independent external professional organization or a team of external experts and scholars. The results of this evaluation should be reported at the board meeting and disclosed in the annual report.

(II) Evaluation period: From January 1, 2024, to December 31, 2024

(III) Unit being evaluated and method:

1. Self-evaluation n the performance of the Board of Directors/functional committees: The board secretary would collect information related to the Board of Directors' activities in 2024 and fill out the Questionnaire of Self-Performance Evaluation of Board of Directors/Functional Committees Performance Evaluation" based on fairness, objectivity and independence, and then submit the results to the Chairman for approval.
2. Self-evaluation by individual board members: After each director has completed the "Questionnaire of Self-Performance Evaluation of Board Members", the Corporate Governance unit would will collect, compile and analyze the data.

(IV) The results of the evaluation are presented in five levels: 1: extremely poor (strongly disagree); 2: poor (disagree); 3: moderate (average);

4: good (agree); 5: excellent (strongly agree). The results of each evaluation are shown as follows:

1. The self-evaluation of the Board of Directors' performance consisted of the following five major aspects with a total of 45 indicators, and the results of the evaluation are summarized in the table below:

Five aspects of the self-evaluation	Items	Score
A.Participation in the operation of the company	12 items	4.73
B. Improvement of the quality of the board of directors' decision making	12 items	4.83
C. Composition and structure of the board of directors	7 items	4.81
D. Election and continuing education of the directors	7 items	4.75
E. Internal control	7 items	4.76
	45 items	4.78

2. The Self-Performance Evaluation of the Board included the following six major aspects with a total of 23 indicators. Nine directors currently holding positions as of the December 31, 2024 completed the Questionnaire, and all nine questionnaires were returned to the Board of Directors, and the results of the evaluation are shown in the table below: The results of the evaluation showed that the directors were positive about the efficiency and effectiveness of the operation of the indicators.

Six aspects of self-evaluation	Items	Score
A. Alignment of the goals and missions of the company	3 items	4.75
B. Awareness of the duties of a director	3 items	4.88
C. Participation in the operation of the company	8 items	4.63
D. Management of internal relationship and communication	3 items	4.67
E. The director's professionalism and continuing education	3 items	4.67
F. Internal control	3 items	4.79
	23 items	4.71

3. The self-evaluation of the functional committees' performance consisted of the following five major aspects with a total of 26 indicators, and the results of the evaluation are summarized in the table below:

Audit Committee

Five aspects of the self-evaluation	Items	Score
A.Participation in the operation of the company	4 items	5.00
B. Awareness of the duties of the functional committee	8 items	4.67
C. Improvement of quality of decisions made by the functional committee	7 items	4.67
D. Makeup of the functional committee and election of its members	4 items	4.78
E. Internal control	3 items	4.67
	26 items	4.76

Remuneration Committee

Five aspects of the self-evaluation	Items	Score
A.Participation in the operation of the company	4 items	5.00
B. Awareness of the duties of the functional committee	8 items	4.62
C. Improvement of quality of decisions made by the functional committee	7 items	4.67
D. Makeup of the functional committee and election of its members	4 items	4.67
E. Internal control	3 items	4.67
	26 items	4.72

(V) The Company will adhere to the following principles to enhance the functions of the Board of Directors:

1. The Company invites the CPA to attend the Audit Committee and the Board of Directors' meetings at least twice a year to provide professional advice on important issues and information on financial reporting, etc., and to add the opportunities for interaction and communication with the independent directors and the directors.
2. In addition to directors' self-education, the Company continues to provide a variety of courses on industry, finance, and legal affairs 40 for directors, so that all board directors can be familiar with their duties and responsibilities, as well as the competitive situation and development of the industry.
3. The Company plans to establish diversified functional committees according to the Corporate Governance Best Practice Principles

and the needs at different stages of the Company's development.

(VI) The Board of Directors' Performance Evaluation was conducted by Taipei Foundation Of Finance.

Evaluation period: From January 01, 2023 to December 31, 2024

The Foundation evaluates the performance of the Board of Directors after reviewing written and online information provided, conducting on-site interviews with the Chairman of the Board of Directors, the Convenor of the Audit and Remuneration Committees, the General Manager, the Corporate Governance Officer and the Audit Supervisor.

1. Overall Analysis

The Chairman and General Manager have a clear understanding of the industry's development trends, the Company's short-, medium- and long-term goals and business roadmap. The Board of Directors also actively participates in the company's operations, demonstrating the determination of the new leader team.

In order to protect shareholders' rights and interests, enhance overall information transparency, promote sustainable development, and strengthen the structure and operation of the Board of Directors, the Company has formulated and appropriately disclosed the succession plan for the Board of Directors and the cultivation plan for key management, the procedure for the election of directors, and the number of hours of education completed by all directors and independent directors in accordance with the relevant government regulations.The Company's official website and annual report clearly disclose information on the background of Board members and shareholders' meeting information, and report to the Board of Directors annually. The Board of Directors has adopted a complete internal control system and implemented internal control and management, and the Audit Committee and the Remuneration Committee are convened in accordance with regulations to discuss important issues.

2. Conclusion and Suggestions

From the preparation of the documentation required for the initial stage of the written review, supplementary information, information from the, etc., to the arrangement of the on-site visit process, there has been active cooperation with the process to assist the evaluation committee in conducting a complete review based on the evaluation indicators. After reviewing the company's self-assessment report and information, the evaluation committee met the requirements of the evaluation indexes, and on the day of the on-site visit, the Company's Board of Directors and senior managers demonstrated the importance they attached to the performance evaluation of the Board of Directors.

The Foundation has provided the Company with three recommendations to promote the operation of the Board of Directors in the future:

Suggestion 1: To enable internal and external personnel (including interested parties) to be informed of information about the

Company, the Company's website and the organization charts and related data in the annual report and sustainability report should be timely and consistent, which enhances the transparency and accuracy of the Company's information disclosure.

Improvement Plan:

a. The latest organization chart of the company has been included on the company's official website, and this year's annual report and sustainability report will be updated as well.

b. Each department head will be asked to review the information on the website again, and if there is a need to update the information, the information will be processed immediately by e-mail notification.

c. The annual report and sustainability report are published annually. The information contained within is updated with the most recent data available at the time of production; however, it is difficult to achieve the same level of real-time updates as the official website.

Suggestion 2: To support the stable development of the Company, manpower allocation related to the promotion of corporate governance and audit functions can be strengthened to enhance cross-departmental coordination and cooperation; the performance evaluation of the head of audit is proposed to be included as a reference for the interactions between the independent directors and the head of audit, which will be conducive to the improvement of the efficiency of corporate governance.

Improvement Plan:

a. The Auditing Office currently has four members and one to two additional personnel will be recruited. When the manpower is sufficient, the execution of internal control supervision and review tasks will be further strengthened.

Suggestion 3: To implement risk management, the Company should establish immediate reporting methods and procedures for addressing significant risks and whistleblower incidents. Finalizing risk response measures, grievance systems, and ethical reporting procedures are crucial to enhancing risk response capability.

Improvement Plan: The Company's designated reporting units consist of the Legal Affairs Office and the Audit Office. To strengthen risk management procedures and measures, a reporting channel will be established on the Company's official website, including a reporting mailbox and information for the responsible units.

(VII)The results of the aforementioned performance evaluation of the Board of Directors for 2024 were reported to the Company's 10th meeting of the 15th term of the Board of Directors on March 12, 2025.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

1. Strengthen the functions of the Board of Directors
   (1) The Company has formulated the “Rules of Procedure for Board of Directors Meetings” according to the “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”. The Company also disclose the information on the attendance of directors at board meetings on the Market Observation Post System (MOPS), and disclose the important resolutions of the Board of Directors on the Company's website.
   (2) To encourage directors to actively participate in the various corporate governance courses during the year to strengthen the functions of the Board of Directors, 9 directors have taken continuing education courses for a total of 78 hours in 2024.
   (3) The Company has resolved to establish the Remuneration Committee at the 5th meeting of the 11th term of the Board of Directors on October 27, 2011. On June 21, 2023, the Company re-elected three new members, and appointed Mr. Ko-Shun Wang, Mr. Tzu-Ming Wang, and Ms. Hui-Chin Tu as members of the Committee at the 1st meeting of the 15th term of the Board of Directors. The members of the Committee elected Mr. Ko-Shun Wang to be the convener and chairperson of the Remuneration Committee. For information on the members and operation of the Remuneration Committee, please refer to “Composition, Duties and Operation of the Remuneration Committee” in this chapter IV (IV).
2. Increase information transparency:
   The Company's 2024 parent company only and consolidated financial statements have been audited and certified by PwC Taiwan. All information disclosures required by laws and regulations have been completed correctly and in a timely manner. The Company has designated a person responsible for the collection and disclosure of corporate information and has a spokesperson to ensure the timely and appropriate disclosure of all material information. The Company's website can be linked to the Market Observation Post System (MOPS) for shareholders and stakeholders to access the Company's financial and business related information.
3. The has established the Audit Committee to replace all supervisors on June 22, 2017. The Company appointed Mr. Tzu-Ming Wang, Mr. Ko-Shun Wang, and Ms. Hui-Chin Tu as members of the Committee at the 1st meeting of the 15th term of the Board of Directors held on June 21, 2023. The members of the Committee elected Mr. Tzu-Ming W For information on the members and operation of the Audit Committee, please refer to “Operation of the Audit Committee” in this chapter IV (II).

V. Attendance of Independent Directors at Board Meetings in the most recent year (as of March 31, 2025):

(○: Attended in person, △Attended by proxy)

Term-Session Meeting Date / Name of independent director	5th meeting of the 15th term 2024.3.13	6th meeting of the 15th term2024.5.8	7th meeting of the 15th term2024.8.7	8th meeting of the 15th term2024.11.13	9th meeting of the 15th term 2024.12.18	10th meeting of the 15th term 2025.3.12
Tzu-Ming Wang	○	○	○	○	○	○
Ko-Shun Wang	○	○	○	○	○	○
Hui-Chin Tu	○	○	○	○	○	○

(II) Audit Committee operation:

1. There are a total of 3 members in the Audit Committee.
2. The term of office of the current members: The Company elected three independent directors at the shareholders' meeting held on June 22, 2017, and established the Audit Committee to replace the functions of supervisors.

   The term of office for the member of the 3rd term of the Audit Committee starts from June 21, 2023 to June 20, 2026. The purpose of the Audit Committee is to assist the Board of Directors in monitoring the quality and integrity of the Company's accounting, auditing, financial reporting processes and financial control.

   The Audit Committee held 6 meetings in the most recent year (As of March 31, 2025). The qualification and experience of Independent Directors and their attendance is as follows:

Member	Professional qualifications and experience
Tzu-Ming Wang (Convener)	Served as Director, Mega Securities & Trust, Director of National Taxation Bureau of Taipei, Ministry of Finance; Section Chief of National Taxation Bureau of Taipei, Ministry of Finance. At present, he is an Independent Director of FOCI Fiber Optic Communications, Inc.
Ko-Shun Wang	Master of Business Administration, Andrews University. Served as Vice Chairman of Petrochemical Industry Association of Taiwan, President of USI Corporation, President of China Petrochemical Development Corporation, and Acting President of ICI China Ltd. At present, he is the responsible person of Huan Hao Sustainability Technology Co. Ltd., Chairman of Pythia Biotech Ltd. and President of HoneyBear Biosciences, Inc.
Hui-Chin Tu	LLM, Institute of Technology Law, School of Law, National Chiao Tung University Former Judge of Intellectual Property and Commercial Court

Job Title	Name	No. of meetings attended in person	No. of meetings attended by proxy	In-person attendance rate (%)	Remarks
Convener	Tzu-Ming Wang	6	0	100%	
Committee members	Ko-Shun Wang	6	0	100%	
Committee members	Hui-Chin Tu	6	0	100%	

Other matters to be recorded:

I. With regard to the operations of the Audit Committee, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, objections, reservations and major suggestions of the independent directors, all Audit Committee resolutions, and the Company’s response to the Audit Committee's opinions shall be specified.

Audit Committee	Motion Content and Subsequent Actions	Any matter under Article 14-5 of the Securities and Exchange Act	other matters not passed by the Audit Committee but passed by at least two-thirds of the entirety of the Board of Directors
5th meeting of the 3rd term 2024.3.13	1. Discussion on the Company's bank loan limit application.	V	
	2. Discussion on the Company's 2023 business report and financial statements.	V	
	3. Discussion of approving the 2023 statement of internal control system of the Company.	V	
	4. Discussion on the amendments to the Company's "Audit Committee Charter".	V	
	Audit Committee Resolution (March 13, 2024): The resolution was unanimously approved by the members of the Audit Committee.		
	Measures taken by the Company with respect to the Audit Committee's opinions: The resolution was unanimously approved by all attending directors.		
6th meeting of the 3rd term 2024.5.8	1. Discussion on the Q1 2024 consolidated financial statements of the Company.	V	
	2. Discussion on the 2023 earnings distribution proposal of the Company.	V	
	3. Discussion of the appointment of the Company's CPA for 2024.	V	
	4. Discussion of the cash-refunding capital reduction of the Company's subsidiary, Hsin Tay Petroleum Co., Ltd.	V	
	5. Discussion and approval of amendments to partial provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets".	V	
	6. Discussion and approval of the amendment to the Company's internal control system for "Shareholder Services".	V	

		7. Discussion and approval of amendments to partial provisions of the Company's "Corporate Governance Best Practice Principles".	V	
		Audit Committee Resolution (May 8, 2024): The resolution was unanimously approved by the members of the Audit Committee.		
		Measures taken by the Company with respect to the Audit Committee’s opinions: The resolution was unanimously approved by all attending directors.		
	7th meeting of the 3rd term 2024.8.7	1. Discussion on the Q2 2024 consolidated financial statements of the Company.	V	
		2. Discussion on the evaluation of the independence and suitability of the external auditors of the Company.	V	
		3. Discussion on 2024 appointment and remuneration of the external auditors of the Company.	V	
		4. Discussion and approval of amendments to partial provisions of the Company's "Sustainable Development Best Practice Principles".	V	
		5. Discussion and approval of amendments to partial provisions of the Company's "Prevention and Management of insider trading" and "Regulations Governing Related Party Transactions."	V	
		6. Discussion and approval of amendments to partial provisions of the Company's "Risk Management Policy and Procedures" and "Audit Committee Charter."	V	
		7. Discussion on the Q2 2024 consolidated financial statements of the Company.	V	
		Audit Committee Resolution (August 7, 2024): The resolution was unanimously approved by the members of the Audit Committee.		
		Measures taken by the Company with respect to the Audit Committee’s opinions: The resolution was unanimously approved by all attending directors.		
	8th meeting of the 3rd term 2024.11.13	1. Discussion on the Q3 2024 consolidated financial statements of the Company.	V	
		2. Discussion of approving the Company's line of credit.	V	

		3. Discussion on the formulation of amendments to partial provisions of the Company's “Procedures for Sustainable Information Management”, “Procedures for the Preparation and Verification of the Sustainability Report” and “Sustainable Development Best Practice Principles”.	V		
		4. Discussion on the approval of the amendment to the Company's “Internal Control” and “Internal Audit” systems.	V		
		5. Discussion on the establishment of the Company's "Intellectual Property Management Policies" and the report on the "Intellectual Property Management Plan (2024)."'	V		
		Audit Committee Resolution (November 13, 2024): The resolution was unanimously approved by the members of the Audit Committee.			
		Measures taken by the Company with respect to the Audit Committee’s opinions: The resolution was unanimously approved by all attending directors.			
	9th meeting of the 3rd term 2024.12.18	1. Discussion on the approval of the amendment to the Company's Code of Business Conduct and Ethics for the Board of Directors and Managers.	V		
		2. Discussion of approving the review of related party transactions in 2025.	V		
		3. Discussion of approving the proposed simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").	V		
		4. Discussion of approving the Company's 2025 audit plan.	V		
		5. Discussion of approving the appointment and dismissal of the financial officer.	V		
		Audit Committee Resolution (December 18, 2024): The resolution was unanimously approved by the members of the Audit Committee.			

	Measures taken by the Company with respect to the Audit Committee’s opinions: The resolution was unanimously approved by all attending directors.		
10th meeting of the 3rd term 2025.3.12	1. Discussion on the Company's 2024 business report and financial statements.	V	
	2. Discussion on the 2024 earnings distribution proposal of the Company.	V	
	3. Discussion of approving the 2024 statement of internal control system of the Company.	V	
	4. Discussion on the approval of the amendment to partial provisions of the Company's "Articles of Incorporation".	V	
	5. Discussion on the bank loan limit application.	V	
	6. Discussion on the approval of the amendment to partial provisions of the Company's Procedures for Endorsement and Guarantees.	V	
	7. Discussion on the approval of the amendment to partial provisions of the Company's "Procedures for lending to others".	V	
	8. Discussion on the eleventh treasury stocks repurchase proposal.	V	
	9. Discussion of the Company's new capital loan to Chenergy Global Co., Ltd.	V	
	10. Discuss the simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").	V	
	11. Discussion the phase II of the soil pollution remediation plan and the budget proposal for the subsidiary, the Taichung Plant of the Chenergy Global Co., Ltd.	V	
	Audit Committee Resolution (March 12, 2025): The resolution was unanimously approved by the members of the Audit Committee.		
	Measures taken by the Company with respect to the Audit Committee’s opinions: The resolution was unanimously approved by all attending directors.		

(I) Any matter under Article 14-5 of the Securities and Exchange Act.

(II) In addition to the aforementioned matters, other matters not passed by the Audit Committee but passed by at least two-thirds of the entirety of the Board of Directors: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest; specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: None

III. Communication among Independent Directors, internal audit supervisors, and CPA (including material matters, methods, and results of the Company's finance and operations):

1. The Company's Audit Committee comprises all Independent Directors. Audit Committee meetings shall be convened at least once every quarter and ad hoc ones may be convened where necessary.

   The Audit Committee held 6 meetings from January 1, 2024 to March 31, 2025 and the matters considered mainly included:

   a. Audit of financial statements and accounting policies and procedures
   b. Internal control system and related policies and procedures
   c. Significant asset or derivative transactions
   d. Significant loans and endorsements or guarantees
   e. Issuance or raising of marketable securities
   f. Derivative financial instruments and cash investments
   g. Regulatory compliance
   h. Related party transactions and possible conflicts of interest of managers and directors
   i. Fraud prevention programs and fraud investigation reports
   j. Information security
   k. Corporate Risk Management
   l. Certified Public Accountants' qualifications, independence and performance evaluation
   m. Appointment, dismissal or remuneration of certified public accountants
   n. Appointment and removal of the head of finance, accounting or internal audit
   o. Fulfillment of Audit Committee's responsibilities
   p. Self-assessment questionnaire for Audit Committee performance evaluation

   Review of financial reports:

   The Board of Directors has prepared the Business Report, Financial Statements and Proposal for Distribution of Earnings of the Company for the fiscal year 2024, of which the financial statements have been audited and completed, and the audit report has been issued by AICPA. The above business report, financial statements and proposal for appropriation of earnings have been examined by the Audit Committee and found to be in order.

   Evaluation of the effectiveness of the internal control system:

   The Audit Committee assessed the effectiveness of the policies and procedures of the Company's internal control system (including controls over finance, operations, risk management, information security, outsourcing, and compliance with laws and regulations) and reviewed the periodic reports of the Company's audit department and certified public accountants, as well as the management, including risk management and compliance with laws and regulations. The Audit Committee is of the opinion that the Company's risk management and internal control system is effective and that the Company has adopted the necessary control mechanisms to monitor and rectify non-compliance.

Appointment of Certified Public Accountants:

The Audit Committee is entrusted with the responsibility of overseeing the independence of the firm of certified public accountants to ensure the fairness of the financial statements. Generally, the firm of certified public accountants is not permitted to provide services to the Company other than tax-related services or specifically approved projects. All services provided by the Certified Public Accounting Firm must be approved by the Audit Committee. In order to ensure the independence of the Certified Public Accounting Firm, the Audit Committee has established an independence evaluation form based on Article 47 of the Accountants Act and the contents of the Statement of Ethics for Accountants No. 10, “Integrity, Impartiality, Objectivity, and Independence,” which evaluates the independence, professionalism, and suitability of the accountants, and evaluates the items such as whether the accountants are related to, or have business or financial interests in, the Company, etc.The seventh meeting of the third session of the Audit Committee on August 7, 2024 and the seventh meeting of the fifteenth session of the Board of Directors on August 7, 2024 considered and approved that CPAs Ming-Chuan Hsu and Jin-Lian Huang of PwC Taiwan met the independence evaluation criteria and were qualified to act as the Company's financial and tax certifying accountants.

2. Communication between internal audit supervisors and Audit Committee:
   (1) The chief internal auditor contacts the independent directors directly if necessary; therefore, the communication goes well.
   (2) Submit the monthly written audit report completed in accordance with the audit plan to each independent director for review.
   (3) In addition to the monthly audit reports received by the independent directors of the Company, the chief internal auditor also makes a separate report on the significant business activities of the Company and its subsidiaries to the independent directors at each audit committee meeting, so there is sufficient communication on the performance and effectiveness of the audit.
   (4) Communicate, guide and respond through telephone, e-mail or face-to-face from time to time.
   (5) If there are any material special circumstances, they shall be reported to the members of each Audit Committee immediately (No such circumstances occurred in 2024).
3. Communication between the CPAs and Audit Committee:
   (1) The Audit Committee may discuss the matters and outcomes in financial reports with the CPAs providing the audit service through a variety of communication channels (e.g. telephone, email and in person) and arrange auditors to communicate and discuss with independent directors in the Audit Committee at least twice a year.
   (2) If there are any significant opinions that require immediate communication, meetings can be convened where necessary (there was no such matter in 2024.)
4. The Company's Independent Directors, internal audit supervisors, and CPAs have various communication channels and the communication is effective. Content of communication among Independent Directors, the Company's internal audit supervisor, and

the CPAs in 2024:

Date	Attendee	Communication matters	Communication results
2024.03.13 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu CPA Ming-Chuan Hsu	Communicate regarding the audit completion stage for the 2023 consolidated and parent company only financial statements	The motion was approved as proposed without objection.
2024.03.13 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from December 2023 to January 2024 Discussion on the 2023 Statement of Internal Control System	The motion was approved as proposed without objection.
2024.05.08 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu	2024 Q1 consolidated financial statements	The motion was approved as proposed without objection.
2024.05.08 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from February to March 2024. Report on the amendments to the Regulations Governing the Acquisition and Disposal of Assets. Report on the amendments to the Company's internal control system for Shareholder Services.	The motion was approved as proposed without objection.
2024.08.07 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu	2024 Q2 consolidated financial statements	The motion was approved as proposed without objection.
2024.08.07 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from April to June 2024.	The motion was approved as proposed without objection.

Date	Attendee	Communication matters	Communication results
2024.11.13 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu	2024 Q3 consolidated financial statements	The motion was approved as proposed without objection.
2024.11.13 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from July to September 2024. Report on the amendments to the internal control and internal audit systems.	The motion was approved as proposed without objection.
2024.12.18 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu CPA Jing-Lian Huang	2024 consolidated and parent company only financial statements, communicate on matters related to audit planning, purpose and structure of CPA Independence and AQIs.	The motion was approved as proposed without objection.
2024.12.18 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from October to November 2024. Review of the 2025 audit plan	The motion was approved as proposed without objection.
2025.3.12 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu CPA Ming-Chuan Hsu	Communicate regarding the audit completion stage for the 2024 consolidated and parent company only financial statements	The motion was approved as proposed without objection.
2025.3.12 Audit Committee	Independent Director Tzu-Ming Wang Independent Director Ko-Shun Wang Independent Director Hui-Chin Tu Chief Internal Auditor Shu-Hui Li	Report on the audit results from December 2024 to January 2025. Discussion on the 2024 Statement of Internal Control System	The motion was approved as proposed without objection.

