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2025 ANNUAL REPORT

TAIWAN FERTILIZER CO., LTD. | 2025 ANNUAL REPORT

TAIWAN FERTILIZER CO., LTD.

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I. Spokespersons of the Company

	Spokesperson:	**Deputy Spokesperson**
Name	Chung, Jun-Ming	Huang, Mei-Ling
Title	Deputy General Manager	Assistant Deputy General Manager concurrent Chief of Accounting Division
Contact No.	(02) 2542-2231, ext 5103	(02) 2542-2231, ext 6601
email	eric6963@taifer.com.tw	marilyn@taifer.com.tw

II. Addresses and Telephone Numbers of Headquarter and Facotries

Headquarter:
Address: 17F, No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City, 115
Tel: (02) 2542-2231

Keelung Factory:
Address: (203) No. 171, Zhonghua Rd, Zhongshan District, Keelung City
Tel: (02) 2420-1053

Hualien Factory
Address: (970) No.15, Huadong, Hualien City, Hualien County
Tel: (03) 822-3181, Fax: (03) 822-1854

Miaoli Factory
Address: (360) No.210, Fuxing, Miaoli City, Miaoli County
Tel: (037) 260-601, Fax: (037) 822-170

Taichung Factory
Address: (435) No.100, Sec. 2, Nanti Rd., Wuqi Dist., Taichung City
Tel: (04) 2521-8588, Fax: (04) 2630-5618

III. Share Transfer Agency:

Name: Shareholder Service Agency Department, Grand Fortune Securities Co.,Ltd
Website: http://www.gfortune.com.tw
Address: 6F., No. 6, Sec. 1, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)
Tel: (02) 2371-1658, Fax: (02) 2371-5618

IV. CPAs audited the annual financial report for the most recent fiscal year

Name of CPAs: Chen, Tsung-Che and Huang, Hsin-Ting
Name of Accounting Firm: KPMG Taiwan
Address: (110) 68F, No. 7, Xinyi Rd., Sec. 5, Taipei City
Tel: (02) 8101-6666, Fax: (02) 8101-6667
Website: https://home.kpmg.com/tw/zh/home.html

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

VI. Website of the Company: http://www.taifer.com.tw

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One. Report to Shareholder

Overview of 2025 Business:

With the slowing global inflation and the geo-trade pressures mounting, for the global economy, AI investment has become a key engine for combating economic slowdown and driving productivity growth. In 2025, under the pressure of soaring raw material and production costs of fertilizer, the Company continues to optimize and adjust the structure of its profitability, including: (1) investing in the development of compound fertilizers and slow-controlled release fertilizer using agricultural recycling resources, seeking to promote the circular economy, land-friendly agriculture, and increase the gross profit of fertilizer. (2) launching the first batch of certified blue ammonia in Taiwan, to commence a new century of low-carbon supply to the semiconductor, and (3) continuously promoting the development of real estate and tenant solicitation in Nangang and Hsinchu, to achieve the Company's profit target of sustainable property.

In 2025, the fertilizer business continued to launch compound fertilizers incorporating domestic agricultural resources. The new product, "Leaf King Liquid,"the liquid slow-release fertilizer received high praise from farmers. The solid slow-release fertilizer products under development are also actively undergoing field trials, with the aim of reducing losses through government subsidies. The chemical business has continuously expanded the sales of blue ammonia and promoted the upgrading of electronic-grade chemical products to maintain stable profitability. For the real-estate business, the rent income for the whole year reached NT$2.46 billion; of which, theTFC Nangang Economy-Trade Building in Nangang C2 has been leased out for 94.2% (as of December 2025), and Hotel of Building C has completed the tenant invitations in 2025. C4 development project has reached 61.8% of the overall development progress (as of December 2025), and the project completion is expected in 2027. The Hsinchu TFC-ONE office building has been fully leased out, and the development of the D7-B commercial/office building has been initiated. It is expected to be completed in 2029. The land of the old production factory in Kaohsiung has completed the rezoning of urban land sponsored by the government. Going forward, the best development planning will be made based on the market conditions.

In 2025, the Company has been recognized again as being selected as one component of "Taiwan Sustainability Index" in 2025. In the future, we will continue to closely monitor

the evolving environment, and transform the philosophy of sustainable operation into the long-term competitiveness, in an effort to create more valuable and stable rewards for the Company's shareholders. Facing the challenges of global climate change and the 2050 net-zero emissions target, the Company's nitric acid plant in Taichung introduced the internationally leading KBR (Kellogg Brown & Root) Ternary Reduction Technology. This project was approved by the Ministry of Environment on December 15, 2025, under the "voluntary emission reduction plan," and successfully obtained a preferential carbon fee rate. This move significantly reduces greenhouse gas emissions, effectively optimizes tax costs, and demonstrates a model of green transformation. To ensure the operational resilience, the Company also simultaneously enhances the workplace safety, and has completed occupational safety and health inspections in the production sites, and confirmed the improvement results for the year. In addition to reducing occupational safety and health risks, the Company has also improved the operation performance of the production sites.

The Company's production volume of fertilizer products totaled 512,764 tons in 2025, decreased by 19.35% from 2024. The output of chemical engineering products totaled 174,063 tons, decreased by 7.15% from 2024. The sales volume of fertilizer products in 2025 totaled 600,139 tons, decreasing by 2.35% from 2024, and that of chemical engineering products totaled 123,355 tons, decreased by 2.18% from 2024.

In the regards to revenue and profit, based on the consolidated financial statements, the operating revenue was NT$12,087,709 thousand in 2025, an increase of 1.81% from NT$11,873,258 thousand in 2024. The net operating profit was NT$362,088 thousand, a decrease of 34.13% from 2024. The net non-operating profit was NT$798,459 thousand, a decrease of 26.62% from 2024. The net profit is NT$932,239 thousand, a decrease of 52.57% from 2024.

For the financial structure, based on the consolidated financial statements, the Company has a solid financial structure. Until December 31, 2025, the Company has had the assets totaled NT$81,524,634 thousand, and liabilities totaled NT$27,249,941 thousand. The liability ratio was 33.43%. The equity amounted to NT$54,274,693 thousand, and book value per share was NT$55.38.

Summary of 2026 Business Plan:

Looking to 2026, the global economy is stepping into the era featuring both the "slow and robust growth" and "transformation driven by technologies." Despite structural challenges such as rising trade protectionism and geopolitical fragmentation, the expansion of AI infrastructure and the transition to green energy have become core drivers of productivity growth and offsetting downside risks to the economy. Most economic forecasting agencies predict that global GDP will maintain a steady growth range of 2.5% to 2.9%. Facing a complex environment of a weakening US dollar, declining energy prices, but rising demand for industrial metals and electricity, the Company will actively seize the transformation opportunities driven by global AI infrastructure and the green circular economy, ensuring excellent profitability resilience amidst cost fluctuations.

Fertilizer: with the operating mission of accommodating the agricultural development trend, government agriculture policies, and "environment-friendly agriculture," we will constantly develop the niche products, such as the slow-controlled release fertilizer and the compound fertilizer adding to the domestic agricultural resources. With the operation management synergy and the promotion of energy saving and carbon reduction, we aim to improve the Group's profitability and sustainable development.

Chemical engineering: Responding to the green circular economy and high-end semiconductor industry demand, apart from the existing sales performance, the Company expects to invest NT$1.385 billion to promote "the Reuse Program of Spent Sulfuric Acid," to address the issue of spent sulfuric acid from semiconductor production by processing the acid into the industrial grade ammonium sulfate; additionally, the Company plans to establish an electronic-grade solvent storage tank and improvement project of process technologies for distillation towers, to expand the business of electrochemical products.

Real estate: we will continue to establish the sustainable property strategy. The development projects of C4 in Nangang Business-Trade Park and D7-B in Hsinchu Tech Business Park will be completed as planned, and the design and planning of the D4 and D5 Block Development Project in Hsinchu is expected to commence in 2026, forf increasing the future rent income and return of assets.

Emerging Businesses: The Company continuously strengthens its reinvestment management and operational efficiency, and will invest in related industries in the way of strategic investment. It is also re-planning the future development direction of its deep-ocean water business and actively promoting the strategic transformation of its Hualien Factory.

The Company's estimated sales volume for 2026 was prudently determined based on a comprehensive assessment of the economic environment, industry supply and demand conditions, and production capacity planning. The projected sales volumes are 625 thousand tons; 94 thousand tons of chemical products; 19 thousand tons of electronic grade chemicals.

Summary of future business development strategies:

Looking into the future, facing rapid changes in domestic and international industrial and economic and environmental circumstances, TFC will continue to uphold the business concepts of development, consolidation, innovation, and sustainability to deepen the organizational transformation and upgrading. In response to the challenges posed by the K-shaped economic, we will focus on AI technology and green economy drivers to comprehensively transform our existing businesses, while insisting the financial viability and risk control to establish a long-term and stable profit structure. Facing the ever-evolving market challenges, we will demonstrate our operational resilience, and optimize the asset allocation, to realize the maximum shareholders' value, and strive to achieve our goal of pursuing the corporate sustainable operation and development.

Sincerely,
Best regards,

Chang, Chang-Lang, Chairman

Two. Corporate Governance Report

I. Information on Directors, Supervisors, President, Vice Presidents, and Management Team

(I) Director information

Director information (I)

March 29, 2026

Title	Nationality	Name	Gender/Age	Election (Accession) Date	Term	Date First Elected	Shareholding When Elected		Current shareholding		Shareholding by Spouse and Children of Minor Age		Shareholding by Nominee Arrangement		Experience (Education)	Other executives or directors who are related as spouses or within the second degree of consanguinity	Executives ir Directors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relation	
Chairman	Republic of China	Ministry of Agriculture		2024.6.26	Three years	2005.5.20	235,886,376	24.07	235,886,376	24.07	0	0	0	0		-	-	-	-	
	Republic of China	Representative: Chang, Chang-Lang	Male/ 61-70	2024.6.26	Three years	2025.11.3	0	0	0	0	0	0	0	0	NTU Graduate Institute of Building and Planning Assistant VP, Taiwan Fertilizer Co., Ltd., Vice President at Taiwan Fertilizer Co. President of Taiwan Fertilizer Co.	-	-	-	-	
Director	Republic of China	Ministry of Agriculture		2024.6.26	Three years	2005.5.20	235,886,376	24.07	235,886,376	24.07	0	0	0	0	-	-	-	-	-	
	Republic of China	Representative: Lin, Chia-Rong	Male/ 51-60	2024.6.26	Three years	2026.1.15	0	0	0	0	0	0	0	0	Master, Institute of Agricultural Economics, National Taiwan University Director General, Department of International Affairs, Ministry of Agriculture Leader, Agriculture Division, Taipei Economic and Cultural Representative Office in the United States (TECRO)	Chief Secretary, Ministry of Agriculture, Executive Yuan	-	-	-	
Director	Republic of China	Ministry of Agriculture		2024.6.26	Three years	2005.5.20	235,886,376	24.07	235,886,376	24.07	0	0	0	0	-		-	-	-	
	Republic of China	Representative: Liu, Jhy-Chern	Male/ 61-70	2024.6.26	Three years	2024.6.26	0	0	0	0	0	0	0	0	PhD in Environmental Engineering, University of Delaware, USA Professor of Department of Chemical Engineering, and Vice President, National Taiwan University of Science and Technology National Taiwan University of Science and Technology Dean of College of Engineering, National Taiwan University of Science and Technology; Director, Taiwan-Indonesia Innovation Center	Contract Research Fellow, National Taiwan University of Science and Technology	-	-	-	
Director	Republic of China	Ministry of Agriculture		2024.6.26	Three years	2005.5.20	235,886,376	24.07	235,886,376	24.07	0	0	0	0	-	-	-	-	-	

Title	Nationality	Name	Gender/Age	Election (Accession) Date	Term	Date First Elected	Shareholding When Elected		Current shareholding		Shareholding by Spouse and Children of Minor Age		Shareholding by Nominee Arrangement		Experience (Education)	Other executives or directors who are related as spouses or within the second degree of consanguinity	Executives ir Directors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relation	
	Republic of China	Representative: Tseng, Hsiang-Hua	Female/ 31-40	2024.6.26	Three years	2024.6.26	0	0	0	0	0	0	0	0	Master of Management, College of Management, I-Shou University CEO of Bao Dao Chuen Shang Shiang TRADE CO., LTD., Kaohsiung Farmers League, Consultant of Kaohsiung City Government	Chairman of Director, Liability Guaranteed - Kaohsiung City Chuen Shang Shiang Special Product Distribution/Transportation Cooperative	-	-	-	
Director	Republic of China	Ministry of Agriculture		2024.6.26	Three years	2005.5.20	235,886,376	24.07	235,886,376	24.07	0	0	0	0			-	-	-	
	Republic of China	Representative: Huang, Bing-Chuan	Male/ 41-50	2024.6.26	Three years	2024.6.26	0	0	0	0	0	0	0	0	Graduated from the Department of Electrical Engineering, Kao Yuan University Team leader, Instrument & Electrical Section, Maintenance Team, Taichung Factory, TFC Assistant Engineer, Instrument & Electrical Section, Maintenance Team, Taichung Factory, TFC Section Chief, Transportation and Marketing Section, Sales Division, Taichung Factory, TFC	Team Leader, Fertilizer Marketing Team, Sales Division I, TFC	-	-	-	
Director	Republic of China	Tsao, Chi-Hung	Male/ 71-80	2024.6.26	Three years	2021.7.28	2,000	0	2,000	0	0	0	0	0	Completed, Institute of Education, National Kaohsiung Normal University Minister, Council of Agriculture, Executive Yuan Pingtung County Magistrate Members of the Legislative Yuan, 4th and 5th Term	Chairman, Dawu Mountain Foundation Independent Director, Sun Rise E&T Co., Ltd.	-	-	-	
Independent Director	Republic of China	Lin, Su-Ming	Male/ 61-70	2024.6.26	Three years	2021.7.28	0	0	0	0	0	0	0	0	PhD of Accounting, Arizona State University Dean, Department and Institute of Accounting, National Taiwan University Professor, Department of Accounting, National Taiwan University	Adjunct Professor, Department of Accounting, National Taiwan University Independent Director, Chunghwa Telecom Co., Ltd Independent Director, Sunny Friend Environmental Technology co., ltd. Independent Director, AP Biosciences, Inc.	-	-	-	
Independent Director	Republic of China	Weng, Ming-Jang	Male/ 61-70	2024.6.26	Three years	2021.7.28	0	0	0	0	0	0	0	0	PhD of Economics, Texas A&M University Director, EMBA Center, National University of Kaohsiung	Associate Professor, Department of Applied Economics, National University of Kaohsiung Independent Director, Perfect Medical Industry Co., Ltd.	-	-	-	

Title	Nationality	Name	Gender/Age	Election (Accession) Date	Term	Date First Elected	Shareholding When Elected		Current shareholding		Shareholding by Spouse and Children of Minor Age		Shareholding by Nominee Arrangement		Experience (Education)	Other executives or directors who are related as spouses or within the second degree of consanguinity	Executives ir Directors Who are Spouses or within Two Degrees of Kinship			Remarks
							Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relation	
Independent Director	Republic of China	Ho, Yen-Sheng	Male/ 41-50	2024.6.26	Three years	2021.7.28	0	0	0	0	0	0	0	0	PhD, Institute of Real Estate and Built Environment, National Taipei University Consulting commissioner, National Audit Office, Control Yuan Member, Legal Affair Committee, Ministry of Agriculture Member, Real Estate Dispute Mediation Committee Member of Legal Affairs Commission, Ministry of the Interior	Associate Professor, Department of Real Estate and Built Environment, National Taipei University	-	-	-	

Table 1: Key Shareholders of Institutional Shareholders

March 29, 2026

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder
Ministry of Agriculture, Executive Yuan (ownership: 24.07%)	Not applicable

Table 2: Key Shareholders as Corporations: None

Director information (II)

1. Information disclosure of directors' professional qualifications and independence of independent directors:

December 31, 2025

Qualification / Name	Professional qualification and experience	Independence	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chang, Chang-Lang (Chairman)	Currently the Chairman of TFC, Master of Graduate Institute of Building and Planning, National Taiwan University, with professional qualifications and experience in business operation and management and development and management of real properties. *Not having any of the circumstances in Article 30 of the Company Act.	Legal Person Representative of Ministry of Agriculture.	0
Lin, Chia-Rong	Currently, he is Chief Secretary, Ministry of Agriculture, and Master from Institute of Agricultural Economics, National Taiwan University; he concurrently serves the member of the Company's Sustainable Development Committee, with professional qualification and experience in agriculture policy and public administration. *Not having any of the circumstances in Article 30 of the Company Act.	Legal Person Representative of Ministry of Agriculture.	0
Liu, Jhy-Chern	Currently he is Contract Research Fellow of National Taiwan University of Science and Technology, and concurrently serves as the convener of the Company's Management and Investment Committee, as well as a member of the Remuneration Committee, Real Estate Resources Committee and Sustainable Development Committee; he is PhD of Environmental Engineering from University of Delaware, USA, with professional qualifications and experience in fertilizer and chemical engineering, environmental sustainability. *Not having any of the circumstances in Article 30 of the Company Act.	Legal Person Representative of Ministry of Agriculture.	0
Tseng, Hsiang-Hua	She is currently the Chairman of Director, Liability Guaranteed - Kaohsiung City Chuen Shang Shiang Special Product Distribution/Transportation Cooperative, studies in the MBA Program, College of Management, I-Shou University, and serves as a young farmer representative of Kaohsiung City, with professional qualifications and experience in agricultural product plantation and promotion of agriculture. *Not having any of the circumstances in Article 30 of the Company Act.	Legal Person Representative of Ministry of Agriculture.	0

Huang, Bing-Chuan	Currently serves as the Team Leader, Fertilizer Marketing Team, Sales Division I, TFC. *Not having any of the circumstances in Article 30 of the Company Act.	Legal Person Representative of Ministry of Agriculture.	0
Tsao, Chi-Hung	Currently he serves as Chairman, Dawu Mountain Foundation. Completed studies in Institute of Education, National Kaohsiung Normal University, and he concurrently serves as the member of the Management and Investment Committee. He used to serve as Minister, Council of Agriculture, Executive Yuan, Pingtung County Magistrate, and two terms of Members of the Legislative Yuan. Possessing professional qualification and experience in agriculture policy and public administration. *Not having any of the circumstances in Article 30 of the Company Act.		1
Lin, Su-Ming (Independent Director)	Served as Professor, Department of Accounting, National Taiwan University; PhD of Accounting, Arizona State University. Also serving as the convener of the Audit Committee, and the member of the Company's Remuneration Committee, Real Estate Resources Committee, Management and Investment Committee, and Sustainable Development Committee. Used to serve as Independent Director of Nanshan Life Insurance, Ruentex Industries, and China Airlines. Possessing professional qualification and experience in accounting and taxation, and finance. *Not having any of the circumstances in Article 30 of the Company Act.	Pursuant to the Company's "Articles of Incorporation" and the "Corporate Governance Best Practice Principles," the election of directors adopts the candidate nomination system. When nominating and electing the board members, the Company has obtained the written declaration, working experience, and certificates of education from each director, to verify the independence of themselves, their spouses and relatives within the second degree of kinship relative to the Company, that none of them serves as the director, supervisor, or employee of the Company or any of its affiliates. Independent director him/herself, the spouses and relatives within the second degree of kinship (or in other's name) holding zero of the Company's shares; amount of compensation received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company: 0. The Company has verified that the three independent directors have complied with required qualification specified in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act during two years prior to the election and their terms of office; additionally, all independent directors are empowered with the authorities to fully participate the decision-making and opinion expression pursuant to Article 14-3 of the Securities and Exchange Act, to exercise their duties independently.	3
Weng, Ming-Jang (Independent Director)	Currently serving as Associate Professor, Department of Applied Economics, National University of Kaohsiung; PhD of Economics, Texas A&M University. Also serving as the convener of the Remuneration Committee, and a member of the Company's Audit Committee, Real Estate Resources Committee, Management and Investment Committee, and Sustainable Development Committee. Possessing professional qualification and experience in business administration, finance, applied economics. *Not having any of the circumstances in Article 30 of the Company Act.		1
Ho, Yen-Sheng (Independent Director)	Currently serving as Associate Professor, Department of Real Estate and Built Environment, National Taipei University.; PhD, Institute of Real Estate and Built Environment, National Taipei University. Also serving as the member of the Company's Audit Committee, Real Estate Resources Committee, Management and Investment Committee, and Sustainable Development Committee. Possessing professional qualification and experience in real estate, urban renewal dispute settlement . *Not having any of the circumstances in Article 30 of the Company Act.		0

2. Diversity and independence of the board of directors

(1) **Diversity of the board of directors**: healthy, diversified, and professional board of directors is an integral part of the corporate governance, also the key foundation for seeking sustainable development. To enhance the corporate governance and promote the health development of the board of directors' composition and structures, the election of the board members shall be diversity and cross-industry oriented. The 36th term of board of director consists of nine directors (thee

independent directors and one labor directors included); all of them are Taiwanese. The Company also emphasizes the gender equality. The board members of this term include one female directors, accounting 11%. In the future, the Company will be committed to increase the proportion of female directors to one third, as the goal. We actively seek female talents with professional backgrounds from industry and academia to join the Board of Directors, implementing the diversity policy outlined in Article 20 of our "Corporate Governance Best Practice Principles." Age distribution of directors: one director is aged 31-40 years old; two for 41-50 years old, one for 51-60 years old, four for 61-70 years old, and one for 71-80 years old.
Pursuant to Article 20 of the Company’s Corporate Governance Best Practice Principles, as a whole, the board of directors shall possess the following abilities: I. Ability to make operational judgments. II. Ability to perform accounting and financial analyst. III. Ability to conduct management administration. IV. Ability to conduct crisis management. V. Knowledge of the industry. VI. An international market perspective. VII. Ability to lead. VIII. Ability to make decision decisions. The majority of board members have worked as key positions in governmental agencies, or taught in colleges. They have abundant experience in fertilizer, chemical engineering, environmental sustainability, agricultural economics and promotion, finance, accounting and taxation, vegetable and fruit plantation, flower plants, land management, real estate, and urban renewal dispute settlement, for the better operating decision-making of the board of directors. The election of the board members implemented the diversity policy, and their capabilities are cross-industrial and complementary to each other. In the future, the diversity policy will be amended and added timely depending on the operating demands and operation format, to ensure the board members possess the professional knowledges and skills required to perform their duties.