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

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	v		The Company has established the Corporate Governance Best Practice Principles based on related regulations. In the future, appropriate adjustments may be made considering the actual operations and the internal and external environment.	No significant difference
II. Shareholding structure & shareholders' rights (I) Does the company establish and implement internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations? (II) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders? (III) Does the company establish and execute a risk management and firewall system within its affiliates? (IV) Does the company establish internal rules against insiders using undisclosed information to trade in securities?	 v v v v		 (I) The Company has established the spokesperson and deputy spokesperson system to handle shareholders' suggestions, inquiries, disputes, and litigations. (II) The Company collects the declaration form of changes in shareholdings from Directors and major shareholders with more than 10% of shareholding every month to maintain the most updated list of major shareholders who have the actual control over the Company. In addition, the Company also keeps close contact with major shareholders to ensure stable management right. (III) The Company has established rules for the supervision of subsidiaries and related internal control systems in accordance with related laws to implement the risk management mechanism for subsidiaries. (IV) The Company has established the Procedures for Handling Material Inside Information to prevent insider trading and forbids any insider to buy and sell the Company's marketable securities using undisclosed information.	No significant difference

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
III. Composition and responsibilities of the Board of Directors (I) Has the Company established a diversification policy, concrete management objectives and its implementation?	v		(I) The Article 20 of the Company's Corporate Governance Best Practice Principles approved on the 29th meeting of the 12th Board of Directors on March 30, 2017 stipulated that: the composition of the Board of Directors shall be diversified. To achieve the goal, the Directors who also act as the Company's managers shall not comprise more than a third of the member of the Board and the Board shall establish diversification guidelines considering its operations, operating model and development needs. The guidelines shall include but not limited to the following two factors: (1) The basic qualifications and values: gender, age, nationality, culture, etc. (2) Professional knowledge and skills: Professional background (e.g., law, accounting, business, finance, marketing or technology), professional skills and industrial experiences. The Company re-elected the Board of Directors on June 21, 2023, and a total of 9 directors (including 3 independent directors and 2 female members) were elected with a term of office for three years; from June 21, 2023 to June 20, 2026. Director Li-Chiu Chang, Independent Director Ko-Shun Wang, Director Yi-Shyon Chen, and Director Shun-Keng Chen have	No significant difference

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			many years of experiences in different fields and industries, and are good at leadership, business management, finance and accounting, crisis management, industry knowledge and international market perspective. Independent Director Tzu-Ming Wang served as director for securities, investment and trust companies., Director and Section Chief for National Taxation Bureau of Taipei Ministry of Finance. He also served as Independent Director for technology industry, and has professional ability and knowledge in finance and accounting. Independent Director Ko-Shun Wang has served as a senior executive and director in the petrochemical industry for many years, and is currently a senior executive in the biotechnology industry. Therefore, he has business management, industry knowledge, and professional capabilities. Independent Director Tu, Hui-Chin has many years of experience as Judge of Intellectual Property and Commercial Court. There is only one director who concurrently serves as an employee of the Company. Among the directors, 30% are independent directors and 20% are female directors. There are 3 directors are between 50 and 60 years old, and seven directors are over 60 years old. The Company places great importance on gender	

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			equality in the composition of the Board of Directors and has set a goal to increase the female director to 2 seats in last year's (2023) director election. Further information concerning the diversity policy of the Board of Directors can be found on the company website and the MOPS.	
(II) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?		v	(II) The Company has established Remuneration Committee and Audit Committee in accordance with related laws. No other functional committees were established because other factors of corporate governance were handled by the relevant department according to their mandate. Where necessary, other functional committees will be established in the future.	
(III) Does the company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	v		(III) At the 9th meeting of the 15th Board of Directors held on December 18, 2024, the Company amended the "Regulations Governing the Evaluation of the Performance of the Board of Directors" to the effect that the performance evaluation of the Company's Board of Directors shall be conducted by an outside independent professional organization or a team of external experts and scholars at least once every three years. The results of the Board of Directors' performance evaluation for the year ended 2024, as well as the statement of independence of the external evaluation organization or expert, and the description	

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			of the evaluation method, criteria and suggestions for future improvement have been submitted to the 10th meeting of the 15th term on March 12, 2025. Please refer to the operation of the Board of Directors.	
(IV) Does the company regularly evaluate the independence of the CPAs?	v		(IV)The Company's Audit Committee evaluates the independence and suitability of its CPAs annually. In addition to providing information on the Statement of Independence and the latest Audit Quality Indicators (AQIs), the CPAs are evaluated in accordance with the standards in Note 1 and AQIs in 13 Items. We confirmed that there is no financial interest or business relationship between the CPAs and the company other than the audit fee and fees for financial and tax cases, and the CPA's family members do not violate the requirements on independence. In addition, according to the AQIs, the CPAs and the firm are better than the industry average in terms of audit experience and training hours. The Company will continue to introduce digital audit tools in the future years to improve audit quality. The latest annual evaluation results were discussed and approved by the Audit Committee on August 7, 2024, and reported to the Board of Directors on August 7, 2024 to approve the independence and suitability assessment if CPAs through resolution. (See Note 1 for details)	

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
IV. Does the company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings, handle company registration and change registration, and keeping minutes at the Board meetings and shareholders' meetings according to law)?	v		The company is responsible for corporate governance matters through the Legal Affairs Office and the Secretary of the Board of Directors. Additionally, on March 13, 2024, the Board of Directors appointed Jung-Ping Po, the Deputy Director of the Legal Affairs Office, to concurrently serve as the Corporate Governance Officer. Her primary responsibilities include managing the meetings of the Board of Directors and the shareholders in accordance with the law, preparing the minutes of the Board and shareholders' meetings, assisting directors with their appointments and ongoing education, providing necessary information for directors and supervisors to fulfill their duties, ensuring compliance with laws and regulations by the directors, and addressing other matters as stipulated by the company's articles of incorporation or contracts. Operations of the Company's corporate governance unit in 2024: 1. Assist Directors and Independent Directors in fulfilling their duties: (1) The Board of Directors is regularly informed of the latest changes in laws and regulations related to the Company's business areas and corporate governance. (2) Review the level of confidentiality of related documents and provide Directors with necessary	No significant difference

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			information about the Company; maintain strong communication between Directors and heads of all departments. (3) Assist Independent Directors in arranging meetings with internal audit supervisors or CPAs or communication through telephone or in writing when Independent Directors find them necessary for understanding the Company's financial position and operations in accordance with the Company's Corporate Governance Best Practice Principles. 2. Assist in matters related to the proceedings of the Board of Directors' meetings and shareholders' meetings as well as legal compliance with resolutions (1) Confirm whether the convention of meetings of Board of Directors and the shareholders' meeting meets the relevant laws and regulations and the Corporate Governance Best Practice Principles. (2) Assist and remind Directors of laws and regulations they shall comply with when performing their duties or when making resolutions of the Board of Directors. (3) Responsible for examining matters related to the release of major messages about the important resolutions approved by the Board of Directors to ensure the legality and accuracy of the content of	

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			these major messages, so as to maintain information symmetry during investor trading. 3. Draw up agendas for meetings of the Board of Directors and notify Directors of the agendas 7 days before the meeting, convene meetings and provide information about the meetings, send out reminders regarding agendas that require recusal of Directors and complete the minutes of the Board of Directors' meeting within 20 days after the meeting. 4. Register the date of shareholders' meetings in advance in accordance with related laws, produce notifications, handbooks and minutes of the meetings within the legal time limit and register amendments to the Company's Articles of Incorporation and changes in the Board members.	
V. Does the company establish a communication channel for stakeholders (including but not limited to shareholders, employees, customers, and suppliers, etc.) and set up a stakeholder section on the company website to appropriately respond to important corporate social responsibility issues of concern to stakeholders?	v		1. The Company, with reference to the five principles (dependency, responsibility, influence, diverse perspectives, and attention) under the AA1000 Stakeholder Engagement Standard (AA1000SES) issued by AccountAbility, a global non-profit organization and GRI Standards and guidelines relevant to stakeholders, identified 7 major stakeholders in the sustainable development of the Company through discussions between the Sustainability Report Preparation Group and respective departments. The communication channels and topics of concern are as follows:	No significant difference

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="5">State of Operations</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th colspan="3">Summary</th></tr>
<tr><td rowspan="6"></td><td rowspan="6"></td><td rowspan="6"></td><td>Stake-holders</td><td>Communication channel/format</td><td>Topic of concern</td><td rowspan="6"></td></tr>
<tr><td rowspan="5">Government/ the authorities</td><td>Official letter correspondence</td><td rowspan="5">・ Air pollution - emissions and management
・ Greenhouse gas emission
・ Waste sewage and waste</td></tr>
<tr><td>Attendance in related meetings/workshops</td></tr>
<tr><td>Phone call/email correspondence within the jurisdiction of the stock exchange</td></tr>
<tr><td>Fire prevention emergency response drills (Involvement of the firefighters and classes held on the premises in Kaohsiung)</td></tr>
<tr><td>Declaration of waste</td></tr>
</table>

Stake-holders	Communication channel/format	Topic of concern
Bank/ Financial institution	Phone calls, email correspondence, or visits in person by the head of the Finance and Accounting Office	・ Air pollution - emissions and management ・ Waste sewage and waste ・ Occupational safety and health
	Periodical communication following issuance of quarterly reports and annual report	
Local community	Sponsorship for neighborhood events	・ Air pollution - emissions and management ・ Greenhouse gas emission Waste sewage and waste
	Sending people to take part in community events	
Customer	Customer Satisfaction Survey	・ Occupational safety and health ・ Talent development ・ Employer-employee relationship
	Business phone lines kept available to facilitate contacts by customers at any time	
	Phone calls, email correspondence, or visits in person	

Stake-holders	Communication channel/format	・ Topic of concern
Supplier/ Contractor	Chinese Petroleum Corporation: Annual supplier contract Dynamic meeting adjustments from time to time to reflect cooperative details	・ Supply chain management and procurement practice ・ Occupational safety and health ・ Waste sewage and waste
Investor	General Shareholders' Meeting	・ Air pollution - emissions and management ・ Waste sewage and waste Occupational safety and health
	Market Observation Post System - Disclosure of operational performance	
	Investor Conference	
	"Contact Us" section on corporate website	
	Telephone/Email of the spokesperson or acting spokesperson	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">State of Operations</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><th>Stake-holders</th><th>Communication channel/format</th><th>Topic of concern</th></tr>
<tr><td rowspan="4">Employees</td><td>Labor-management meeting</td><td rowspan="4">・ Occupational safety and health
・ Employer-employee relationship
・ Talent development</td></tr>
<tr><td>Labor safety meeting</td></tr>
<tr><td>Direct calls to head of personnel</td></tr>
<tr><td>Kaohsiung Plant: routine morning meeting</td></tr>
</table>
2. The Company’s communication situation with stakeholders in 2024 was reported to the board of directors on December 18, 2024. In addition to maintaining optimal communications with respective stakeholders, the company has the exclusive “stakeholders” section on the corporate website for stakeholders to give suggestions and file complaints.</td><td></td></tr>
<tr><td>VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?</td><td></td><td>v</td><td>The Company has established a shareholder services organization to handle matters related to the shareholders' meeting.</td><td>No significant difference</td></tr>
<tr><td>VII. Information disclosure
(I) Does the company have a website to disclose the financial operations and corporate governance status?</td><td>v</td><td></td><td>(I) The Company declares all financial information, its businesses and information about corporate governance to MOPS regularly and sporadically. An official website of the Company has also been established to provide information.
Website: http://www.htgroup.com.tw</td><td>No significant difference</td></tr>
</table>

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
(II) Does the company have other information disclosure channels (e.g., establishing an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences, etc.)? (III) Does the company publicly announce and file the annual financial reports within two months after the close of the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?	v 	 v	(II) The Company has established the spokesperson and deputy spokesperson system, appointed designated people to collect and disclose the Company's information regularly and sporadically and released significant information in accordance with related regulations. (III) The Company is currently filing financial reports and operating activities of respective months in accordance with the "List of Matters Required to Be Handled by Issuers of Listed Securities" and is yet to announce and file annual financial reports within two months after the end of the fiscal year. Nevertheless, financial reports for the first, second, and third quarters and the operating activities of respective months have been announced and filed by the specified deadline.	
VIII. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, Directors' and Supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for Directors and Supervisors)?	v		(I) Employee rights: The Company has established an Employee Welfare Committee and set up rules with the aim of pursuing the highest benefits for the employees and protecting their rights in accordance with Labor Standards Act. (II) Employee wellness: The Employee Welfare Committee is responsible for handling all matters relating to employee benefits such as employees' group insurance, subsidies for employees' children's tuition fees, regular physical examinations for employees, etc. to ensure employees' rights. (III) Investor relations: The Company has set up a spokesperson system and a shareholder service room as one of the communication channels. It is expected that the	No significant difference

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			spokesperson system and service room can serve as a bridge to communicate between the Company and investors, allow investors to understand promptly and fully the Company's management performance and long-term management strategies and provide the best service to investors, analysts, investment related media and all investment agencies. (IV) Supplier relations: The Company has built mutually trusted and reciprocal relations with suppliers based on the Company's quality policies. (V) Rights of stakeholders: Stakeholders have the right to communicate with or suggest to the Company to retain their legal rights. (VI) Directors' training record: In accordance with Directors for the Implementation of Continuing training for Directors and Supervisors of TWSE Listed and TPEx Listed Companies announced by TWSE, the Company's Directors attended the designated courses. (For information about courses and trainings the Company's Directors and supervisors attended and received in 2024, please refer to "(VII)other important information to facilitate a better understanding of the Company's corporate governance practices" under Paragraph III. "Implementation of Corporate Governance"). (VII) Implementation of risk management policies and risk evaluation measures: The Company has established relevant rules and regulations concerning risk management and executes appropriate measures to control and evaluate risks arising from business activities. (VIII) Implementation of customer relation policies: The Company has disclosed the contact information of the	

Evaluation Item	State of Operations			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons
	Yes	No	Summary	
			Business Development Group on its website so as to handle customer complaints directly. (IX) Purchasing insurance for Directors: The Company has purchased liability insurance for Directors to ensure shareholders' rights. In addition, the Company reported information about the insured amount, insurance coverage and premium rate of the liability insurance at the Board of Directors meeting on August 7, 2024.	

IX. Please explain the improvements made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures for unimproved matters. (Companies that are not evaluated do not need to be listed.)

1. Based on the results of the Corporate Governance Assessment, the major improvement projects completed in 2024 include: producing English annual financial statements, etc.
2. In the future, we will focus on "enhancing information transparency" and "fulfilling corporate social responsibility", accelerate the speed of information disclosure, and formulate policies and specific management plans to protect human rights with reference to international human rights conventions.

[Note 1] Evaluation of Auditor's Independence

HO TUNG CHEMICAL CORPORATION
2024 Evaluation on the External Auditors' Independence and Suitability

I. Evaluation unit: Board of Directors
II. Year of evaluation: 2024
III. Date of evaluation: August 7, 2024
IV. Evaluating the appointed CPA firm and CPAs: PwC Taiwan, CPA Ming-Chuan Hsu, and CPA Jing-Lian Huang
V. Evaluation Content:
It is formulated in accordance with Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10.

Item No.	Evaluation Indicators	Result
1	Whether or not the CPAs have no direct or indirect material financial interests with the Company	■Yes □No
2	Whether or not the CPAs have no financing or guarantee activities with the Company or its directors	■Yes □No
3	Whether or not the CPAs have no close business relationship or potential employment relationship with the Company	■Yes □No
4	Whether or not the CPAs and members of the audit team have not served as directors, supervisors, or managerial officers or held positions with significant influence on the audit of the Company at present or in the past 2 years	■Yes □No
5	Whether or not the CPAs have not received any contingent fees related to the audit case	■Yes □No
6	Whether or not the CPAs have not served as a defense counsel of the Company or represented the Company in mediating conflicts with third parties	■Yes □No

Item No.	Evaluation Indicators	Result
7	Whether or not the CPAs are not the family members or relatives of a director or managerial officer or person holding a position that has a significant impact on the audit work of the Company	■Yes □No
8	The CPAs provide non-audit services to the company and do not directly affect the audit case	■Yes □No
9	As of the latest audit, whether there is a CPA who has served the Company for 7 years	■Yes □No

VI. Work performance and achievements:

■Completed the Company's financial statements within the prescribe deadlines.
■Completed the audits of the financial statements for investee companies within the prescribe deadlines.
■Provided financial and taxation consulting services for the Company from time to time.

VII. Evaluation results

The Company appointed CPAs Ming-Chuan Hsu and Jing-Lian Huang of PwC Taiwan to audit and attest the financial statements for the year 2024. After considering the evaluation items set forth in the "Integrity, Objectivity and Independence" of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10.,the Company assessed that there was no violation of the independence as described herein by these two CPAs and that they were qualified to perform the audit.

(IV) Composition, responsibilities, and operations of Remuneration Committee:

1. Professional qualifications and independence analysis of the Remuneration Committee members

Member	Professional Qualification and Work Experience	Independence Criteria	Number of other public companies where the individual concurrently serves as a member of the Remuneration Committee
Ko-Shun Wang (Convener)	At present, Mr. Ko-Shun Wang is the Chairman of Huan Hao Sustainability Technology Co. Ltd., Chairman of Pythia Biotech Ltd. and President of Honey Bear Biosciences, Inc. Served as Vice Chairman of Petrochemical Industry Association of Taiwan, President of USI Corporation, President of China Petrochemical Development Corporation, and Acting President of ICI China Ltd. Mr. Ko-Shun Wang has extensive experience in the petrochemical industry and possesses strong professional skills in operations management, industry expertise, leadership and decision-making, and crisis management. In recent years, he has also expanded into the biotechnology sector. During his tenure as an independent director of the Company, he provided valuable advice on the Company's operations and business analysis, drawing on his deep industry knowledge and expertise.	In compliance with the independence requirements	None
Tzu-Ming Wang	Served as Director, Mega Securities & Trust, Director of National Taxation Bureau of Taipei, Ministry of Finance; Section Chief of National Taxation Bureau of Taipei, Ministry of Finance. At present, he is an Independent Director of Foci Fiber Optic Communications, Inc and has many years of experience in finance and taxation. During his tenure as an independent director of the Company, he was able to provide appropriate advice and guidance on the Company's auditing and finances.	In compliance with the independence requirements	1

Member	Professional Qualification and Work Experience	Independence Criteria	Number of other public companies where the individual concurrently serves as a member of the Remuneration Committee
Hui-Chin Tu	LLM, Institute of Technology Law, School of Law, National Chiao Tung University She has served as a judge in the Intellectual Property and Commercial Court and has many years of experience in various professional competencies. Ms. Hui-Chin Tu's expertise is relied on to oversee the operations of the Company on an ongoing basis.	In compliance with the independence requirements	None

2. Operational status of the Remuneration Committee
   (1) The Company's Remuneration Committee composes of three members.
   (2) The term of office of the current committee members: The term of office is from June 21, 2023 to June 20, 2026.
   (3) Attendance : During the period from January 1, 2024 to March 31, 2025, the Remuneration Committee held four meetings, and all committee members attended the meeting in person with attendance rate of 100%. The attendance of members is as follows:

Title	Name	Number of attendance in person	Number of attendance by proxy	Attendance Rate (%)	Remark
Convener	Ko-Shun Wang	4	0	100%	
Committee members	Tzu-Ming Wang	4	0	100%	
Committee members	Hui-Chin Tu	4	0	100%	
Responsibilities of the Remuneration Committee I. To formulate and periodically review the policies, systems, standards and structures for performance evaluation and compensation of directors and managers. II. Evaluate and set the compensation for directors and managers on a regular basis. The Compensation Remuneration Committee shall be guided by the following principles in the performance of its duties and responsibilities under the preceding Article: I. The performance evaluation and compensation of directors and managers should be based on the industry norms, taking into account the reasonableness in connection with individual performance, the Company's operating results and future risks. II. Directors and managers should not be induced to engage in behavior that exceeds the Company's risk appetite in pursuit of remuneration.					

III. The percentage of short-term performance bonuses awarded to directors and senior executives and the timing of certain variable compensation payments, should be determined with regard to industry characteristics and the nature of the Company's business.

Remuneration Committee operation during the year
Information on the meetings of the Remuneration Committee held during the past year to review and evaluate the Company's compensation is summarized below:

<table>
<tr><th>Date</th><th>Content of Motion</th><th>Resolutions</th><th>The Company's response to opinions of the Remuneration Committee</th></tr>
<tr><td rowspan="3">4th meeting of the 5th term 2024.3.13</td><td>1. Discussion on the appropriation of the 2023 employee and director remuneration.</td><td rowspan="9">Passed as proposed without objections</td><td rowspan="9">Submitted to the Board of Directors and was approved by the attending Directors.</td></tr>
<tr><td>2. Discussion on the appointment of the Company's corporate governance officer.</td></tr>
<tr><td>3. Discussion on the temporary appointment of the Company's financial officer.</td></tr>
<tr><td>5th meeting of the 5th term 2024.5.8</td><td>1. Discussion on 2023 directors' remuneration and employee bonuses.</td></tr>
<tr><td rowspan="2">6th meeting of the 5th term 2024.12.18</td><td>1. Discussion of approving the year-end bonus for managerial officers.</td></tr>
<tr><td>2. Discussion of approving the remuneration of the financial officer.</td></tr>
<tr><td rowspan="2">7th meeting of the 5th term 2025.3.12</td><td>1. Discussion on the appropriation of the 2024 employee and director remuneration.</td></tr>
<tr><td>2. Discussion on the appropriation of the 2023 employee and director remuneration.</td></tr>
</table>

Other matters to be recorded:

I. In the event the Board of Directors does not adopt or wishes to amend the proposals of the Remuneration Committee, please state the date and session of the Board meeting, the content of the proposals, resolutions from the Board of Directors, and the Company's response to opinions from the Remuneration Committee (e.g., if the salaries and compensations approved by the Board were higher than the suggested amount from the Remuneration Committee, please state the differences and reasons): None.

II. For decisions made by the Remuneration Committee, if there are documented records or declarations in writing of opinions from a member who vetoes or has reservations over the decisions, the date, session, content of proposals, all members' comments, and the measures for handling these comments shall be specified: None.

(V) Implementation of sustainable development and climate-related information:

(1) Implementation Status of Sustainable Development and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons :

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Has the Company established a governance structure and set up an exclusively (or concurrently) dedicated unit to promote sustainable development, which is delegated by the Board of Directors to authorize senior management to handle related matters, and supervised by the Board of Directors?	V		(I) The corporate governance unit of the Company is responsible for convening and promoting the practice of sustainable development, having applicable department heads and colleagues to form task groups that enforce sustainable development, take charge of integrating communications across departments that are connected laterally. They discuss with and report to the Board of Directors at least once a year the implementation status of sustainable development and related matters. (II) The Company reports the progress of greenhouse gas inventory and verification schedule to the Board of Directors every first quarter. The most recent report was made on March 12, 2025.	The Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.
II. Does the Company follow the principle of materiality to conduct risk assessment for environmental, social and corporate governance topics related to Company's operations, and establish risk management related policies or strategies? (Note 1)	V		(III) The Company's risk assessment boundary mainly covers Ho Tung, including the Kaohsiung plant and the Taipei office. In the future, the Company will gradually plan to include affiliated companies and overseas branches in the boundary (IV) We conduct annual risk assessments on environmental, social, and governance issues with reference to the Global Reporting Initiative (GRI) and the principle of materiality for sustainable development. After reviewing the report through internal and external key stakeholders, we determine the contents of each issue and its priority order, and integrate the risk lists proposed by each department to conduct risk assessment and propose corresponding strategies.	The Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Status of execution</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Dimensions</th><th>Sustainability Strategy</th><th>Action Guidelines</th></tr>
<tr><td rowspan="2">Environmental Aspect</td><td>Compliance with environmental regulations</td><td>・Production activities, products and services sold are in compliance with environmental protection laws and regulations</td></tr>
<tr><td>Enhance pollution control and improvement</td><td>・Insist on lowering the overall indicator for pollution sources including air, water, waste, noise, and carbon dioxide emissions to minimize environmental impacts.
・Enhance monitoring and inspection for hazardous substances and leakage prevention to prevent contamination of soil and groundwater.
・Continue to reduce process waste to achieve resource recycling and reuse.</td></tr>
</table>
</td><td></td></tr>
</table>

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			<table><tr><td></td><td>Implement environmental education for employees.</td><td>・Implement employee environmental education so that the community, customers, suppliers, and all personnel working for or on behalf of the company understand the company's environmental policy.</td></tr><tr><td>Social Aspect</td><td>Ensure a safe working environment for employees</td><td>・Formulate operating environment safety performance indicators to ensure a safe working environment. ・The Company continues to promote and remind employees about the occupational safety, business execution, and health protection. ・Formulate the accident investigation mechanism, analyze the causes of accidents, conduct investigations on the handling, equipment</td></tr></table>	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
					damage, etc., and formulate and review the improvement measures to reduce the occurrence of related accidents.	
				In compliance with relevant social laws and regulations	・ Reduce the incidents, frequency, and penalty amounts for violating the Labor Standards Act, the Occupational Health and Safety Act, the Environmental Protection Act, the Fire Protection Act, the Fire Services Act, and other laws and regulations.	
				Maintain relationship with neighbors	・ Regularly test VOC emissions to ensure that VOC emissions meet regulatory standards and control the impact caused by the business activities. ・ Strive to be a good neighbor and continue to allocate funds for "education," "care," "environmental	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
				conservation," "community development," etc.	
			Governance Aspect	Add value to the products:	・ Integrate each business divisions' specialties and introduce advanced technologies to enhance the added value of products and market competitiveness; actively develop products for environmental protection applications to expand the chemical application market.	
				Reduction of operational risks	・ Concentrate on our core business and reduce the operational input to non-core businesses. Integrate resources of each business division efficiently to invest in the Group's production and sale chain.	
				Focus on product quality and customer	・ Develop a comprehensive quality	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			communication / inspection system and maintain high-standard inspections. ・ Through regular customer satisfaction surveys and instant customer contact, we track customers' product use status to control market feedback on the usage of product.	
III. Environmental issues (I) Does the company establish an environmental management system proper to its industry's characteristics?	V		(I) The Company follows the relevant laws, policies and concepts in promoting environmental safety and production safety, and has built an environmental management system and obtained ISO 14001 certification. The latest certificate is valid from August 31, 2022 to 2025 on August 30 to reduce operational risks. Greenhouse gas inventory is done also at locations such as the Kaohsiung Plant of the parent company and the Taipei Office according to ISO 14064-1.	The Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	V		(II) The Company is committed to the sustainable environment, and through promotion and implementation, we enhance the efficiency of resource reuse, achieve energy saving and waste reduction, thereby minimizing the impact on the environment.	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(III) Does the company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	V		(III) The Company attaches great importance to the issue of climate change, and uses the TCFD identification procedure to identify and assess risks for various issues faced by the internal and external environments, and formulate various procedures and countermeasures based on the identification and assessment results to reduce environmental risks and negative impact on business operations. For potential risks and opportunities and applicable countermeasures of climate change, refer to the descriptions in 2 of (2) Climate-related Information and Implementation Status under (V) Sustainable Development Implementation Status and Climate-related Information.	
(IV) Does the company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumption, carbon and greenhouse gas emissions, and waste production?	V		(IV) In the past two years, the Company's GHG emissions, water consumption, and total weight of waste were calculated based on the parent company's Kaohsiung plant and Taipei office, and the GHG inventory was conducted in accordance with ISO 14064-1 (Note 2). The Company then followed the ISO 14001 environmental management system as the basis for management and implementation of pollution prevention and control, and continued to look for opportunities to minimize the impact on the environment. 1. The greenhouse gas emission statistics for the past two years covered Scope 1 and Scope 2, and voluntary statistics on Scope 3 were added in 2024; for the greenhouse gas emission data for the past two years and assurance, please refer to "1-1 Greenhouse Gas Inventory and Assurance in	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			the Most Recent Two Years". The Company, according to the post-inventory status, practically enforces applicable energy-saving and carbon reduction measures. The implementation status in 2024 is described as follows: (1) Installation of intelligent electric metering at the Kaohsiung Plant Installation of the IEMS intelligent electric metering system began at plants in 2024, with 5 sets of such meters commissioned. Efforts will be devoted to the setup of intelligent electric metering in high electricity-consuming equipment in the process area, office area in 2025(invested 210 thousnads). (2)In total 35 air-conditioners were replaced at the Kaohsiung plant in 2024. We continue to replace old air-conditioning equipment and install variable-frequency air conditioners to save energy, reduce power consumption, and optimize the quality of the office environment. (invested 1.8 million) (3)There were 2 air compressors replaced at the Kaohsiung plant in 2024, updated from fixed frequency to variable frequency to reduce full-load operations of air compressors and to reduce energy consumption. (invested 1.8 million) 2. The Company has a single source of water supply; it is the Taiwan Water Corporation. No groundwater or other sources of water are used. Statistics are mainly those of the	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Kaohsiung Plant of the parent company and most of the water is used in production processes (including mostly cooling water and minimally process and laboratory water). The Kaohsiung Plant is equipped with the cooling water tank where the generated condensation from processes is collected; the collected water is circulated and re-utilized as domestic water in the office area of the Kaohsiung Plant. The information of water consumption at the Kaohsiung Plant are as follows,	

Year	amount of water consumption (million liters)	water consumption density (million liters/ton of production volume)	variation %
2023	12.41	0.0004	-
2024	11.28	0.0003	-9.1%

In addition, waste water dissolved air flotation (DAF) equipment is available at the Kaohsiung Plant. The effluent meeting the discharge criteria after treatment features a water quality that is far below the regulatory requirement. The information of waste water discharged from the Kaohsiung Plant are as follows,

Year	amount of waste water discharge (million liters)	waste water discharge density (million liters/ton of production volume)	variation %
2023	8.29	0.00028	-
2024	7.22	0.00020	-12.9%

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Status of execution</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The Company continues to improve the cooling efficiency of its process equipment and expects to be able to continue maintaining the water utilization efficiency and avoiding waste of water resource by minimizing consumption of tap water in the cooling water and generation of the effluent. The complete assurance information of water consumption in 2024 will be disclosed in the Sustainability Report.
3. The Company has established “Procedures for Waste Control” by integrating the waste disposal act and ISO 14001 management practices, and has conducted inspections and kept records of disposal from time to time. The statistics are mainly for the Kaohsiung Plant of the parent company, and the wastes are mainly classified into general utility wastes and domestic garbage. No hazardous waste was generated at the Kaohsiung plant. The information of waste at the Kaohsiung Plant are as follows,
<table><tr><th>Year</th><th>hazardous waste (tons)</th><th>non-hazardous waste (tons)</th></tr><tr><td>2023</td><td>0</td><td>70.9</td></tr><tr><td>2024</td><td>0</td><td>63.1</td></tr></table>The complete assurance information of wastes in 2024 will be disclosed in the Sustainability Report.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the</td><td>V</td><td></td><td>(I) With reference to the requirements for Human Rights Due Diligence under the UN Guiding Principles on Business Human Rights (UNGPs) and in compliance with the GRI guide to due</td><td>The Sustainable Development Best Practice Principles for TWSE/TPEx-Listed</td></tr>
</table>

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
International Bill of Human Rights?			diligence, the Company identified major human right topics reflective of the current status of suppliers and employees and discussed them in the human right due diligence meeting. Mitigation measures and remedies were compiled to consolidate protection of human rights. Human right risk topics identified by the Company are as follows:	Companies are fulfilled.

Human right risk topic	Underlying/ Physical	Impacted party	Direct/Indirect /Commercial
Rights to survival and health	Underlying	Employees	Direct
	Underlying	Supplier	Indirect
Privacy and personal data protection	Underlying	Supplier	Indirect

Preventive and mitigation measures corresponding to human right risk topics of the Company are as follows:

Human right risk topic	Impacted party	Preventive measure	Mitigation measure
Rights to survival and health	Employees	1.Preparation of access safety management best practice principles 2.Establishment of the Occupational Safety Management System ISO 45001 3.Periodic implementation of	1.Provide after-math/post-trauma support through the EAP Employee Assistance Program (EAP) 2.Spontaneously help employees apply for

Implementation Items	Status of execution					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary			
					hazard drills 4.Provide employees with periodic physical checkups or questionnaires to follow up on their health condition	insurance reimbursement 3.Demand that violators of occupational safety regulations seek improvements and give warnings and penalties	
				Supplier	1.Ensure that a supplier meets construction safety criteria before construction may begin, such as construction safety 2.staff certification, aerial operational vehicle training certificates, among others. 3.Enforce construction safety workshops before the supplier enters site for construction 4.At the construction site, have construction safety staff in place to ensure that constructions meet	1.Help suppliers apply for insurance reimbursement 2.Request suppliers to strengthen the promotion of workplace safety regulations 3.Impose related measures to suppliers who violate requirements and discontinue cooperation till precise correction is made	

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Status of execution</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td></td><td></td><td>construction safety requirements</td><td></td></tr>
<tr><td>Privacy and personal data protection</td><td>Supplier</td><td>Promot information security to suppliers</td><td>1. Investigate causes of unauthorized disclosure of information and prevent against recurrence
2. Warn violators of information security and demand correction</td></tr>
</table>
For consolidating protection of human rights, there is the devoted section “Happy Workplace” on the corporate website where the Company’s commitment to and policies on human rights are declared.</td><td></td></tr>
<tr><td>(II) Does the company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)?</td><td>V</td><td></td><td>(II) The Company has a diversified employee benefits system and a retirement plan that complies with laws and regulations. A reasonable remuneration system can motivate employees to work together with the company and share the results of the operation.
Reasonable Compensation System: The company has established a fair and incentivizing compensation system. The compensation structure is adjusted based on employees' performance and contributions, as well as the company's operational performance, allowing employees to grow together with the company and share in its achievements.</td><td></td></tr>
</table>

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Diverse Employee Benefits System: Since its establishment, the company has always adhered to the principle of 'people-oriented' and is committed to providing a diverse range of employee benefits. We hope that our colleagues can grow and develop in a stable, healthy, and inclusive environment. The main benefits include the following: 1. Health Promotion The company regularly arranges health check-ups and invites professional occupational physicians and nurses to hold two health seminars each month in Taipei and Kaohsiung. The topics cover metabolic syndrome, prevention of the three highs (high blood pressure, high cholesterol, and high blood lipids), and office stress relief exercises, aiming to enhance employees' health awareness. Additionally, we promote health knowledge through a health management newsletter to help employees establish good health management habits. 2.Daily Care The Taichung plant of the company’s subsidiary has an employee cafeteria and dormitory, providing free accommodation (including utilities) and daily meal services to ensure employees' basic living needs are met, allowing them to focus on their work with peace of mind. 3.Salary and Work Hours System The company offers competitive salary packages and provides year-end bonuses to reward employees for their hard work and contributions. We also have a flexible working hours system to	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			support employees in balancing work and life, promoting work efficiency and quality of life. 4. Recreational Activities The company, in collaboration with Ho Tong Chemical Employee Welfare Committee, allocates a welfare budget each year to plan various recreational activities, including departmental dinners, movie appreciation events, logo design competitions, and spring banquets, to promote communication and team cohesion among employees. Retirement Policy: Regarding employee retirement, the company complies with the government-established "Labor Standards Act" (Old Labor Retirement System, Defined Benefit Plan) and the "Labor Pension Act" (New Labor Retirement System, Defined Contribution Plan). At the end of each fiscal year, we estimate whether the balance of the old labor retirement reserve is sufficient to pay the pensions of employees who meet retirement conditions in the following year. For details on implementation, please refer to Chapter 4, Operational Overview, Item 5, Labor-Management Relations. "Happy Workplace" Section: The company has a dedicated "Happy Workplace" section that publicly commits to human rights protection and introduces policies related to employee benefits, workplace environment, and anti-discrimination, expressing our respect for and protection of employee rights. The company and its affiliated group will continue to review and improve various welfare measures based on employee	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			needs and current trends, aiming to enhance employee satisfaction and corporate competitiveness.	
(III) Does the Company provide a healthy and safe work environment and organize training on health and safety for its employees on a regular basis?	V		(III) Perfect the Company's occupational safety and health management; the Company has prepared its occupational safety and health management policy to be the highest guiding principles in the management of internal occupational safety.The Kaohsiung Plant of the Company was certified for ISO 45001: Occupational Safety and Health Management System in 2019; the new Certificate is effective from October 14, 2022 to October 14, 2025. This system covers 100% all employees throughout the Kaohsiung Plant and helps minimize occupational safety and health management loopholes from the systematic management perspective. Respective responsible units are in charge of office area safety educational trainings and arranging respective events, lectures, and periodic physical checkups for protecting the safety of employees. The Kaohsiung Plant of the Company proactively follows applicable pipeline management requirements defined by the Kaohsiung City Government and the "Guidelines for Managing and Maintaining Existing Industrial Pipelines in Kaohsiung" by preparing the "Maintenance and Operation Plan for Existing Industrial Pipelines" with regards to underground oil and gas pipelines. Meanwhile, at the end of each year, the plan is submitted to the competent authority to be approved before strict management of pipelines is officially enforced. The Company firmly adheres to its commitment to secure operation	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			of pipelines and fully follows governmental requirements for the sake of ensuring the safety and welfare of the general public in areas the pipelines cover and also proactively takes part in periodic and annual disaster prevention drills of the underground pipeline joint protective organization to reinforce the control over the emergency response capabilities of all organizational members under simulated scenarios. Throughout 2024, the Company attended a total of 13 meetings and 22 field trips for Harness 6 organized by the underground pipeline joint protective organization and particularly planned the "training on the Maintenance and Operation Plan for Existing Industrial Pipelines", the "Harness 6 Joint Protective Organization Training", and applicable trainings organized by the Economic Development Bureau, with a headcount of 21 participants and 112 trainee-hours in total, for the sake of enhancing the overall corporate capability to control pipeline security and for advancing internal colleagues' awareness in related fields. In 2024, there were no violations of safety and health regulations, and no injuries, occupational diseases, or deaths of employee as a result of performing duties; therefore, the number of occupational accidents, the number of employees, and the percentage of employees in the total number of employees were all zero. Complete assurance information on the number and rate of occupational accidents for 2024 will be disclosed in the Sustainability Report. There was no fire incident in the Company in 2024. Therefore, the number of fire incidents, the number of casualties, and the ratio of casualties to the total number of employees were all 0.	

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			In order to ensure personal safety of employees, the Company has the “Happy Workplace” section on its corporate website where applicable procedures for managing the health and safety of the Company’s workforce are disclosed.	
(IV) Does the Company provide its employees with career development and training sessions?	V		(IV) The Company provides employees with comprehensive career development plans. In addition to new employee orientation training, the Company also offers professional training to all employees. The contents of orientation training include the Company's organization culture, organization, and raw materials market of detergents, Introduction to Information and Network Systems, Occupational Safety and Health and information security training. 1. Labor Health and Safety Management: A "Happy Workplace" section has been established on the company website to publicly disclose the labor health and safety management procedures, allowing employees and external stakeholders to better understand the company's commitment to labor health and safety. Implemented measures include: (1) workplace safety and prevention measures, (2) emergency response procedures, (3) regular safety inspections, and (4) health management, ensuring a good working environment for employee safety and health. 2. Career Development and Skill Enhancement Program:	

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Status of execution</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(1) New Employee Training: The company provides comprehensive onboarding training for new employees to help them quickly integrate into the company and understand the corporate culture, organizational structure, product knowledge, and more.

(2) Continuing Education for Employees: Regular professional development courses are held to help employees enhance their professional skills and meet the company's development needs.

Career Training Statistics Table
<table><tr><th>Year</th><th>Headcounts</th><th>Hours</th></tr><tr><td>113</td><td>78</td><td>877</td></tr><tr><td>114</td><td>11</td><td>275</td></tr></table>Statistics for the 2025 up to March 31, 2025.</td><td></td></tr>
<tr><td>(V) Does the company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures?</td><td>V</td><td></td><td>(V) The company not only adheres to the ISO 9001 Quality Management System but also conducts annual customer satisfaction surveys. Customers are asked to rate product quality, packaging, delivery, and customer service, and the ratings are quantified. Based on the analysis results, we continuously improve our services to provide the best possible experience for our customers. Additionally, our company website features a 'Contact Us' section, where customers can reach out at any time for direct assistance with any issues.</td><td></td></tr>
</table>

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	V		(VI) The Company's supply chain management has evolved from basic requirements such as timely delivery, quality control and competitive prices to promoting new cooperation models of strategic alliance in order to innovate products and services and to protect the environment. The Company also formulated "Supplier Environmental Management Survey Form."	
V. Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		The Company follows the GRI Universal Standards 2021 issued by the Global Reporting Initiative (GRI), and also refers to the industry disclosure standards adopted by the Sustainability Accounting Standards Board (SASB), the climate-related financial disclosure (TCFD) framework, the United Nations' Sustainable Development Goals (SDGs), as well as the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies to prepare the Sustainability Report. In 2024 the Company continued to prepare its 2023 Sustainability Report, which was released in August 2024, and was disclosed on the Market Observation Post System (MOPS) and on the Company's website, after obtaining the third-party assurance as required by the law. The complete assurance information for the 2024 Sustainability Report will be disclosed in the Report.	The Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.
VI. If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles: The Company's Board of Directors adopted the Corporate Social Responsibility Code of Practice on December 25, 2014, and amended the Code on March 30, 2017. On August 7, 2024, the board of directors approved the renaming of the "Corporate Social Responsibility Code of Practice" to "Sustainable Development Best Practice Principles " and the associated revisions to the principles. On November 13, 2024, the board of directors approved further revisions to the principles to strengthen the implementation of sustainable development. The Company regularly reviews the implementation of the principles and improves accordingly, and there is no discrepancy				

Implementation Items	Status of execution			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
in the implementation to date.				
VII. Other important information that contributes to the understanding of the operation of sustainable development: Please refer to the relevant information of the ESG Corporate Sustainable Development Section on the Company's website (http://www.htgroup.com.tw).				

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

Note 2: The Company conducted the greenhouse gas inventory for the parent company's Kaohsiung Plant and Taipei Office in accordance with the ISO 14064-1 from 2022, the scope had extended to include subsidiaries from 2024,.

(2) Implementation of Climate-Related Information

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	1. The corporate governance unit of the Company calls upon related department heads and colleagues to form task forces responsible for internal discussions and integration reflective of corporate operational strategies, identify transition and physical risks and report to the Board of Directors applicable identification findings through the corporate governance officer.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	2. Through the TCFD identification procedure, the Company integrates internal discussions with existing corporate operating strategies on the topic of climate change, identifies the impact of various transition risks and physical risks on the Company, and sets short-, medium-, or long-term response measures to reduce risks. In addition, the Company also identifies themes that present opportunities for the Company in order to plan long-term strategies. Descriptions are provided, respectively, as follows：

Type of risk	Risk issue	Description of risk	Financial impact	Countermeasure	
				Short-term	Mid-to-long-term
Transformation risk	Policy and regulatory requirement	Industrial safety and environmental protection laws and regulations, are added or revised frequently to gradually drive up environmental waste treatment expenses and increase the operating cost.	Increased operating cost Increased non-operating expenditure	Periodic outsourcing or authorization of internal staff for air pollution control equipment testing and repairing areas with leaks Replace equipments to improve efficiency	Periodically review updates of industrial safety and environmental protection laws and regulations and prepare countermeasures in real time Create the operating control procedure to reduce waste from the purchase of materials and bring down the final amount of

Item	Implementation Status					
						waste generated.
			Carbon fee/carbon tax may be imposed in response to the global carbon reduction tendency and the reinforced control in countries over laws and regulations coping with energy and climate change	Increased operating cost Increased non-operating expenditure	1. Identify sources of emission, with natural gas as the primary source of emission. 2. Maximize the scope of greenhouse gas inventory 3. Introduce ISO 14064-1 Greenhouse Gas Inventory System	Develop a feasibility assessment plan for optimizing natural gas distillation heaters, update processing equipment, enhance energy efficiency, and reduce carbon emissions.
		Brand goodwill	International contractors require that businesses comply with existing sustainability standards and may cut their purchases if the actual performance falls short of their expectations.	Decreased operating income	Proactively take part in supplier assemblies held by customers in order to know customers' demand for sustainability	Plan to attend external initiatives to boost the Company's commitment to sustainable development. The part-time sustainability unit promotes and deepens policies to reinforce sustainable performance.
		Process technology	Due to international consensus, existing products are being replaced by even lower-	Decreased operating income	Attend international seminars on transition to low-carbon technologies and	Continue to research and develop green processes for products.

Item	Implementation Status					
			carbon ones		learn from international counterparts in carbon reduction	
	Physical risk	Increased extreme weather events	Heat wave - in sub-tropical areas, extremely hot conditions may lead to power trips or rationing, which disfavors operations of production lines	Decreased operating income Increased operating cost	Add intelligent electric metering or other energy efficiency-boosting measures	Replace with energy-saving equipment to bring down consumption and to reinforce energy management
			Drought - Water shortage leads to the requirement for hiring water trucks or other more costly sources of water needed for processes on the premises	Increased operating cost	Continue to monitor daily statistics of water consumption and control usage of water at respective units.	Improve processes and boost the water resource utilization rate. Rehearse water shortage scenarios and prepare countermeasures.
			Typhoon - Under the RCP 8.5 scenario, frequent typhoons that increase in intensity can lead to disruption in the supply of raw materials and regular materials or discontinuation of workshops.	Discontinued production line Decreased operating income	Prepare the Business Continuity Plan	Optimize management of raw material and regular material inventories. Periodically hold various disaster response drills and reinforce workshop and equipment structures.

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td><table><tr><td>Climate-related opportunity</td><td>Energy-saving equipment</td><td>Reduce energy consumption of equipment in response to the central government’s net-zero carbon reduction goals by 2050</td><td>Decreased operating cost</td><td>Eliminate obsolete air compressors and office air-conditioning equipment</td><td>Prepare a plan for elimination and replacement with energy-saving equipment to minimize the use of energy and related expenses.</td></tr></table></td></tr>
<tr><td>3. Describe the financial impact of extreme weather events and transformative actions.

4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</td><td>3. In light of extreme weather incidents and possible financial impacts to be brought about by transformation, the Company has included related risks as part of its overall risk management. For details, refer to the information provided in 2.

4. Through the integration of internal discussions with the existing corporate operating strategies, two main risk considerations: transition risk and physical risk, are identified. The corporate governance officer will report to the Board of Directors on the identification results, and discuss with the Board of Directors the measures to be taken in response after the annual sustainability report is released. In the future, we will continue to deepen the identification process and approach to climate change-related thematic risks and strengthen the analysis of their impact on operations in the short, medium and long term, and formulate countermeasures in advance to minimize the impact in the future.</td></tr>
<tr><td>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</td><td>5. When assessing the risk of climate change caused by frequent and continuously intensified typhoons, the RCP8.5 scenario is used for analysis.</td></tr>
<tr><td>6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and</td><td>6. The Company, according to the Road Map of Sustainable Development for TWSE/TPEx-listed Companies, will perform greenhouse gas inventory checks each year and confirm the reliability and consistency of emission data through validation by a third-party institution. The scope of the</td></tr>
</table>

Item	Implementation Status
targets used to identify and manage physical and transition risks.	greenhouse gas inventory and validation will continue to expand in the future and applicable climate-related contents for financial disclosure will be disclosed to the public. The short-term and mid-to-long-term countermeasures of the transition plan for managing climate-related risks are already included as part of the overall risk management. For details, refer to the information provided in 2. Short-term and Mid-to-long-term Countermeasures.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	7. The Company currently does not use internal carbon pricing as a planning tool.
8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if using carbon offsets or renewable energy certificates (RECs) to achieve the goals, specify the source and amount of carbon credits or Renewable Energy Certificates (RECs) to be offset.	8. According to the Sustainable Development Roadmap for TWSE/GTSM Listed Companies, the Company expects to complete the disclosure of information on the consolidated company in 2024, and establish the base year and reduction targets, strategies and concrete action plans.
9. Greenhouse Gas Inventory and Assurance Status (Filled in 1-1 separately).	9. Please refer to the description in 1-1 below for the Company's greenhouse gas inventory and assurance.

1-1 Greenhouse Gas Inventory and Assurance in the Most Recent Two Years

1-1-1 Greenhouse Gas Inventory Information

The Company's greenhouse gas emissions for the most recent two years are shown in the table below: Scope 1 and Scope 2 inventory are based on the parent company (Kaohsiung Plant and Taipei Office) and Subsidiaries (Tianjin Tianzhi, Guangzhou Litze, Chih Sheng (Huizhou), Jiangsu Jintung, Nanjing Jintung, Anhui Jintung, Sichuan Jintung, Chenergy Global, Ho Tung Cement - Changhua Plant, Kaohsiung Plant); Scope 3 inventory based on parent company (Kaohsiung Plant and Taipei Office).

		2023		2024	
		Emissions (tCO_2e)	Intensity (tCO_2e/million NT$)	Emissions (tCO_2e)	Intensity (tCO_2e/million NT$)
The Company	Scope 1 Direct emissions	15,741		18,175	
	Scope 2 Indirect emissions	3,653		3,950	
	Scope 3 Other indirect emissions	66		65	
	subtotal	19,460		22,190	
All Subsidiaries in Consolidated Financial Statements	Scope 1 Direct emissions	71,548		74,242	
	Scope 2 Indirect emissions	81,616		73,855	
	subtotal	153,164		148,097	
Total		172,625	0.000165028	170,287	0.000132752

1-1-2 Greenhouse Gas Assurance Information

Year	Assurance range	Assurance institution	Assurance criteria	Assurance opinion
2023	Parent company's Kaohsiung Plant and Taipei Office	DNV Business Assurance Co., Ltd.	ISO 14064-1:2018 The verification complies with the requirements of the following standards: ISO 14066:2011, ISO 14065:2020, and ISO 14064-3:2019.	According to the aforementioned verification criteria, there are no significant discrepancies in the GHG inventory report that would contravene the above verification criteria.
2024	Parent company's Kaohsiung Plant and Taipei Office	Ares International Certification Co., Ltd.	Note 1	Note 1

Note 1: The complete assurance information will be disclosed in the Sustainability Report.