The diversity of board members was implemented in 2025 as below:

Diversity / Names of Directors	Basic composition							Industrial experience				Professional capabilities			
	Nationality	Gender	Age range					Fertilizer and chemical	Finance, accounting, and taxation	Agricultural economy and promotion	Operation and management of real estate	Public administration	Business administration	Handling disputes over urban renewal	Environmental Sustainability
			31-40	41-50	51-60	61-70	71-80								
Chang, Chang-Lang	Republic of China	Male				✓		✓	✓		✓		✓		✓
Lin, Chia-Rong	Republic of China	Male			✓			✓		✓		✓			✓
Liu, Jhy-Chern	Republic of China	Male				✓		✓							✓
Tseng, Hsiang-Hua	Republic of China	Female	✓							✓		✓	✓		
Huang, Bing-Chuan	Republic of China	Male		✓				✓		✓					
Tsao, Chi-Hung	Republic of China	Male					✓	✓		✓		✓	✓		✓
Lin, Su-Ming	Republic of China	Male				✓			✓				✓		
Weng, Ming-Jang	Republic of China	Male				✓			✓	✓			✓		✓
Ho, Yen-Sheng	Republic of China	Male		✓							✓	✓		✓	

(2) Independence of the Board:

Structure of the Board: the Company adopts the candidate nomination system. The election of directors are open and fair, complying with requirements provided in the Company's "Articles of Incorporate," "Regulations Governing the Election of Directors and Independent Directors," "Corporate Governance Best Practice Principles," "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and "Article 14-2 of the Securities and Exchange Act." The 36th term of board of director consists of six ordinary directors and three independent directors, weighting one-third of all members. To be aligned with the spirit of corporate governance, and enhance the supervisory mechanism of independent directors; in the future, it is committed to increase the weight of independent directors to a half of the board, as the goal.

Independence of the Board: None of the board member is a spouse or relative within second degree of kinship to any other director, nor any circumstance set forth in Paragraph 3 and 4 of Article 26-3 of the Securities and Exchange Act. The Company's "Rules Governing the Scope of Powers of Independent Directors" specifies that "when an independent director objects to or expresses reservations about any of the matters, it shall be recorded in the board meeting minutes;" and "the Company may not obstruct, refuse, or evade the actions of independent directors in the performance of their duties. As they deem necessary to performing those duties, independent directors may request the board to appoint relevant personnel or to hire professionals for assistance;" to enable the independent directors to fulfill their responsibility, supervise the board of directors' operation, and enhance the Company's operation performance. All independent directors meeting the requirements for independent directors stipulated by the Financial Supervisory Commission. Their independence is as following:

Name	Whether the independent director him/herself, the spouses and relatives within the second degree of kinship not serving as the director, supervisor, or employee of the Company or any of its affiliates.	Number and proportion of shareholding of the independent director him/herself, the spouses and relatives within the second degree of kinship (or in other's name)	Whether the independent director him/herself, the spouses and relatives within the second degree of kinship not serving as the director, supervisor, or employee of companies having special relationship with the Company.	Amount received by providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the company
Lin, Su-Ming	No	0	No	0
Weng, Ming-Jang	No	0	No	0
Ho, Yen-Sheng	No	0	No	0

(II) Information on the General Manager, Deputy General Managers and Management Team

March 31, 2026

Title	Nationality	Name	Gender	Election (Accession) Date	No. of shared held		Shareholding by Spouse and Children of Minor Age		Shareholding by Nominee Arrangement		Experience (Education)	Currently holding the position of other companies	Executives or directors who are spouses or relatives within 2nd degree of kinship			Remarks
					Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)			Title	Name	Relation	
General Manager	Republic of China	Chen, Yu-Hsin	Female	2026.1.1	0	0	0	0	0	0	Graduate Institute of Political Science, National Chung Cheng University Executive Officer, Ministry of Agriculture		-	-	-	Note 1
Deputy General Manager	Republic of China	Liu, Kuo-Ying	Female	2023.7.18	5,000	0	0	0	0	0	Institute of Land Economics, National Chengchi University Assistant Vice President at Taiwan Fertilizer Co. Vice President at Taiwan Fertilizer Co.	President, Taiwan Yes Deep Ocean Water Co., Ltd Chairman and President,Tai Ying Sustainability Co., Ltd. Representative of Corporate Director, Taifer (Cayman) International Group Co., Ltd. Chairman of Xu Chang (Cayman Islands) Limited Director, Al-Jubail Fertilizer Company	-	-	-	
Deputy General Manager	Republic of China	Liu, Sheng-Hung	Male	2024.8.7	0	0	0	0	0	0	Department of Finance and Taxation, National Chung Hsing University Assistant Vice President at Taiwan Fertilizer Co. Vice President at Taiwan Fertilizer Co.	Director, Taiwan Yes Deep Ocean Water Co., Ltd Director, Mitagri Co.,Ltd.	-	-	-	
Deputy General Manager concurrent Financial Officer	Republic of China	Chung, Chun-Ming	Male	2024.8.7	0	0	0	0	0	0	EMBA, Accounting and Management Decision-Making Group, College of Management, National Taiwan University Assistant Vice President at Taiwan Fertilizer Co. Vice President at Taiwan Fertilizer Co.	Chairman and President, Taifer InvestmentCorporation	-	-	-	Note 2
Chief Plant Director	Republic of China	Tseng, Chien-Shoy	Male	2025.4.1	0	0	0	0	0	0	Institute of Mechanical Engineering, National Taiwan University Factory Chief, Taichung Factory, Taiwan Fertilizer Co., Ltd	Chairman and President, Peifeng Technology Co., Ltd	-	-	-	
Accounting Officer	Republic of China	Huang, Mei-Ling	Female	2017.5.1	0	0	0	0	0	0	EMBA, Soochow University Assistant Vice President at	Director, Taifer InvestmentCorporation	-	-	-	Note 3

											Taiwan Fertilizer Co. Vice President at Taiwan Fertilizer Co.	Supervisor, Peifeng Technology Co., Ltd				
Taichung Factory Plant Director	Republic of China	Liao, Wen-Wei	Male	2025.1.16	0	0	0	0	0	0	Department of Chemical Engineering, Tatung University Deputy plant director of Taichung plant, Taiwan fertilizer CO., LTD.		-	-	-	
Miaoli Factory Acting Plant Director	Republic of China	Huang, Tsung-Ping	Male	2025.8.7	0	0	0	0	0	0	Department of Industrial Engineering and Management, National Chiao Tung University Chief, Technology Division, Taiwan Fertilizer	Director, Al-Jubail Fertilizer Company Director, Peifeng Technology Co., Ltd	-	-	-	
Hualien Factory Plant Director	Republic of China	Wang, Chun-Wen	Male	2024.11.8	0	0	0	0	0	0	Institute of Agricultural Chemistry, National Taiwan University Chief Auditor, Taiwan Fertilizer Co., Ltd		-	-	-	

Note 1: At the 4th special meeting of the 36th Board of Directors on December 30, 2025, the appointment of Ms. Chen, Yu-Hsin as the General Manager since January 1, 2026 was approved.
Note 2: Assistant Deputy General Manager, Chung, Chung-Ming, holds the position of Financial Officer (Director of Finance Division) concurrently.
Note 3: Assistant Deputy General Manager, Huang, Mei-Ling, holds the position of Accounting Officer (Director of Accounting Division) concurrently.

II. Remuneration paid to directors, supervisors, president and vice presidents for the recent

(I) Remuneration for directors of the board (including independent directors) (Summary of ways for coordinative disclosure of names)

December 31, 2025
Unit: NT$ thousand

Title	Name	Directors' remuneration								Ratio of Total Remuneration (A+B+C+D) to After- tax Net Income		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation(A+B+C+D+E+F+G) to Net Income		Compensation Paid from an Invested Company Other than the Company's Subsidiary or the Parent Company
		Salary (A)		Severance Pay and Pension (B)		Remuneration to Directors (C)		Business Execution Expense (D)				Salary, Bonus & Allowance etc. (E)		Severance Pay and Pension (F)		Remuneration to employee (G)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash Amount	Share Amount	Cash Amount	Share Amount			
Ministry of Agriculture																						
Chairman	Representative: Lee, Suen-Zone (Discharged on October 31, 2025)	5,981	5,981	2,100	2,100	2,664	2,664	5,638	5,638	1.757%	1.757%	-	-	-	-	-	-	-	-	1.757%	1.757%	-
Chairman	Representative: Chang, Chang-Lang (took office on November 3, 2025)	1,093	1,093	-	-	16,045	16,045	3,479	3,479	2.211%	2.211%	1,388	1,388	-	-	46	-	46	-	2.365%	2.365%	-
Director	Representative: Fan, Mei-Ling (Discharged on April 21, 2025)																					
Director	Representative: Lin, Chia-Rong (took office on January 15, 2026)																					
Director	Representative: Chuang, Lao-Da (took office on April 21, 2025, and discharged on November 3, 2025)																					
Director	Representative: Liu, Jhy-Chern																					
Director	Representative: Tseng, Hsiang-Hua																					
Director	Representative: Huang, Bing-Chuan																					
Natural Person																						
Director	Tsao, Chi-Hung																					
Independent Director	Lin, Su-Ming																					
Independent Director	Weng, Ming-Jang																					
Independent Director	Ho, Yen-Sheng																					

1. The Company's policy, system, standards and structure of remuneration payments to independent directors, and describe the relationship between the responsibility, risk, time committed to the organization and other factors and the amount of remuneration to them:
   According to the resolution of the 5th meeting of the state-owned enterprises supervision team of the Executive Yuan on August 6, 2010, the remunerations to independent directors of state-owned enterprises supervised by various ministries and departments of the central government are specified as follows: The monthly remuneration to general independent directors shall be capped at two times the independent directors of state-owned enterprises (currently at NT$60,000). It is a type of directors' remuneration which is paid on a monthly basis, and does not pay the surplus distribution.
2. In addition to the disclosure shown in the above table, the remuneration received by the directors for their service provided to the parent company/all companies listed in the financial reports/reinvestment in the most recent fiscal year: None
3. Chairman Chang Lang Chang took the office as a director, and he was appointed as the Chairman at the 8th Meeting, Board of Directors of 36th Term, November 4, 2025.
4. The remuneration of the Chairman, Lee, Suen-Zone, for NT$2,664 thousand and the directors' remuneration received by the directors representing the government's share was fully collected by COA and submitted to the National Treasury as required.

Remuneration Scale Table of 2025

<table>
<tr><th rowspan="3">Remuneration Scale Paid to Each Director</th><th colspan="4">Names of Directors</th></tr>
<tr><th colspan="2">Total of (A+B+C+D)</th><th colspan="2">Total of (A+B+C+D+E+F+G)</th></tr>
<tr><th>The Company</th><th>All companies in the consolidated statements H</th><th>The Company</th><th>All consolidated companies I</th></tr>
<tr><td>Below NT$1,000,000</td><td>Independent Director: Lin, Su-Ming
Independent Director: Ho, Yen-Sheng
Independent Director: Weng, Ming-Jang</td><td>Independent Director: Lin, Su-Ming
Independent Director: Ho, Yen-Sheng
Independent Director: Weng, Ming-Jang</td><td>Independent Director: Lin, Su-Ming
Independent Director: Ho, Yen-Sheng
Independent Director: Weng, Ming-Jang</td><td>Independent Director: Lin, Su-Ming
Independent Director: Ho, Yen-Sheng
Independent Director: Weng, Ming-Jang</td></tr>
<tr><td>NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)</td><td>Chairman: Representative of Ministry of Agriculture Chang, Chang-Lang
Ordinary Director: Representative of Ministry of Agriculture, Chuang, Lao-Da
Ordinary Director: Representative of Ministry of Agriculture, Fan, Mei-Ling</td><td>Chairman: Representative of Ministry of Agriculture Chang, Chang-Lang
Ordinary Director: Representative of Ministry of Agriculture, Chuang, Lao-Da
Ordinary Director: Representative of Ministry of Agriculture, Fan, Mei-Ling</td><td>Chairman: Representative of Ministry of Agriculture Chang, Chang-Lang
Ordinary Director: Representative of Ministry of Agriculture, Chuang, Lao-Da
Ordinary Director: Representative of Ministry of Agriculture, Fan, Mei-Ling</td><td>Chairman: Representative of Ministry of Agriculture Chang, Chang-Lang
Ordinary Director: Representative of Ministry of Agriculture, Chuang, Lao-Da
Ordinary Director: Representative of Ministry of Agriculture, Fan, Mei-Ling</td></tr>
<tr><td>NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)</td><td>Ordinary Director: Representative of Ministry of Agriculture Liu, Jhy-Chern
Ordinary Director: Representative of Ministry of Agriculture Tseng, Hsiang-Hua
Director: Tsao, Chi-Hung
Ordinary Director: Representative of Ministry of Agriculture, Huang, Bing-Chuan</td><td>Ordinary Director: Representative of Ministry of Agriculture Liu, Jhy-Chern
Ordinary Director: Representative of Ministry of Agriculture Tseng, Hsiang-Hua
Director: Tsao, Chi-Hung
Ordinary Director: Representative of Ministry of Agriculture, Huang, Bing-Chuan</td><td>Ordinary Director: Representative of Ministry of Agriculture Liu, Jhy-Chern
Ordinary Director: Representative of Ministry of Agriculture Tseng, Hsiang-Hua
Director: Tsao, Chi-Hung</td><td>Ordinary Director: Representative of Ministry of Agriculture Liu, Jhy-Chern
Ordinary Director: Representative of Ministry of Agriculture Tseng, Hsiang-Hua
Director: Tsao, Chi-Hung</td></tr>
<tr><td>NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)</td><td>-</td><td>-</td><td>Ordinary Director: Representative of Ministry of Agriculture, Huang, Bing-Chuan</td><td>Ordinary Director: Representative of Ministry of Agriculture, Huang, Bing-Chuan</td></tr>
</table>

NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	-	-	-	-
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	Chairman: Representative of Ministry of Agriculture Lee, Suen-Zone	Chairman: Representative of Ministry of Agriculture Lee, Suen-Zone	Chairman: Representative of Ministry of Agriculture Lee, Suen-Zone	Chairman: Representative of Ministry of Agriculture Lee, Suen-Zone
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-	-	-
NT$50,000,000 (inclusive)~ NT$100,000,000 (exclusive)	-	-	-	-
Above NT$100,000,000	-	-	-	-
Total	12	12	12	12

Note 1: Director, Fan, Mei-Ling, was discharged on April 21, 2025; Director, Chuang, Lao-Da, took office on April 21, 2025, and was discharged on November 3, 2025; the former Chairman Lee, Suen-Zone was discharged on October 31, 2025; Chairman, Chang, Chang-Lang took the office as a director, and he was appointed as the Chairman at the 8th Meeting, Board of Directors of 36thTerm, November 4, 2025.

Note 2: The amount of remuneration for directors by surplus distribution is paid by the amount of allotment adopted by the Board of Directors for Surplus Distribution for 2025.

Note 3: The remuneration to representatives of institution includes the directors' remuneration to be obtained by the institution; for the directors representing the shares held by the government appointed by the Ministry of Agriculture: former Director, Fan, Mei-Ling (discharged on April 21, 2025), Director, Chuang, Lao-Da (took office on April 21, 2025, and was discharged on November 3, 2025), the former Chairman Lee, Suen-Zone (discharged on October 31, 2025), Chairman, Chang, Chang-Lang, Director Liu, Jhy-Chern, Director, Tseng, Hsiang-Hua, and Director, Huang, Bing-Chuang, the directors' remunerations distributed from earnings are collected by the Ministry of Agriculture and paid to the national treasury as required.

(II) Remuneration for President and Vice Presidents (Summary of ways for coordinative disclosure of names)

December 31, 2025
Unit: NT$ thousand

Title	Name	Wage (A)		Severance Pay and Pension (B)		Bonus and Special Expense (C)		Remuneration to employees (D)				Ratio of Total Remuneration (A+B+C+D) to After- tax Net Income (%)		Compensation Paid from an Invested Company Other than the Company's Subsidiary or the Parent Company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
General Manager	Chang, Chang-Lang (Note 2)	10,137	10,137	-	-	10,098	10,098	436	-	436	-	2.22%	2.22%	40
Deputy General Manager	Liu, Kuo-Ying													
Deputy General Manager	Chung, Chun-Ming													
Deputy General Manager	Liu, Sheng-Hung													
Chief Plant Director	Tseng, Chien-Shoy													

Note 1: Chen, Yu-Hsin, General Manager, took office since January 1, 2026, and thus no remuneration for 2025 was received.
Note 2: Chang, Chang-Lang, during his office as the General Manager, he only received the managerial officer's remuneration from January 1, 2025 to November 3, 2025.

Remuneration Scale Table

Remuneration Scale Paid to Each President and Vice President	Name of President and Vice President	
	The Company	All consolidated companies
Below NT$1,000,000	-	-
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Tseng, Chien-Shoy	Tseng, Chien-Shoy
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	Liu, Kuo-Ying Chung, Chun-Ming Liu, Sheng-Hung	Liu, Kuo-Ying Chung, Chun-Ming Liu, Sheng-Hung
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Chang, Chang-Lang	Chang, Chang-Lang
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive)~ NT$100,000,000 (exclusive)	-	-
Above NT$100,000,000	-	-
Total	5	5

Note 1: The amount of remuneration for employees is paid by the amount of allotment adopted by the Board of Directors for Surplus Distribution for 2025.