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

Schedule	Short-term (2025-2027)	Mid-term (2028-2035)	Long-term (2036-2050)
Reduction Target	The total carbon emissions have decreased by an average of 3% in comparison to the baseline year.	The total carbon emissions have decreased by an average of 3% in comparison to the baseline year.	The total carbon emissions have decreased by an average of 3% in comparison to the baseline year.
Reduction Targets/ Action Plans	● Energy Efficiency Enhancement and Energy-Saving Transformations ● Introduction of an energy management system ● NP/LAB obtained the ISCC certification ● Palm oil purchases are certified by the RSPO organization. ● Sulfonation residual heat and waste heat recycling	● Purchase Renewable Energy Certificate (T-REC) ● Introduction of Renewable Energy ● Introduction of renewable energy power generation equipment ● Introduction of sustainable biodiesel/kerosene and sustainable raw materials (development of bio-based products) ● Circular Economy-Waste	● Introduction of the Carbon Capture, Utilization and Storage technique (CCU) ● Introduction of hydrogen/green ammonia blend (low/zero carbon fuel) ● Implementation of Carbon Credit Trading

	● Introduction of electric carriers ● Commencement of energy conservation awareness training ● Set up an energy conservation task force ● Launched a biodiversity conservation program	Recycling	

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

Evaluation Item	State of Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs (I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	V		(I) In order to establish an ethical management corporate culture, as well as to develop and establish sound business operations, the Company has formulated the "Ethical Corporate Management Best Practice Principles", the " Code of Business Conduct and Ethics for the Board of Directors and Managers ", approved by the Board of Directors in accordance with the"Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", and relevant laws and regulations in the locations where the Company and its group companies and organizations operate, in order to clearly state the policy of ethical management. The Company's directors and general manager have signed a statement of compliance with the ethical	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.

Evaluation Item	State of Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			management policy to implement the commitment to the management policy..	
(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company has established a unethical behavior risk assessment mechanism through the " Ethical Corporate Management Best Practice Principles " approved by the Board of Directors. It regularly analyzes and evaluates business activities with higher unethical behavior risks within the business scope, formulates prevention plans based on these, regularly reviews the appropriateness and effectiveness of the prevention plans, and strengthens relevant prevention measures. The company established prevention measures covers the following measures: 1.Bribery. 2. Providing illegal political donations. 3. Improper charitable donations or sponsorships. 4. Providing or accepting unreasonable gifts, services, entertainment or other improper benefits. 5. Infringement of trade secrets, trademark rights, patent rights, copyrights and other Intellectual Property Rights. 6. Engage in unfair competition. 7. Products and services that directly or indirectly harm the rights, health and safety of consumers or other stakeholders during research and development, procurement, manufacturing, provision or sales.	
(III) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement	V		(III) the Company has formulated the “Ethical Corporate Management Best Practice Principles” on December 25, 2024, clearly stipulate that employees shall not directly or indirectly offer, promise, request or	

Evaluation Item	State of Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
them and review the prevention programs on a regular basis?			accept any improper benefits, or engage in other unethical behaviors that violate integrity, are illegal, or violate fiduciary obligations in order to obtain or maintain benefits when performing their duties. The most recent board meeting was on March 15, 2023, when a resolution was passed to amend the " Ethical Corporate Management Best Practice Principles". In addition, in order to comply with laws and regulations and professional ethics, the company discloses its ethical management policy through internal regulations, annual reports, company websites and other channels, and announces it in external activities such as product launches and corporate briefings appropriately, so that company employees, directors, supervisors, suppliers, customers or other business-related institutions and personnel can clearly understand the company's ethical management philosophy and standards.	
II. Fulfillment of ethical corporate management (I) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? (II) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	V V		(I) The Company always inspects and evaluates business partners' legality and ethical records before taking on business partnerships. Detailed terms concerning both parties' rights and obligations are included in every business contract and both parties shall sign a nondisclosure agreement. (II) The Company designates the Management Division as a specialized unit to promote enterprise honest operation, subordinate to the Board of Directors, to handle the revision, implementation and interpretation of operational procedures and conduct guidelines, as well as supervising the implementation of consulting services and the registration and filing of bulletin contents, and shall	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.

Evaluation Item	State of Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			report to the Board of Directors regularly. Through various occasions, the company actively promotes and educates employees to uphold the integrity principle and attitude of fairness, openness, self-discipline and team responsibility, so as to strengthen the concept, compliance and implementation of integrity management within the company. The implementation of ethical management in 2024 was reported to the board of directors on November 13, 2024.	
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) When conflicts of interest occur, the Company's employees may report to his/her direct supervisor or directly to personnel of the General Manager's office. If such conflicts are confirmed after inspection, the Company will warn or punish the employee according to the Company's Employees' Working Rules depending on the significance of the conflict.	
(IV) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of the assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?	V		(IV) To reasonably maintain the outcome and efficiency of operations, the reliability of financial reports and the compliance with relevant laws, the Company has established accounting and internal control systems to ensure integrity in our operations.	
(V) Does the company regularly hold internal and external training on ethical corporate management?	V		(V) In order for colleagues to understand ethical norms in the industry, besides releasing applicable regulations on the corporate website, the Company periodically holds educational trainings and communicates to directors, supervisors, managers,	

Evaluation Item	State of Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			and practitioners so that they have sufficient knowledge of the Company's commitment to, policy on, safeguarding solutions for ethical corporate management and consequences of dishonest behaviors. Meanwhile, from time to time, communications take place by mail or in papers, with records kept, to ensure knowledge of and compliance with applicable ethical corporate management operating guidelines and possible consequences of violations and risks to demand precise implementation; all staff is communicated to the declaration of ethical corporate management. The company's legal department held several internal training courses in 2024: Ethical Management Course - Legal Liability and Case Analysis of Endorsement, Misappropriation, and Fraud. Number of participants: 115 people attended, and the total training hours and online tests totaled 2.5 hours.	
III. Operation of the whistle-blowing system (I) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party? (II) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	V V		(I) The Company has established the "Ho Tong Whistleblower Complaint Process" and if any breach of integrity in operations occur, the Company's employees may report through email inbox, fax, telephone, written letters of documents to the auditing or legal personnel. (II) All content of reports will be kept confidential and investigated via independent channels in order to protect the whistleblowers' safety and to protect them from revenge.	Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">State of Operations</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Does the company provide protection for whistle-blowers against receiving improper treatment?</td><td>V</td><td></td><td>(III) In case of significant violation against integrity by the Company's employees, the employee(s) shall be discharged or dismissed in accordance with relevant laws and regulations or the Company's human resources administration regulations.</td><td></td></tr>
<tr><td>IV. Enhanced disclosure of ethical corporate management information
Does the company disclose the ethical corporate management policies and the results of their implementation on the company website and MOPS?</td><td>V</td><td></td><td>The Company's corporate culture, Ethical Corporate Management Best Practice Principles and other related information are disclosed on its official website.</td><td>Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies are fulfilled.</td></tr>
<tr><td colspan="5">V. If the company has established the ethical corporate management best-practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the implementation and any deviations from the Principles:
The Company has established procedures for ethical corporate management and Ethical Corporate Management Best Practice Principles and has been complying with the principles.</td></tr>
<tr><td colspan="5">VI. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies).
1. To implement the basics of ethical corporate management policies, the Company operates under the Company Act, Securities and Exchange Act, Businesses Entity Accounting Act, related regulations for TWSE/TPEx-Listed Companies, IFRSs, IASs, related interpretations and standing interpretations endorsed by Financial Supervisory Commission and other related laws and decrees.
2. The system of recusal of Directors due to conflicts of interest is included in the Company's Rules of Procedure for Board of Directors Meetings. When a Company's Director or the institutional he/she represents has a stake in a proposal at the meeting and where there is a likelihood that the interests of the Company would be prejudiced, the Director may express opinions or answer questions but shall recuse himself or herself from any discussion and voting and may not exercise voting rights as proxy on behalf of another Director.
3. The Company has set up Procedures for Handling Material Inside Information, stipulating that Directors, managers and stakeholders may not disclose to any other parties any material inside information of which they have learned, nor may they inquire about or collect material inside information unrelated to their individual duties from a person with knowledge of such information. In addition, they may not disclose to others any nonpublic material inside information of the Company of which they become aware for reasons other than the performance of their duties.</td></tr>
</table>

(VII) Other important information for facilitating a better understanding of the Company's corporate governance practices, may also be disclosed.

1. Continuing training for Directors in 2024:

Title	Name	Date	Organizer	Course title	Hours
Representative of corporate director	Li-Chiu Chang	2024.8.13	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications	3
		2024.11.12	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Representative of corporate director	Yi-Hsiung Chen	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Representative of corporate director	Chen, Wei-Yu	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Representative of corporate director	Shun-Keng Chen	2024.3.26	Taiwan Corporate Governance Association	Code of Ethics in Business Operations: Guidelines for directors and supervisors to uphold responsibilities and avoid mishaps	3
		2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Director	Yi-Ju Chen	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Director	Kuo-Jung Shih	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Independent Director	Tzu-Ming Wang	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.8.30	Securities and Futures Institute	A Course for the Board of Directors, Supervisors, and Corporate Governance Managers - Balanced and Holistic Investments: A Financial Management	3

Title	Name	Date	Organizer	Course title	Hours
				Approach Accessible to All	
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Independent Director	Ko-Shun Wang	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Independent Director	Hui-Chin Tu	2024.4.11	Taiwan Independent Director Association	2024 The Elite Institute of Independent Directors - Legal Liability and Practical Case Analysis of Directors' (Independent Directors) Affiliations	3
		2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.6.5	Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (including Independent) and Heads of Corporate Governance Practice	3
		2024.6.25~ 2024.6.26	Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (including Independent) and Heads of Corporate Governance Practice - How directors and supervisors with non-financial or accounting background review financial reports	12
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3

2. Information on 2024 continuing training for the Company's managers, accounting officer, auditor, and corporate governance officer :

Job Title	Name	Date	Organizer	Course title	Hours
President	Yi-Ju Chen	2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.11.13	Securities and Futures Institute	Global Economic Outlooks in 2025	3
Accounting Supervisor	Hui-Yen Lin	2024.12.5 2024.12.6	Accounting Research and Development Foundation	Continuing Educational Courses for Accounting Officers of Issuers, Securities Firms, and Stock Exchanges	12
Chief Auditor	Shu-Hui Li	2024.6.26	Accounting Research and Development Foundation	The latest regulations on "Annual Report Sustainability Information Financial	6

Job Title	Name	Date	Organizer	Course title	Hours
				Report Preparation" - analysis and internal control management practices	
		2024.12.6	The Institute of Internal Auditors, R.O.C.	New Challenges for Internal Auditors: An Analysis in Sustainable Information Disclosure, Management, and Auditing	6
Corporate Governance Officer	Jung Pin Po	2024.4.11	Taiwan Independent Director Association	2024 The Elite Institute of Independent Directors - Legal Liability and Practical Case Analysis of Directors' (Independent Directors) Affiliations	3
		2024.5.8	Securities and Futures Institute	Impact and Management of Sustainable Development Goals	3
		2024.8.2	Taiwan Corporate Governance Association	Compliance Practices for Corporate Governance Officers	3
		2024.10.14	Taipei Foundation Of Finance	Corporate Governance - Workplace Bullying and Sexual Harassment	2
		2024.11.1	Taipei Foundation Of Finance	Corporate Governance - Ethical Corporate Management Best Practices	1
		2024.11.18	Taipei Foundation Of Finance	Corporate Governance - The Role and Accountability of Controlling Shareholders from the Perspective of Corporate Governance	3
		2024.11.13	Securities and Futures Institute	Outlook for the global economic situation in 2025	3

3. Liability insurance Directors and Supervisors:

Insured object	Insurance company	Amount insured	Insurance period (from and to)
All Directors and Supervisors	Mingtai Fire & Marine Insurance Co., Ltd.	Accumulated liability coverage: USD 10,000,000	From: June 19, 2024 To: June 19, 2025

(VIII) Implementation of internal control system:

1. Declaration of internal control system:

Ho Tung Chemical Corporation

Declaration of Internal Control System

Date: March 12, 2025

Based on the findings of a self-assessment, Ho Tung Chemical Corporation states the following with regard to its internal control system during the year 2024:

I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. The objectives of internal control system include achieving various objectives in business benefits and efficiency (including profitability, performance, and protection of security for assets), ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting, and providing reasonable assurance.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component comprises a few different items. For more information concerning the items, please refer to the Regulations.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. Based on the findings of the aforementioned evaluation, the Company believes that, on December 31, 2024, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operating effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Declaration was passed by the Board of Directors in the meeting held on March 12, 2025, with none of the nine attending Directors expressing dissenting opinions. The remainder all affirmed the content of this Declaration.

Ho Tung Chemical Corporation

Chairman: Li-chiu Chang

General Manager: Yi-ju Chen

2. If CPA was engaged to conduct a special audit of internal control system, the audit report shall be disclosed: Not Applicable.

(IX) Major Resolutions of Shareholders' Meeting and Board Meetings during the Most Recent Year and during the Current Year Up to the Date of Publication of the Annual Report:

1. Major resolutions in the 2024 Annual Shareholders' Meeting:
   Major resolutions approved by all attending shareholders in the general shareholders' meeting on June 19, 2024 and the status of execution:

Major resolutions approved	Status of execution
1. Approval of Business Report and Financial Statements for 2023	The resolution is followed.
2. Approval of Distribution of Earnings for 2023.	August 21, 2024 is set as the distribution base date, and the earnings have been issued on September 13, 2024 in accordance with the resolution of the shareholders' meeting. (A cash dividend of NT$0.30 per share was distributed.)
3. Discussion of amendments to partial provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets".	Uploaded to the Market Observation Post System and the Company's website on July 2, 2024.

2. Major resolutions in the Board meeting:

Term/Date	Major resolution passed
5th meeting of the 15th term 2024.3.13	1. Discussion on the Company's bank loan limit application.
	2. Discussion on the Company's 2023 business report and financial statements.
	3. Discussion on the appropriation of the 2023 employee and director remuneration.
	4. Discussion on the acquisition of shares of Ho Tung Cement and Chenergy from Ya Tung Investment.
	5. Discussion of approving the 2023 statement of internal control system of the Company.
	6. Discussion on the reasons for convening 2024 shareholders meeting of the Company.
	7. Discussion on the appointment of the Company's corporate governance officer.
	8. Discussion on the temporary appointment of the Company's financial officer.
	9. Discussion on the amendments to the Company's "Audit Committee Charter".
	10. Discussion on the amendments to the Company's "Rules of Procedure for Board of Directors Meetings".
	11. Discussion on amendments to the Company's "Approval Authority Table".
	1. Discussion on the Q1 2024 consolidated financial statements of the Company.

Term/Date	Major resolution passed
6th meeting of the 15th term 2024.5.8	2. Discussion on the 2023 earnings distribution proposal of the Company.
	3. Discussion of the appointment of the Company's CPA for 2024.
	4. Discussion of the cash-refunding capital reduction of the Company's subsidiary, Hsin Tay Petroleum Co., Ltd.
	5. Discussion and approval of amendments to partial provisions of the Company's "Regulations Governing the Acquisition and Disposal of Assets".
	6. Discussion and approval of the amendment to the Company's internal control system for “Shareholder Services”.
	7. Discussion and approval of amendments to partial provisions of the Company's "Corporate Governance Best Practice Principles".
	8. Discussion on the organizational restructuring of the Company.
	9. Discussion on 2023 directors' remuneration and employee bonuses.
	10. Discussion on the reasons for convening 2024 shareholders meeting of the Company (new item for discussion).
7th meeting of the 15th term 2024.8.7	1. Discussion on the Q2 2024 consolidated financial statements of the Company.
	2. Discussion on the evaluation of the independence and suitability of the external auditors of the Company.
	3. Discussion on 2024 appointment and remuneration of the external auditors of the Company.
	4. Discussion of the Company's 2023 Sustainability Report.
	5. Discussion and approval of amendments to partial provisions of the Company's "Sustainable Development Best Practice Principles".
	6. Discussion and approval of amendments to partial provisions of the Company's "Prevention and Management of insider trading" and "Regulations Governing Related Party Transactions."
	7. Discussion and approval of amendments to partial provisions of the Company's "Risk Management Policy and Procedures" and "Audit Committee Charter."
8th meeting of the 15th term 2024.11.13	1. Discussion on the Q3 2024 consolidated financial statements of the Company.
	2. Discussion of approving the Company's line of credit.
	3. Discussion on the formulation of amendments to partial provisions of the Company's “Procedures for Sustainable Information Management”, “Procedures for the Preparation and Verification of the Sustainability Report” and “Sustainable Development Best Practice Principles”.
	4. Discussion on the approval of the amendment to the Company's “Internal Control” and “Internal Audit” systems.
	5. Discussion on the establishment of the Company's "Intellectual Property Management Policies" and the report on the "Intellectual Property Management Plan (2024).'"
	6. Discussion on the lifting the non-compete restriction on the newly elected directors.
	1. Discussion of approving the Company's operating budget for 2025.
	2. Discussion of approving the review of related party transactions in 2025.

Term/Date	Major resolution passed
9th meeting of the 15th term 2024.12.18	3. Discussion of approving the proposed simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").
	4. Discussion of approving the Company's 2025 audit plan.
	5. Discussion of approving of the Company's implementation plan for IFRS Sustainability Disclosure Standards.
	6. Discussion on the approval of the amendment to the Company's Code of Business Conduct and Ethics for the Board of Directors and Managers.
	7. Discussion on the approval of the amendment to the Company's Performance Evaluation Report.
	8. Discussion of approving the year-end bonus for managerial officers.
	9. Discussion of approving the appointment and dismissal of the financial officer.
10th meeting of the 15th term 2025.3.12	1. Discussion on the Company's 2024 business report and financial statements.
	2. Discussion on the 2024 earnings distribution proposal of the Company.
	3. Discussion of approving the 2024 statement of internal control system of the Company.
	4. Discussion on the approval of the amendment to partial provisions of the Company's "Articles of Incorporation".
	5. Discussion on the bank loan limit application.
	6. Discussion on the approval of the amendment to partial provisions of the Company's "Procedures for Endorsement and Guarantees".
	7. Discussion on the approval of the amendment to partial provisions of the Company's "Procedures for lending to others".
	8. Discussion on the eleventh treasury stocks repurchase proposal.
	9. Discussion of the Company's new capital loan to Chenergy Global Co., Ltd.
	10. Discuss the simplification of the Group's indirect investment structure in Fujian Gulei Petrochemical Company Limited ("Gulei Petrochemical").
	11. Discussion the phase II of the soil pollution remediation plan and the budget proposal for the subsidiary, the Taichung Plant of the Chenergy Global Co., Ltd.
	12. Discussion on the lifting the non-compete restriction on the newly elected directors.
	13. Discussion on the reasons for convening 2025 shareholders meeting of the Company.
	14. Discussion on the appropriation of the 2024 employee and director remuneration.

(X) Record or written Statements made by any Directors or Supervisors dissenting to important resolutions passed by the Board of Directors during the most recent year and up to the publication date of the annual report: None.

IV. CPA Professional Fees

(I) CPA Professional Fees

Unit: NT$ thousands

Name of Accounting Firm	Name of CPA	Audit Period	Audit Fees	Non-Audit Fees	Total	Remark
PwC	Ming-chuan Hsu	2024.01.01-12.31	3,880	530	4,410	
	Chin-lien Huang	2024.01.01-12.31				
PwC	Shih-liang Tuan			850	850	Tax fee
PwC	Chin-Lien Huang			60	60	Payroll checklist for non-supervisory duties

(II) Where the Company changed the accounting firm and the audit fees paid for the year change were less than that of the prior year, the amount of audit fees before and after the change and reasons shall be disclosed: None.

(III) Where audit fee paid for the current year was more than 10% less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed: None.

V. Information on Replacement of CPAs

(I) Former CPAs: Not Applicable

(II) Successive CPAs: Not applicable.

(III) The reply letter from the former CPA regarding the Company's disclosures regarding the matters under Article 10.6.A and 10.6.B(c) of the Regulations: Not applicable.

VI. The Chairman of the Board, the General Manager, and the managers responsible for financial or accounting matters of the company, who have served in the affiliated firms of the certified public accountant or its related enterprises within the past year, are required to disclose their names, titles, and the duration of their employment with the affiliated firms of the certified public accountant or its related enterprises:None.

VII. Any Transfer of Equity and Pledge of Equity by a Director, Supervisor, Manager or Shareholder with 10% of Shareholdings in the Most Recent Year and up to the Publication Date of the Annual Report

(I) Changes in equity and pledge of equity of Directors, Supervisors, managerial officers, and major shareholders:

Title	Name	2024		As of March 31, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Li-Chiu Chang	0	0	0	0
Director	Hung I Investment Co., Ltd. Corporate representative: Li-Chiu Chang Corporate representative: Yi-Hsiung Chen Corporate representative: Wei-yu Chen Corporate representative: Shun-Keng Chen	0	(8,600,000)	0	0
Director	Yi-Ju Chen	0	0	0	0
Director	Kuo-jung Shih	0	0	0	0
Independent director	Tzu-Ming Wang	0	0	0	0
Independent director	Hui-Chin Tu	0	0	0	0
Independent director	Ko-Shun Wang	0	0	0	0
General Manager	Yi-Ju Chen	0	0	0	0
Head of Finance	Yuan-Rung Chang (Note 1)	-	-	0	0
Head of Accounting	Hui-Yen Lin	0	0	0	0
Corporate Governance Officer	Jung Pin Po (Note 2)	-	-	0	0
Head of Finance/ Corporate Governance Officer	Ying-Yen Li (Note 2)	0	0	0	0
Head of Finance	Shu-Hui Liao (Note 2)	-	-	0	0
Shareholding holding at least 10% of shares	Hung I Investment Co., Ltd.	0	(8,600,000)	0	0

Note 1: Yuan-Rung Chang officially took office as Head of Finance on December 18, 2024.
Note 2: Assistant Vice President Ying-Yen Li, who is also the head of finance/corporate governance officer left the company on March 20, 2024, so Jung Pin Po succeeded as the corporate governance officer and Shu-Hui Liao as the head of finance, whom was relieved from the position on December 18, 2024..

(II) Information about Equity Transfer: None equity transfer from Directors, Supervisors, managerial officers or shareholders with 10% of shareholdings to related parties.

(III) Information about equity pledged: None equity pledged by Directors, Supervisors, managerial officers or shareholders with 10% of shareholdings to related parties.

VIII. Information on the Relationship between the Top 10 Largest Shareholders:

March 31, 2025

Name	Shares held in person		Spouse & minor shareholding		Shareholding by nominee arrangement		Name and relationship between the company's 10 largest shareholders, or spouses or relatives within second degree of kinship.		Remark
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relationship	
Hung I Investment Co., Ltd.	101,690,169	10	0	0	0	0			
Hung I Investment Co., Ltd. Representative: Chin-hua Lin	10,534,391	1.036	0	0	0	0	Yi-Ju Chen Li-Fen Chen	Relative within the first degree of kinship In-law within the second degree of kinship	
Special Investment Account for customers of CSC Securities (HK) Ltd. in the trusteeship of Capital Securities Corp.	60,576,749	5.957	0	0	0	0			
Bing Rong Co., Ltd.	51,878,666	5.102	0	0	0	0			
Bing Rong Co., Ltd. Representative: Yi-Ju Chen	4,422,697	0.435	0	0	0	0	Hung I Investment Co., Ltd. Chin-hua Lin	Director Relative within the first degree of kinship	
Ji Ji Co., Ltd.	42,729,522	4.202	0	0	0	0			
Ji Ji Co., Ltd. Representative: Li-Fen Chen	891,832	0.0877	0	0	0	0	Chiahe Investment Co., Ltd. Chia Ho Enterprise Co., Ltd. Chin-hua Lin	Chairman Chairman In-law within the second degree of kinship	
Chiahe Investment Co., Ltd.	31,461,266	3.094	0	0	0	0			
Chiahe Investment Co., Ltd. Representative: Li-Fen Chen	891,832	0.0877	0	0	0	0	Ji Ji Co., Ltd. Chia Ho Enterprise Co., Ltd. Chin-hua Lin	Chairman Chairman In-law within the second degree of kinship	
Special Investment Account of Yuanta Securities (Hong Kong) Co., Ltd. in the trusteeship of Citibank (Taiwan)	23,533,107	2.314	0	0	0	0			

Name	Shares held in person		Spouse & minor shareholding		Shareholding by nominee arrangement		Name and relationship between the company's 10 largest shareholders, or spouses or relatives within second degree of kinship.		Remark
	Number of shares	%	Number of shares	%	Number of shares	%	Name	Relationship	
JPMorgan Chase in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	12,421,141	1.222	0	0	0	0			
Special Account of JPMorgan Chase Taipei Branch in Custody for Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	11,346,459	1.116	0	0	0	0			
Chin-hua Lin	10,534,391	1.036	0	0	0	0	Hung I Investment Co., Ltd. Yi-Ju Chen Li-Fen Chen	Chairman Relative within the first degree of kinship In-law within the second degree of kinship	
Chia Ho Enterprise Co., Ltd.	9,607,077	0.945	0	0	0	0			
Chia Ho Enterprise Co., Ltd. Representative: Li-Fen Chen	891,832	0.0877	0	0	0	0	Ji Ji Co., Ltd. Chiahe Investment Co., Ltd. Chin-hua Lin	Chairman Chairman In-law within the second degree of kinship	

IX. Shares Held by the Company's Directors, Supervisors, Managerial Officers, and Businesses Either Directly or Indirectly Controlled by the Company as a Result of Investment, and the Ratio of Consolidated Shares Held

December 31, 2024

Unit: Thousand shares’ %

Reinvested Company	Investment by the Company		Shares held by the Company's Directors, Supervisors, managers, and businesses either directly or indirectly controlled by the Company		Total Ownership	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Tung Bao Co., Ltd.	23,076	34%	432	0.64%	23,508	34.64%
HT-S Venture Philippines Corporation	0	0%	100	40%	100	40%

Chapter 3 Capital Overview

I. Capital and Shares

(I) Sources of share capital:

Type of Shares	Authorized Capital			Remark
	Shares Outstanding	Unissued Shares	Total	
Common shares	1,016,824,808	83,175,192	1,100,000,000	Listed

1. History of capital formation:

Unit: Thousand shares/NT$ thousand

Year/ Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital Increased by Assets Other than Cash	Others
200105	10	720,000	7,200,000	443,696	4,436,958	Capital reduction in treasury stocks NT$214,150 thousand (Note 1)	None	None
200106	10	720,000	7,200,000	510,250	5,102,502	Capitalization of retained earnings of NT$221,848 thousand Capitalization of capital reserves of NT$443,696 thousand (Note 2)	None	None
200109	10	720,000	7,200,000	511,089	5,110,886	Corporate bond converted to Capital NT$8,384 thousand (Note 3)	None	None
200202	10	720,000	7,200,000	511,151	5,111,507	Corporate bond converted to Capital NT$621 thousand (Note 4)	None	None
200207	10	720,000	7,200,000	572,489	5,724,888	Capitalization of retained earnings of NT$408,921 thousand Capitalization of capital reserves of NT$204,460 thousand (Note 5)	None	None
200209	10	720,000	7,200,000	576,426	5,764,261	Corporate bond converted to Capital NT$39,373 thousand (Note 6)	None	None
200302	10	720,000	7,200,000	576,766	5,767,664	Corporate bond converted to Capital NT$3,403 thousand (Note 7)	None	None

Year/ Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital Increased by Assets Other than Cash	Others
200310	10	720,000	7,200,000	564,754	5,647,534	Capital reduction in treasury stocks NT$120,130 thousand (Note 8)	None	None
200310	10	720,000	7,200,000	610,894	6,108,947	Capitalization of retained earnings of NT$461,413 thousand (Note 9)	None	None
200409	10	720,000	7,200,000	641,439	6,414,394	Capitalization of retained earnings of NT$305,447 thousand (Note 10)	None	None
200411	10	720,000	7,200,000	618,073	6,180,733	Capital reduction in treasury stocks NT$234,930 thousand Corporate bond converted to Capital NT$1,269 thousand (Note 11)	None	None
200512	10	720,000	7,200,000	605,886	6,058,864	Capital reduction in treasury stocks NT$121,870 thousand (Note 12)	None	None
200906	10	720,000	7,200,000	605,597	6,055,974	Capital reduction in treasury stocks NT$2,890 thousand (Note 13)	None	None
200908	10	720,000	7,200,000	637,861	6,378,609	Capitalization of retained earnings of NT$322,635 thousand (Note 14)	None	None
201008	10	720,000	7,200,000	712,126	7,121,256	Capitalization of retained earnings of NT$742,647 thousand (Note 15)	None	None
201108	10	1,000,000	10,000,000	795,302	7,953,021	Capitalization of retained earnings of NT$831,765 thousand (Note 16)	None	None
201111	10	1,000,000	10,000,000	776,314	7,763,141	Capital reduction in treasury stocks NT$189,880 thousand (Note 17)	None	None
201208	10	1,000,000	10,000,000	869,472	8,694,718	Capitalization of retained earnings of NT$931,577 thousand (Note 18)	None	None
201307	10	1,000,000	10,000,000	912,945	9,129,454	Capitalization of retained earnings of NT$434,736 thousand (Note 19)	None	None

Year/ Month	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of capital	Capital Increased by Assets Other than Cash	Others
201408	10	1,000,000	10,000,000	958,593	9,585,927	Capitalization of retained earnings of NT$456,473 thousand (Note 20)	None	None
201607	10	1,000,000	10,000,000	987,207	9,872,074	Capitalization of retained earnings of NT$286,147 thousand (Note 21)	None	None
201710	10	1,100,000	11,000,000	1,021,593	10,215,928	Capitalization of retained earnings of NT$343,854 thousand (Note 22)	None	None
201801	10	1,100,000	11,000,000	1,016,825	10,168,248	Capital reduction in treasury stocks NT$47,680 thousand (Note 23)	None	None

Note 1: On May 7, 2001, per Order No. 09001152740 in 2001, the MOEA approved the Company to reduce capital by the retirement of treasury stock.

Note 2: On June 19, 2001, per Order No. 139617 in 2001, the Ministry of Finance and Securities and Futures Institute approved the Company to transfer the retained earnings to capital increase of NT$221,848 thousand and capital surplus to capital increase of NT$443,696 thousand.

Note 3: On September 19, 2001, per Order No. 09001365290 in 2001, the MOEA approved the Company to transfer convertible corporate bonds to new shares.

Note 4: On January 17, 2002, per Order No. 09101016450, the MOEA approved the Company to transfer convertible corporate bonds to new shares

Note 5: On July 22, 2002, per Order No. 091014085, the Ministry of Finance and Securities and Futures Institute approved the Company to transfer the retained earnings to capital increase of NT$408,921 thousand and capital surplus to capital increase of NT$204,460 thousand.

Note 6: On September 4, 2002, per Order No. 09101362020, the MOEA approved the Company to transfer convertible corporate bonds to new shares.

Note 7: On February 6, 2003, per Order No. 09201037320, the MOEA approved the Company to exchange convertible corporate bonds for new shares.

Note 8: On July 7, 2003, per Order Tai-Tsai-Cheng-3-No. 0920130878, the Ministry of Finance and Securities and Futures Institute approved the Company to reduce capital by retirement of treasury stocks of NT$120,130 thousand.

Note 9: On August 19, 2003, per Order No. 920137452, the Ministry of Finance and Securities and Futures Institute approved the Company to transfer the retained earnings to capital increase of NT$461,413 thousand.

Note 10: On September 6, 2004, per Order No. 0930138845, Financial Supervisory Commission, Executive Yuan approved the Company to transfer the retained earnings to capital increase of NT$305,447 thousand.

Note 11: On November 22, 2004, per Order No. 0930121843, the MOEA approved the Company to exchange convertible corporate bonds for new shares and to reduce capital by retiring treasury stocks of NT$234,930 thousand.

Note 12: On January 20, 2006, per Order No. 09501014800, the MOEA approved the Company to reduce capital by retirement of treasury stocks of NT$121,870 thousand.

Note 13: On June 4, 2009, per Order No. 09801111470, the MOEA approved the Company to reduce capital by retirement of treasury stocks of NT$2,890 thousand.

Note 14: On August 13, 2009, per Order No. 0980040682, Financial Supervisory Commission, Executive Yuan approved the Company to transfer the retained earnings to capital increase of NT$322,635 thousand.

Note 15: On August 16, 2010, per Order No. 0990042974, Financial Supervisory Commission, Executive Yuan approved the Company to transfer the retained earnings to capital increase of NT$742,647 thousand.

Note 16: On August 9, 2011, per Order No. 1000036961, Financial Supervisory Commission, Executive Yuan approved the Company to transfer the retained earnings to capital increase of NT$831,765 thousand.

Note 17: On November 16, 2011, per Order No. 10001260100, the MOEA approved the Company to reduce capital by retirement of treasury stocks of NT$189,880 thousand.

Note 18: On August 8, 2012, per Order No. 1010034786, Financial Supervisory Commission, Executive Yuan approved the Company to transfer the retained earnings to capital increase of NT$931,577 thousand.

Note 19: On July 30, 2013, per Order No. 1020029587, Financial Supervisory Commission approved the Company to transfer the retained earnings to capital increase of NT$434,736 thousand.

Note 20: On August 11, 2014, per Order No. 1030029295, Financial Supervisory Commission approved the Company to transfer the retained earnings to capital increase of NT$456,473 thousand.

Note 21: On July 21, 2016, Financial Supervisory Commission approved the Company to transfer the retained earnings to capital increase of NT$286,147 thousand.

Note 22: On July 27, 2017, Financial Supervisory Commission approved the Company to transfer the retained earnings to capital increase of NT$343,854 thousand.

Note 23: On January 5, 2018, per Order No. 10701000360, the MOEA approved the Company to reduce capital by retirement of treasury stocks of NT$47,680 thousand.

2. Type of stocks issued:

Unit: thousand shares

Type of Shares	Authorized Capital				Total
	Issued shares			Unissued Shares	
	Listed	Unlisted	Total		
Common shares	1,016,825	—	1,016,825	83,175	1,100,000

3. Information of shelf registration: Not applicable.

(II) List of Major Shareholders:

Name, number of shares held, and shareholding percentage of shareholders who hold more than 5% of the shares or the 10 largest shareholders:

March 31, 2025

Shares / Name of Major Shareholders	Number of shares held (shares)	Percentage (%)
Hung I Investment Co., Ltd.	101,690,169	10
Special Investment Account for customers of CSC Securities (HK) Ltd. in the trusteeship of Capital Securities Corp.	60,576,749	5.957
Bing Jung Co., Ltd.	51,878,666	5.102
Ji Ji Co., Ltd.	42,729,522	4.202
Chiahe Investment Co., Ltd.	31,461,266	3.094
Special Investment Account of Yuanta Securities (Hong Kong) Co., Ltd. in the trusteeship of Citibank (Taiwan)	23,533,107	2.314
JPMorgan Chase in Custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	12,421,141	1.222
Vanguard Emerging Markets Emerging Markets Stock Index Fund Investment Account managed by the Vanguard Group in the trusteeship JPMorgan Chase Bank, N. A., Taipei Branch	11,346,459	1.116
Chin-hua Lin	10,534,391	1.036
Chia Ho Enterprise Co., Ltd.	9,607,077	0.945

(III) Dividend Policy and Its Implementation:

1. Article 29-1 of the Company's Articles of Incorporation stipulates that if the Company's annual settlement shows a surplus, tax withholding shall be done and cumulative deficits shall be made up for first before 10% is set aside to be the legal reserve and the special reserve shall be set aside as required by Article 41 of the

Securities and Exchange Act before the undistributed earnings from the preceding year are added to the balance. If there is still balance, dividends will be assigned, which are limited to 10% and the remainder after distribution is to be assigned as shareholder bonus as determined through the shareholders' meeting.

The distribution of the Company's dividends is determined by the Board of Directors of the Company taking into consideration the earnings of the year, future capital needs, sustainable operations and development and the overall plan for capital expenditure. The Company's dividend policy as stipulated in Article 30 of Articles of Incorporation states: In principle, the percentage of distribution of dividends shall be no lower than 10%. However, where the Company needs more capital due to plant expansion plans or future investment plans, earnings can be distributed fully in stock dividends.

2. The proposed dividend distribution: (resolved by the Board of Directors, but pending for approval by the shareholders' meeting)

   Shareholder dividends total of NT$203,364,962 will be allocated from earnings of 2024, with a cash dividend of NT$0.2 per share, pending approval by the shareholders' meeting. The Chairman will be authorized to determine the ex-dividend date, payment date, and other related matters.

3. Expected material changes in the dividend policy: There had not been material changes to the Company's expected dividend policy up to the date of publication of the Annual Report.

(IV) Effect of distribution of stock dividend proposed to be discussed at the shareholders' meeting on the Company's operating performance and the earnings per share: Not applicable.

(V) Compensation of Employees and Remuneration of Directors

1. Information Relating to Compensation of Employees and Remuneration of Directors in the Articles of Incorporation:

   Article 29 of the Articles of Incorporation stipulates that: If the Company has profits for the current year, the Company shall distribute no less than 1% of the profits to employees' compensation and no higher than 3% for Directors' and supervisors' remunerations. However, if the Company still records a cumulative loss, the profit shall first be used to make up the loss. The profit for the current year herein refers to profits before tax and before benefits for employees, Directors, and supervisors are subtracted from the profit. The employees' compensation may be distributed in cash or shares. When it is given in shares, include employees from subordinate companies that meet certain conditions.

2. The basis for estimating the amount of employees' compensations and Directors' remunerations, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The amount of employees' compensations and Directors' remunerations for the current year is accrued based on 2% and 1% of the Company's net profit before tax of the year, respectively. If the amount of employees' compensations and Directors' remunerations accrued is different from the actual distributed amount in 2024, the discrepancy will be recognized as profits or losses in the following year.

3. Distribution of compensation approved by the Board of Directors:
   On March 12, 2025, the Board of Directors of the Company resolved that:
   (1) It is proposed to employee compensation and director remuneration respectively in NT$9,474,773 and NT$4,737,387 , which will be paid in cash.
   (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the net profit after-tax stated in the parent company only financial statements or individual financial statements for the current period and the total employee compensation: None.
4. Actual distribution of employee compensation and director remuneration in the previous year (including number of shares, total amount and per-share price) and the difference from the recognized amount, the cause and handling should be specified:
   The Company's Board of Directors resolved to distribute the Company's employees' compensations and Directors' remunerations for the year 2023, which amounted to NT$11,691,054 and NT$5,845,527, respectively, There is no discrepancy with the amounts recognized in the 2023 financial statements..

(VI) Share Repurchase: (Still in progress up to the date of publication of the Annual Report)

March,31 2025

Unit:NT$ /shares: thousand shares

	11th share repurchase
Purpose of share repurchase	For the company's credit and shareholder's interest
Type of share repurchase	Common stocks
Total amount of share repurchase	NT$ 1,151,882,391
Scheduled share repurchase period	2025/3/13 - 2025/5/12
Scheduled number of share repurchase	25,000 thousand shares
share repurchase price range	6.5 to 11 per share
Type and shares of share repurchased	Common share/ 7,074thousand shares
Amount of share repurchased	NT$ 60,692,378
Number of share repurchased as a percentage of scheduled number of share repurchase (%)	28.30%

II. Corporate Bonds: None

III. Preferred Stocks: None.

IV. Global Depository Receipt: None.

V. Employee Stock Options: None.

VI. New Restricted Employee Shares: None.

VII. Issuance of New Shares in Connection with the Merger or Acquisition of Other Companies: None.

VIII. Funding Plans and Implementation: Not applicable.

Chapter 4 Operational Highlights

I. Business Activities

(I) Business Scope:

1. The Group's major businesses include:

   Chemical products:
   The production, processing, and sales of (1) Polyether polyol, (2) Normal-paraffin, and (3) Alkene.
   Import and export of raw materials and products of the above-mentioned seven products.
   Processing, purchase, sales, import and export of byproducts of the above-mentioned seven products.
   Being an agent for domestic and overseas companies in selling, import and export of chemical products.
   The Company mainly engages in the production and sales of normal paraffin, and the Company has been importing and exporting of alkylbenzene, solvent, surfactant and other chemical products since February 1991.

   Oil products:
   ＜1＞ Chemicals and petroleum products warehouse management, pier loading/unloading, storage tank operation, re-exports, transshipment, blending and processing, customs clearance, etc.
   ＜2＞ Free trade zone business.

2. The Company's current products and their percentage to the total sales:

Unit: NT$ thousands

Product Items	Total sales amount in 2024	Percentage of total sales
Chemical products	19,211,615	93.18%
Oil products	128,835	0.62%
Cement	1,278,798	6.20%
Total	20,619,248	100.00%

3. The Company's current products:
   Chemical products: Normal-paraffin, linear alkyl benzene, linear alkyl benzene sulfonic acid, and Primary Alcobol Ethoxylate, Sodium fatty alcohol ether sulfate.
   Oil products warehousing: The exclusive storage tank zone at the petrochemical pier of Taichung Port has been undertaking the free trade zone business since 2009, including pier loading and unloading, warehousing, and trading, etc. The nature of operations involves storage tank and its auxiliary equipment rentals, oil loading/unloading and storage facilities operation, imports, exports and re-exports, transshipment, blending/processing, etc.

4. New products in development:

Chemical products: The Company continues to developing products relating to surfactant..

Oil products:

A. Expanded storage capacity: The vacant space in the back of the pier is sufficiently utilized for enhanced storage tank volume and development of diversified operational items to improve the competitive advantages of the Company.

B. Optimized pier loading and unloading service: The smart management technology is introduced and international certification is sought. Customer oriented, the service provided is innovative and meets customer goals and its quality is optimized, making the Company a trusted and beneficial partner of producers, suppliers, and traders.

(II) Industry Overview:

1. Current status and development of the industry:

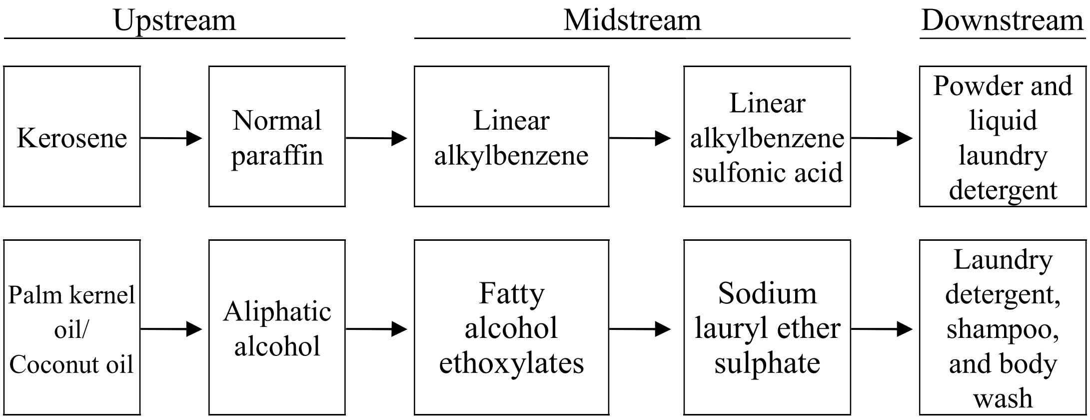
Chemical products:

The Group maintains active business interaction and new product development communicates with international cleaning product brands to ensure that the Group's surfactants can keep pace with the times and timely and effectively meet the needs of consumers to enter more different markets. Normal paraffin, sodium linear alkyl benzene sulfonate, fatty alcohol ethoxylates and sodium lauryl ether sulphate are the main potential raw materials for detergents.

Overview of the storage tank pier: The Group currently has 1 exclusive pier in place in the petrochemical zone to the west of the Taichung Port that allows MR vessels to load and unload cargoes. The premises span around 11 hectares in area and feature a total of 26 versatile storage tanks that amount to about 130 kiloliters in total. Chenergy's oil tanks and chemical tanks have been approved for free trade zone operations, making it very convenient for customs imports and exports. All tanks are designed to be multi-functional; that is, they can store chemicals and petroleum products (such as diesel, kerosene, base oil, and solvent naphtha). In other words, they can meet customers' goals and demand and be utilized flexibly. Meanwhile, they are located geographically the closest to the southern area of China and hence are one of the first options for international oil dealers and traders while the latter plan warehousing logistics.

2. Relationship among upstream, midstream, and downstream companies in the industry:

Chemical products:



In the detergent industry, the Group has two main industrial chains: first, the upstream raw materials of these detergents are kerosene, provided by oil refineries. By extraction, N-paraffin can be obtained from kerosene and then be processed to produce linear alkyl benzene and linear alkyl benzene sulfonic acid; second, the upstream palm kernel oil/coconut oil, which are extracted to produce aliphatic alcohol, and further produce fatty alcohol ethoxylates and sodium lauryl ether sulphate. The products are sold to downstream detergent makers such as P&G, Unilever, etc. The Group's main products are N-paraffin, linear alkyl benzene, linear alkyl benzene sulfonic acid, alcohol ether and alcohol ether sulfonate, with main production bases located in Taiwan and Mainland China. The Group has completed vertical integration of the upstream, midstream, and downstream companies in the supply chain and continues to expand its productive capacity.

Oil products:

The supply chain of oil products

	Upstream	Midstream	Downstream
Functions	Exploration and production of petroleum → Refining and blending	→ Storage and logistics of the produced oils	→ Wholesale/retail

3. Development trends of products:

Chemical products:

Detergent industry is a mature and stable industry. Every year, the total use of detergents grows steadily. The rapid increase of use in emerging markets especially attracts much attention. Meanwhile, the formula of detergent products continues to be improved and the effectiveness of these products increases continuously, which contributes greatly to the development of the industry. The Group's main products, N-paraffin, linear alkyl benzene, and linear alkyl benzene sulfonic acid, fatty alcohol ethoxylates and sodium lauryl ether sulphate, are the main raw materials for detergents.

4. Competition:

   Chemical products:
   At present, the Group has already gained a foothold in the global market of detergent raw materials. It is the largest manufacturer of detergent raw materials in Asia and has set up many plants in Mainland China, which is a large market with great potential. In terms of production scale, upstream technology acquisition, the partnership of consumer commodity companies and the accumulated industrial knowledge of the upstream and downstream supply chains give the Group better competitive advantages. However, changes in consumer awareness, environmental protection concepts continue to change consumers' preferences, and the Group's business layout is also actively making the most appropriate preparations and changes with the trend.

   Oil products:
   According to the low carbon emissions initiative, governments around the world are proactively promoting applicable policies and enforcing them. To be practically capable of embracing sustainable alternative energy, however, takes time. During the process, changes on the crude oil market will be more drastic for the said reasons. Without the uncontrollable factors in the macro-environment, the Group is proactively making deployment to cope with such changes and hopefully will remain competitive despite the changes.

(III) Overview of Technologies and R&D:

Chemical products:

1. In order to comply with the government's policy of reducing carbon dioxide emissions, the Group has completed a heating furnace and process improvement project to reduce the exhaust temperature of the furnace and to save heavy fuel oil and energy consumption, which is of great benefit to the environment and cost. The alkyl benzene plant continues to actively launch renovation and improvement programs towards the lowest consumption and energy consumption per unit to achieve economic operations. The plant is also continuing to promote the renovation program to improve the efficiency and effectiveness of the production line
2. The Group actively invested in the research of diversified raw materials for the production of interfacial activators, as well as the development of practical applications in industrial and emerging industries after reprocessing of existing products.

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

Chemical products:

1. Short-term development plans:
   The Group aims to improve its decision-making mechanism and business operations, raise its core competitiveness, integrate resources, and realize its business synergy while nurturing outstanding talent proactively in order to improve the performance of all investments.

2. Mid- and long-term development plans:
   Strengthen the internal control system and corporate governance system. Make necessary mergers and acquisition and investments; build new plants or form strategic coalitions to expand the Company's business scope. Make Taiwan the Company's logistic hub, utilize resources from Taiwan, Mainland China, and the whole world effectively, expand overseas market, and develop core technology and make the most of the research outcomes.