(III) Names of Management Team for the Allotment of Employee Remuneration, and Allotment Conditions

December 31, 2025
Unit: NT$ thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Remuneration in Share</th><th>Remuneration in Cash</th><th>Total</th><th>Raito of Total Amount to After-Tax Net Income (%)</th></tr>
<tr><td rowspan="9">Managerial Officers</td><td>Deputy General Manager</td><td>Liu, Kuo-Ying</td><td rowspan="9">0</td><td rowspan="9">777</td><td rowspan="9">777</td><td rowspan="9">0.037%</td></tr>
<tr><td>Deputy General Manager</td><td>Chung, Chun-Ming</td></tr>
<tr><td>Deputy General Manager</td><td>Liu, Sheng-Hung</td></tr>
<tr><td>Chief Plant Director</td><td>Tseng, Chien-Shoy</td></tr>
<tr><td>Assistant Deputy General Manager</td><td>Huang, Mei-Ling</td></tr>
<tr><td>Assistant Deputy General Manager</td><td>Chen, Wei-Kai</td></tr>
<tr><td>Assistant Deputy General Manager</td><td>Liu, Tsai-Hsing</td></tr>
<tr><td>Assistant Deputy General Manager</td><td>Hsu, Bi-Lan</td></tr>
<tr><td>Corporate Governance Officer</td><td>Liu, Chi-Ching</td></tr>
</table>

Note 1: Liu, Tsai-Hsing, Assistant Deputy General Manager took office on September 1 2025, and Hsu, Bi-Lan, Assistant Deputy General Manager took office on October, 2025.

Note 2: The Financial Officer was reassigned to the Deputy General Manager, Chung, Chun-Ming and the Accounting Officer was assigned to Huang, Mei-Ling, Assistant Deputy General Manager.

(IV) Remuneration Policy

1. Comparison and explanation of percentage of the total remuneration for directors, Presidents and Vice Presidents of this Company paid over the past two years by this Company and all companies in the consolidated financial statements in the net income of parent-company only or individual financial reports after tax:

Year	Profit after tax (NT$ thousand)	Director	Managerial Officers
2024	1,965,649	2.13%	1.13%
2025	932,239	4.12%	2.22%

Note 1: According to the articles of association of the Company, the salary of the chairman is 1.25 X the income of the president, and the other directors of the board and supervisors might get NT$20,000 traffic fee per month as compensation. However, the remuneration for the independent director is NT$60,000 per month, and the independent director is not allowed to participate the allocation of remuneration for directors and supervisors.

Note 2: According to the articles of association of the Company, after the provision of reserves, the after-tax net income will be put aside no more than 1.6% as the remuneration for Directors and Supervisors, and 2.4% as remuneration to employees.

2. The policy of remuneration payment, the combination of standard varieties, procedure for remuneration decision, and the relevant between operation performance and future risks:

According to the Article 25 of association of the Company, after the provision of reserves, the after-tax net income will be put aside 1%~ 3% as remuneration to employees, no more than 1.6% as the remuneration for directors, and provide no less than 0.01% as the remuneration to the non-executive employees.

The Company additionally requires regular assessments of director and managerial officers' performance target achievement; individual remuneration contents and amounts in accordance with appraisal results based on the aforementioned standards; The distribution of directors' remuneration is based on the annual performance evaluation results of directors, which includes 68 indicators in total, including "Board Performance Evaluation" and "Board Member Self-Evaluation". The evaluation is based on a five-grade scale, and the remuneration is distributed according to the number of days served, weighted according to the results. The distribution is then submitted to the Remuneration Committee and the Board of Directors for review. For the managerial officers' remunerations, on the other hand, various allowances and bonuses are stipulated in accordance with the Salary Management Regulations and other relevant regulations, to recognize and reward the employees' hard work and improve business performance. Bonuses are also awarded based on the Company's annual operating performance, operational status, and individual performance.

III. Operation of Corporate Governance

(I) Operation of the Board of Directors

The board of directors convened 8 meetings (A) in 2025. The attendance of the directors and supervisors is described below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	Representative of Ministry of Agriculture: Lee, Suen-Zone	4	0	100%	Dismissed on October 31, 2025
Chairman	Representative of Ministry of Agriculture: Chang, Chang-Lang	4	0	100%	Took office on November 3, 2025
Director	Representative of Ministry of Agriculture: Fan, Mei-Ling	0	2	0%	Dismissed on April 21, 2025
Director	Representative of Ministry of Agriculture: Chuang, Lao-Da	2	0	100%	Took office on April 21, 2025 Dismissed on November 3, 2025
Director	Representative of Ministry of Agriculture: Liu, Jhy-Chern	8	0	100%	
Director	Representative of Ministry of Agriculture: Tseng, Hsiang-Hua	8	0	100%	
Director	Representative of Ministry of Agriculture: Huang, Bing-Chuan	8	0	100%	
Director	Tsao, Chi-Hung	7	1	88%	
Independent Director	Lin, Su-Ming	8	0	100%	
Independent Director	Weng, Ming-Jang	8	0	100%	
Independent Director	Ho, Yen-Sheng	8	0	100%	

Other matters required to be recorded.

I. **If the operation of board of directors matches one of the following conditions, it is required to specify dates, number of meetings and content of proposals of directors, opinions of all independent directors and response to the opinions of independent directors on the Company.**

(I) **For matters set in Article 14-3 of the Securities and Exchange Act:** Not applicable. The Company has established the Audit Committee, and thus the Article 14-5 of the Securities and Exchange Act shall apply.

(II) **Other resolutions, except for the above-mentioned ones, in the board of directors meeting about which any independent director expresses dissent or reservation and a record or written statement is made:** None

II. As for the implementation status of recusal bearing on the interest of a director is involved, the name of the director, proposal, reasons for the recusal, and participation in the voting shall be described.

(I) 5th Meeting, Board of Directors of 36th Term, March 6, 2025

Proposal: 2024 year-end bonus for the Chief of Board's Secretariat (Corporate Governance Officer) and deputy general managers or above.

Director to recuse: Chairman Lee, Suen-Zone

Reason of recusal: conflict of interest

Participation of voting: not participated.

Proposal: Disbursement of 2024 remuneration to the Company's directors and employees

Directors to recuse: Chairman Lee, Suen-Zone, Directors Liu, Jhy-Chern, Tseng, Hsiang-Hua, Huang Bing-Chuang, and Tsao, Chi-Hung.

Reason of recusal: conflict of interest

Participation of voting: not participated.

Proposal: Distribution of 2024 remuneration to the directors.

Directors to recuse: Chairman Lee, Suen-Zone, Directors Liu, Jhy-Chern, Tseng, Hsiang-Hua, Huang Bing-Chuang, and Tsao, Chi-Hung.

Reason of recusal: conflict of interest

Participation of voting: not participated.

(II) 7th Meeting, Board of Directors of 36th Term, August 12, 2025

Proposal: Report on the feasibility of investment by the new subsidiary, "TFC Engery Co., Ltd. (Provisional), the articles of incorporation, and candidates of the chairman.

Director to recuse: Chairman Lee, Suen-Zone

Reason of recusal: conflict of interest

Participation of voting: not participated.

(III) 9th Meeting, Board of Directors of 36th Term, December 10, 2025

Proposal: Proposal of remunerations of the Chairman.

Director to recuse: Chairman Chang, Chang-Lang

Reason of recusal: conflict of interest

Participation of voting: not participated.

III. Implementation of the Board Performance Evaluation

2025 internal performance evaluation of the Board of Directors (functional committees included):

(I) Pursuant to Article 3, paragraph 1 of the "Rules for Performance Evaluation of Board of Directors," the Company shall conduct the internal performance evaluation for the Board once every year, and the evaluation period is from January 1 to December 31 every year.

Therefore, the evaluation period of the 2025 internal performance evaluation for the Board (functional committees included) is January 1 to December 31, 2025.

(II) Evaluation scope: the board, individual board members and each functional committee.

(III) Evaluation method: self-evaluation questionnaires for the board, individual board members and each functional committee.

(IV) Evaluation contents:

1. Board performance evaluation including five major aspects: A. the 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; D. election and continuing education of the directors; E. internal control.
2. Individual board member performance evaluation includes six major aspects: A. the 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.
3. The Audit Committee performance evaluation including five major aspects: A. the participation in the operation of the Company; B. awareness of the duties of the Audit Committee; C.
improvement of quality of decisions made by the Audit Committee; D.
makeup of the Audit Committee and election of its members; E. internal control.
4. The Remuneration Committee performance evaluation including five major aspects: A. the participation in the operation of the Company; B. awareness of the duties of the Remuneration Committee; C.
improvement of quality of decisions made by the Remuneration Committee; D.
makeup of the Remuneration Committee and election of its members; E. internal control.
5. The Real Estate Resources Committee performance evaluation including five major aspects: A. the participation in the operation of the Company; B. awareness of the duties of the Real Estate Resources Committee; C. improvement of quality of decisions made by the Real Estate Resources Committee; D. makeup of the Real Estate Resources Committee and election of its members.
6. The Management and Investment Committee performance evaluation including four major aspects: A. the participation in the operation of the Company; B. awareness of the duties of the Management and Investment Committee; C. improvement of quality of decisions made by the Management and Investment Committee; D. makeup of the Management and Investment Committee and election of its members.

(V) Evaluation results:

1. There are total 45 indicators for the Board’s performance evaluation, and all the average score exceeds 4 point (excellent).
2. There are total 23 indicators for an individual board member’s performance evaluation, and all the average score exceeds 4 point (excellent).
3. There are total 22 indicators for the Audit Committee’s performance evaluation, and all the average score is 5 point (excellent).
4. There are total 19 indicators for the Remuneration Committee’s performance evaluation, nd all the average score is 5 point (excellent).
5. There are total 18 indicators for the Real Estate Resources Committee’s performance evaluation, and the average scores are all above 4 point (excellent).
6. There are total 18 indicators for the Real Estate Resources Committee’s performance evaluation, and all the average scores are all above 4 point (excellent).

2025 external performance evaluation of the Board of Directors (functional committees included):

(I) The 2025 external evaluation of board of directors performance was entrusted to Taiwan Corporate Governance Association ("TCGA")

(II) Evaluation period was from October 1, 2024 to September 30, 2025. TCGA evaluated five aspects: 1. Composition and duty split of the Board. 2. Direction and supervision by the Board. 3. Authorization and risk management of the Board. 4. Communication and collaboration of the Board. 5. Self-discipline and improvement of the Board. In early October 2025, the TCGA reviewed the relevant documents provided by the Company, and the Company completed an online self-assessment questionnaire. On November 26, 2025, individual interviews were conducted with the Chairman and General Manager, two independent directors, one director, the Chief Auditor, and the Corporate Governance Officer. After comprehensive evaluation and analysis by TCGA, a performance evaluation report was issued on December 10, 2025, in which the independence statement was disclosed: The executive committee members and responsible personnel of TCGA who carried out the performance evaluation of the board of directors of Taiwan Fertilizer Co., Ltd. maintained a fair, objective, and ethical attitude, and there were no circumstances that would affect their independence. All of them have signed NDA and declarations of independence and ethics.

(III) TCGA furnished the following five advices to the Company's Board:

1. It is recommended that future nominations consider hiring professionals with financial investment backgrounds, or that independent director seats be added when appropriate.
2. It is recommended that the Sustainability Committee at the management level be transformed into a board-level committee, or that its existing responsibilities be expanded to include oversight of sustainability-related matters (e.g., within the Management and Investment Committee). The Committee should regularly report progress and results to the board to facilitate the Board oversight and guidance on sustainability matters.
3. It is recommended that the Audit Committee hold at least one closed-door meeting annually with the certified public accountants and the head of internal audit, with no other management present, and keep relevant records for future reference.
4. Given that significant unforeseen events are not limited to workplace accidents and that timely information access by directors is crucial, it is recommended that a notification procedure shall be designed for significant unforeseen events. This procedure shall include the types of information to be reported, the reporting deadlines, the reporting methods, and the reporting levels to ensure that all board members are promptly informed of important company developments.
5. It is recommended that clear key performance indicators (KPIs) and their corresponding weights be designed for directors and senior executives to more closely align the performance evaluation system with the Company's sustainability goals, thereby maximizing the effectiveness of incentives.

(IV) The Company's improvement plan regarding the advice of TCGA.

1. On March 4, 2026, the 36th Board of Directors, at its 10th meeting, approved the establishment of the Sustainable Development Committee at the Board of Directors level.
2. The close-door meetings of the Audit Committee and CPAs are arranged in Q3 or Q4 every year.
3. The Company is now actively considering concrete implementation measures for other recommendations.

IV. Goal for enhancement of board functions in the respective year and the most recent year and assessment of implementation conditions:

(I) On March 6, 2025, the 36th Board of Directors, at its 5th meeting, approved to amend the

"Remuneration Committee Charter, Taiwan Fertilizer Co., Ltd." in part.

(II) On March 6, 2025, the 36th Board of Directors, at its 5th meeting, approved to amend the "Ethical Corporate Management Best-Practice Principles of Taiwan Fertilizer Co., Ltd." in part.

(III) On May 7, 2025, the 36th Board of Directors, at its 6th meeting, approved to amend the "Corporate Governance Best-Practice Principles of Taiwan Fertilizer Co., Ltd." in part.

(IV) On May 7, 2025, the 36th Board of Directors, at its 6th meeting, approved to amend the "Sustainable Development Best-Practice Principles of Taiwan Fertilizer Co., Ltd." in part.

(V) On May 7, 2025, the 36th Board of Directors, at its 6th meeting, approved to amend Article 4 of the "Standard Operational Protocol for Responding to Requests from Directors, TFC"

(VI) On August 12, 2025, the 36th Board of Directors, at its 7th meeting, the implementation of 2025 risk management assessment was reported.

(VII) On August 12, 2025, the 36th Board of Directors, at its 7th meeting, the 2024 Sustainability Report was approved.

(VIII) On November 4, 2025, at the 7th meeting of the 36th Board of Directors, the implementation of the ethical management was reported.

(IX) On December 10, 2025, the 36th Board of Directors, at its 7th meeting, approved to establish the "Procedures for Ethical Management and Guidelines for Conduct of Taiwan Fertilizer Co., Ltd."

(X) On March 4, 2026, at the 10th meeting of the 36th Board of Directors, the plan of introducing the IFRS Sustainability Disclosure Standards was reported.

(XI) On March 4, 2026, the 36th Board of Directors, at its 10th meeting, approved the establishment of the Sustainable Development Committee at the Board of Directors level.

(XII) On March 4, 2026, the 36th Board of Directors, at its 10th meeting, appointed Independent Directors Yen-Sheng Ho, Lin, Su-Ming, Weng, Ming-Chang, and Directors Lin, Chia-Rong and Liu, Jhy-Chern as the members of the Company's 1st Sustainable Development Committee.

(XIII) The Company has completed the 2025 external performance evaluations of the Board of Directors in Q4 2025, and the internal performance evaluations of the Board of Directors (functional committees included) in 2026 Q1, and disclosed the results on the official website and the MOPS.

(XIV) In 2025, the directors spent total 66 hours in continuing education; or 8.25 hours as the average. The courses cover the release, impact, and responses to IFRS S1 and S2 sustainability disclosure standards; analysis of the global net-zero sustainability trend and Taiwan's carbon reduction path; AI development and cybersecurity risks; dual-axis transformation to strengthen organizational resilience – AI governance and sustainability governance; workplace bullying and gender equality under the corporate governance; AI security and digital trust; from risk to opportunity: discussing sustainable finance and TNFD to aid corporate green transformation; the 2025 21st International Summit on Corporate Governance – the role of the board of directors in shaping corporate strategy amidst global environmental changes; corporate governance and securities regulations; and interpretation of the COP30 global net-zero sustainability trend and Taiwan's carbon reduction strategy path.

(II) Operation of the Audit Committee

There are total of three members of the Audit Committee, with the term of office from June 26, 2024 to June 25, 2027. The Audit Committee convened 6 meetings (A) in the most recent year (2025). The attendance of the directors and supervisors is described below:

Title	Name	Attendance in Person (B)	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director	Lin, Su-Ming	6	100%	Convener
Independent Director	Weng, Ming-Jang	6	100%	
Independent Director	Ho, Yen-Sheng	6	100%	

Other matters required to be recorded.

I. Audit Committee composition and responsibilities:

(I) Communication with employees and shareholders.

1. A meeting was held in accordance with Article 6 Authority of the Audit Committee Charter, and managerial departments attended the meeting to provide explanation.
2. Independent Director: Lin, Su-Ming, Weng, Ming-Chang, and Ho, Yen-Sheng participate the 2025 General Shareholders' Meeting.

(II) Communication with internal auditing officers and CPAs.

1. Communication between the Audit Committee and CPAs

Meeting Date	Communication Point
February 27, 2025	1. CPAs provide a detailed description of financial and profit/loss conditions in 2024 and education on newly amended accounting principles and laws. 2. CPAs discuss and convey their opinions on issues raised by meeting participants.
April 30, 2025	1. CPAs provide a detailed description of financial and profit/loss conditions in the first quarter of 2025 and education on newly amended accounting principles and laws. 2. CPAs discuss and convey their opinions on issues raised by meeting participants.
July 31, 2025	1. CPAs provide a detailed description of financial and profit/loss conditions in the second quarter of 2025 and education on newly amended accounting principles and laws. 2. CPAs discuss and convey their opinions on issues raised by meeting participants.
October 28, 2025	1. CPAs provide a detailed description of financial and profit/loss conditions in the third quarter of 2025 and education on newly amended accounting principles and laws. 2. CPAs discuss and convey their opinions on issues raised by meeting participants.

2. Communication between the Audit Committee and internal auditing officers

Meeting Date	Communication Point
January 8, 2025	1. Discussion and communication about the audit report of December 2024.
February 27, 2025	1. Discussed and communicated about the audit reports of January and February 2025. 2. Summarized report on the Company's penalty tickets received in 2024. 3. The Company's "Design and Implementation Effectiveness of 2024 Internal Control System."
April 30, 2025	1. Discussed and communicated about the audit reports of March and April 2025. 2. Summarized report on the Company's customer claims received in 2024.
July 31, 2025	1. Discussed and communicated about the audit reports of May, June, and July 2025 in a board meeting.
October 28, 2025	1. Discussed and communicated about the audit reports of August, September, and October 2025. 2. 2026 annual audit program. 3. Proposal of provisions in the "Division of Power and Responsibilities among the General Administration Division and Factories" related to audits.
December 3, 2025	1. Discussion and communication about the audit report of November 2025.

II. Compilation of the 2025 audit committee work highlights:

1. Establish or amend the internal control protocols.
2. Assess the effectiveness of the internal control protocols.
3. Review quarterly and annual financial reports.
4. Deliberate the related internal regulations.
5. Commissioned the certification operations to the certifying CPAs.
6. Appointment of CPAs.

III. Resolutions of the 2025 audit committee work highlights and the Company's handling of the audit committee's opinions.

Meeting date	**Content of important proposals**	**Resolutions**	**Company's treatment of the Audit Committee's opinions**
February 27, 2025 5th meeting of the Audit Committee, the 3rd Term	1. 2024 consolidated and parent-only financial statements. 2. 2024 business report 3. 2024 earnings distribution. 4. The Company's "2024 Evaluation of the Effectiveness of Internal Control System." 5. Intention to amend the Company's "Remuneration Committee Charter"	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members	Submitted to the board of directors for deliberation, and approved as proposed.

	in part. 6. Intention to amend the Company's "Ethical Corporate Management Best-Practice Principles" in part. 7. Intention to amend Article 25 of the Articles of Incorporation.	to approve the proposal and submit it to the board for consideration. 4. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 5. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 6. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 7. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	
April 30, 2025 6th meeting of the Audit Committee, the 3rd Term	1. 2025 Q1 consolidated financial statements of the Company and subsidiaries 2. Intention to amend the "Corporate Governance Best Practice Principles" in part. 3. Intention to amend the "Sustainable Development Best-Practice Principles" in part.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the board of directors for deliberation, and approved as proposed.
July 31, 2025 7th meeting of the Audit Committee, the 3rd Term	1. 2025 Q2 consolidated financial statements of the Company and subsidiaries 2. Proposal of appointing the financial officer.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members	Submitted to the board of directors for deliberation, and approved as proposed.

		to approve the proposal and submit it to the board for consideration.	
October 28, 2025 9th meeting of the Audit Committee, the 3rd Term	1. 2025 Q3 consolidated financial statements of the Company and subsidiaries 2. 2025 assessment of the independence and suitability of CPAs. 3. Commission KPMG Taiwan to audit and certify the 2026 financial reports and income tax return and the reporting of the 2025 undistributed surplus. 4. 2026 annual audit program.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 4. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the board of directors for deliberation, and approved as proposed.

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

Items assessed	Operation			Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
I. Does the company follow the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and has the company established and disclosed its own Corporate Governance Best Practice Principles?	V		The Company established the "Corporate Governance Best-Practice Principles" by referring to the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" formulated by TWSE and TPEx, and the amendments thereto took effect on May 7, 2025 upon the approval of the Boards; such were disclosed on the official website for shareholders' review.	No deviation.
II. Shareholding structure and shareholders' rights of the Company				
(I) Does the company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures?	V		The Company has formed the "corporate governance team, Secretariat, Board of Directors" to be responsible for shareholders' advices or disputes.	No deviation.
(II) Does the Company grasp the main shareholders that control the Company and the name list of final controllers of the main shareholders?	V		(X) The Company always monitors the shareholdings of directors, and shareholders holding more than 10%, and disclosed such as required by laws.	No deviation.
(III) Does the Company establish and perform the risk control and firewall mechanism with the affiliates?	V		The Company has established the "Operational Procedures for Acquisition and Disposal of Assets, Taiwan Fertilizer Co., Ltd.," "Operational Procedures for Loaning of Funds and Endorsement/Guarantee, Taiwan Fertilizer Co., Ltd." pursuant to the principles promulgated by the Financial Supervisory Commission, in order to establish the proper risk control mechanism and firewall with the affiliates. The business contact between the Company and all of the affiliates should be handled after the signature of the contract and submission to the board of directors for deliberation.	No deviation.
(IV) Does the Company prepare the internal regulations to prevent its personnel from trading the securities in virtue of the information that is not open to the public?	V		The Company has established the "Operational Procedures for the Treatment of Material Information and Managers for Preventing Insider Trading, Taiwan Fertilizer Co., Ltd." to regulate the directors, independent directors, managerial officers, employees and the personnel who are in other capacities, occupations or controlling relationship but acquire the major internal information of the Company. Those who are prohibited to do any inside trades.	No deviation.

III. Composition and duties of the board of directors				
(I) Does the board of directors establish the diversity policy, concrete management targets, and implement such?	V		To create good and thorough corporate governance system, the Company has established the “Corporate Governance Best Practice Principles for Taiwan Fertilizer Co., Ltd.” and Article 20 of the Principles clearly states the diverse policies of the board of directors. The formation of the board of directors shall take into account the organizational culture, business model and long-term development, including but not limited to genders, age, nationality and culture. The directors shall have good education, experience and knowledge in the industry and professional background to put the diverse policies of the board of directors into practice and complete its organization. The current board of director of TFC consists of nine directors (three independent directors included); they have expertise in fertilizer, environment and sustainability, chemical engineering, agricultural economics and promotion, public administration, real estate operation and management, accounting and finance management; one female directors, accounting 11%. In the future, the Company will be committed to increase the proportion of female directors to one third, as the goal. Their ages are between 31-79 years old, and formed a diverse and professional composition with both knowledges and experience, and they are complementary to each other, for the more complete and visionary decision-making. In the future, the diversity policy will be amended and added timely depending on the operating demands and operation format, to ensure the board members possess the professional knowledges and skills required to perform their duties.	No deviation.
(II) Does the company voluntarily set up other functional committees in addition to the Remuneration committee and the Audit Committee?	V		In addition to establishing the Audit Committee and the Remuneration Committee in accordance with the law, based on the spirit of corporate governance, the Company approved the establishment of the Real Estate Resources Committee in the 14th meeting of the 35th Board of Directors on September 15, 2023, the establishment of the Management and Investment Committee at the 1st special meeting of the 36th Board of Directors on June 26, 2024, and the establishment of the Sustainable Development Committee on March 4, 2026 at the 10th meeting of the 36th Board of Directors.	No deviation.

(III) Does the company stipulate the performance appraisal methods of the board of directors and their assessment methods, and conduct performance evaluations every year and regularly?		V	At the 16th meeting of the 34th term of the board on December 24, 2019, the board approved the "Taiwan Fertilizer Co., Ltd. Evaluation Procedures for the Board of Directors Performance". The internal performance appraisal of the board is conducted once a year, and the evaluation period starts from January 1 and ends on December 31. The performance appraisal of the board is conducted once every three years by external independent specialized institution or teams of external experts and scholars. The results of both the internal and external performance appraisal of the board are to be completed and announced before the end of the first quarter of the next fiscal year. The results of performance evaluation are reported to the Remuneration Committee and Board of Directors, and linked to the 2025 directors' remuneration. The lates results of the internal performance evaluation was completed in Q1 2026, and the external performance evaluation was completed in Q4 2025. The results are announced at the official website and MOPS.	There is a deviation. The results of performance evaluation have not yet linked to the reference of the re-appointment of individual directors.
(IV) Does the company regularly assess the independence of the certifying CPAs?	V		The Audit Committee annually assesses the independence and competence of CPAs. In addition to requiring CPAs to provide a "Declaration of Independence" and "Audit Quality Indicators (AQIs)," the assessment is conducted according to the standards outlined in Note 1 (prepared with reference to Article 47 of the Accountants Act and the Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant) and 13 AQIs.. It has been confirmed that the CPAs and the Company have no financial interests or business relationships other than fees of attestation and taxations. The CPAs' family members do not violate independence requirements. Based on AQI index information, it has been confirmed that the CPAsand their firm's auditing experience and training hours are superior to the industry average. Furthermore, digital auditing tools will be continuously implemented over the past three years to improve audit quality. The evaluation results of the most recent year was approved through the discussion at the 9th meeting of the 3rd Audit Committee on October 28, 2025, and reported to the 8th meeting of the 36th Board of Directors on November 4, 2025, to resolve the approval of the independence and competence of the CPAs.	No deviation.

<table>
<tr><td>IV.</td><td>Whether the listing company has set up a corporate governance or personnel responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to conduct business, and handling matters related to meetings of the board of directors and shareholders meeting in accordance with the law, handling company registration and change registration, making board of directors and shareholders meeting, etc.)?</td><td>V</td><td></td><td>The Company appoints the Secretariat, Board of Directors as its dedicated corporate governance unit. This office is responsible for corporate governance related affairs. Liu, Chi-Ching, Chief of Secretariat, Board of Directors was appointed as the corporate governance officer, to implement the corporate governance operation, including:
1. Handling matters related to board of directors and shareholders meeting.
2. Taking minutes of the board meetings, meetings of each functional committee, and shareholding meetings.
3. Assist directors onboard and continuing education.
4. Providing data as required by directors conducting business.
5. Assist director for compliance.
6. Follow the matters specified in the Articles of Incorporation and contracts.
7. Assist the board of directors and each functional committees for their internal evaluation, and the external performance evaluation every three years.
8. Supervising and improving the implementation of corporate governance.
9. Advancing the achievement of corporate governance indicator, and reviewing the key elements to get scores in f every corporate governance evaluation indicators.
10. Purchasing liability insurance for directors and managerial officers.
The continuing education of the Corporate Governance Officer is as following:
<table>
<tr><th>Date</th><th>Name of course</th><th>Hours</th><th>Sponsor</th></tr>
<tr><td>2025/3/20
2025/3/21</td><td>Sustainability Disclosure Practice Workshop and Promotion Seminar</td><td>9 hours</td><td>Securities and Futures Institute</td></tr>
<tr><td>2025/4/25</td><td>System Design of the executives' remunerations and ESG performance</td><td>3 hours</td><td>Taiwan Corporate Governance Association</td></tr>
<tr><td>2025/5/7</td><td>Workplace bullying and gender equality under the corporate governance</td><td>3 hours</td><td>Securities and Futures Institute</td></tr>
<tr><td>2025/8/12</td><td>Analysis of the global net zero sustainability trend and the carbon-reduction path of Taiwan.</td><td>3 hours</td><td>Securities and Futures Institute</td></tr>
</table></td><td>No deviation.</td></tr>
<tr><td>V.</td><td>Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder areas on the company's website, and respond appropriately to important corporate societies of concern to stakeholders, and responsibility issues?</td><td>V</td><td></td><td>The Company has a spokesman. If required by the stakeholders, they can communicate with its spokesman or its business unit(s) at any time. The communication channel is smooth. The special zone for the stakeholders is set in the website of the Company to respond the issues concerned by the stakeholders properly.</td><td>No deviation.</td></tr>
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VI. Does the Company entrust a professional shareholder service agency to handle the affairs of the shareholders' meetings?	V		The Company entrust the professional shareholder service agency "Shareholder Service Agency Department of Grand Fortune Securities" to handle the affairs of the shareholders' meetings.	No deviation.
VII. Information disclosure				
(I) Has the company set up a website to disclose financial and corporate governance information?	V		The Company has set the special column for serving the investors in its website in both Chinese and English versions, disclosing the information about financial statement and governance information of Company and providing it to the investors for reference on a regular basis.	No deviation.
(II) Does the company adopt other information disclosure methods (such as setting up an English website, appointing a dedicated person responsible for the collection and disclosure of company information, implementing the spokesman system, and posting the company's corporate briefing process on the website, etc.)?	V		The Company provides its English version of the critical news such as the annual reports, a handbook for shareholders' meeting, and a notice of shareholders' meeting, which the Company's operation information is fully disclosed in its website. The Company has appointed the spokespersons to issue the Company news externally, and dedicated staff to collect and contact all of media information. The information of investor conferences is uploaded to the official website simultaneously, and dedicated staff are assigned to issue material information on MOPS.	No deviation.
(III) Does the Company publicly announce and file the annual financial reports within two months after the accounting year-end, and publicly announce and file the first, second and third quarterly financial reports and monthly operating status reports before the stipulated deadlines?		V	The Company has completed the publishing and reporting of its first, second and third quarter financial reports and the operating status for each month on the Market Observation Post System within 45 days before the quarter ends, within 75 days from the end of a fiscal year, and before the 10th of the following month in accordance with the relevant regulations of the Securities and Exchange Act.	There is a deviation. The annual financial reports were not published and reported before the end of February of the following year.

VIII. Does the Company have any other important information (including but not limited to employees' rights, employee care, investor relations, supplier relationship, rights and interests of stakeholders, training for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		(I) Rights and interests of employees as well as employee care: Adhering to the principle that Taiwan Fertilizer is a family, the Company has established the Welfare Committee of Employees to provide employees excellent and considerate welfare activities and caring projects. (II) Investor relation: The Company aims at ensuring the rights and interests of the shareholders and treats all of them equally. According to the relevant provisions of the competent securities authority, the Company issues the major news such as the finance, business and change of the shareholders at Observation Website for News Disclosure. (III) Relations with suppliers: The Company reviews the supplier's quality capacity, delivery capacity, service team capacity, etc. on a regular basis according to the "Principles of Resources and Material Management" of the Company, to stabilize material quality and to ensure material source safety. In regard to suppliers, the Company not only emphasizes the supplier's quality, price, delivery time, etc. but also concerns human rights, labor welfare, workplace safety, etc., so as to establish a sustainable supply chain system that develops stably. Now, supplier ESG management is gradually introduced. First, the Company promotes supplier self-assessment to know the supplier operating risks, providing the basis for promotion of supplier ESG management and leading suppliers to develop a production and sales model, while prioritize human rights, labor welfare, occupational safety higher. (IV) Rights of the stakeholders: The Company always abides by the principle of ethical in maintaining and safeguarding the rights of the stakeholders. The Company also provides a smooth communication channel for different kinds of stakeholders to express their opinions any time. (V) Further study of directors and supervisors: The Company follows the provisions of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, please refer to MOPS or the official website for the directors' continuing education. (VI) Implementation of risk management policies and risk balance standard: by complying with the regulations of the competent authorities, the Company's Board of Directors has established "Risk Management Policies and Procedures" to carry out relevant risk identification, analysis, measurement and response procedures. The Company uses a risk classification matrix to measure risks based on the potential likelihood and degree of impact of operations, goodwill and finance. In addition, the Company tracks and controls medium and high risk operations every quarter to continuously improve and respond to risks, and assists in the timely planning, correction and implementation of necessary control operations. (VII) Implementation of client policies: The Company has prepared Details on the	No deviation.

			Management of Customer Relationship. Its business departments have set up the customer service center to communicate with customers. (VIII) Purchase of insurance for directors: We have bought the liability insurance for directors and managerial officers from Shinkong Insurance according to relevant regulations. The coverage is USD7 million with the premium of USD12,700; the insurance period is from noon, April 1, 2025 to noon, April 1, 2026. Please refer to MOPS - Corporate Governance - Information of Directors and Supervisors - Liability Insurance Coverage of Directors and Supervisors.	

IX. Please state the improvements made to the items in the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation of the latest year (2025), and indicate the enhancement and improvement measures for the items not yet improved.

The Company ranked in the top 6% ~ 20% of the listed companies for the 12th Term of Corporate Governance Evaluation; the matters to be reinforced as a priority are as below：

1. The Company has scheduled to convene the Annual General Meeting by the end of May 2026. (1.6)
2. The Company has implemented the ISO 27001 Information Security Management System (ISMS) and obtained third-party certification in July 2025. Relevant information has been disclosed on the corporate website. (2.24)
3. In 2025, the Company implemented concrete measures to address risks or opportunities within local communities. Through business activities, cultural events, donations, and other professional volunteer services, the Company addressed local social and environmental issues. The implementation results have been disclosed on the corporate website. (4.21)

Note 1: The CPA independence evaluation chart of Taiwan Fertilizer Co., Ltd (2025)

Items assessed	Violation of Independence
1. Having a direct or material indirect financial interest in the Company (holding the equity securities, loans or other debt instrument of the Company, including the rights thereof and derived rights).	No
2. Having financing or guaranteed conduct with the Company and the directors.	No
3. Members of the audit service team have significant close business relationships with the Company or any director or managerial officers of the Company.	No
4. The audit service team has potential employment negotiations with the Company (confirming to be serving as the Company’s director or managerial officer, or position having a significant influence on the audit case in the future).	No
5. Contingent fee arrangement relating to the audit engagement.	No
6. Any audit service team members have been serving as directors, managerial officers or positions that have a significant impact on the audit case in the Company within the last two years.	No
7. The non-audit service that was performed by the accounting firm is provided.	No
8. A member of the audit service team is a relative to a director, supervisor, or managerial officer of the Company or an employee of the Company who is in a position to exert significant influence over the subject matter of the audit engagement.	No
9. A member of the audit service team receives valuable gifts from the Company or its directors or managerial officers.	No
10. The Company not request the audit service team to accept improper options made by management in accounting policies or improper disclosures in financial statements?	No
11. The Company has put pressure on CPAs to reduce professional service fees and thus prompt them to improperly reduce the audit tasks that should be performed.	No
12. Whether the same CPAs have not provided the Company's audit service for seven consecutive years.	No

(IV) Composition, function, and operation circumstances of the Remuneration Committee

1. Information of compensation committee members

<table>
<tr><th>Status</th><th>Qualification / Name</th><th>Professional qualification and experience</th><th>Independence</th><th>No. of other listed companies serving as remuneration committee member concurrently</th></tr>
<tr><td>Independent Director (Convener)</td><td>Weng, Ming-Jang</td><td>Currently serving as Associate Professor, Department of Applied Economics, National University of Kaohsiung; PhD of Economics, Texas A&M University. Also serving as the Convener of the Remuneration Committee and a member of the Audit Committee, Real Estate Resources Committee, Management and Investment Committee, and Sustainable Development Committee; Possessing professional qualification and experience in business administration, finance, applied economics.</td><td rowspan="2">Pursuant to the Company's "Articles of Incorporation" and the "Corporate Governance Best Practice Principles," the election of directors adopts the candidate nomination system. When nominating and electing the board members, the Company has obtained the written declaration, working experience, and certificates of education from each director, to verify the independence of themselves, their spouses and relatives within the second degree of kinship relative to the Company, that none of them serves as the director, supervisor, or employee of the Company or any of its affiliates. Independent director him/herself, the spouses and relatives within the second degree of kinship (or in other's name) holding zero of the Company's shares; amount of compensation received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company: 0.
The Company has additionally verified that the two independent directors at the left hand side have complied with required qualification specified in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act during two years prior to the election and their terms of office; additionally, all independent directors are empowered with the authorities to fully participate the decision-making and opinion expression pursuant to Article 14-3 of the Securities and Exchange Act, to exercise their duties independently.</td><td>1</td></tr>
<tr><td>Independent Director</td><td>Lin, Su-Ming</td><td>Served as Professor, Department of Accounting, National Taiwan University; PhD of Accounting, Arizona State University. Also serving as the convener of the Audit Committee, and the member of the Company's Remuneration Committee, Real Estate Resources Committee, Management and Investment Committee, and Sustainable Development Committee. Used to serve as Independent Director of Nanshan Life Insurance, Ruentex Industries, and China Airlines. Possessing professional qualification and experience in accounting and taxation, and finance.</td><td>4</td></tr>
</table>

Director	Liu, Jhy-Chern	Currently Adjunct Researcher, National Taiwan University of Science and Technology ; also serving as the convener of the Company's Management and Investment Committee, and a member of the Remuneration Committee, Real Estate Resources Committee, and Sustainable Development Committee. He is a PhD of Environmental Engineering, University of Delaware, USA, and possesses the professional qualification and experience in fertilizer and chemical engineering and environmantal sustainability.	None of the independent director him/herself, the spouses and relatives within the second degree of kinship not serving as the director, supervisor, or employee of the Company or any of its affiliates. Independent director him/herself, the spouses and relatives within the second degree of kinship (or in other's name) holding zero of the Company's shares; amount of compensation received by providing commercial, legal, financial, accounting or related services to the company or any affiliate of the company: 0. During two years prior to the election and their terms of office, not violating any requirement of independence specified in each subparagraph of Article 6, the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."	0

Note : Scope of duties and powers of the Remuneration Committee:

(1) Regular review of the organizational charter of the Remuneration Committee and proposal of amendments.

(2) Formulation and regular review of director and manager performance appraisal standards, annual and long-term performance goals as well as remuneration policies, systems, standards, and structures. Performance appraisal standards are disclosed in annual reports.

(3) Regular assessment of director and manager performance target achievement; individual remuneration contents and amounts in accordance with appraisal results based on the aforementioned standards.

2. Remuneration Committee Operation Status
   (1) The Company's Remuneration Committee is composed of three members.
   (2) Current tenure: July 26, 2024 to June 25, 2027. In the most recent year (2025), the compensation committee held 3 meetings (A). Members' attendance are listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director	Weng, Ming-Jang	3	0	100%	Convener
Independent Director	Lin, Su-Ming	3	0	100%	
Director	Liu, Jhy-Chern	3	0	100%	

Other matters required to be recorded.

I. If the board of directors does not accept or modify the suggestions from the Remuneration Committee, the date and the number of times of the meeting, contents of the proposal, the board of directors' resolution, and the response of the Company to the suggestions shall be stated. (If the remuneration approved by the board of directors is higher than the Remuneration Committee suggests, the difference and the reason shall be stated.) : Not applicable

II. If there is a discussed matter in the Remuneration Committee opposed by the members, or a matter the members hold qualified opinions on, which had record or statement in writing, the date and the number of times of the meeting, contents of the proposal, opinions of all members and the response to the opinions shall be stated: Not applicable

III. The 2025 meeting date and the content and results of resolutions of the remuneration committee, as well as the Company's treatment of the remuneration committee's opinions.