Oil products:

1. Short-term development plans:
   (1) The Port of Taichung is favorable to development because it is in proximity to the main market in central Taiwan and the setup cost here is relatively low in comparison to urban areas. In addition, the Port of Taichung is the closest port in Taiwan to Mainland China with highly developed and convenient transportation to different countries. The port is entitled with some tax incentives similar to other bonded areas, which makes it competitive. By exporting products through the Port of Taichung to Mainland China and other adjacent countries in Southeast Asia and Northeast Asia, or by integrating with industries in Mainland China and other ASEAN countries, the Company has built up a comprehensive supply chain. Geographically speaking, the Port of Taichung is advantageous to the development of logistic and distribution systems.
   (2) In addition to complying with Regulations Governing Ship Stevedore Operator and Tally Company, the Company also assists in training ship stevedore operators and ship tallymen to increase the future automation rate and reduce mistakes made by staff.
2. Long-term development plans:
   Strengthen the logistic ability of ports and create added value for products. The Company plans to develop logistic ports for energy and bulk commodities, allowing upstream and downstream industries to cluster and integrate functions with value-added such as the simple processing function, logistics, warehousing, packaging and distribution to realize the potential of all products. With all the above efforts, the Company can help increase the synergy of Free Trade Zone in the Port of Taichung, which is beneficial for multinational companies to develop the Port of Taichung into a logistic hub.
   Reach out further to biomass and green energy fields to catch up with the world trend of energy diversification and environmental sustainability goals. Boost collaboration among the upstream, midstream, and downstream of the industry, emphasize further integration of the value chain and enhancement of additional value and provide sound solutions and services.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis:

1. Main sales region: Unit: NT$ thousands

Region/Amount	2023		2024	
	Sales amount	%	Sales amount	%
Taiwan	1,315,354	6.48	1,554,485	7.54
Mainland China region	14,919,866	73.52	15,031,943	72.90
Southeast Asia	2,377,914	11.72	1,762,544	8.55
Other regions	1,679,276	8.28	2,270,276	11.01
Total	20,292,410	100.00	20,619,248	100.00

2. Market share, future supply and demand and potential for growth:

Market share:

Chemical products:

(1) Normal paraffin: In recent years, other alkyl benzene manufacturers have expanded their production capacity, resulting in increased demand and tight supply of normal paraffin. Normal paraffins are mainly supplied to alkyl benzene plants in Mainland China to stabilize the production demand.
The demand of alkyl benzene from Mainland China grow stably. Currently, normal paraffin is mainly used for the manufacturing of linear alkyl benzene. The main raw materials of detergents are linear alkyl benzene and sulfonate. In addition, detergents are necessities with a higher threshold to the industry, so the demand for detergents is less likely to be affected by the fluctuation of economy and offers the Company a stable operational basis.

(2) Isoparaffin: It is widely used in industries especially in the environment-friendly coating industry, metal processing industry and lubricant industry. Its features include low toxicity and slight odor and it is environment-friendly. Thus, the demand of isoparaffin continues to grow.

(3) Sodium lauryl ether sulphate: Most of the raw materials for this surfactant come from the nature environment. The Group faces strong competition in key markets. However, the epidemic has raised awareness of epidemic prevention, so the demand for personal care and cleaning will continue to rise.

Oil products:

Chemical and oil product tank rentals:

Domestic ports that are capable of providing oil product intershore storage tank storage and transfer service include Kaohsiung Port, Taichung Port, Taipei Port, and Keelung Port. The operational scales of Kaohsiung Port and Taichung Port, in particular, are larger. For the petrochemical product-only pier planned at Taichung Port, there are currently 6 warehousing practitioners providing external rental service, with a total of 155 various types of storage tanks and an overall volume of approximately 550 thousand kiloliters. Their clients are segmented by natural geography and hence competition is not obvious. Due to the relocation of the domestic petrochemical industry to Mainland China, imports and exports dealt with by the port warehousing sector appear to be unstable. The Group proactively seeks collaborative opportunities with well-known domestic and international petrochemical businesses and large trading companies in order to increase the ratio of long-term and highly stable customers and to reduce uncertainties on the market to a minimum.

Future supply and demand in the market and its growth:

Chemical products:
To enhance the company's core competitiveness and strengthen the development of the detergent raw materials industry, continue to invest and develop overseas, and at the same time meet the needs of downstream products such as market demand for alkyl benzene sulfonates and other sulfonated products, our production facilities in China are located in Nanjing, Guangzhou, Shanghai, Anhui, Tianjin, Huizhou and Chengdu, with an annual production capacity of approximately 600,000 tons of sulfonated products, making us the largest supplier of detergent raw materials in Asia. The Company also continues to supply surfactants according to the market demand and international situation to ensure competitiveness.

Oil products:

Given its geographical location and advantages as a port, with the global supply chain redistributed and integrated after the pandemic, Taichung Port will definitely outperform other ports in terms of re-exports. Our Group, with its management philosophy and long-term reputation in petrochemical storage tank operations, will definitely remain steady in business and grow smoothly. Expedite internationalization and place equal emphases on the five domains, namely, "safety, efficacy, sustainability, integration, internationalization". "Creating a favorable operational environment and working together with businesses to create profits" will also be one of the most important operational goals of the Company in the future. Paramount corporate core values will be to build a consensus internally and to be "customer-oriented" externally.

Favorable and unfavorable factors in the long term:

(1) Future prospect:
    A. N-paraffin: Basic raw materials for petrochemical industry, with many reprocessed applications.
    B. Isoparaffin: Isoparaffin is the basic raw material for coatings and industrial processing. Thus, the domestic customers in the industry are mature, and demand is stable.
    C. Oil Products: Most of the technologies relied upon by petrochemical products in the downstream of crude oil have petroleum as the raw material. Meanwhile, petrochemical products are important production elements in people's lives, industries, and high technologies. Therefore, increasing petrochemistry and chemicals-related storage and transport facilities will be an important developmental direction despite the rising awareness of sustainability and environmental protection.

(2) Favorable factors:

Chemical products:

A. Petrochemical upstream and downstream industry experience:

The Group produces normal paraffin, and has established long-term contracts with kerosene(the main raw material of normal paraffins) and refinery suppliers. The Company is well-versed in downstream product processing and reprocessing technologies, thus creating a market entry barrier.

B. Close to the consumer market:

Our group adopts a large-scale and efficient production method for interface activator products by using alkyl benzene and fatty alcohol ethoxylates , and is close to the largest user market and customers, so that the fluctuating raw material prices and changing consumer habits become our business advantages.

(3) Unfavorable factors and responses:

Chemical products:

Unfavorable Factors	Response measures
Relying on specific raw materials for the production of surfactants.	Actively develop diversified paths.
The final surfactant product differentiation is not obvious.	Collaborate with the technical team to propose improvement plans.
Lack of surfactant production and engineering team.	Actively recruit and develop engineering and production teams.
Product applications are focused on the consumer goods industry and specific regions.	Actively expand into overseas markets such as Japan, Europe, and the Americas. We are also in contact with sales channels in different industries to establish cooperation.
Tariff issues cause market competition disadvantages (e.g. ECFA, US tariffs)	Look for raw materials from other countries to sell to China, and actively expand other overseas sales channels.

Oil products:

Unfavorable Factors	Response measures
The instability derived from domestic industrial safety and environmental protection issues disfavors the development of the domestic petrochemical industry.	Reinforce industrial safety discipline, emergency response ability, and contractor management and strengthen the inspection and improvement of respective industrial safety performance indicators in order to define the industrial safety culture, make industrial safety blind spots disappear, and fulfill the goal of “100% industrial safety and zero industrial safety hazards”. Meanwhile, plan to produce high-value petrochemical products; increase cargo loading/unloading and storage tank turnover rates and oil product service items; lower the storage and transport costs; and

Unfavorable Factors	Response measures
	increase corporate profits.
International oil dealers have followed one another to build their own large storage tanks in Mainland China and Malaysia; these will become potential competitors.	Take advantage of the Group's blending ability and reinforce strategic collaboration with upstream refineries as well as enhance the downstream distribution ability in order to improve quality of products and to keep customers satisfied. The Group has managed to raise long-term capital on the capital market, lower the capital cost, and invest in storage tanks and equipment for expanding the operational scale so that products of the Group are more competitive.
The constantly high wage cost of the workforce in the country increases the Company's expenditure on the cost.	To value various welfare measures for employees in order to minimize the employee turnover rate and reinforce employees' professional training in order to boost the production efficiency of employees. Equal developments in 5 major domains, namely "safety, efficacy, sustainability, integration, internationalization".

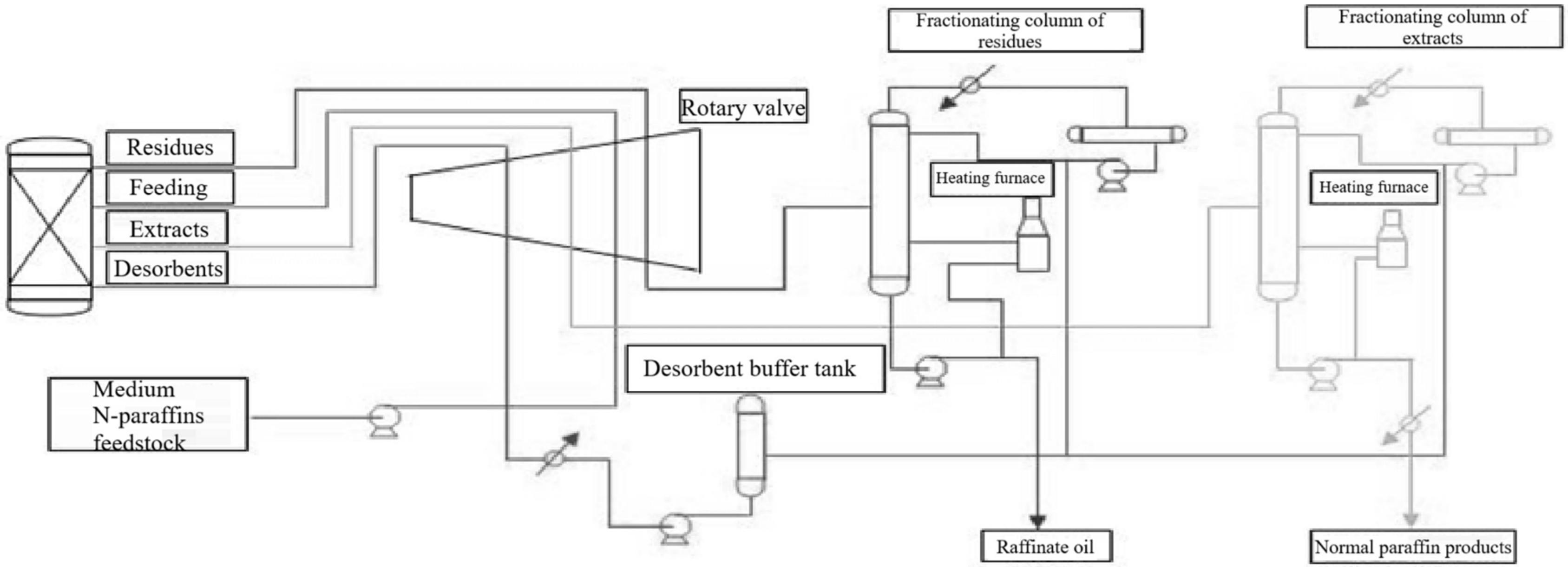
(II) Major products, their main uses, and production processes:

1. Main uses of major products:

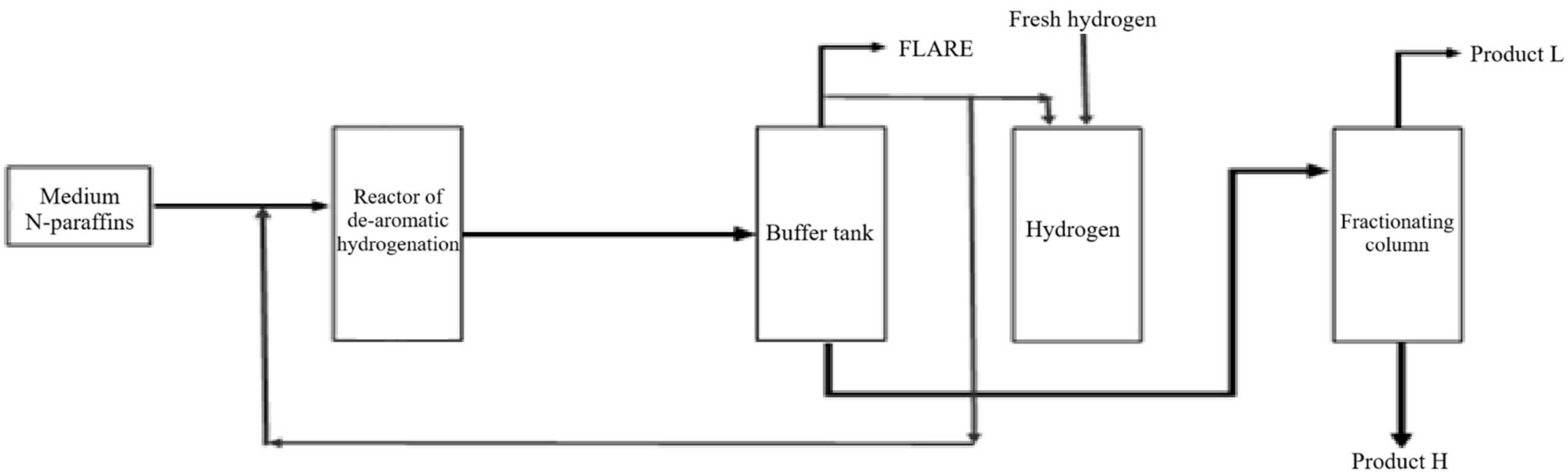
Major products	Uses
Normal paraffin	Raw materials for alkylbenzene, chlorinated paraffin and higher alcohol for industrial use.
Isoparaffin	Used in environment-friendly coatings, metal processing, and lubricant industries.
Alkylbenzene/Alkylbenzene sulfonic acid	Raw materials for detergents.
Solvents	Most liquid petroleum products can be used as solvents for industry use. Among these products, benzene, toluene, and xylene are not only good solvents for industrial use, but also important raw materials for chemical industries. Acetic acid and ethyl acetate are not directly made by crude oil or crude oil products, but can be indirectly made from oil products. They are also important solvents and petrochemical products.

2. Major products and their production processes:

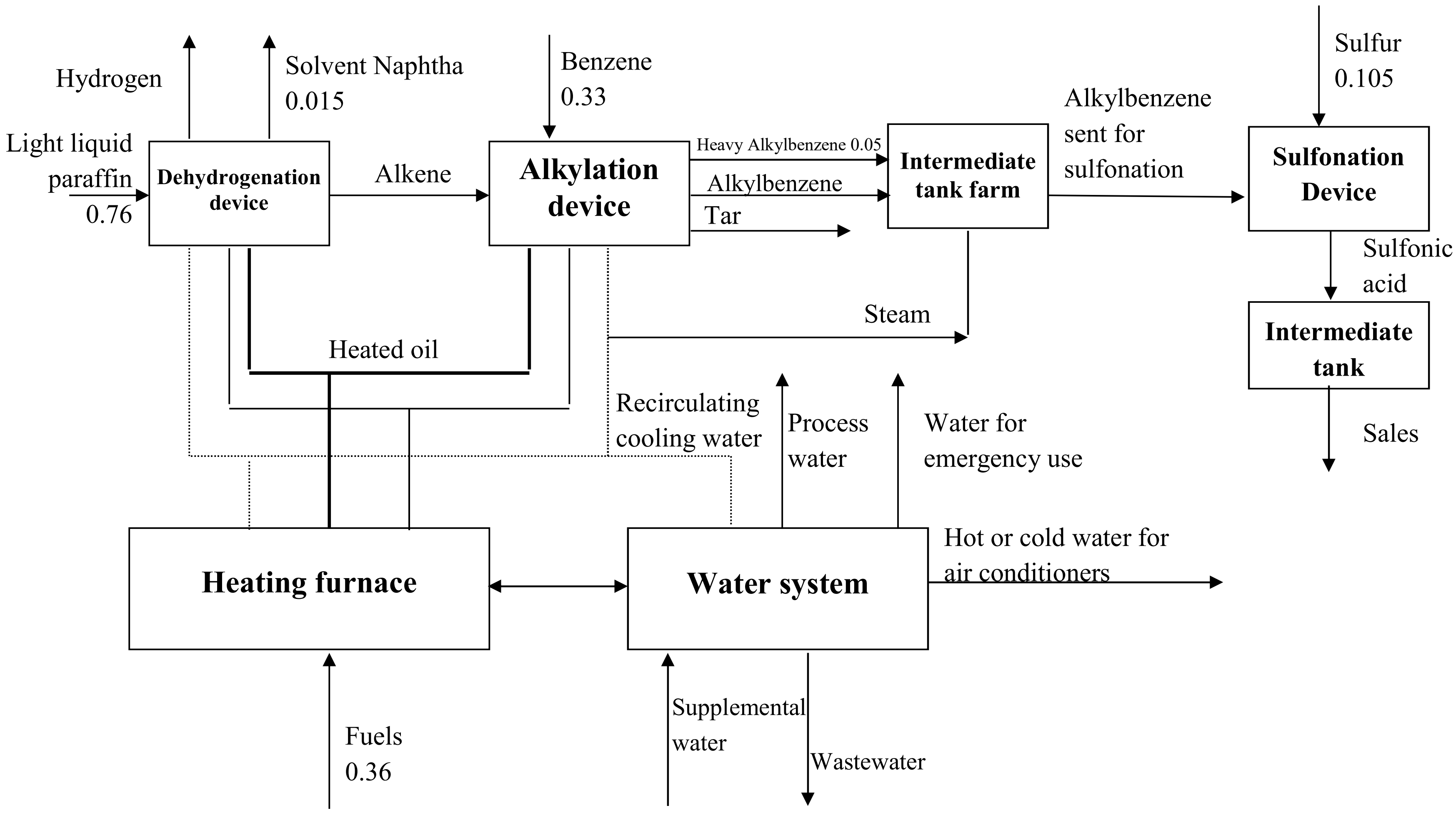
<u>Flow Chart of N-paraffin</u>



<u>Diagram of de-aromatic hydrogenation equipment</u>



Simplified Flow Chart of Alkylbenzene Sulfonic Acid Equipment



Remark:

1. In 2000, the Group introduced the patented optional hydrogenation of dienes technology. After the introduction, the unit consumption of N-paraffin has been decreased from 0.85 to 0.76.
2. Among the byproducts, input-output ratio of solvent naphtha against alkylbenzene is around 0.015 for solvent oil and 0.05 for heavy alkylbenzene; the numbers are their respective ratios to alkylbenzene.

(III) Supply status of main materials:

Name of major products	Main materials	
	Main source	Supply Status
Normal paraffin	Domestic/Import from other countries	Normal
Isoparaffin	Import from other countries	Normal
Alkylbenzene/Alkylbenzene sulfonic acids	Taiwan/Mainland China/Japan	Normal

(IV) Name and total trade amount of major suppliers/clients that have accounted for at least 10% of sales/procurement in either of the past two years, the percentage against total sales/procurement and reasons for the change:

1. Name and total trade amount of major suppliers that have accounted for at least 10% of procurement in either of the past two years and the percentage against total purchase:

Unit: NT$ thousand; %

	2023				2024			
Item	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of annual net purchases (%)	Relationship with the issuer
1	SINOPEC Jilin	2,648,707	14.95%	Related party	SINOPEC Jilin	2,270,425	12.78%	Related party
2	Others	15,068,385	85.05%		Others	15,500,128	87.22%	
3								
	Net purchase amount	17,717,092	100.00%		Net purchase amount	17,770,553	100.00%	

Reason for increases or decreases in major suppliers: None.

2. Name and total trade amount of major clients that have accounted for at least 10% of sales in either of the most recent two years, and the percentage against total sales:

Unit: NT$ thousand; %

	2022				2023			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer
1	S069	2,823,427	13.91%	None	S069	2,845,887	13.80%	None
2	Others	17,468,983	86.09%		Others	17,773,361	86.20%	
3								
	Net sales amount	20,292,410	100.00%		Net sales amount	20,619,248	100.00%	

Reason for changes in trade amount with major clients:None

III. Human Resources in the Most Recent Two Years and until the Date of Publication of the Annual Report(Group headcount)

Year		December 31, 2023	December 31, 2024	March 31, 2025
Number of Employees		895	901	889
Average Age		43.27	40.65	40.26
Average Service Year		12.44	12.12	11.96
Education	Ph.D.	0.22	0.22	0.11
	Master's degree	4.47	4.89	4.95
	Bachelor's degree	78.66	77.87	78.18
	Senior High School (inclusive) or below	16.65	17.02	16.76

IV. Disbursements for Environmental Protection

Losses suffered as a result of environmental pollution (including compensation and violations of environmental protection regulations based on environmental protection inspection results, where the date of punishment, related document number, regulations violated, the content of violation, and content of punishment shall be listed) and disclosure on the estimated amounts of losses incurred at present and that may occur in the future and related response measures:

1. Losses caused by environmental pollution: None
2. The Company continues to outsource FID/infrared visualizer testing on a quarterly basis.
3. Possible estimated amounts for the Company in the future and the countermeasures:
   (1) Follow applicable environmental safety laws and regulations and the requirements from the competent authority for environmental and public safety.
   (2) Continue with resource/energy conservation, renewal, and carbon reduction.
   (3) Prevent against pollution and minimize possible environmental risk in production.
   (4) Continue with employee educational trainings and consolidate environmental safety efforts.
   (5) Implement the process safety management system (PSM) and fulfill purposes of safe process operations and protecting the safety of staff through “advance prevention, reduced impacts, and correction of abnormalities” in cases of accidents.
   (6) Enforce the ISO 14064-1 management system for checking sources of emission and collecting data on where possible greenhouse gases throughout the organization come from.

V. Labor Relations

Employees' welfare policies, continuing training, training, retirement system and the implementation of such a system, agreements between employees and employer and employees' rights and interests:

(I) Employee benefits:

The Company's Employees' Welfare Committee was formally established on May 2, 1989, and was approved by the Kaohsiung County Government. Since the establishment of the Committee, it has been operating with the goal to pursue the best welfare and benefits for all employees and the performance of the committee has always been excellent. The Company's employees' benefits and welfare include: Labor insurance/National Health Insurance for all employees, providing health care examination on a regular basis and providing marriage allowance, maternity allowance, compensation for any injuries or death and scholarship to employees' children.

(II) Education and training: (Education and training of employees)

1. New employee orientation: The content includes the Company's culture, orgnization, the market of detergent raw materials, introduction to the information and Internet system, occupational safety and health, and training on information security.
2. Improving professional knowledge: The Company's employees all have to receive internal and external trainings where necessary in order for them to take advantage of their own specialty to carry out the designated tasks so that they can continue to achieve goals set up by the Company and help the Company gain core competitive advantages.

   Continuing education and training concerning ethical corporate management carried out by the Company and subsidiaries included in the consolidated financial statements for the year 2023 and their expenses:

Trainings	Internal trainings	External trainings
Number of people receiving trainings	648	275
Total hours	10,633	2,550
Total expenses	About NT$ 1,106 thousand	About NT$ 1,038 thousand
Types of training	BPM sign-off system hands-on training, stock affairs information and communication safety training, SAP system hands-on training, real-estate-related knowledge, regulatory system, HSE2022 #1 training, safe production keynote training, chromatograph hands-on training, training on disposal solutions for removed devices, training on daily maintenance and troubleshooting of precision instruments, special equipment safe approach learning, SIS system training, HSE safety internal training, technical training, internal reviewer training, new safe production approach, financial system, shift-scheduling site security management, firefighting safety and fire prevention knowledge training, workshop HaZOP risk analysis, laboratory instrument safe operation training, production emergency response procedure training, safety	Licensing, electrical instrument operator’s license, special operation re-certification of the person-in-charge, accounting knowledge training, management security administrator training, firefighting facility monitors/operators, occupational health managers, continuing accounting education, high-pressure gas specific equipment operators, engineering law,engineering disputes-resultant claims and contract performance managers, first aid staff, pressure vessel operators, educational training for high-pressure gas manufacturing safety supervisors, continuing education for the head of accounting, Securities and Futures Institute continuing education programs for directors, pipe excavation staff training, security monitor training, educational training for Class 1 pressure vessel operators and special chemical operation officers, educational training for officers in charge of the assembly of scaffolds,

Trainings	Internal trainings	External trainings
	production training, ISO system training, HAS and RSPO Standards training, fire prevention drills, occupational health training, continuing education for directors and supervisors, regulatory affairs courses, staff safety training, etc.	educational training for stacker operators, educational training for fire prevention managers, occupational safety and health managers, assistance in 2024 educational training on the maintenance and operation of industrial pipelines, energy manager training, in-service educational training on safety and health for officers in charge of organic solvent processes, safety staff refresher training, sulfonation hands-on training, explosion-proof operational training, etc.