Meeting date	**Content of proposal**	**Resolutions**	**Company's treatment of the remuneration committee's opinions**
February 27, 2025 4th meeting of the Remuneration Committee, the 6th Term	1. Report on the 2024 internal performance evaluation of the Board of Directors and functional committees. 2. Proposal to amend some clauses of the "Taiwan Fertilizer Co., Ltd. Remuneration Committee Charter" 3. Distribution of 2024 remuneration to the directors. 4. Proposal of 2024 year-end bonus for the Chief of Board's Secretariat (Corporate Governance Officer) and the deputy general managers or above.	1. Noted. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Other than Director, Liu, Jhy-Chern, who is a stakeholder and recused himself from discussions and voting, unanimous vote by all other attending committee members to approve the proposal and submit it to the board for consideration. 4. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Remuneration Committee's opinions.
July 31, 2025	1. Intention to amend	1. Unanimous vote by all	Submitted to the Board

5th meeting of the Remuneration Committee, the 6th Term	Article of the "Evaluation Procedures for the Board of Directors Performance." 2. Proposal to approve the pension payment to the former Chairman concurrent General Manager, Huang, Yao Hsing. 3. The 2024 employees' remunerations to the deputy general manager or above and the Corporate Governance Officer.	attending committee members to approve 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal after amendment and submit it to the board for consideration.	for deliberation, and approved as proposal, according to the Remuneration Committee's opinions.
December 3, 2025 6th meeting of the Remuneration Committee, the 6th Term	1. Proposal of compensation for the retirement/resignation of the former Chairman, Lee, Suen-Zone 2. Proposal of salary of the Chairman.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Remuneration Committee's opinions.

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

Item	Implementation			Deviations from "the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
I. Did the company have established the governance framework for promoting sustainable development a designated unit in charge of promoting sustainable development, and the senior management is authorized by the board of directors for handling, as well as the status of board of directors' oversight?	V		1. The Company has established the "Sustainable Development Committee" serves as the highest ranked unit of the company in the field of sustainable development promotion. The Corporate Governance Team under the Secretariat, Board of Directors is the dedicated unit, assists the Sustainable Development Committee in the implementation of various tasks associated with sustainable development policies approved by the board. The Sustainability Committee shall have three to five members, appointed by the Board of Directors. Committee members should possess professional knowledge and capabilities in corporate sustainability, and at least one director shall participate in supervision. Under the Committee, there are "Corporate Governance Implementation Team," the "Green Commitment Promotion Team," and the "Social Participation Promotion Team." These cross-departmental teams execute their respective tasks, compile the implementation plans or other sustainability-related matters, and report implementation results to the Sustainability Committee. Taking minutes of the Sustainable Development Committee's meetings, and submit such to the Board and archive such as important files. 2. Functions and responsibilities of the "Sustainable Development Committee": （1）Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies. （2）Reviewing, tracking, and amending the implementations and effects of sustainable development. （3）Supervising the disclosure of sustainability information and deliberating the sustainability reports. （4）Oversee the implementation of risk management operations. （5）Other matters related to sustainability and risk management.	No deviation.
II. Does the company assess the risk of the environment, society, and issue of management of the company and set up a policy or strategy of risk management, according to principle of importance?	V		The Company's disclosed information covers the sustainable development of its various operating locations in Taiwan from January to December 2025. The boundaries of the risk assessment are mainly the General Administration and other sites and factories of the Company around Taiwan; the operations of the subsidiaries are also included in the assessment. Based on the "Risk Management Policies and Procedures," the Company established the systematic risk assessment mechanism, for each operating unit to identify,	No deviation.

analyze, measure and respond to risks based on the strategic risks, operating risks, financial risks, information risks, compliance risks, ethic risks, and other risks (e.g. natural disasters, power outage, climate changes, and infectious diseases), among various risk sources, and the business they operate (reinvestment included), and report the related information to the Company's "Risk Management Promotion and Implementation Team" for deliberation. Based on the materiality principle of the business, the Company analyzes the key risk of the environment, society, and corporate governance issues, and formulate the following risk management strategies and countermeasures:

1. Environmental aspects: The Company has identified climate change-related risks and assessed corresponding response measures. For example, regarding work suspension caused by extreme weather and natural disasters, the Company will respond by conducting disaster prevention inspections and equipment inspections based on forecast information, implementing water system inspections and water saving plans, recycling water resource , buying property insurance, and increasing units of equipment. Regarding transition risks such as carbon fee levy and low-carbon transition, the Company will introduce international standard management systems such as ISO 14001 and ISO 50001, to continuously improving energy efficiency, reduce carbon emissions with self-reduction projects for high-carbon emission processes, and expand the blue ammonia sales market for maintaining market competitiveness.
2. Social Aspects: Improving the occupational safety and health management is a key focus. In addition to regularly conducting employee health checkups and fire safety inspections in accordance with relevant regulations, both the Taichung and Miaoli Factories have obtained dual certifications of ISO 45001 and CNS 45001 for occupational safety and health management system, ensuring the employee safety and health in the workplace. Furthermore, regular safety and health education and training, as well as disaster response drills, are conducted to enhance the employees' knowledge and familiarity with emergency response skills. Quarterly 6S assessments are carried out at each factory, using external audits to identify potential hazards and implement preventative measures to avoid accidents and create a safe and healthy workplace environment.
3. Corporate Governance: Considering that information security is crucial to corporate governance, the Company not only conducts regular social engineering drills and penetration tests and internal training to improve its information security management capabilities, but also obtained ISO 27001 international information security certification in 2025 (passed with zero defects), which is a concrete manifestation of our corporate governance and information security culture. To strengthen the functions of directors, the

			Company has also planned professional development issues for directors, providing them with information on relevant laws, regulations, system developments, and policies. Liability insurance is also provided for directors to protect them in the event of litigation or claims.	
III. Environmental Issue				
(I) Does the company set up an appropriate environmental management system, according to the feature of the industry?	V		Our plants in Taichung and Miaoli have completed the establishment of ISO 14001 environmental management system and regularly conducted internal audits to ensure the continuous adoption of the practices. Pleaser refer to the official website for the certificates and valid period. (https://www.taifer.com.tw/csr/Persistencemanagement/ISODocument.htm)	No deviation.
(II) Does the company dedicate in promoting resource utilization efficiency, and use renewable materials that have low impact to the environment.	V		In line with national energy-saving and carbon reduction policies and the ISO 50001 energy management system regulations, TFC has developed a "Management System Manual" and "Quality, Environment, Safety and Health, and Energy Management System Policies" to implement energy management policies. With clear policies, specific energy-saving targets, and effective action plans, we aim to comprehensively improve energy efficiency and practice the concepts of energy saving, carbon reduction, corporate social responsibility, and sustainable operation. To support the national policies of "halving chemical fertilizer use" and "circular economy," TFC launched the "Circular Agricultural Materials Development Project" at the end of 2021. This project pioneered the innovation and upgrading of compound fertilizer formulations, actively incorporating agricultural resources to replace peat raw materials, creating a green fertilizer production path that combines the utilization of agricultural waste resources, process carbon reduction, and increased soil organic matter content. This project aims to gradually increase the proportion of agricultural resources added to compound fertilizers, adjust production processes, and improve material utilization efficiency, thereby promoting fertilizer reduction at the source and achieving the goal of "halving chemical fertilizer use by 2030."	No deviation.
(III) Does the company assess the risks and chances that the climate change makes to the present and the future of the company, and adapt measures against the climate issue?	V		The Company deeply understands the significant economic and environmental impacts of climate change on our operations, and support the sustainable trend of disclosing financial information under the climate change both domestically and internationally; therefore, in 2025, we adopted the SSP1-2.6 climate scenario analysis from the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC) as the basis for climate change-related risk assessments for all our operating units. This analysis deduced the physical risks and transitional impacts related to climate change, their financial effects, and corresponding countermeasures. As a result, we identified seven climate risks and implemented the following risk mitigation measures, and bought the property insurance to transfer these risks, increase the recycling and reuse rate of process wastewater, implement the voluntary	No deviation.

<table>
<tr><th></th><th></th><th></th><th></th><th></th></tr>
<tr><td></td><td></td><td></td><td>reduction projects for high-carbon emission processes to secure carbon tariff concessions, continuously develop carbon-reducing products or processes, seek government resources and subsidies, and obtaining green loans for development projects, as the countermeasures of these risks.</td><td></td></tr>
<tr><td>(IV) Does the company calculate the emission of green house gas, water consumption, and the amount of waste, and set up a managerial policy of energy saving and carbon reduction, reducing green house gas, reducing using water, or other waste.</td><td>V</td><td></td><td>By referring to the spirit of the SBTi carbon reduction methodology, the Company has set a target of reducing carbon emissions by 46% by 2030 and achieving net-zero emissions by 2050. The primary means of carbon reduction are process improvement, low-carbon energy substitution, and the use of renewable energy. In line with the net-zero policies of regulatory authorities, we are also promoting the research and development of environmentally friendly agricultural organic material processing and fertilizer raw material substitutes.
<table>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th></tr>
<tr><td>2023</td><td>377,763</td><td>45,625</td></tr>
<tr><td>2024</td><td>392,790</td><td>44,905</td></tr>
</table>
The 2024 greenhouse gas emissions inventory covers the entire company; the 2023 inventory only included Taichung and Miaoli Factory.
Regarding water resources, to save and recycle water, each plant continues to implement various water-saving measures, striving to improve water treatment systems and water consumption in processes, and increasing the recycling rate of process wastewater. For example, cooling water used in heat exchangers is recycled and reused to minimize the impact on water resources.
Water intake was 46,414.93 thousand cubic meters in 2023 and 54,781.27 thousand cubic meters in 2024.
Regarding waste, general industrial waste from the Taichung and Miaoli Factory, including waste liquid, sludge, and domestic waste, is mostly disposed of through incineration or thermal treatment as the final treatment. Hazardous industrial waste is mostly outsourced for treatment. The Hualien Factory only generates a small amount of domestic waste.
Hazardous waste was 909.01 metric tons and non-hazardous waste was 425.15 metric tons in 2023. Hazardous waste is projected to reach 755.43 metric tons and non-hazardous waste 562.76 metric tons in 2024.</td><td>No deviation.</td></tr>
<tr><td colspan="5">IV. Social Issues</td></tr>
<tr><td>(I) Does the Company establish policies and procedures in compliance with regulations and internationally recognized human rights principles?</td><td>V</td><td></td><td>Based on the spirit of International Bill of Human Rights and domestic laws and regulations such as the "Labor Standards Act," "Act of Gender Equality in Employment," and "Employment Service Act," the Company has formulated relevant internal regulations to inform employees in correspondence, and protect rights such as employees' gender equality, work rights, and prohibition of discrimination, while announcing such on the Company's intranet for employees to read and as a basis for the Company's management policies.</td><td>No deviation.</td></tr>
</table>

(II)	Has the Company established and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits) and appropriately reflected the business performance or results in the employee remuneration policy?	V		We provide our employees with the most comprehensive welfare system, which covers vacations, birthday gifts, social activities and making of work uniforms, and establish an employee welfare committee to offer a variety of subsidies to all employees. We submit proposals to the board to distribute year-end bonuses based on the operating performance. Individual performance bonuses and year-end bonuses are issued based on the appraisal results of individual work responsibilities and contributions.	No deviation.
(III)	Has the Company provided employees with a safe and healthy working environment and regularly conducted safety and health training?	V		**Occupational health and safety policy:** 1. The Company manufactures various fertilizers, chemical products, electronic-grade chemicals, and develops asset management products. In all production and engineering activities, we attach great importance to safety and health management. Based on respect and care for the lives and health of the employees, we strive to make effective use of resources to achieve the goal of "safe work and zero accidents" and implement our company's occupational safety and health policy. 2. The Taichung and Miaoli Factories are classified as Category A and C workplaces under the "Hazardous Work Place Review and Inspection Rules." The factories apply for workplace reviews and conducting regular re-evaluations, and also have safety and health work rules in place, specifying the safety rules, based on the characteristics of in- plant works, for the aspects of related responsibilities, equipment maintenance and inspection, work safety and health standards, education and training, health guidance and management measures, first aid and rescue, use of protective equipment, accident reporting, various work rules, among other things. The safety rules are established based on the characteristics of the works in the factories and announced; the new employees of the factories are required to go through trainings as responses. **Occupational safety performance:** The frequency of disabling injuries in 2025 was 1.49, while a little bit higher than that in 2024, but still stayed in the average controllable range of the chemical engineering industry; and there was no fire incident during the year. **Labor work environment monitoring:** The Company ensures workers from harmful substances in the workplace and provide workers with a healthy and comfortable working environment, based on the attributes of each factory and office of the Company, we conduct outsourced operating environment monitoring twice a year by outsourcing impartial inspection agencies for measuring the value of hazardous substances, the safe working environment for workers is ensured. **Occupational safety inspection:** The Company has the safety and health management guidelines in place. In addition to regular voluntary patrols arranged by on-site supervisors and	No deviation.

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<td>operators at each plant, the occupational safety unit of the Safety and Health Center under the Headquarters also conducts dynamic audits for each plant on a monthly basis, and 6-S quarterly appraisals. We also set up a deadline of improvement for the audit results and track the follow-up improvement. In addition, a company-wide occupational safety and environmental protection meeting is held every two months to collect statistics and review the audit deficiencies.
Equipment safety management:
1. The equipment used in each of the Company's factory is inventoried. All dangerous machinery and equipment are listed and managed in accordance with the law, with thorough inspections to ensure that the equipment can be operated safely. In 2025, dangerous machinery and equipment in each plant went through the regular inspections in accordance with the "Dangerous Machinery and Equipment Safety Inspection Regulations" to ensure the safety of equipment.
2. Workplace safety education and training is conducted for employees of the General Management Divisio, so that the employees understand the safety equipment of the building and the escape routes. The fire emergency drills and related lectures are held every six months in conjunction with the building. Additionally, the Company has equipped AEDs on each floor, and first-aid staff with professional qualifications are assigned to different zones at the same floor; they are retrained every three years to enhance the safety protection of the offices. In addition, the office areas have a comprehensive access and elevator access management system under strict control to comprehensively protect the safety of employees.
The Company's occupational safety education, training, and promotion in the recent three years:
<table>
<tr><th>Year</th><th>Educations and training attendees</th><th>Education and training man-hour</th></tr>
<tr><td>2023</td><td>1623</td><td>3767</td></tr>
<tr><td>2024</td><td>1383</td><td>5009</td></tr>
<tr><td>2025</td><td>2283</td><td>6185.5</td></tr>
</table>
Verification by the Company:
The Company's main production factories, Taichung and Miaoli Factory, have obtained ISO 45001 certification. The certification is valid until July 14, 2026 for Taichung Factory and June 3, 2026 for Miaoli Factory.</td>
<td></td>
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<tr>
<td>(IV) Has the Company established an effective career development training program for employees?</td>
<td>V</td>
<td></td>
<td>Based on the needs of organizational competition strategy, talent development, and functional enhancement, the Company establishes effective training programs for employees, to strengthen their professional technical capabilities and knowledge, enabling them to fully develop their potentials and improve work quality and performance. In 2025, the Company provided training in core functions (AI development trends, continuous improvement, cybersecurity</td>
<td>No deviation.</td>
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</table>

<table>
<tr><td></td><td></td><td></td><td>awareness, workplace misconduct, personal data protection, and stress relief courses), management functions (training courses for middle and senior managers, and experience-sharing lectures), and professional functions (official document writing, internal audit and control, asset management, ESG sustainability, information security, and financial planning), combined with online learning resources to provide diverse learning channels. In addition, in response to the net-zero carbon reduction strategy, the company encouraged employees to obtain sustainability-related certifications and continued to provide a good talent development environment and channels for managers and employees. In the year, the company had a total of 6,034 participants and a total training time of 17,742 hours.</td><td></td></tr>
<tr><td>(V) Has the Company complied with the relevant regulations and international standards and formulated policies for consumer or customer rights and grievance procedures with respect to consumer health and safety, customer privacy, marketing and labeling of products and services?</td><td>V</td><td></td><td>Article 24 of the Company's Sustainable Development Best Practice Principles discloses that the practices adopted by the Company for the marketing and labeling or products and services in accordance with regulations and international standards include:
1. Labels of packaging bags and promotional materials for fertilizers are in compliance with the domestic regulations on fertilizer management.
2. The Company's real estate development is designed, constructed and managed in accordance with domestic construction regulations. Marketing and product information labeling of properties for sales or for rent honestly disclose information to consumers and have not violated any relevant regulations and international standards.
3. In order to protect the health and safety of customers, we continue to improve our "Fertilizer Traceability System" and have introduced the ISO 22000 food safety system, conducted internal audits twice a year and external audit once a year and recorded the results on the traceability system of the Ministry of Health and Welfare.
4. In order to reinforce customer privacy and business information protection, we have established a Personal Information Protection Management Committee to formulate protection policies and systems for personal information, and rigorously adhered to the Confidentiality Implementation Measures and the Personal Data Protection Act to protect the Company's trade secrets.
5. The Company has a customer service hotline:
<table>
<tr><td>Fertilizer products</td><td>Chemical product</td><td>Electronic grade chemical products</td><td>Land development and lease</td></tr>
<tr><td>0800-883-300</td><td>(02) 2542-2231</td><td>(02)2542-2231</td><td>(02)2542-2231</td></tr>
<tr><td colspan="4">Responsible unit</td></tr>
<tr><td>Sales Division I</td><td>Sales Division II</td><td>Sales Division II</td><td>Property Development and Management Dept</td></tr>
</table></td><td>No deviation.</td></tr>
</table>

(VI) Has the Company established supplier management policies which require suppliers to comply with regulations on environmental protection, occupational safety and health or labor rights, and reported the implementation?	V		The Company has amended the "Principles of Resource and Material Management," and added the ESG clauses to supplier contracts, and required that suppliers ensure human rights and pay attention to labor rights. The Company also conducts questionnaire surveys of main suppliers to understand the status of their evaluation in the environmental and social aspects.	No deviation.
V. Has the Company referred to international reporting standards or guidelines in its preparation of sustainability reports and other reports which disclose the Company's non-financial information? Have the abovementioned reports obtained the verification or assurance opinions from third-party certification organizations?	V		The Company's sustainability report refers to the latest version of the GRI Standards (2021 version) issued by the Global Reporting Initiative (GRI), along with the Taiwan Stock Exchange Corporation "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," and the "Sustainability Accounting Standards Board" (SASB) from the US, as the reference basis for information disclosure in the report. EY Taiwan has implemented the limited assurance procedures to the information of the assurance target for the Sustainability Report of the Company, pursuant to the Standards on Assurance Engagement No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information.".	No deviation.
VI. If the Company has its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the difference between its operation and the prescribed code: The Company has established the "Sustainable Development Best Practice Principles," as the basis for fulfillment of corporate social responsibilities. The Company has constructed three major aspects including governance, environmental sustainability and social responsibility, shaped policies, promoted plans and executed management guidelines. The Company also demonstrates and reports the annual ESG implementation situation to all stakeholders by preparing and publishing sustainability reports.				
VII. Other important information to help understand the operation of sustainable development: Please refer to the Section of Sustainable Development at the official website (https://www.taifer.com.tw/CSR/) or the Sustainability Report issued by the Company.				

Climate-related implementation by the Company

Item	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The Board of Directors is the Company's highest risk management and supervision unit, responsible for monitoring various risks including climate-related risks. In terms of governance, the Company adopts the format of task force to operate. The Company has established the "Risk Management Promotion and Execution Task Force," with the General Manager as the convener, and the head of each unit as team members, responsible for the promotion and implementation of risk management and control operations and coordination of related resources deployment; every year, at least one report on the operation and risk management evaluation shall be made to the Audit Committee and the Board of Directors, as the reference for the Company to establish the overall operating strategies and decide key transactions.
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and finance (short-, medium-, and long-term).	In order to improve the organization's climate resilience and reduce the impact of climate change and the swift changes of external environment on the Company's business, finance, and operations, the related climate risks and opportunities are assessed for the short-term (less than 1 years), medium-term (1 to 3 years), and long-term (over 3 years), as well as their impacts on the Company's business, finance, strategies, with actions responding to the climate-related risks and opportunities.

Type of risks	Climate risks	Potential financial impact	Possible time-line of occurrence	Countermeasures
Transformation risks	In response to government regulations regarding carbon fees or renewable energy,	Payment of carbon fee increase the operating expenses, or the purchase of carbon-reducing equipment increase the capital expenditures.	Short-term	1. Implementing voluntary carbon reduction projects for high-carbon emission processes to secure preferential carbon fee rates. 2. Consulting the external consultant to improve the processes and equipment for better energy efficiency. 3. Evaluating the use of green energy equipment.
	Change in customers' preferences	Procuring low-carbon raw materials and utilizing circular economy processes in response to customer needs increases operating costs.	Mid-term	Continuously pursuing low-carbon product certification and developing carbon-reducing products or processes to maintain market competitiveness.
	Development of low-carbon process technology and product transformation	The failed development of new process technologies will cause financial losses.	Mid-term	1. Establishing the Taiwan Fertilizer Research Institute to integrate internal R&D resources and seek external collaborations. 2. Striving for relevant government resources and subsidies.

		Increasingly stringent government regulations on green buildings	Compliant building materials or construction methods will increase costs; if these costs cannot be passed on to end property prices or rents, profits will decrease.	Long-term	1. Continuous tracking of markets 2. Consulting professional consultants for relevant advice. 3. Obtaining green loans with lower interest rates.
		Trend of net zero carbon emission	Where the Company fails to meet external expectations of net-zero carbon emissions, the negative news will be generated and damage the Company's image and reputation, thereby affecting investors' willingness to invest.	Long-term	1. Cautious assessment of equipment installation and the effects thereof, and seek external financial support from banks whenever needed. 2. We strive to improve the transparency of sustainability information through the official website and sustainability reports.
	Physical risk	Increasing incidents of typhoons, rainstorms, among other rare extreme climate events	Impacts on production, raw material supply, goods transportation, and construction progress have led to financial losses and revenue decline.	Long-term	1. Insuring plants and equipment to transfer risks. 2. We conduct disaster prevention inspections and equipment inspections based on forecast information. 3. We increase safety stock levels for raw materials and finished products. 4. We install sump pits and pumps in construction areas to prevent flooding.
		Variation of rainfall (water) patterns and extreme change of climate patterns result in prolonged draughts	Water shortages may affect production and reduce revenue.	Mid-term	1. We implement water system inspections and water conservation plans. 2. We improve water treatment systems and increase the recycling rate of process wastewater. 3. A water purchase contract with the water truck company may be entered in advance, or purchasing water with tank trucks
	Climate Opportunities	Improve water resources and energy efficiency	Saving water resources and reduce the energy consumptions to lower the manufacturing costs.	Short-term	We strengthen the implementation of water saving plans and water resource recycling at each plant, and follow the ISO 50001 energy

						management system to improve energy efficiency and increase the company's operational resilience.
			R& and Innovation of Earth-Friendly Products	Through the development of products with low-carbon effects satisfying customers, thereby increasing revenue.	Mid-term	1. We develop products and processes with carbon reduction or environmental benefits, such as slow controlled-release fertilizers, wrapped eco-friendly compound fertilizers, and compound fertilizers with added agricultural resources, and seek relevant government subsidies. 2. We plan to collaborate with external technology partners for R&D or adopt low-carbon raw materials in production.
			Entering New Markets	1. In line with the circular economy trend, we negotiate with the semiconductor industry, to recycle their waste sulfuric acid, and produce new products for export, with planned upgrading of existing electrochemical products to expand the market and increase revenue. 2. We supply blue ammonia to domestic industries, to enter the semiconductor industry supply chain for increasing revenue.	Mid-term	1. We leverage the Company's existing advantages in fertilizer and chemical engineering, actively invest in circular economy business models. In addition to planning process upgrades for existing electrochemical products, and produce industrial ammonium sulfate for export. 2. Considering that domestic and international hydrogeNot applicablemmonia energy technologies and regulations are not yet mature, we have switched to supplying blue ammonia as a new option for net-zero carbon reduction in various domestic industries, becoming a key raw material partner for the semiconductor and green supply chains.

		Leasing opportunities of green commercial office buildings	The new commercial office buildings constructed by the Company adopts the standards of green buildings and smart buildings, to increase rents and operating revenues.	Long-term	By planning, designing, and constructing new development projects using smart energy-saving technologies, and applying for LEED certification in the US and low-carbon building labels, we not only increase asset value and resilience, but also attract foreign and large enterprises to lease our properties, generating a green premium and making our commercial office buildings competitive in the market.
		Enhancing the corporate reputation	By fulfilling the corporate social responsibility, the domestic and international visibility of the Company is extended, thereby improving the market chances and sales volume, increasing operating revenues and the willingness of long-term investment by investors.	Long-term	Strengthening the corporate governance and establishing a corporate culture that the Company values climate-related issues and is committed to action.

3. Describe the financial impact of extreme weather events and transformative actions.	**Impacts of Extreme Climate Incidents on Finance** Through internal discussions, inventories, and assessments of each operating unit, inventories and evaluations, the Company has identified that "increasing extreme climate events such as typhoons and heavy rains,' and "prolonged droughts resulted from changes in rainfall (precipitation) patterns and extreme changes in climate patterns," expose the production, raw materials and transportation of goods, and construction progress to potential risks. Strong typhoons or rainstorms, among other rare extreme climate events, can cause flooding of construction sites and result in suspensions and damage of plant equipment delaying productions, works or shipment, or even the issue of raw material supplies; droughts, on the other hand, result in insufficient water supply and affect the normal operation of production lines. In case of water shortage, the Company must maintain supply by reducing water consumption, transporting water by water truck, or deploying goods from other factories, resulting in poor production efficiency and increased operating costs. Regarding the risks posed by extreme weather events, the Company has insured the equipment and buildings at all production bases with property insurance. We plan to install sump pits and pumps in the construction environment to prevent flooding and enhance drainage. Based on forecast information, we strengthen disaster prevention inspections and equipment checks in the factory area and increase the safety stock of raw materials, effectively reducing the impact of extreme weather. In the event of drought and water shortage, we can sign water purchase contracts with water truck companies as a contingency measure. We also strengthen daily water system inspections and water-saving plans to increase the recycling and reuse rate of process wastewater.

	Impact of Transitional Actions on Finance For transition risks, the transition to a low-carbon economy may require extensive changes in policies and regulations, as well as technological and market changes. Based on the nature and focus of these changes, the transformation risks identified by the Company mainly involve "responding to government regulations on carbon fees or renewable energy," "increasingly stringent government regulations on green buildings," "changes in customer preferences," "development of low-carbon process technologies and product transformation," and "net-zero carbon emission trends." These risks may increase the Company's operating costs and expenses, reduce sales volume and operating revenue, and even lead to R&D failures or financial losses. Through the introduction of energy-saving and carbon-reduction projects, the Company has made efforts to mitigate the impact of energy consumption, water consumption and waste in its operations and supply chain on the environment and climate, meanwhile, the Company is committed to improving energy efficiency, reducing carbon emissions. We are also actively investing in smart agriculture and the research and development of carbon-reducing products, as well as development and planning of green commercial office buildings, to meet the market trend of net-zero carbon emissions and eliminate related transformation risks.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In 2022, the Company has established the "Risk Management Policy and Procedures" and the "Risk Management Promotion and Execution Task Force" responsible for deliberating the operational risks identified, analyzed, and evaluated by each operating unit based on their business scopes; such risks include the physical and transitional risks that may be brought about by extreme weather, and leading the planning of relevant response measures, integration and coordination, as well as promotion and implementation, so that the risk management is incorporated in the daily operations and decision-making, and the achievement of the sustainable operations and development targets are ensured. Furthermore, to implement and strengthen risk supervision, we enhance the tracking for the monitoring and implementation of medium- and high-risk operational items every quarter, reviewing the results of various risk management measures, including climate risk, to strengthen the company's constitution and increase operational resilience.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	To assess the Company's resilience to climate change risks, we have adopted the SSP1-2.6 climate scenario analysis presented in the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC). This analysis serves as the basis for climate change-related risk assessments conducted by each of our operating units. Based on this analysis, we deduce climate-related physical risks and transitional shocks, their financial impacts, and corresponding countermeasures to ensure the Company's ability to maintain sustainable operations and corporate resilience under the impact of climate change. SSP1-2.6 represents an ideally mitigated, low-emission scenario, aiming to limit global warming to 1.5°C above pre-industrial levels by 2100, in response to the 1.5°C target of the UN Paris Agreement. Under this scenario, the increased frequency and severity of extreme weather events could impact the Company's production, raw material supply and goods transportation, as well as construction progress, potentially leading to some financial losses and a decline in revenue.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	To cope with climate-related risks, the Company is committed to implementing carbon reduction and sustainable operation principles. In the short term, the focus is on implementing "energy saving and carbon reduction," including improving the cooling water system of production plants, recycling process wastewater, and implementing a voluntary reduction plan for "greenhouse gas reduction equipment construction in nitric acid plant" in response to the government's carbon fee policy. Additionally, the Company has launched the first certified blue ammonia product in Taiwan, enabling it to achieve energy saving and carbon reduction goals while using blue ammonia as the best support for net-zero carbon emissions in the high-tech industry. In the medium term, the focus is on "circular economy." Collaborating with leading benchmark semiconductor manufacturers on waste sulfuric acid recycling and upgrading EBR products are among the key initiatives

	for expanding the chemical and electrochemical markets. Furthermore, the Company continuously develop and launch fertilizer products with carbon reduction benefits, such as slow controlled-release fertilizers and compound fertilizers with added agricultural resources, supporting the policyof "halving of chemical fertilizer use by 2030." For the long-term, the Company has focused on developing green commercial office buildings both smart and energy-saving as the key strategy, to steadily promoting the development projects of the Nangang Economic and Trade Park and the Hsinchu Science and Commerce Park, to expand its sustainable property foundation, support the transformation of its fertilizer and chemical engineering businesses, and create a sustainable and profitable business model. The Company actively plans and implements measures in accordance with the "2050 Net-Zero Emissions Pathway" to achieve the net-zero emissions target by 2050, and has set the following indicators and targets for climate-related risks accordingly: 1. Greenhouse gas emission: Achieve approximately a 46% reduction in carbon emissions by 2030. 2. Power consumption: Achieved a 1.5% reduction in electricity consumption compared to the previous year. 3. Water intensity: Reduced by 1% compared to the previous year.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not established an internal carbon pricing mechanism.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	1. By referring to the spirit of the SBTi carbon reduction methodology, the Company has set a target of reducing carbon emissions by 46% by 2030 and achieving net-zero emissions by 2050. The primary means of carbon reduction are process improvement, low-carbon energy substitution, and the use of renewable energy. In line with the net-zero policies of regulatory authorities, we are also actively conduct the research and development of environmentally friendly agricultural organic material processing and fertilizer raw material substitutes. 2. We closely monitor the development trends of net-zero technologies and regulations and evaluate the introduction of such into the Company's development strategy. After actively implementing various carbon reduction programs, we will then consider purchasing carbon credits or renewable energy certificates to achieve the net-zero target. 3. Currently, the Company has not purchased reduction quota and renewable energy certificates. The renewable energy is mainly in-house produced and consumed. We have already installed an 800 kWp solar photovoltaic system, and by 2025, the Company's in-house production and consumption of renewable energy will be approximately 1 million kWh.

9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan:

(1) Greenhouse gas inventory information

(1) Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.
1. The Company (capital between NT$5 billion and NT$10 billion) complies with the "Roadmap for Sustainable Development for TWSE/TPEx Listed Companies" established by the FSC, and shall disclose information of individual inventory of the parent company and subsidiaries; the inventory boundary shall be consistent with the entities covered by the consolidated financial statements (including all subsidiaries with substantial controls); since the office spaces of some business units are located in the same area, the relevant energy consumption and emissions data have been centrally managed to ensure the integrity and consistency of the information. 2. Furthermore, the scope of the Company's greenhouse gas inventory disclosure includes emission sources listed by the Ministry of Environment. Therefore, we use the GWP values summarized in the "2013 Fifth Assessment Report Announcement of IPCC" as required by the Ministry of Environment, as follows: **TAIWAN FERTILIZER CO., LTD.：** The total emissions are approximately 348,187 metric tons of CO2 equivalent, including: The direct greenhouse gas emission (Scope 1) was approximately 307,989 tons/Co2e.

The indirect greenhouse gas emission (Scope 2) was approximately 40,198 tons/Co2e. **PEIFENG TECHNOLOGY CO., LTD.：** The total emissions are approximately 7,626 metric tons of CO_2 equivalent, including: The direct greenhouse gas emission (Scope 1) was approximately 2,186 tons/Co2e. The indirect greenhouse gas emission (Scope 2) was approximately 5,440 tons/Co2e. **TAIWAN YES DEEP OCEAN WATER CO., LTD.：** The total emissions are approximately 83.7 metric tons of CO_2 equivalent, including: The direct greenhouse gas emission (Scope 1) was approximately 2 tons/Co2e. The indirect greenhouse gas emission (Scope 2) was approximately 81.7 tons/Co2e. **TAIFER CHEMICAL INTERNATIONAL LLC：** The total emissions are approximately 20 metric tons of CO_2 equivalent.

Note 1: Direct emissions (Scope 1, i.e., emissions directly from emission sources owned or controlled by the Company), energy-related indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions caused by the input of electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities, not energy-related indirect emissions, but from emission sources owned or controlled by other companies).

Note 2: The scope of direct emissions and energy-related indirect emissions data shall be handled in accordance with the schedule stipulated in Article 10, Paragraph 2 of the Principles. Information on other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 published by the International Organization for Standardization (ISO).

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

(2) Greenhouse gas assurance information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.
The Company is a public company (capital between NT$5 billion and NT$10 billion), and complies with the "Roadmap for Sustainable Development for TWSE/TPEx Listed Companies" established by the FSC to inventory the GHG emission over the whole company (subsidiaries included); the GHG inventory was completed in 2025, and the base year of the whole Company's GHG is set to be 2024, for promoting the GHG management plans and reducing the GHG emissions year by year. Greenhouse gas related data are assured by a third-party impartial body (AFNOR): Inspection Principles: ISO 14064-1:2018, Regulations for Greenhouse Gas Emission Inventory, Registration, and Verification Management (2023.9.14), Regulations for Managing Greenhouse Gas Accreditation Bodies and Validation/Verification Bodies (2023.10.5), Guidelines for Greenhouse Gas Inventory Operations (version 2024), Guidelines for Greenhouse Gas Inspections (June 2024), and relevant regulations from Ministry of Environment Inspection objective: In accordance with ISO 14064-1:2019, it is to verify that the organization's greenhouse gas declaration (greenhouse gas inventory report) is inventories and reported according to the inspection criteria agreed upon by both parties, and inspect such with an objective and impartial stance and principles (relevance, completeness, consistency, accuracy, and transparency). Inspection opinion: Based on the verification process and procedures executed by the verification personnel, there is sufficient evidence to show that there is no substantial difference in the GHG assertion of the verified organization, and the GHG assertion is prepared in accordance with the international standards for GHG quantification, monitoring and reporting specified in the agreed verification standards and fairly presents the greenhouse gas data and related information. The inventory data (2024) is as follows: The total emissions, based on the GWP values announced in the IPCC Fifth Assessment Report of 2013, amount to 437,695 metric tons of CO_2 equivalent, including The direct greenhouse gas emission (Scope 1) was approximately 392,790 tons/Co2e The indirect greenhouse gas emission (Scope 2) was approximately 44,905 tons/Co2e

Note 1: This shall be carried out in accordance with the time schedule stipulated in Article 10, Paragraph 2 of the Principles. If a company fails to obtain a complete greenhouse gas assurance opinion by the date of publication of the annual report, it shall indicate that "complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability

report, it shall indicate that "complete assurance information will be disclosed on the public information observation station," and disclose the complete assurance information in the following year's annual report.

Note 2: The assurance agencies hall comply with the relevant regulations for assurance agencies of sustainability reports as stipulated by the Taiwan Stock Exchange Corporation and the Taiwan Stock Exchange.

Note 3: For details of the disclosure, please refer to the Best Practice Examples on the website of Corporate Governance Center, Taiwan Stock Exchange.

(3) Greenhouse gas reduction targets, strategy, and concrete action plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.
1. The Company has set the GHG emmissions in 2024 as the base year of the Company's GHG reduction. 2. Goals of the reduction are as below: (1) Short-term: reducing carbon by approximate 46% by 2030. (2) Mid-term: reducing carbon by approximate 83% by 2040. (3) Long-term: the Company will continuously deployment the green supply chain, and achieve the net-zero goal through the carbon credit by 2025. 3. The subsequent action plans to be implemented are as follows: (1) The greenhouse gas reduction plan for the exhaust gas from processes in factories. (2) Replacement projects for old machine sets. (3) Installation plans of solar energy facilities in the factory areas. (4) The fluorescent lights in offices have been completely replaced with LED lights.

Note 1: the timeline provides in Article 10, Paragraph 2 of the Principles shall be complied with.

Note 2: The base year shall be the year in which the reporting boundaries of the consolidated financial statement complete the inventory. For example, according to Article 10, Paragraph 2 of the Principles, companies with capital of NT$10 billion or more shall complete the audit of their consolidated financial statements for the year 2024 by 2025. Therefore, the base year is 2024. If a company has completed the inventory of its consolidated financial statements earlier, the earlier year can be used as the base year. Furthermore, the data for the base year can be calculated using the average of a single year or several years.

Note 3: For details of the disclosure, please refer to the Best Practice Examples on the website of Corporate Governance Center, Taiwan Stock Exchange.