(III) Retirement system and implementation:

The Company's Employees' Pension Reserve Fund Committee was formally established on October 17, 1989 in accordance with Labor Standards Act. The Company has formulated rules and regulations concerning employees' retirement, which were approved by the Department of Labor, Taipei City Government per the Order No. 17774. The Company regularly appropriates employees' pension to the special account opened at the Bank of Taiwan (originally at the Central Trust of China) in order to protect the rights of our employees. By the end of 2024, the accumulated reserve for the payment of pension for employees was NT$ 35,934,410. After the "Labor Pension Act" came into effect, for employees who choose to apply the regulations of Labor Standards Act, their pensions will be calculated based on their years of service and the average monthly salary of the 6 months prior to their retirement. For the years of service which are not more than 15 years, 2 units for every 1 year will be given to an employee. For the years of service over 15 years, 1 unit for every 1 year after the 15th year will be given to an employee. However, the upper limit for this is 45 units.

Since July 1, 2005, in accordance with the "Labor Pension Act", the Company shall appropriate 6% of employees' salary to their individual special pension accounts (NT$ 4,216,384 was allocated in 2024) at Bureau of Labor Insurance according to their insurance levels for employees who choose to adopt the new system. The payment of employee pension will be based on the balance in employees' individual special pension accounts and the accumulated income, and it shall be made to the employees in the form of monthly pension or a lump sum.

(IV) Workplace environment, employees' safety protection measures and their implementation:

Both the Company's plants and office buildings were designed with safety as their first priority. In addition to the arrangement of safe and comfortable workplaces, at least 1 employee health check shall be performed annually in accordance with laws related to occupational safety and health. In our plant in Kaohsiung, there are occupational safety and health personnel who are responsible for setting up management regulations related to occupational safety and health. Any finding or foreseeable occupatonal safety and health events shall be discussed in the morning meeting everyday. The Kaohsiung plant shall regularly arrange out-sourced working environment inspections and ask the Fire Department to send personnel to the plant for providing trainings of first-aid and fire-fighting every half year, in order to provide first aid trainings to employees in order to prevent accidents and protect employees' safety.

(V) Work and professional ethics

In order to operate the business with integrity, the Company has established Ethical Corporate Management Best Practice Principles as guidelines for all employees to follow.

(VI) Labor-management agreements and disputes:

The Company and its employees are all fully aware of the importance of establishing harmonious labor-management relations and therefore put a lot of emphasis on the mutual communication. The Company's makes its policies and significant measures fully understood by employees so that it can obtain employees' support and cooperation. Meanwhile, employees' requirements can be properly addressed through honest and transparent negotiations. For the year 2024 and as of the date of publication of the annual report, the Company has not incurred any losses from labor-management disputes.

The workers' union at the Company was disbanded on April 21, 2023 because the failure to sign a collective agreement.

VI. Cyber security management

(I) Information and Communication Security Risk Management Structure, Information and Communication Security Policy, Specific Management Plans, and Resources Invested in Information and Communication Security, etc.:

1. Cyber security risk management framework:

   Ho Tung Chemical has its Chief Information Security Officer, who oversees the implementation of information security policies and resource allocation-related matters.

   Under the Information Department are the Information Security Management Section and the officer in charge of information security and 2 information security specialists; they take charge of preparing the Company's information security policies, planning and enforcing information security operating procedures, and implementing and consolidating information security policies.

   Enforcing an effective information security management system is meant to protect the safety of the Company's information assets and to avoid the various internal or external and intentional or unexpected threats and destructions that lead to risks such as business information being altered, disclosed, destroyed, or lost. This ensures a secure information environment for the company's ongoing operations and compliance with relevant government regulations along with the expectations of internal and external stakeholders.

   The Company has formulated information security policies and related documents, established internal control systems for information operations to promote information security governance, and cooperated with the audit unit in scheduling the annual information security audit plan and conducting evaluations and inspections at least once a year to ensure the confidentiality, integrity, and usability of information related to the Company's business, and to continue to optimize and improve its information security management policies. Each year, the Chief Security Officer reports to the Board of Directors on the effectiveness of security management and implementation for the current year.

2. Cyber security policy:

   In order to implement cyber security management, the Company has established an internal control system - computerized information system processing operations and information security management measures, and expects to achieve the following policy objectives through the joint efforts of all employees:

   (1) Ensure the confidentiality, integrity and availability of inform ation assets.
   (2) Ensure that data access is regulated according to department functions.
   (3) Ensure the continuous operation of the information system.
   (4) Prevent unauthorized modification or use of data and system.
   (5) Regularly perform cyber security audits to ensure the implementation of information security.

3. Cyber security policy and management plan:

   In order to achieve the security policy and objectives and to establish a comprehensive security protection, we have implemented the following specific management programs:

   (1) Configure multi-layer information security protection featuring network, end point, and application security. The extranet gateway is configured with corporate firewalls and invasion safeguard system. Both the server and terminal computers are installed with endpoint protective software. The email server is configured with the mail anti-virus and spam filtration mechanism.
   (2) Enhance information security safeguard capabilities, periodically conduct information security testing, and implement necessary remediation according to test findings to minimize information security risks.
   (3) Enhance the capability to detect abnormal internal traffic and mitigate intrusion risks at an early stage .
   (4) Ensure the continuous operation of the system by implementing regular system backups and conducting annual disaster recovery drills.
   (5) Establish the information security incident reporting and response mechanism in order to ensure that information security incidents are properly responded to, controlled, and addressed .
   (6) Regularly conduct information security audits to ensure the implementation of the information security management system .
   (7) Perform respective to-do tasks as required by applicable laws and regulations.
   (8) In order to enhance the overall protection of information security, the Company has joined the TWCERT (Taiwan Computer Network Crisis Response and Coordination Center) information security alliance and defense organization to obtain and share the latest network threat information.

4. Resources devoted to the management of information and communication security:

   The resources devoted to information security management matters and the efficacy in 2023 are as follows:

   (1) Establishment of a dedicated information security organization and 3 dedicated information security specialists .
   (2) Four educational training on information security and protection of confidential and sensitive data .
   (3) One external educational training - ISO27001ISMS Lead Auditor Training Course.
   (4) One social engineering drill, system vulnerability scanning, and account access inventory.
   (5) Three disaster recovery drills.

(6) Six information security protection announcements to communicate important protection information and precautions.
(7) A total of 16 information security-related meetings were held and 12 information security seminars were attended.
(8) No non-compliance was found during the annual information security inspection.
(9) There were no major information security events and no complaints about violations of or losses of customer data for the year.

(II) List losses, possible impact and countermeasures due to major information security events in recent years and as of the publication date of the annual report, and if failing to be reasonably estimated, the fact for such failure shall be explained.

Execution condition: At present, the Company is free of business damage due to major information security events; continue to implement information security management policy objectives, and implement recovery plan drills regularly, to protect the security of important systems and data of the Company.

VII. Personal Data Protection Policy

The Company attaches great importance to "customer privacy protection" and complies with the "Personal Data Protection Act", formulates the "Personal Data Protection Management Measures", and has strict personal data privacy security management and protection measures. It also builds a data governance system, formulates data standards and classifications, implements data access rights control and data owner review mechanisms to ensure that data access and sharing are properly managed and protected, as well as the availability, integrity and confidentiality of data. The scope of application covers the company, its subsidiaries, customers and suppliers. Regarding the collection, processing, use and protection of personal information privacy involved in the operation process, in addition to complying with relevant government laws and regulations and using it within the scope of the laws, we will not provide, rent or disclose personal information to third parties in other disguised ways. We will also implement it in accordance with the " Personal Data Protection Management Measures" established by the company and strive to protect the data security and privacy rights of our customers. The legal department, information department and audit department are jointly responsible for the implementation and supervision of the compliance with the "Personal Data Protection Management Measures".

For the Company's "Personal Data Protection Management Measures", please refer to the Company's Important Regulations in the Investor Services Area of the Company's website (URL: http://www.htgroup.com.tw).

In 2024, a total of 89 people completed the employee information security awareness and personal information protection training course. The total course hours and online test were 2.5 hours. The pass rate of the test after training was 100%.

VIII. Important Contracts

Nature of Contract	Counterparty	Contract Period	Major Contents	Restrictions
Credit facility contract	Hua Nan Commercial Bank	2023/08/15~ 2028/08/15	Total credit line: NT$ 1.0065 billion Total credit: NT$ 600 million	None.
Kerosene purchase contract	CPC Corporation, Taiwan	2025/01/20~ 2026/01/19	Formula for kerosene procurement and pricing	None.
Investment contract	HO TUNG CHEMICAL CO., LTD., LCY CHEMICAL CORP., USI Corporation, Asia Polymer Corporation, Hsin Tay Petroleum Corp., Chenergy Global Corporation, CTCI Corporation, Fubon Financial Holding Venture Capital Co., Ltd., Hongfu Investment Co., Ltd.	2019/12/18	The Company and nine other companies jointly invested in the Zhangzhou Gulei Garden in Fujian Province, China to manufacture petrochemical-related products.	Restrictions on the transfer and pledge of shares.
Land Lease Contract for Taichung Port West wharf area, West 7 and Back-line Storage Tank and Ancillary Facilities and Petrochemical Industrial Park	Port of Taichung, Taiwan International Ports Corporation, Ltd.	2019/06/25~ 2039/06/24	For the handling, storage and transfer of chemicals and petroleum products.	Without the written consent of Port of Taichung, Taiwan International Ports Corporation, Ltd., the lease item shall not be sublet, or the rights and obligations of this contract shall be transferred to a third party nor the joint user is added.

Chapter 5 Review and Analysis of Financial Position and Financial Performance, and Listing of Risks

I. Review and Analysis of Financial Position

Unit: NT$ thousand

Items	2023	2024	Difference	
			Amount	%
Current assets	13,282,783	14,735,576	1,452,793	10.94%
Property, plant and equipment	5,021,024	4,797,156	(223,868)	(4.46%)
Other assets	4,297,424	4,037,468	(259,956)	(6.05%)
Total assets	22,601,231	23,570,200	968,969	4.29%
Current liabilities	3,168,965	3,818,582	649,617	20.50%
Long-term liabilities	1,786,812	1,519,070	(267,742)	(14.98%)
Other liabilities	1,394,404	1,303,894	(90,510)	(6.49%)
Total Liabilities	6,350,181	6,641,546	291,365	4.59%
Capital	10,168,248	10,168,248	0	0%
Capital surplus	75,524	78,566	3,042	4.03%
Retained earnings	3,137,537	3,242,824	105,287	3.36%
Other equit interest	(1,151,882)	(915,251)	236,631	20.54%
Treasury shares	(78,973)	(78,973)	0	0%
Equity attributable to owners of parent company	12,150,454	12,495,414	344,960	2.84%
Non-controlling interests	4,100,596	4,433,240	332,644	8.11%
Total equity	16,251,050	16,928,654	677,604	4.17%

Analysis of the main reasons for difference exceeding 20% and the amount of change reaching NT$10 million:

1. Current liabilities: The increase in the Company's working capital requirements was supported by short-term borrowings, and starting from September 2025, the Company gradually repaid its maturing borrowings by switching from long-term borrowings to long-term liabilities with maturity due within one year, resulting in an increase in current liabilities as compared with that of the previous period.
2. Other equities: The increase was mainly due to the increase in cumulative translation adjustments. The net assets of the Group's investee companies denominated in RMB and U.S. dollars accounted for a high proportion of the consolidated assets, and at the end of 2024, the exchange of RMB assets for U.S. dollars and U.S. dollars for the New Taiwan Dollars appreciated, resulting in an increase in the cumulative translation adjustments.

II. Financial Performance

(I) Comparative analysis table of operation results:

Unit: NT$ thousand

Account	2023	2024	Increase/ Decrease	Ratio %
Operating revenue	20,292,410	20,619,248	326,838	1.61%
Gross profit	1,916,363	1,919,552	3,189	0.17%
Operating profit	770,010	909,740	139,730	18.15%
Non-operating income and expenses	280,768	150,611	(130,157)	(46.36%)
Net income before tax	1,050,778	1,060,351	9,573	0.91%
Net income for continuing operations	871,277	717,067	(154,210)	(17.70%)
Loss of discontinued operations	0	0	0	0%
Net income	871,277	717,067	(154,210)	(17.70%)
Other comprehensive income (net, after tax)	(436,744)	401,721	838,465	191.98%
Total comprehensive income	434,533	1,118,788	684,255	157.47%
Net income attributable to owners of parent Company	599,062	415,463	(183,599)	(30.65%)
Net income attributable to non-controlling interests	272,215	301,604	29,389	10.80%
Total comprehensive income attributable to the owner of parent company	101,615	657,404	555,789	546.96%
Total Comprehensive income attributable to non-controlling interests	332,918	461,384	128,466	38.59%
Earnings per share	0.60	0.41	(0.19)	(31.67%)

Analysis of the main reasons for difference exceeding 20% and the amount of change reaching NT$10 million:

1. Non-operating Income and Expenses: The decrease was mainly due to the provision of $120 million for soil contamination losses from the subsidiaries, which resulted in a decrease in non-operating income and expenses compared with the previous period.
2. Net Income Attributable to Owners of Parent Company and Earnings Per Share: Net income attributable to owners of parent company and earnings per share decreased in 2024 compared to the previous period due to an increase in income tax expense on the repatriation of dividends from overseas subsidiaries to Taiwan and an increase in income tax expense on the repatriation of dividends from overseas subsidiaries to a BVI company to recognize CFC investment income in accordance with the provisions of the Income Tax Act.
3. The other comprehensive income for the current period (net of tax), total comprehensive income for the current period, total comprehensive income attributable to the owners of the parent company, and total comprehensive income attributable to non-controlling interests have increased primarily due to the rise in cumulative translation adjustments. The net assets of the Group's investee companies denominated in Renminbi and U.S. dollars accounted for a high proportion of the consolidated assets, and the cumulative translation adjustments increased as a result of the appreciation of Renminbi assets against U.S. dollars and U.S. dollar assets against Taiwan dollars at the end of 2024, resulting in an increase in the other comprehensive income (net of tax), the total consolidated income, the total comprehensive income attributable to owners of the parent company, and the total comprehensive income attributable to noncontrolling interests in the current period as compared to the previous period.

(II) Estimation of future sales and reference:

Due to the impact caused by COVID-19 pandemic, the global demand for detergent raw materials is still growing steadily. In addition to the issue of sustainable development, the Group continues to optimize products to meet the requirements of customers for sustainable development. We believe that as long as we are able to maintain the quality and supply of our products, we expect our operating performance to be stable this year.

(III) Effect of changes on the Company's future business and future response actions: Not applicable.

III. Cash flows

(I) Analysis of the changes in annual cash flow for the recent year:

Unit: NT$ thousand

Cash and cash equivalents at the beginning of the period (1)	Net cash flow from operating activities of the period (2)	Net cash flow from investment and financing activities of the period (3)	Cash Surplus (1)＋(2)＋(3)	Remedial measures for cash deficit	
				Investment plans	Financing plans
6,523,774	1,385,697	(1,598,503)	6,310,968	-	-

Cash flow analysis for the current year:
Investing and financing activities: The cash outflow for acquiring the Group's property, plant and equipment amounted to NT$228,476 thousand in 2024. Fixed deposits with maturity over 3 months amounted to $1,208,465 thousand. Cash outflow to the distribution of cash dividends amounted to NT$302,005 thousand. Thus, investment and financing activities have net cash outflow.

(II) Liquidity Analysis for the Coming Year:

Unit: NT$ thousand

Cash and cash equivalents at the beginning of the period (1)	Estimated net cash flow from operating activities of the period (2)	Net cash flow from investment and financing activities of the period (3)	Estimated cash surplus (deficit) amount (1)＋(2)+(3)	Remedial measures for projected cash deficit	
				Investment plans	Financing plans
6,310,968	798,442	(795,912)	6,313,498	-	-

Analysis of changes in the cash flow for the coming year:
(1) Operating activities: operating profit of the main business is stable.
(2) Investment and financing activities: The estimated net cash outflow arising from the Group's capital expenditure and distribution of cash dividends amounted to NT$795,912 thousand.

IV. Major Capital Expenditure for the Most Recent Year and Its Effect on Financial Position and Operation of the Company: None.

V. Reinvestment Policies for the Most Recent Year, the Main Reasons for Profit or Loss, and Remedy and Investment Plans for the Coming Year

1. Investment Policy for the Most Recent Year: Focus on the main business of chemical products and gradually reduce the percentage of reinvestment in non-chemical businesses.
2. Main reasons for profits or losses arising from reinvestment:

Name of Invested Company	Recognized profit (loss) for 2024 (NT$; thousand)	Main reasons
Tung Bao Co., Ltd.	13,167	Making profits steadily
HT-S Venture Philippines	146	Disposal of assets

VI. Risks and Evaluation for the Most Recent Year and up to the Date of Publication of the Annual Report

To enhance risk management operations, specific issues or risks are assessed by the executing and responsible units, and a supervisory mechanism is established, as detailed in the table below:

Key Risk Assessment Issues	Executing and Responsible Units	Supervisory Unit
1. Effects of changes in interest rates, foreign exchange rates and inflation on the Company's profit or loss and future countermeasures	Finance	Audit
2. Policies, main causes of gain or loss and future countermeasures with respect to high-risk, high-leveraged investments, lending or endorsement/guarantees and derivatives transactions	Finance	
3. Future Research and Development Plans and Estimated Research and Development Expenditures	--	
4. Effects of and countermeasures to changes in major domestic and foreign policies and regulations relating to the Company's financial position and operations:	Relevant Units	
5. Impact of technology (including information and communication security risks) and industry change on the Company’s financial operations and related countermeasures:	Sales Business/ Information	
6. The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures:	Human Resources	
7. Expected Benefits, Possible Risks and Countermeasures of the Merger and Acquisition	Reinvestment business/Finance/ Accounting	
8. Expected benefits, possible risks, and countermeasures of the expansion of plants:	Reinvestment business/Finance/ Accounting	
9. Risks Associated with Any Concentration of Sales or Purchasing Operations, and Measures to Be Taken in Response:	Procurement and Sales	

Key Risk Assessment Issues	Executing and Responsible Units	Supervisory Unit
10. The impacts, risks and countermeasures to large share transfers or changes in shareholdings by Directors, Supervisors or shareholders with shareholdings of over 10%:	Stock Affairs	
11. The Impact, Risks, and Countermeasures of the Company Associated with Any Change in Governance Personnel or Top Management: None	Board of Directors	
12. For litigation or non-litigation matters, please specify major lawsuits with final and conclusive judgment, major ongoing litigation, non-litigation or administrative litigation involving the Company, the Company's Directors, Supervisors, General Manager, de facto persons in charge, or shareholders with shareholdings of over 10%, if the event has a significant influence on shareholders' equity or securities prices. If the outcome of the litigation may have a significant impact on stockholders' equity or the price of securities, the facts of the dispute, the subject matter of the litigation, the date of commencement of the litigation, the principal parties involved, and the status of the litigation as of the date of publication of the annual report should be disclosed:	Legal Affairs and Compliance	
13. Other Significant Risks and Countermeasures	Corporate Governance Task Force	

(I) Effects of changes in interest rates, foreign exchange rates and inflation on the Company's profit or loss and future countermeasures

(1) Interest rates: The hike of interest rates will lead to an increase in capital costs. Each company in the Group will pay back parts of bank loans where necessary in the hope of improving financial ratios and saving interest expenses.

(2) Exchange rate: Operating revenue, accounts receivable and accounts payable of the Company are mainly reported in US$, so as to reduce exchange rate risk by offsetting between foreign currency assets and liabilities, thus achieving the result of natural hedging.

(3) Inflation: The Company monitors the trend in market values at all times. By far, there is no significant influence due to inflation.

(II) Policies, main causes of gain or loss and future countermeasures with respect to highrisk, high-leveraged investments, lending or endorsement/guarantees and derivatives transactions:

(1) The Company has no high-risk or high-leveraged investments for the year ended December 31, 2024 and up to the publication date of the annual report.

(2) With respect to lending to others, the Company provides lending in accordance with the Company's procedures for lending to others set up by the Board of Directors. The limit of lending provided by the Company is NT$4.998 billion (40% of the stockholders' equity of NT$12.495 billion at the end of 2024). As of the end of March 2025, the balance of the Group's lending amounted to NT$43 million .

(3) With respect to endorsement and guarantees, the Company provides endorsement and guarantees in accordance with the Company's procedures for endorsement and guarantees set up by the Board of Directors. The limit of endorsement and guarantees provided by the Company is NT$6.248 billion (50% of the stockholders' equity of NT$12.495 billion at the end of 2024). As of March 2025, the balance of endorsement and guarantees provided by the Group amounted to NT$ 0.

(4) The Company's policies for derivatives mainly on hedging.

(5) Currently, the Company's hedging tools for derivatives transactions are pre-sale or pre-purchase of forward exchange. The principle is to reduce the foreign exchange losses.

(III) Future R&D projects and planned budget: None

(IV) Effects of and countermeasures to changes in major domestic and foreign policies and regulations relating to the Company's financial position and operations:
The Company has made necessary adjustments in response to the amendments made by the competent authorities to Company Act, Securities and Exchange Act and other related laws and regulations. There is no significant influence on the Company's financial position and operations so far.

(V) Impact of technology (including information and communication security risks) and industry change on the Company’s financial operations and related countermeasures:
In order to allow the information system to resume operations as quickly and smoothly as possible when damage occurs, and to reduce possible losses and risks, in addition to the regular annual review and examination of the system disaster emergency response plan, we have also arranged for regular drills for disaster response, and the core system has implemented a remote backup mechanism to shorten the response time to disasters.

(VI) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures:
The Company's operating principles are profession and integrity. For many years, the Company has been devoted to maintaining its corporate image and risk management. By now, there are no foreseeable risk events.

(VII) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: Not applicable.

(VIII) Expected benefits, possible risks, and countermeasures of the expansion of plants:
In order to enhance its core competitiveness and to meet the demand in the market, the Company continues to expand its plants. It is expected that the expansions will increase the Group's overall revenue and profits in the future.

(IX) Risks Associated with Any Concentration of Sales or Purchasing Operations, and Measures to Be Taken in Response

(1) Risks relating to and response to excessive concentration of purchasing sources:
Risk Exposure: Single source of raw materials.
Response Measures: Actively explore other sources of raw materials..

(2) Risks Confronted by Sales of Goods, and Measures to Be Taken in Response:

Risk Exposure: Dependence on a Single Market.
Response measures: Develop new customer groups and markets.

(X) Effects of, risks relating to, and countermeasures to large share transfers or changes in shareholdings by Directors, Supervisors or shareholders with shareholdings of over 10%: The Company's Directors, Supervisors, and shareholders with shareholdings of over 10% did not involve in large share transfers.

(XI) Effect on and Risk to the Company Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response: None

(XII) For litigation or non-litigation matters, Please specify major lawsuits with final and conclusive judgment, major ongoing litigation, non-litigation or administrative litigation involving the Company, the Company's Directors, Supervisors, General Manager, de facto persons in charge, or shareholders with shareholdings of over 10%, if the event has a significant influence on shareholders' equity or securities prices. The fact in dispute, target amount, starting date of litigations, parties involved and how the matters were addressed up to the publication date of the annual report shall be disclosed:

(1) The Company's major litigation with final and conclusive judgment or ongoing litigation, non-litigation or administrative litigation: None.

(2) Major litigation with final and conclusive judgment or ongoing litigation, non-litigation or administrative litigation involving the Company's Directors, Supervisors, General Manager, de facto persons in charge, or shareholders with shareholdings of over 10% with significant influence on shareholders' equity or securities prices:
Due to a contractual dispute between our subsidiary, Chenergy, and the contractor involved in the original soil remediation project, the contractor not only initiated arbitration but also filed a civil lawsuit in December 2017. The lawsuit challenges the validity of the primary claim and includes alternative claims based on negotiorum gestio, restitution, and unjust enrichment under the original soil remediation embankment project contract. The case is currently under review by the High Court.

(XIII) Other major risks and countermeasures:
Information Security Risk Assessment and Measures to Be Taken in Response:
The Company has in-house staff specialized in information maintenance and information security and professional consultants to provide information maintenance services and assistance in daily operations. The Company will hold meetings with external consultants from time to time to review operational issues, optimize operational procedures, improve system control points, introduce systems, and conduct education and training.
In terms of information security management, the Company has strengthened the information security risk awareness among the employees in order to be able to prevent risks as well as detect and block potential threats. Password control is implemented from account application to usage and access management.
External access points are equipped with intrusion prevention systems, whitelist control, email anti-spam systems, and endpoint anti-virus systems to gradually improve information security protection.