(VI) Implementation of Ethical Corporate Management and Differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons

Items assessed	Operation			Deviations with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
I. Setting ethical management policies and programs				
(I) Does the company establish ethical management policies approved by the board and have bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures and the commitment regarding the implementation of such policy from the board and the executive management team?	V		The Company specifies its policies and actions of integrity operation in the rules and external documents as follows: 1. Within TFC, there are the "Ethical Corporate Management Best Practice Principles of Taiwan Fertilizer Co., Ltd." and the "Procedures for Ethical Management and Guidelines for Conduct of Taiwan Fertilizer Co., Ltd." established; the establishment of and amendments to these are resolved by the Board, and disclosed at the official website. To establish the culture of ethical management and good risk control mechanism, we disclose our utmost core value, ethics, in the company profile, three-year business management strategies, and our official website. 2. The Company prepares sustainability report each year to explain its integrity operation commitment and execution performance. 3. TFC has formulated the "Declaration of Compliance with the Ethical Corporate Management by Taiwan Fertilizer Co., Ltd." The directors, managerial officers, and executives have all signed the declarations of ethical management, and the goal of 100% signed declaration is achieved.	No deviation.
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyzed and assessed on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and established prevention programs accordingly which at least cover the prevention measures against the conducts listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		We have establishedthe "Ethical Corporate Management Best Practice Principles of Taiwan Fertilizer Co., Ltd." and the "Procedures for Ethical Management and Guidelines for Conduct of Taiwan Fertilizer Co., Ltd." which serve as the guidelines at the highest standard and code of conduct for operating activities of Taiwan Fertilizer, its subsidiaries and other investees over which Taiwan Fertilizer has the controlling interest. In order to fully implement the ethical management policy, Taiwan Fertilizer has also introduced the "Code of Ethical Conduct for Directors and Top Executives of TFC," the "Staff Working Rules of TFC," and the "Regulations of TFC Employee Appraisals" as solutions for preventing unethical behaviors of personnel at various levels. We have also established the "Internal and External Personnel Grievances Procedures of TFC" which details methods for filing grievances, investigation	No deviation.
(III) Has the Company defined operating procedures, conduct guidelines, disciplinary penalties and	V			No deviation.

grievance process in the program preventing unethical conduct and put them in practice, and regularly reviewed and amended the program?			procedures, protection of whistleblowers and others, and adhered to these policies.	
II. Implementation of ethical management				
(I) Does the Company evaluate the integrity records of the transaction object and conclude the terms regarding the integrity behavior in the agreement signed with them?	V		Prior to the purchase, the Company evaluates the integrity records of the transaction object and specifies in the purchase agreement, trading agreement, etc. that the object shall, prior to the execution of the agreement or during the terms of this agreement, never give present to Party A's employee in any form. Should Party B go against the regulations, Party A can terminate this agreement immediately as long as it is discovered and cancels Party B's rights of trading with Party A or contracting Party A's projects."	No deviation.
(II) Has the Company established a specialized unit under the board responsible for the promotion of corporate ethics management, which regularly (at least once a year) reports policies on ethical operations, programs on prevention of unethical conduct and the status of supervision to the board?	V		The Secretariat under the board, the Audit Office, Administration Division of the management department are jointly responsible for promoting corporate ethics management policies and related implementation measures. The report on the measures and education/training of the unethical conduct preventions is made to the Board regularly every year.	No deviation.
(III) Does the Company prepare the policies against interest conflict and provide and implement the proper statement channel?	V		The Company clearly stipulates in its "Ethical Corporate Management Best Practice Principles," the "Procedures for Ethical Management and Guidelines for Conduct," and the "Code of Ethical Conduct for Directors and Top Executives," specifying that the Company's directors, independent directors, and top executives shall prevent conflicts of interest involving personal interests or the overall interests of the company. Where it is detected that conduct of employees involves conflicts of interest, such conduct shall be reported to the Audit Committee, managers, internal auditing officers, or other relevant personnel and handled in a confidential manner.	No deviation.
(IV) Has the Company established an effective accounting and internal control system to put ethical operations management into practice and arranged for the internal audit unit to formulate audit plans based on the risk assessment of unethical conduct and audit the compliance to prevent unethical conduct, or commissioned independent auditors to conduct the audit?	V		The Company has established its accounting system according to laws and the internal control system pursuant to the "Regulations Governing Establishment of Internal Control Systems by Public Companies." The audit office, based on the results of risk evaluation, prepares the annual audit plan for check, and the internal audit shall be reported in written at each board meeting.	No deviation.
(V) Does the Company hold regular internal and external education trainings on ethical	V		The Company regularly conducts education and training sessions on ethical management. In 2025, the Company conducted quarterly	No deviation.

management regularly?			promotions covering legal compliance, unethical management, and insider trading prevention for four sessions in total. The training topics included trade secrets, prevention of unethical conducts, and examples of bidding errors. The training materials were sent via email to directors and all employees (including the head office, Taichung Factory, Miaoli Factory, Hualien Factory, Keelung Factory, Taifer Investment Development Co., Ltd., Peifeng Technology Co., Ltd., and Taiwan Yes Ocean Water Co., Ltd.).	
III. Operation of the Company's Whistleblowing System				
(I) Does the Company prepare the specific whistle-blowing and award & punishment system, establish the convenient whistle-blowing channel and designate a person to deal with the accused?	V		The Company has established its Internal and External Personnel Grievances Procedures and accessible channels for filing grievances. Whistleblowers can submit their cases through written letters or emails to a specified address or email box. The audit office is the responsible unit handling the cases. Whistleblowers or those with meritorious performance in handling the cases are rewarded appropriately in accordance with Article 10 of the Internal and External Personnel Grievances Procedures.	No deviation.
(II) Does the Company establish standard operating procedures for investigating the complaints received, follow-up measures to be adopted and the related confidentiality measures after investigation?	V		Article 6 of the Internal and External Personnel Grievances Procedures have stipulated detailed standard investigation procedures and the confidentiality measures.	No deviation.
(III) Does the Company take measures for protecting the whistle-blower from being punished improperly?	V		According to Article 9 of the "Procedures for Handling Whistleblowing by Internal and External Persons," the Company shall, in addition to confidentiality, protect the whistleblowers and persons involved in the investigation process from unfair retaliation or treatment.	No deviation.
IV. Strengthening of information disclosure				
Does the company disclose the contents of its Ethical Corporate Management Best Practice Principles and the effectiveness on its website and MOPS?	V		This Company discloses relevant norms and regulations set forth in its Ethical Corporate Management Best Practice Principles as well as educational information and implementation results on its official website. These principles and the Code of Ethical Conduct for Directors and Top Executives are also disclosed on the Market Observation Post System and relevant training courses are organized. https://www.taifer.com.tw/csr/CorporateGovernance/imaac.htm For the effectiveness of ethical management promotion, please refer to the official website.	No deviation.
V. If the company has its own Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe the difference between them: Difference				
VI. Other important information that helps to understand the company's ethical management operation:				

The operation situation and effectiveness of ethical management of the Company are documented in the annual sustainability report issued each year and at the official website, available for public reference.

(VII) Other Important Information Enough to Enhance the Understanding of the Operation of Corporate Governance

1. Operations of the Real Estate Resources Committee

(1) The Company's Real Estate Resource Committee consists of five members.

(2) Current tenure: June 26, 2024 to June 25, 2027. In the most recent year (2025), the Real Estate Resource Committee held 8 meetings (A). Members' attendance are listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) （B/A）	Remarks
Member	Su, Yu-Chang	8	0	100%	Convener
Independent Director	Lin, Su-Ming	8	0	100%	
Independent Director	Weng, Ming-Jang	8	0	100%	
Independent Director	Ho, Yen-Sheng	8	0	100%	
Director	Liu, Jhy-Chern	8	0	100%	

Content of important proposals of the Real Estate Resource Committee

Meeting date	Content of important proposals	Resolutions	Company's treatment of the Real Estate Resource Committee's opinions
January 18, 2025 5th meeting of the Real Estate Resources Committee, the 2nd Term	Proposal of leasing out of Hotel in Building C on the Company's C2 land.	All attending committee members approved to maintain the resolution at the previous meeting to adopt the public tender, and requested to proceed as soon as possible.	Submitted to the Board for deliberation, and approved as proposal, according to the Real Estate Resources Committee.
February 27, 2025 6th meeting of the Real Estate Resources Committee, the 2nd Term	1. The tenants of Keelung Factory signed the "First Supplementary Agreement to the Real Estate Lease Contract." 2. The proposal of executing the 3rd supplementary agreement to the Real Estate Lease Contract under the lease of solar photovoltaic power generation equipment in Hualien Factory. 3. Proposal of extending the lease of the lands in Nangang owned by the Company.	1. Unanimous vote by all attending committee members to approve the withdrawal of the proposal. 2. Unanimous vote by all attending committee members to approve the withdrawal of the proposal. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the Audit Committee and the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Real Estate Resources Committee.
April 22, 2025 7th meeting of the Real Estate Resources Committee, the 2nd Term	1. Proposal of subsequent contract execution of Hotel in Building C on the Company's C2 land. 2. The tenants of Keelung Factory signed the "First Supplementary	1. The responsible unit shall reassess the most suitable solution before submitting it again. 2. Unanimous vote by all attending committee members to approve	Submitted to the Board for deliberation, and approved as proposal, according to the Real Estate Resources Committee.

	Agreement to the Real Estate Lease Contract." 3. Proposal of leasing out lands in Keelung owned by the Company.	the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	
May 21, 2025 8th meeting of the Real Estate Resources Committee, the 2nd Term	Proposal of subsequent contract execution of Hotel in Building C on the Company's C2 land	Unanimous vote by all attending committee members to approve the proposal and submit it to the board for reference.	Not applicable
July 31, 2025 9th meeting of the Real Estate Resources Committee, the 2nd Term	1. Report on the budget execumtion for the commercial office building on C4 owned by the Company. 2. Proposal of borrowing lands of Hualien Factory of the Company.	1. Noted. 2. Unanimous consent by all attending committee members to ratify the proposal and submit it to the board for deliberation.	Submitted to the Board for deliberation, and approved the ratification, according to the Real Estate Resources Committee's opinions.
September 18, 2025 10th meeting of the Real Estate Resources Committee, the 2nd Term	Report on the financial analysis of the lands in Nangang owned by the Company.	Noted	Not applicable
October 14, 2025 11th meeting of the Real Estate Resources Committee, the 2nd Term	1. Proposal of extnding the superficies for the C3 land of the Company. 2. Proposal of borrowing lands in Miaoli City of the Company. 3. Proposal of borrowing lands in Hualien City of the Company. 4. Proposal of borrowing house of Hualien Factory of the Company. 5. Proposal of borrowing house of Hualien Factory of the Company.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 4. Unanimous vote by all attending committee members to approve the proposal after amendment and submit it to the board for consideration. 5. Unanimous vote by all attending committee members to approve the proposal after amendment and submit it to the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Real Estate Resources Committee.
December 3, 2025	Proposal of land	Noted	Not applicable

12th meeting of the Real Estate Resources Committee, the 2nd Term	development Hsinchu City of the Company.		

2. Operation of the Management and Investment Committee
   (1) The Company’s Management and Investment Committee is composed of five members.
   (2) Current tenure: June 26, 2024 to June 25, 2027. In the most recent year (2025), the Management and Investment Committee held 3 meetings (A). Members’ attendance are listed below:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Director	Liu, Jhy-Chern	3	0	100%	Convener
Independent Director	Lin, Su-Ming	3	0	100%	
Independent Director	Weng, Ming-Jang	3	0	100%	
Independent Director	Ho, Yen-Sheng	3	0	100%	
Director	Tsao, Chi-Hung	2	0	67%	

Content of important proposals of the Management and Investment Committee

Meeting date	Content of important proposals	Resolutions	Company's treatment of Management and Investment Committee's opinions
April 22, 2025 4th meeting of the Management and Investment Committee, the 1st Term	1. Construction of a waste sulfuric acid resource recycling production line. 2. Proposal for Taichung Factory to recover medium-concentration sulfuric acid and produce industrial-grade ammonium sulfate. 3. Proposal of optimizing the power system in Maoli Factory of the Company.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 3. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Management and Investment Committee’s opinions.
July 31, 2025 5th meeting of the Management and Investment Committee, the 1st Term	1. Report on the feasibilty of invesment by subsidiaries and proposal of the articles of incorporation 2. Application for medium-term credit facilities from banks.	1. Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration. 2. Unanimous vote by all attending committee members to approve	Submitted to the Board for deliberation, and approved as proposal, according to the Management and Investment Committee’s opinions.

		the proposal and submit it to the board for consideration.	
October 28, 2025 6th meeting of the Management and Investment Committee, the 1st Term	Concluded the 2026 business plan and budget.	Unanimous vote by all attending committee members to approve the proposal and submit it to the board for consideration.	Submitted to the Board for deliberation, and approved as proposal, according to the Management and Investment Committee's opinions.

3. Operation of the Sustainable Development Committee

(1) The Company's Sustainable Development Committee is composed of five members, who are, namely, Independent Directors Yen-Sheng Ho, Lin, Su-Ming, Weng, Ming-Chang, and Directors Lin, Chia-Rong and Liu, Jhy-Chern; all aof them possesse the professional knowledge and capabilities of enterprise sustainability.

(2) Current tenure: March 4, 2026 to June 25, 2027

(3) Power:

A. Formulate, promote, and strengthen the Company's sustainability policies, annual plans, and strategies.
B. Reviewing, tracking, and amending the implementations and effects of sustainable development.
C. Supervising the disclosure of sustainability information and deliberating the sustainability reports.
D. Supervising the implementations of risk management.
E. Other proposals related to sustainable development and risk management.

(VIII) Status of the Execution of the Internal Control System

1. Declaration for Internal Control System of Public Listed Company:
   https://mopsov.twse.com.tw/nas/cont06/c1722114011150309.pdf
2. If a CPA is appointed to review the internal control system, the CPA's audit report shall be disclosed: Not applicable

(IX) Punishment to the Company and its Personnel by Law and Punishment to its Personnel in Breach of Internal Control Systems by the Company as well as Major Shortcomings and Improvements over the Recent Years and up to the Date of Publication of Annual Reports: Not applicable

(X) Important resolutions at the shareholders' and board of directors meetings in the most recent year and as of the date on which the annual report was printed.

1. Key resolution and implementation of 2025 shareholders meeting (June 10, 2025)

Item	Content	Implementation
1	The 2024 business report and financial statements were submitted for ratification; the proposal was passed with the favorable votes from the attending shareholders and electronic votes.	Proceeded as resolved.
2	The proposal of 2024 earnings distributions was passed with the favorable votes from the attending shareholders and electronic votes.	1. Handled as resolved, and the dividends, and director and employee remuneration were distributed accordingly. 2. On August 12, 2025, in the 7th meeting, Board of directors of 36th, the 2024 cash dividends of NT$ 2 per share distributable to shareholders; the distribution base date was determined as September 8, 2025.
3	The proposal to amend some provisions of the Company's "Articles of Incorporation" was passed with the favorable votes from the attending shareholders and electronic votes.	Proceeded as resolved.

2. Important resolutions at the board of directors meetings

Meeting date	Content
March 6, 2025 5th Meeting, Board of Directors of 36thTerm	I. Approved the 2024 consolidated and parent-only financial reports. II. Approved the 2024 business report. III. Approved the 2024 earnings allocation. IV. Approved the 2024 Declaration for Internal Control System. V. Approved the 2024 remuneration disbursed to the Company's directors and employees. VI. Approve the amendments to the Company's "Rules of Procedure for Shareholders Meetings". VII. Approve the proposal of amendments to the Company's "Remuneration Committee Charter" . VIII. Approve the proposal of amendments to the Company's "Ethical Corporate Management Best-Practice Principles".

	IX. Approval of the amendments to the Company's "Articles of Incorporation".
May 7, 2025 6th Meeting, Board of Directors of 36thTerm	I. Approved 2025 Q1 consolidated financial reports of the Company and subsidiaries. II. Approve the proposal of amendments to the Company's "Corporate Governance Best-Practice Principles". III. Approve the proposal of amendments to the Company's "Sustainable Development Best-Practice Principles".
August 12, 2025 7th Meeting, Board of Directors of 36th Term	I. Approved 2025 Q2 consolidated financial reports of the Company and subsidiaries. II. Approved the 2024 cash dividends of NT$ 2 per share distributable to shareholders; the distribution base date was determined as September 8, 2025. III. Approved the 2024 "Sustainability Report".
November 4, 2025 8th Meeting, Board of Directors of 36th Term	I. Approved 2025 Q3 consolidated financial reports of the Company and subsidiaries. II. Approved the proposal of the extension of superficies for the Company's land in Hsinchu C3 by the leasee.
December 10, 2025 6th Meeting, Board of Directors of 36thTerm	I. Approved the proposal to develop the blocks in D4 and D5, Hsinchu owned by the Company. II. Approved the commission of KPMG Taiwan to audit and certify the 2026 financial reports and income tax return and the reporting of the 2025 undistributed surplus. III. Approved the 2026 annual audit program. IV. Approved the preparation of the 2026 business plan and budget.
December 30, 2025 4Th Special Meeting, Board of Directors of 36thTerm	Approved to appoint Ms. Chen, You-Hsin as the General Manager.

(XI) Major Contents of Different Opinions of Directors or Supervisors on Important Resolutions with Records or Written Statements as Adopted by the Board of Directors over the Recent Years and up to the Date of the Publication of Annual Reports: None

IV. Professional Service Fees of CPAs

(I) Professional Service Fees of Attesting CPAs

Unit: NT$ thousand

Name of the accounting firm	Name of CPAs	Duration of Audit	Audit fee	Non-audit fee	Total	Remarks
KPMG Taiwan	Chen, Tsung-Che Huang, Hsin-Ting	2025.1.1~2025.12.31	4,520	570	5,090	

Note: descriptions of non-audit fees: service fee for transfer pricing reports, service fees for subsidiary capital decrease and change registration, and service fees for accounting treatment consulting.

(II) **When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed:** Not applicable

(III) **When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed:** Not applicable

V. Information on replacement of certified public accountant: Not applicable

VI. Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: Not applicable

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report) by a directors, managerial officers, or shareholder with a stake of more than 10 percent, as well as changes in pledge of equity interests during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report.

(I) Changes in Shareholdings of Directors, Management, and Major Shareholders:

Title	Name	2025		2026 up to March 31	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Ministry of Agriculture	0	0	0	0
	Representative: Chang, Chang-Lang	0	0	0	0
Director	Ministry of Agriculture	0	0	0	0
	Representative: Lin, Chia-Rong	0	0	0	0
Director	Ministry of Agriculture	0	0	0	0
	Representative: Liu, Jhy-Chern	0	0	0	0
Director	Ministry of Agriculture	0	0	0	0
	Representative: Tseng, Hsiang-Hua	0	0	0	0
Director	Ministry of Agriculture	0	0	0	0
	Representative: Huang, Bing-Chuan	0	0	0	0
Director	Tsao, Chi-Hung	0	0	0	0
Independent Director	Lin, Su-Ming	0	0	0	0
Independent Director	Weng, Ming-Jang	0	0	0	0
Independent Director	Ho, Yen-Sheng	0	0	0	0
General Manager	Chen, Yu-Hsin	0	0	0	0

Title	Name	2025		2026 up to March 31	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Deputy General Manager	Liu, Kuo-Ying	0	0	0	0
Deputy General Manager concurrent Financial Officer	Chung, Chun-Ming	0	0	0	0
Deputy General Manager	Liu, Sheng-Hung	0	0	0	0
Accounting Officer	Huang, Mei-Ling	0	0	0	0
Corporate Governance Officer	Liu, Chi-Ching	0	0	0	0
Director (Note 1)	Ministry of Agriculture	0	0	0	0
	Representative: Fan, Mei-Ling	0	0	0	0
Financial Officer (Note 2)	Huang, Ruey-Jean	0	0	0	0
Chairman (Note 3)	Ministry of Agriculture	0	0	0	0
	Representative: Lee, Suen-Zone	0	0	0	0
Director (Note 4)	Ministry of Agriculture	0	0	0	0
	Representative: Chuang, Lao-Da	0	0	0	0
General Manager (Note 5)	Chang, Chang-Lang	0	0	0	0

Note 1: Discharged on April 21, 2025
Note 2: Discharged on July 8, 2025
Note 3: Discharged on October 31, 2025
Note 4: Discharged on November 3, 2025
Note 5: Discharged on January 1, 2026

(II) Information on transfer of shares:

The counterparty in any such transfer is a related party: None

(III) Information on pledge of equity interests:

The counterparty in any such transfer or pledge of equity interests is a related party: None

VIII. Information on top ten shareholders and their mutual relationship as spouse or blood relative within the second degree:

Name	Shareholding one self		Shareholding by Spouse and Children of Minor Age		Shareholding by nominee arrangement		Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another as stated in No. 6 of SFAS		Remarks
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Name	Relation	
Ministry of Agriculture	235,886,376	24.07%	0	0	0	0	None	None	
Representative: Chang, Chang-Lang	0	0	0	0	0	0	None	None	
Representative: Lin, Jia-Rong	0	0	0	0	0	0	None	None	
Representative: Liu, Chih-Cheng	0	0	0	0	0	0	None	None	
Representative: Tseng, Hsiang-Hua	0	0	0	0	0	0	None	None	
Representative: Huang, Bing-Chuan	0	0	0	0	0	0	None	None	
Taiwan Cooperative Bank Co., Ltd.	39,068,000	3.99%	0	0	0	0	None	None	
Representative: Lin, Yen-Mao	0	0	0	0	0	0	None	None	
Chunghwa Post Co., Ltd.	34,311,000	3.50%	0	0	0	0	None	None	
Representative:Wang, Guo-Cai	0	0	0	0	0	0	None	None	
Paolyta Co., Ltd	21,481,000	2.19%	0	0	0	0	Bao Cang Da Investment Co., Ltd. Wei Chang Investment Co., Ltd. Paolyta Investment Co., Ltd.	The same Chairman	
Representative: Lu, Bai-Tsang	0	0	0	0	0	0			
Hai Yang Investment Co., Ltd. Representative: Wang, Yun-Er	16,280,000	1.66%	0	0	0	0	Paolyta Co., Ltd	The representative is the director of Paolyta Co., Ltd.	