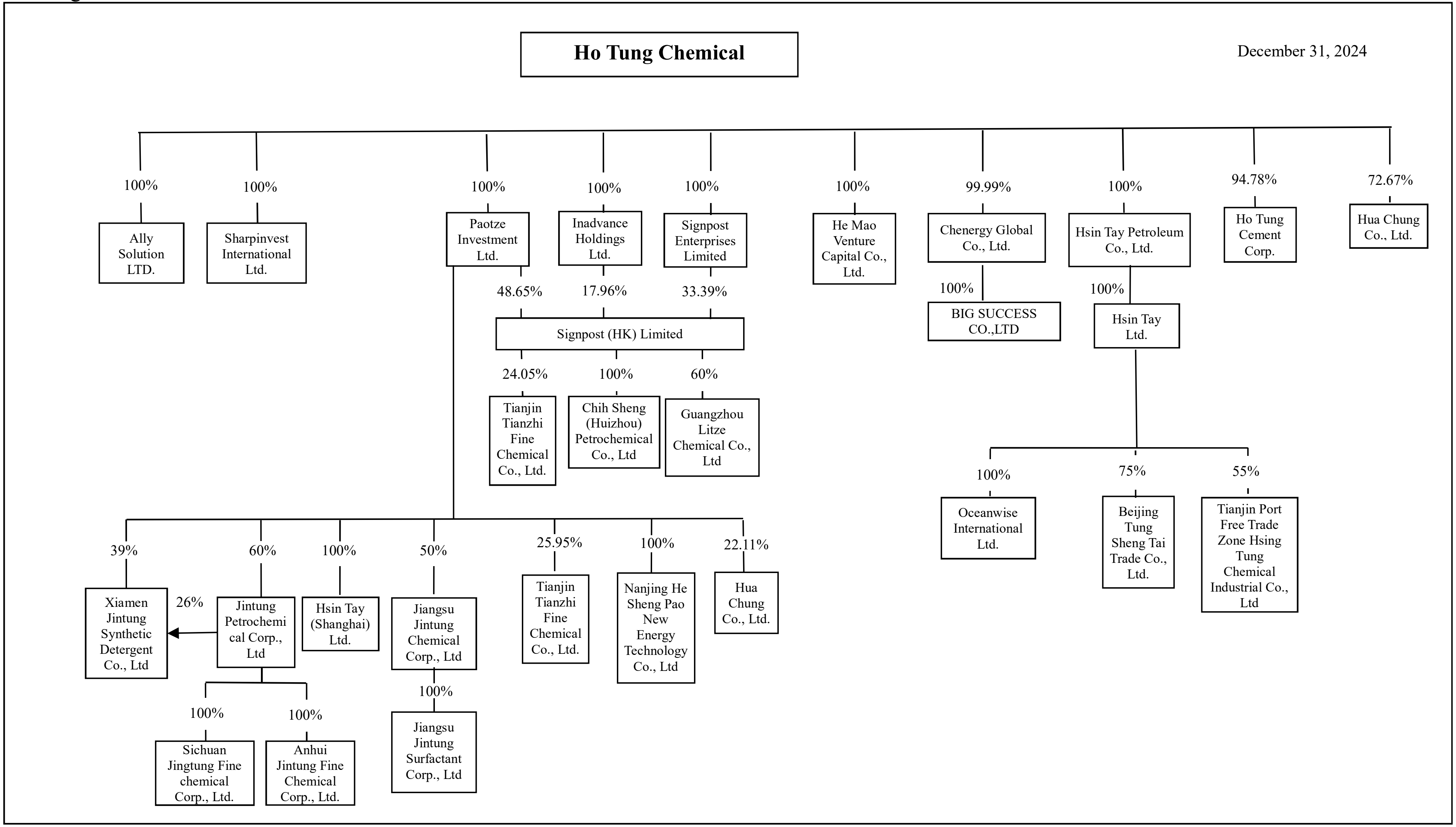
In terms of data security, the Company implements complete and differential backups and conducts weekly remote backups to ensure data security and recoverability. In addition, the remote backup mechanism has been built into the core system to ensure uninterrupted operation.
In the most recent year and as of the publication date of the annual report, the Company has not experienced any major network attack or information security event.

VII. Other Important Matters: None.

Chapter 6 Special Disclosure

I. Related Information of Affiliates

1. Organizational chart of affiliates:



2. Basic information of affiliates:

December 31, 2024

Unit: NT$ thousand

Company	Date of Incorporation	Address	Paid-in capital	Main Business or Products
Hua Chung Co., Ltd.	2002.02.21	9F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	20,000	Production, purchase and sales of cement raw materials
Ho Tung Cement Corp.	2011.04.07	8F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	295,364	Production, purchase and sales of cement raw materials
He Mao Venture Capital Co., Ltd.	1998.02.16	8F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	70,000	General investment
Chenergy Global Co., Ltd.	2004.02.03	8F.-5, No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	566,199	Leasing of storage tanks and Oil trading
Hsin Tay Petroleum Co., Ltd.	2011.09.09	8F., No. 6, Sec. 1, Zhongxing Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.)	1,737,055	Oil trading

December 31, 2024

Unit: US$ thousand

Company	Date of Incorporation	Address	Paid-in capital	Main Business or Products
SHARPINVEST INTERNATIONAL LTD.	2004.08.12	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	3,000	General investment
SIGNPOST ENTERPRISES LTD.	2003.05.08	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	14,674	General investment
PAOTZE INVESTMENT LTD.	1992.08.18	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	20,000	General investment
ALLY SOLUTION LTD.	2014.12.23	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	26,907	General investment
INADVANCE HOLDINGS LTD.	2003.06.10	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	5,000	General investment
HSIN TAY LTD.	1994.03.16	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	16,957	General investment
Hsin Tay (Shanghai) Ltd. (Shanghai Hsin Tay)	2000.10.24	Room 6808, 6th Floor, No. 396, Fute East Road, (Shanghai) Pilot Free-Trade Zone	7,450	Trade of chemicals and fuels
OCEANWISE INTERNATIONAL Ltd.	2013.11.18	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	-	General investment
SIGNPOST (HK) LIMITED	2008.05.06	2/F,Jonsim Place,No.228 Queen’s Road East,Wanchai,Hong Kong	30,797	General investment
BIG SUCCESS CO.,LTD.	2013.10.03	Le Sanalele Complex, Gold-In Chambers,Vaea Street,Apia, Samoa	14,512	General investment

December 31, 2024

Unit: RMB thousand

Company	Date of Incorporation	Address	Paid-in capital	Main Business or Products
Guangzhou Litze Chemical Co., Ltd	2003.08.28	No. 89, Huangge Avenue, Huangge Town, Nansha Dist., Guangzhou City, China	50,000	Manufacture and sale of alkylbenzene sulfonic acid
Jintung Petrochemical Corp., Ltd	1993.09.01	No. 201, Yaoxin Av., Nanjing Economic and Technological Development Zone, Nanjing City, Jiangsu Province	168,200	Manufacture of linear alkylbenzene, sulfonic acid and other byproducts
Jiangsu Jintung Chemical Corp., Ltd	2002.04.08	No. 18, Hengfa Rd., Nanjing Economic and Technological Development Zone, Nanjing City, Jiangsu Province	345,155	Manufacture of linear alkylbenzene, sulfonic acid and other byproducts
Chih Sheng (Huizhou) Petrochemical Co., Ltd	2006.12.31	No. 1, Binhai 10th Rd., Shihua Av., Xiayong Town, Daya Bay Area, Huizhou City	94,853	Primary alcobol ethoxylate trading
Tianjin Tianzhi Fine Chemical Co., Ltd.	2002.10.30	No. 18, Cuiwei Street, Hangu Modern Industrial Park, Tianjin Economic and Technological Development Zone, Tianjin City, China	192,300	Manufacture and sale of surfactant
Nanjing He Sheng Pao New Energy Technology Co., Ltd	2011.05.26	No. 20, Hengfa Rd., Nanjing Economic and Technological Development Zone, Nanjing City, Jiangsu Province	107,094	Development of new energy and surfactant
Sichuan Jingtung Fine chemical Corp., Ltd.	2005.06.29	No. 6, Middle Section, Chuangxin 5th Road, Pengshan Economic Development Zone, Pengshan Disctrict, Meishan City Sichuan Province	40,000	Manufacture and sale of Linear Alkylbenzene
Anhui Jintung Fine Chemical Corp., Ltd.	2009.10.28	No. 79, Zhongxiang Av., Cihu High-tech Industrial Development Zone, Maanshan City, Anhui Province	60,000	Manufacture and sale of surfactant
Jiangsu Jintung Surfactant Corp., Ltd	2011.03.29	No. 1, Puge Road, Jiangbei New District, Nanjing City, Jiangsu Province	380,000	Manufacture and sale of surfactant
Xiamen Jintung Synthetic Detergent Co., Ltd	1994.07.05	No. 24 Xibin Road, Jimei District, Xiamen City	26,159	Manufacture and sale of related surfactants
Tianjin Port Free Trade Zone Hsing Tung Chemical Industrial Co., Ltd.	1998.09.18	Zhongran Mansion, Tianjin New Harbor 4th Rd., Tianjin City, China	40,000	Chemicals, Wholesale Fuel and Rental Tanks
Beijing Tung Sheng Tai Trade Co., Ltd.	2012.03.16	Room 1205, Building 9, No. 88, Jianguo Rd., Chaoyang Dist., Beijing City, China	7,500	Wholesale of chemicals and fuels

3. Companies presumed to have a relationship of control and subordination: Not applicable

4. Directors, Supervisors and General Managers of Affiliated Companies:

December 31, 2024

Company	Title	Name or representative	Shareholding	
			Number of shares	Shareholding percentage
Chenergy Global Co., Ltd.	Chairman	Ho Tung Chemical Corporation Representative: Kuo-jung Shih	56,614,181	99.99%
	Director	Ho Tung Chemical Corporation Representative: Wei-yu Chen	56,614,181	99.99%
	Director	Ho Tung Chemical Corporation Representative: Lun-chia Li	56,614,181	99.99%
	Supervisor	Jung Pin Po	0	0%
Hua Chung Co., Ltd.	Chairman	Ho Tung Chemical Corporation Representative: Chih-liang Yang	1,453,461	72.67%
	Director	Ho Tung Chemical Corporation Representative: Wei-yu Chen	1,453,461	72.67%
	Director	Ho Tung Chemical Corporation Representative: Jung Pin Po	1,453,461	72.67%
	Supervisor	Hui-Yen Lin	0	0%
Ho Tung Cement Co., Ltd.	Chairman	Ho Tung Chemical Corporation Representative: Chih-liang Yang	27,994,695	94.78%
	Director	Ho Tung Chemical Corporation Representative: Wei-yu Chen	27,994,695	94.78%
	Director	Ho Tung Chemical Corporation Representative: Jung Pin Po	27,994,695	94.78%
	Supervisor	Yi-ju Chen	0	0%
He Mao Venture Capital Co., Ltd.	Chairman	Ho Tung Chemical Corporation Representative: Wei-yu Chen	7,000,000	100%
	Director	Ho Tung Chemical Corporation Representative: Yi-ju Chen	7,000,000	100%
	Director	Ho Tung Chemical Corporation Representative: Jung Pin Po	7,000,000	100%
	Supervisor	Ho Tung Chemical Corporation Representative: Hui-yen Lin	7,000,000	100%
Hsin Tay Petroleum Co., Ltd.	Chairman	Ho Tung Chemical Corporation Representative: Wei-yu Chen	173,705,500	100%
	Director	Ho Tung Chemical Corporation Representative: Yi-ju Chen	173,705,500	100%
	Director	Ho Tung Chemical Corporation Representative: Hsing-O Lee	173,705,500	100%
	Supervisor	Ho Tung Chemical Corporation Representative: Jung Pin Po	173,705,500	100%
PAOTZE INVESTMENT LTD.	Chairman	Ho Tung Chemical Corporation Representative: Yi-ju Chen	20,000,000	100%
BIG SUCCESS CO.,LTD.	Director	Chenergy Global Co., Ltd. Representative: Yi-ju Chen	14,511,500	100%
SHARPINVEST INTERNATIONAL LTD.	Director	Ho Tung Chemical Corporation Representative: Jung Pin Po	3,000,001	100%
INADVANCE HOLDINGS LTD.	Director	Ho Tung Chemical Corporation Representative: Yi-ju Chen	5,000,100	100%
ALLY SOLUTION LTD.	Director	Ho Tung Chemical Corporation Representative: Wei-yu Chen	26,907,000	100%
SIGNPOST ENTERPRISES LTD.	Director	Ho Tung Chemical Corporation Representative: Wei-yu Chen	14,673,913	100%

Company	Title	Name or representative	Shareholding	
			Contribution	Shareholding percentage
HSIN TAY LTD.	Director	Hsin Tay Petroleum Co., Ltd. Representative: Wei-yu Chen	USD16,956,651	100%
Hsin Tay (Shanghai) Ltd.	Chairman	PAOTZE INVESTMENT LTD. Representative: Yi-ju Chen	USD7,450,000	100%
SIGNPOST (HK) LTD.	Director	SIGNPOST ENTERPRISES LTD. Representative: Wei-yu Chen	USD4,899,620	33.39%
OCEANWISE INTERNATIONAL LTD.	Director	Hsin Tay LTD. Representative: Wei-yu Chen	USD15,820,000	100%
Beijing Tung Sheng Tai Trade Co., Ltd.	Chairman	Hsin Tay LTD. Representative: Yi-ju Chen	RMB7,500,000	100%
	Director	Hsin Tay LTD. Representative: Li Li	RMB7,500,000	100%
	Director	Hsin Tay LTD. Representative: Tao-Wei Chiang	RMB7,500,000	100%
Tianjin Port Free Trade Zone Hsing Tung Chemical Industrial Co., Ltd.	Chairman	Hsin Tay LTD. Representative: Hsien-cheng Chen	RMB22,000,000	55%
	Director	Hsin Tay LTD. Representative: Yi-ju Chen	RMB22,000,000	55%
	Director	Hsin Tay LTD. Representative: Jung Pin Po	RMB22,000,000	55%
Guangzhou Litze Chemical Co., Ltd	Director	SIGNPOST (HK) Limited Representative: Wei-yu Chen	RMB30,000,000	60%
	Director	SIGNPOST (HK) Limited Representative: Yi-ju Chen	RMB30,000,000	60%
	Director	SIGNPOST (HK) Limited Representative: Hsien-cheng Chen	RMB30,000,000	60%
	Director	SIGNPOST (HK) Limited Representative: Jung Pin Po	RMB30,000,000	60%
Chih Sheng (Huizhou) Petrochemical Co., Ltd	Chairman	SIGNPOST (HK) Limited Representative: Wei-yu Chen	RMB94,853,197	100%
	Director	SIGNPOST (HK) Limited Representative: Yi-ju Chen	RMB94,853,197	100%
	Director	SIGNPOST (HK) Limited Representative: Jung Pin Po	RMB94,853,197	100%
	Supervisor	SIGNPOST (HK) Limited Representative: Chia-wen Liu	RMB94,853,197	100%
Jintung Petrochemical Corp., Ltd	Director	PAOTZE INVESTMENT LTD. Representative: Yi-Ju Chen	RMB100,920,000	60%
	Director	PAOTZE INVESTMENT LTD. Representative: Hsien-Cheng Chen	RMB100,920,000	60%
	Director	PAOTZE INVESTMENT LTD. Representative: Shun-Keng Chen	RMB100,920,000	60%
	Director	PAOTZE INVESTMENT LTD. Representative: Tao-Wei Chiang	RMB100,920,000	60%
	Supervisor	PAOTZE INVESTMENT LTD. Representative: Jung Pin Po	RMB100,920,000	60%
Jiangsu Jintung Chemical Corp., Ltd	Director	PAOTZE INVESTMENT LTD. Representative: Yi-Ju Chen	RMB172,577,715	50%
	Director	PAOTZE INVESTMENT LTD. Representative: Wei-Yu Chen	RMB172,577,715	50%

<table>
<tr><th rowspan="2">Company</th><th rowspan="2">Title</th><th rowspan="2">Name or representative</th><th colspan="2">Shareholding</th></tr>
<tr><th>Contribution</th><th>Shareholding percentage</th></tr>
<tr><td rowspan="3"></td><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Hsien-Cheng Chen</td><td>RMB172,577,715</td><td>50%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Tao-Wei Chiang</td><td>RMB172,577,715</td><td>50%</td></tr>
<tr><td>Supervisor</td><td>PAOTZE INVESTMENT LTD.
Representative: Jung Pin Po</td><td>RMB172,577,715</td><td>50%</td></tr>
<tr><td rowspan="6">Tianjin Tianzhi Fine Chemical Co., Ltd.</td><td>Vice Chairman</td><td>PAOTZE INVESTMENT LTD.
Representative: Hsien-cheng Chen</td><td>RMB49,900,000</td><td>25.95%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Yi-ju Chen</td><td>RMB49,900,000</td><td>25.95%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Jung Pin Po</td><td>RMB49,900,000</td><td>25.95%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Jian-Jiang Chen</td><td>RMB49,900,000</td><td>25.95%</td></tr>
<tr><td>Director</td><td>SIGNPOST (HK) Limited
Representative: Tao-Wei Chiang</td><td>RMB46,250,000</td><td>24.05%</td></tr>
<tr><td>Director</td><td>SIGNPOST (HK) Limited
Representative: Hui-yen Lin</td><td>RMB46,250,000</td><td>24.05%</td></tr>
<tr><td rowspan="3">Nanjing He Sheng Pao New Energy Technology Co., Ltd</td><td>Chairman</td><td>PAOTZE INVESTMENT LTD.
Representative: Chin-hua Lin</td><td>RMB107,093,760</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Wei-yu Chen</td><td>RMB107,093,760</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Yi-ju Chen</td><td>RMB107,093,760</td><td>100%</td></tr>
<tr><td rowspan="4">Sichuan Jingtung Fine Chemical Corp., Ltd.</td><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Yi-Ju Chen</td><td>RMB40,000,000</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Hsien-Cheng Chen</td><td>RMB40,000,000</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Tao-Wei Chiang</td><td>RMB40,000,000</td><td>100%</td></tr>
<tr><td>Supervisor</td><td>PAOTZE INVESTMENT LTD.
Representative: Jung Pin Po</td><td>RMB40,000,000</td><td>100%</td></tr>
<tr><td rowspan="4">Anhui Jintung Fine Chemical Corp., Ltd.</td><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Yi-Ju Chen</td><td>RMB60,000,000</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Hsien-Cheng Chen</td><td>RMB60,000,000</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Tao-Wei Chiang</td><td>RMB60,000,000</td><td>100%</td></tr>
<tr><td>Supervisor</td><td>PAOTZE INVESTMENT LTD.
Representative: Jung Pin Po</td><td>RMB60,000,000</td><td>100%</td></tr>
<tr><td rowspan="2">Jiangsu Jintung Surfactant Corp., Ltd</td><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Yi-Ju Chen</td><td>RMB380,000,000</td><td>100%</td></tr>
<tr><td>Director</td><td>PAOTZE INVESTMENT LTD.
Representative: Wei-Yu Chen</td><td>RMB380,000,000</td><td>100%</td></tr>
</table>

Company	Title	Name or representative	Shareholding	
			Contribution	Shareholding percentage
	Director	PAOTZE INVESTMENT LTD. Representative: Hsien-Cheng Chen	RMB380,000,000	100%
	Director	PAOTZE INVESTMENT LTD. Representative: Tao-Wei Chiang	RMB380,000,000	100%
	Supervisor	PAOTZE INVESTMENT LTD. Representative: Jung Pin Po	RMB380,000,000	100%
Xiamen Jintung Synthetic Detergent Co., Ltd	Director	PAOTZE INVESTMENT LTD. Representative: Yi-Ju Chen	RMB17,002,008	65%
	Director	PAOTZE INVESTMENT LTD. Representative: Wei-Yu Chen	RMB17,002,008	65%
	Supervisor	PAOTZE INVESTMENT LTD. Representative: Tao-Wei Chiang	RMB17,002,008	65%

5. Overview of Affiliated Companies' Operation:

December 31, 2024

Unit: NT$ thousand

Company	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating income (loss)	Profit (loss) (after tax)	Earnings Per Share (NT$) (after tax)
Chenergy Global Co., Ltd.	566,199	1,089,529	863,682	225,847	148,884	4,675	(117,265)	(2.07)
Hua Chung Co., Ltd.	20,000	53,017	1,463	51,554	-	(6,248)	(837)	(0.42)
He Mao Venture Capital Co., Ltd.	70,000	96,347	140	96,207	-	(911)	(47)	-
Hsin Tay Petroleum Co., Ltd.	1,737,055	953,627	91,306	862,321	-	(1,296)	184,288	1.06
Ho Tung Cement Co., Ltd.	295,364	943,900	225,675	718,225	1,278,798	240,188	188,475	6.38

December 31, 2024

Unit: US$ thousand

Company	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating income (loss)	Profit (loss) (after tax)	Earnings Per Share (US$) (after tax)
SHARPINVEST INTERNATIONAL LTD.	3,000	458	1	457	-	(1)	-	-
SIGNPOST ENTERPRISES LTD.	14,674	14,432	32	14,400	-	(3)	371	0.03
SIGNPOST (HK) LTD.	30,797	43,340	200	43,140	-	(4)	1,122	0.04
PAOTZE INVESTMENT LTD.	20,000	257,510	140	257,370	-	(301)	12,942	0.65
ALLY SOLUTION LTD.	26,907	8,111	-	8,111	-	(3)	(3)	-
INADVANCE HOLDINGS LTD.	5,000	7,748	49	7,699	-	-	201	0.04
HSIN TAY LTD.	16,957	27,887	1,803	26,084	-	7,0674	8,849	0.52
OCEANWISE INTERNATIONAL LTD.	-	4,767	-	4,767	-	-	-	0.08
BIG SUCCESS CO.,LTD.	14,512	4,369	-	4,369	-	-	-	-

December 31, 2024

Unit: RMB thousand

Name of Company	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating income (loss)	Profit (loss) (after tax)	Earnings Per Share (RMB) (after tax)
Guangzhou Litze Chemical Co., Ltd	50,000	171,137	37,528	133,609	325,521	10,621	8,058	N.A.
Jintung Petrochemical Corp., Ltd	168,200	836,161	75,637	760,524	716,827	(4,341)	16,747	N.A.
Jiangsu Jintung Chemical Corp., Ltd	345,155	1,027,152	50,712	976,440	15,651	(9,499)	117,626	N.A.
Chih Sheng (Huizhou) Petrochemical Co., Ltd	94,853	332,291	158,389	173,902	782,109	7,695	4,487	N.A.
Tianjin Tianzhi Fine Chemical Co., Ltd.	192,300	317,275	72,341	244,934	471,625	(9,486)	(4,785)	N.A.

Name of Company	Capital	Total Assets	Total liabilities	Net Worth	Operating revenue	Operating income (loss)	Profit (loss) (after tax)	Earnings Per Share (RMB) (after tax)
Nanjing He Sheng Pao New Energy Technology Co., Ltd	107,094	102,578	15,748	86,830	1,673	(2,236)	(1,029)	N.A.
Sichuan Jingtung Fine chemical Corp., Ltd.	40,000	332,659	74,277	258,382	659,292	173	520	N.A.
Anhui Jintung Fine Chemical Corp., Ltd.	60,000	396,625	144,841	251,784	662,141	25,884	16,052	N.A.
Jiangsu Jintung Surfactant Corp., Ltd	380,000	1,059,813	151,145	908,668	1,845,718	127,856	125,624	N.A.
Xiamen Jintung Synthetic Detergent Co., Ltd	26,159	47,949	30,916	17,033	-	(787)	(34)	N.A.
Hsin Tay (Shanghai) Ltd.	51,385	284,994	72,103	212,891	709,635	11,973	8,679	N.A.
Tianjin Port Free Trade Zone Hsing Tung Chemical Industrial Co., Ltd	40,000	37,825	125	37,700	9,997	931	(2,915)	N.A.
Beijing Tung Sheng Tai Trade Co., Ltd.	7,500	19,045	25,952	(6,907)	-	(466)	(158)	N.A.

6. Consolidated financial statements of affiliates: Please refer to following website,
   (1) The Company's official website (http://www.htgroup.com.tw), Investor Services/Operational Highlights /Financial Reports
   (2) MOPS (https://emops.twse.com.tw/server-java/t58query), Electronic Books/ FinancialStatements
7. Reports on Affiliations: None.

Ho Tung Chemical Corporation

Declaration of Consolidated Financial Statements of Affiliated Companies

For the year ended December 31, 2024, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standards 10. In addition, information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Hereby declare by

Ho Tung Chemical Corporation

Chairman: Li-chiu Chang

March 12, 2025

II. Private Placement of Securities for the Most Recent Year and up to the Date of Publication of the Annual Report: None.

III. Other Necessary Supplement: None.

IV. Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Year and Up to the Date of Publication of the Annual Report: None.