Name	Shareholding one self		Shareholding by Spouse and Children of Minor Age		Shareholding by nominee arrangement		Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another as stated in No. 6 of SFAS		Remarks
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Name	Relation	
	0	0	0	0	0	0	None	None	
Bao Cang Da Investment Co., Ltd. Representative: Lu, Bai-Tsang	16,036,000	1.64%	0	0	0	0	Paolyta Co., Ltd Wei Chang Investment Co., Ltd. Paolyta Investment Co., Ltd.	The same Chairman	
	0	0	0	0	0	0			
Da-Yi Investment, Ltd. Representative: Huang, Yi-Ruei	14,605,000	1.49%	0	0	0	0	None	None	
	0	0	0	0	0	0			
Wei Chang Investment Co., Ltd. Representative: Lu, Bai-Tsang	13,089,000	1.34%	0	0	0	0	Paolyta Co., Ltd Bao Cang Da Investment Co., Ltd. Paolyta Investment Co., Ltd.	The same Chairman	
	0	0	0	0	0	0			
Advanced Total International Stock Index Fund, a series fund of Advanced Star Fund, in custody of Standard Chartered Bank (Taiwan) Limited, Business Department	8,936,225	0.91%	0	0	0	0	None	None	
Paolyta Investment Co., Ltd. Representative: Lu, Bai-Tsang	8,840,000	0.90%	0	0	0	0	Paolyta Co., Ltd Bao Cang Da Investment Co., Ltd. Wei Chang Investment Co., Ltd.	The same Chairman	
	0	0	0	0	0	0			

IX. Percentage number of shares and consolidate percentage of the company, directors, supervisor, managers and the businesses that are controlled by the company directly or indirectly on the invested company

December 31, 2025
Unit: share (NT$); %

Reinvested entities (Note)	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Total investment	
	Shares (contribution)	Shareholding (capital paid) ratio	Shares (capital paid)	Shareholding (capital paid) ratio	Shares (contribution)	Shareholding (capital paid) ratio
TAIWAN YES DEEP OCEAN WATER CO., LTD.	28,479,450 shares	100.00	0	0.00	28,479,450 shares	100.00
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	0	0.00	1,414,989 shares	100.00	1,414,989 shares	100.00
TAIFER CHEMICAL INTERNATIONAL LLC	0	0.00	US$ 1,333,494	100.00	US$ 1,333,494	100.00
PEIFENG TECHNOLOGY CO., LTD.	240,000,000 shares	100.00	0	0.00	240,000,000 shares	100.00
TAIFER INVESTMENT CORPORATION	20,739,050 shares	100.00	0	0.00	20,739,050 shares	100.00
Tai Ying Sustainability CO., LTD.	10,000,000 shares	100.00	0	0.00	10,000,000 shares	100.00
TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.	1 shares	100.00	0	0.00	1 shares	100.00
TR ELECTRONIC CHEMICAL CO., LTD.	0	0.00	10,965,000 shares	51.00	10,965,000 shares	51.00
TAIFER (CAMBODIA) CO., LTD. (Pending to dissolution and liquidation)	US$254,557	100.00	0	0.00	US$254,557	100.00
Al-Jubail Fertilizer Company	6,715 shares	50.00	0	0.00	6,715 shares	50.00
Mitagri Co., Ltd	5,868,806 shares	32.52	0	0.00	5,868,806 shares	32.52

Note:Long-term investments with the equity method.

Three. Capital Raising Activities

I. Capital and Shares

(I) Source of share capital

Month/Year	Issuance price	Approved share capital		Paid-in share capital		Remarks		
		Shares (thousand shares)	Amount (NT$ thousand)	Shares (thousand shares)	Amount (NT$ thousand)	Source of share capital	Property other than cash provided as capital contributions	Others
August 2000	NT$10	980,000	9,800,000	980,000	9,800,000	Capital reserve transferred to capital increase NT$2.8 billion (Note)	None	None

Note: Approved with the Letter (89) Tai-Cai-Zheng (1)No.60387 dated July 12, 2000, issued by Securities and Futures Commission.

Share type	Approved share capital			Remarks
	Outstanding shares (thousand shares)	Unissued shares (thousand shares)	Total	
Ordinary share	980,000	0	980,000	Listed

Shelf-registration system: not applicable

(II) List of Major Shareholders

March 29, 2026

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Ministry of Agriculture	235,886,376	24.07%
Taiwan Cooperative Bank Co., Ltd.	39,068,000	3.99%
Chunghwa Post Co., Ltd.	34,311,000	3.50%
Paolyta Co., Ltd	21,481,000	2.19%
Hai Yang Investment Co., Ltd.	16,280,000	1.66%
Bao Cang Da Investment Co., Ltd.	16,036,000	1.64%
Da-Yi Investment, Ltd.	14,605,000	1.49%
Wei Chang Investment Co., Ltd.	13,089,000	1.34%
Advanced Total International Stock Index Fund, a series fund of Advanced Star Fund, in custody of Standard Chartered Bank (Taiwan) Limited, Business Department	8,936,225	0.91%
Paolyta Investment Co., Ltd.	8,840,000	0.90%

-

(III) Dividend Policy and Implementation

1. Dividend policy:
   (1) The dividend policy specified in the Articles of Incorporation is as the following:

   Paragraph 3 and 4 of Article 25

   In the case the Company has surplus profit after settling the annual accounts, when allocating its surplus profits after having paid all taxes and dues, it shall first set aside ten percent of said profits as legal reserve, and appropriate or reverse the special reserves as required by laws. The sum of such balance with the accumulated undistributed earnings from the previous year is deemed the distributable earnings. However, the special reserves may be reserved or appropriated as the operation requires, and the Board of Directors shall propose an earnings distribution plan to the Annual General Meeting for approval.

   The Company's shareholder dividends should consider the characteristics of the diversified business, and the changes in the economy, while taking the future capital needs during the life cycle of each product or service, and business development and shareholder rights into account. Unless there are major investment plans, material changes in financial conditions, major operational changes and capacity expansion or other major capital expenditures, the shareholders' cash dividend distribution ratio shall not be lower than 10% of the total dividends for the year, and shall be reported to shareholders' meeting for approval and enforcement.

   (2) The major considerations for distribution of shareholders' dividends include the future funds of the Company, while taking into account of stable dividends and transformation needs of the Company. After deducting the legal reserve and special reserve, at least 50% of the distributable net profit shall be distributed.
2. The dividend distribution to be proposed to the shareholders' meeting:

   Based on the 2025 earnings distribution proposal by the Board of Directors, the cash dividend is NT$2 per share, for total NT$1,960,000,000.
3. Expected significant changes to dividend policy: None

(IV) The influence of the bonus shares issuance proposed at the current shareholders' meeting on the operation performance and EPS of the Company: Not applicable

(V) Remunerations to employees and directors

1. Employees' and directors' remuneration percentage or range as stated in the Articles of Incorporation:
   Paragraph 1 and 2 of Article 25 of the Articles of Incorporation.
   If the Company records a profit in a year, it shall appropriate 1% to 3% of the profit as remuneration to employees and not more than 1.6% of the profit as the directors' remuneration; additionally, contribute no less than 0.01% as the remunerations to the non-executive employees. However, the amount to offset the Company's accumulated losses shall be set aside in advance.
   The employees and directors' remuneration in the preceding paragraph, shall be resolved by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, and report to the shareholders' meeting.
2. So-called "non-executive employees" of the Company refers to employees who do

not hold managerial positions and their salary level is under certain amount. The certain amount refers to the amount announced annually pursuant to the Regulations Governing Deduction of Increased Salary Expenses for Employees of Small and Medium Enterprises; the amount is also assessed in the board meeting of the first quarter every year to see if any adjustment is required. The scope of non-executive employees for 2025 include these full-time employees whose recurrent average monthly salaries are NT$63,000 (sum of basic salary, meal allowance, supervisor allowance, and no-absence rewards) and under.

3. The basis for the estimation of the amount of remuneration of employees and directors in the current period, and the accounting treatment if there is a difference between the estimated amount and the actual bonus paid in shares or cash:
   For the year, the estimated employees' remuneration, NT$28,063 thousand, directors' remuneration NT$18,709 thousand, and the non-executive employees' remuneration NT$117 thousand are estimated 1-3% of the 2025 profit for the employees' remuneration, no more than 1.6% for the directors' remuneration, and no less than 0.01% for the non-executive employees' remuneration, respectively, pursuant to Paragraph 1, Article 25 of the Articles of Incorporation; no remuneration is distributed in shares. If the actual distributed amount differs from the estimated amount, it is deemed a change in accounting estimate, and recorded as income/loss in 2026.

4. Remuneration distribution as approved by the Board of Directors' meeting:
   (1) Amount of distributed employees and directors' remunerations, in cash or share
   The proposed amount of distribution approved by the Board of Directors (as the following table), are estimated 1-3% of the 2025 profit for the employees' remuneration, no more than 1.6% for the directors' remuneration, and no less than 0.01% for the non-executive employees' remuneration, respectively, pursuant to Paragraph 1, Article 25 of the Articles of Incorporation. If the actual distributed amount differs from the estimated amount, it is deemed a change in accounting estimate, and recorded as income/loss in 2026.

Unit: NT$ thousand

Item	Proposed amount of distribution approved by the Board of Directors
Employees' remuneration in cash	28,063
Employees' remuneration in shares	None
Directors' remuneration	18,709
Non-executive employees' remuneration in cash	596

   (2) Employee remuneration paid in shares as a percentage of the total amount of the current net profit after tax reported in the consolidated or parent company-only financial statements and the total employee remuneration: Not applicable

5. Actual distribution of employees and directors' remuneration (including distributed cash, shares, and share prices) in the prior year, and the accounting disclosures, treatments and explanations if a discrepancy exists:
   The employees and directors' remunerations distributed for the previous year (2024) were recorded in the expense of the previous year (2024); the actual distributed employees and directors' remunerations are identical to the proposed amount of distribution approved by the Board of Directors

Unit: NT$ thousand

Item	Proposed amount of distribution approved by the Board of Directors	Actual distributed amount
Employees' remuneration	39,943	39,943
Directors' remuneration	26,629	26,629

(VI) Implementation of Share Buyback Program

During 2025 and 2026 as of the publication date of the annual report, the Company has not bought back any shares of the Company.

II. Issuance of corporate bonds: None

III. Preferred shares: None

IV. Global depository receipts: None

V. Employee share subscription warrants: None

VI. Restricted stock award: None

VII. Issuance of new shares in connection with mergers or receipt of other company's shares: None

VIII. Financial Plans and Implementation: Not applicable

Four. Operation Highlights

I. Business Description

(I) Scope of Business

TFC takes three developed businesses, namely “fertilizer, chemicals, and real estate,” and emerging business comprising clean energy, deep ocean water, and investment as the development pillars; being complemented by the internal supportive administration units, the business may be divided as four parts by function, as described below:

1. Fertilizer business:

(1) Fertilizers products:

Considering industry development trend and government’s policy of promotion friendly agricultural environment, in addition to the original fertilizer, we constantly expand the green agricultural industry towards the organic development of fertilizers as well as develop biotech agricultural products and promote niche fertilizer products. The Company uses the advantages including fertilizers expert experiences and Know-You’s brand value to progressively explore overseas markets; meanwhile, we assess the appropriate collaborative opportunities or investment plans in seeking for new opportunities for the development of fertilizer industry.

2. Chemical business:

(1) Chemical products:

Starting from the existing chemical engineering and electronic chemical products produced in-house or traded, the Company continue to develop relevant production technologies, to increase product diversity, and expand the sales market and cover industries by integrating the upstream and downstream supply chain and upgrading to electronic-grade products, and build a stable profit growth momentum.

(2) Trading and logistics:

Incorporating the existing procurement business in raw materials, taking advantage of the edge of the special piers at Taichung Harbor along with the planning of free trade zone therein, the Company has constructed a number of chemical storage tanks to further expand the business of import procurement, unloading warehousing, transit trade, while actively transforming into the role of a provider for product integration services and a supplier for relevant raw materials.

3. Real estate business

(1) Development of real estates

Due to regional environmental changes, the industrial lands of the old factories have been changed to non-industrial lands by the local government, and with city development, the lands have become premium areas. Among them, the land of the Nangang Business-Trade Park is the most valuable, while the land of the Hsinchu Science and Commercial Park and the special trade area of Kaohsiung are the second best. Land in these parks can be changed to high-value commercial land use for hotels, shopping malls, offices, etc.

Currently, the “C2 Hotel and Office Development Project” in Nangang Business-Trade Park has obtained the use permit in Q4 2021, and the operation has been commenced with the fruitful merchant recruitment results. Many international technology companies have occupied the offices. The A block of hotel is operated by Grand Hi-Lai Hotel, and the operation started in Q4 2023. The Nangang Business-Trade Park C4 Commercial and Office Development Project has started to construct, and the completion is expected in 2028.

To cope with the national technology industry develop policy, the “Hsinchu Science Park X Program” is promoted. The first commercial office building, Hsinchu “TFC ONE” is 100% leased, attracting key domestic and international technology manufacturers. The D6 block has set the superficies to the Hsinchu Science Park Bureau to build office buildings. The D7-B block in Hsinchu as obtained the construction permit and is currently under construction, currently it is in the process of construction. Later, the D4 and D5 block will be developed, in phases, as the commercial real estates, and transformed to “Hsinchu Technology-Business Park.”

4. Emerging business:

(1) Clean energy business

In response to the global trend toward "net zero emissions by 2050," the Company is leveraging its position as a leading domestic liquid ammonia supplier to align with national energy transition policies and has made significant and groundbreaking progress this year in developing a low-carbon ammonia (including certified blue ammonia) and hydrogen energy supply chain.

In terms of operating performance, the Company officially launched the commercial operation of its internationally certified "low-carbon ammonia" in April, with a first-quarter intake of 6,000 tons. This move not only establishes a low-carbon raw material supply system—a first for the industry—but also effectively helps domestic semiconductor and optoelectronics customers ease their supply chain carbon neutrality pressures, specifically achieve carbon reduction targets, and ultimately boost high-value-added revenue growth.

Looking forward, the Company will continue to play the role as a key hub in Taiwan’s net zero transition, continuously refining its energy strategy to create long-term, sustainable value through steady and pragmatic operations.

(2) Deep ocean water business：

The Company is actively developing the deep ocean water (DOW) industry, combining the government's green energy policy to promote a sustainable business model. The unique DOW in eastern Taiwan is known for its features of purity, rich mineral content, and low temperature stability, and is widely used in the fields of aquatic culture, health drinking water products, and health care products. In terms of aquatic culture, the deep sea water is used to create a low-pollution and high-performance culture environment to increase the survival rate of white shrimps and algae, while ensuring food safety and quality. In the field of healthy water products, the Company has extracted the concentrated mineral liquid from DOW through patented processes, and developed various types of drinking water products beneficial to the human body. In addition, the trace elements in DOW is utilized to develop health care foods to enhance human health. Through the introduction of green energy technology and sustainable resource utilization, an environmentally friendly and high-performance DOW industry chain is built to achieve the win-win between economic development and environmental protection.

(3) Investment business:

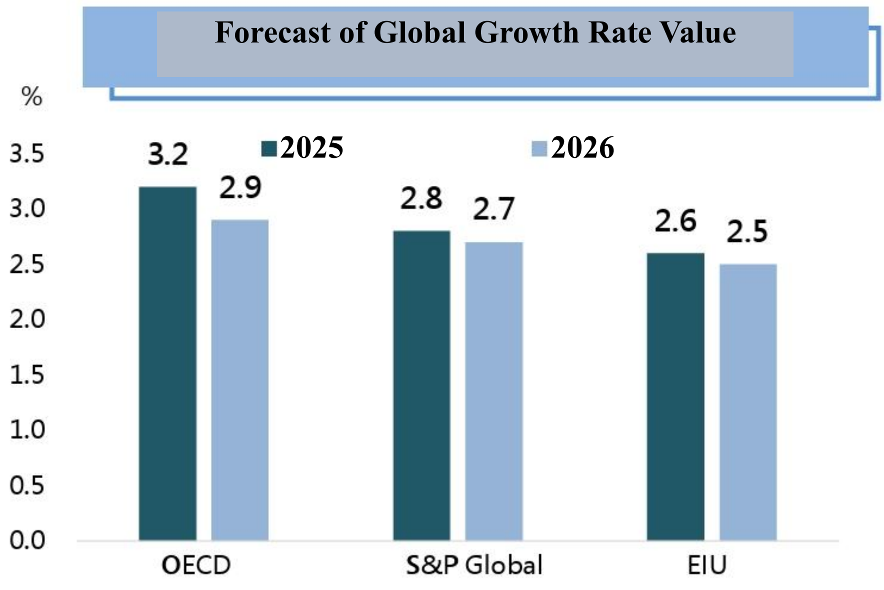
2025 marks a crucial milestone for the Company as it advances its net-zero transition with the launch of the first certified blue ammonia in Taiwan, officially ushering in a new era of green energy. In the future, we will integrate our strengths in fertilizers, chemicals, and real estate to enhance resource allocation and investment strategies. We aim to solidify our operational foundation with sustainable revenue from our real estate business, accelerate the upgrade and transformation of our fertilizer and chemical businesses, and continue to focus on developing clean energy as our fifth major business line. By pursuing these three strategic pillars, we look forward to achieve a significant transformation within 10 years.

(II) Industry Overview

1. Macro Economic Environment

(1) International Economy

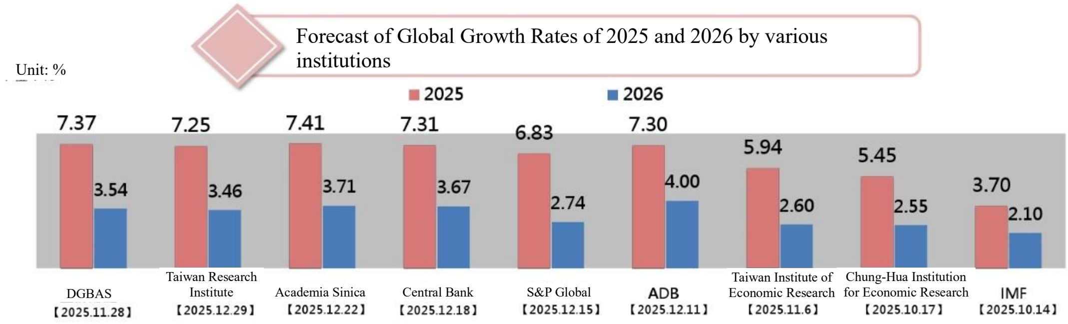
Benefiting from the early stocking of enterprises and the innovative development of AI technology in 2025, the impact of high U.S. tariffs on the global economy was mitigated. With global inflation cooling and monetary policies easing, the global economy is expected to grow moderately in 2026.



Sources: 1. OECD, *OECD Economic Outlook*, Dec. 2, 2025.
2. S&P Global, *World Overview*, Dec. 15, 2025.
3. EIU, *Global outlook summary*, Dec. 16, 2025.

(2) Domestic economy

Looking to 2026, with the development landscape of AI technology and applications becoming clearer, many countries are actively building out AI infrastructure, which continuously drive strong demand for hardware. The semiconductor industry expands the advanced process technologies and high-end packaging and testing capabilities, sustaining Taiwan's export and investment momentum. Coupled with a recovery in private consumption, the overall outlook is stable domestically and positive internationally. However, .S. tariff policies, the Middle East conflict, and geopolitical risks remain elevated and require continued attention. Major domestic and international institutions have recently forecast that Taiwan's economic growth rate in 2025 would be between 3.70% and 7.41%. For 2026, it is expected to be stable and the growth rate will be between 2.1% to 4%.



Source: Various institutions, sorted based on the time of release

2. Current status and development of the industry

(1) Overview, development trend and competition of fertilizer industry:

A. The fertilizer industry, a mature and essential industry with a long history, is closely related to people's livelihood. Recently, the government has implemented the organic fertilizer by continuously expanding the green agriculture industry to promote friendly agricultural environment. In addition, to help utilize domestic agricultural and livestock by-products and cope with the national policy of net zero emissions, farmers are encouraged to use domestically produced fertilizers added with domestic agricultural resources, as well as slow-release compound fertilizers. Meanwhile, the use of farmland is adjusted, and the farmland operations are revitalized and the scaled up, to enhance the agricultural value of domestic farmlands and the competitiveness of the agricultural industry, and to achieve the "halving fertilizer use by 2030" and the "net zero emissions by 2050" policies.

B. There is a lack of raw material for producing fertilizer in our nation, almost all of which are imported. Because the production costs are influenced by the prices of international fertilizer raw materials, we can only be in line with the government's policy of caring for famers. As a result, the prices of domestic fertilizer have been constrained by the government for a long time.

(2) Overview, development trend and competitions in the chemical industry:

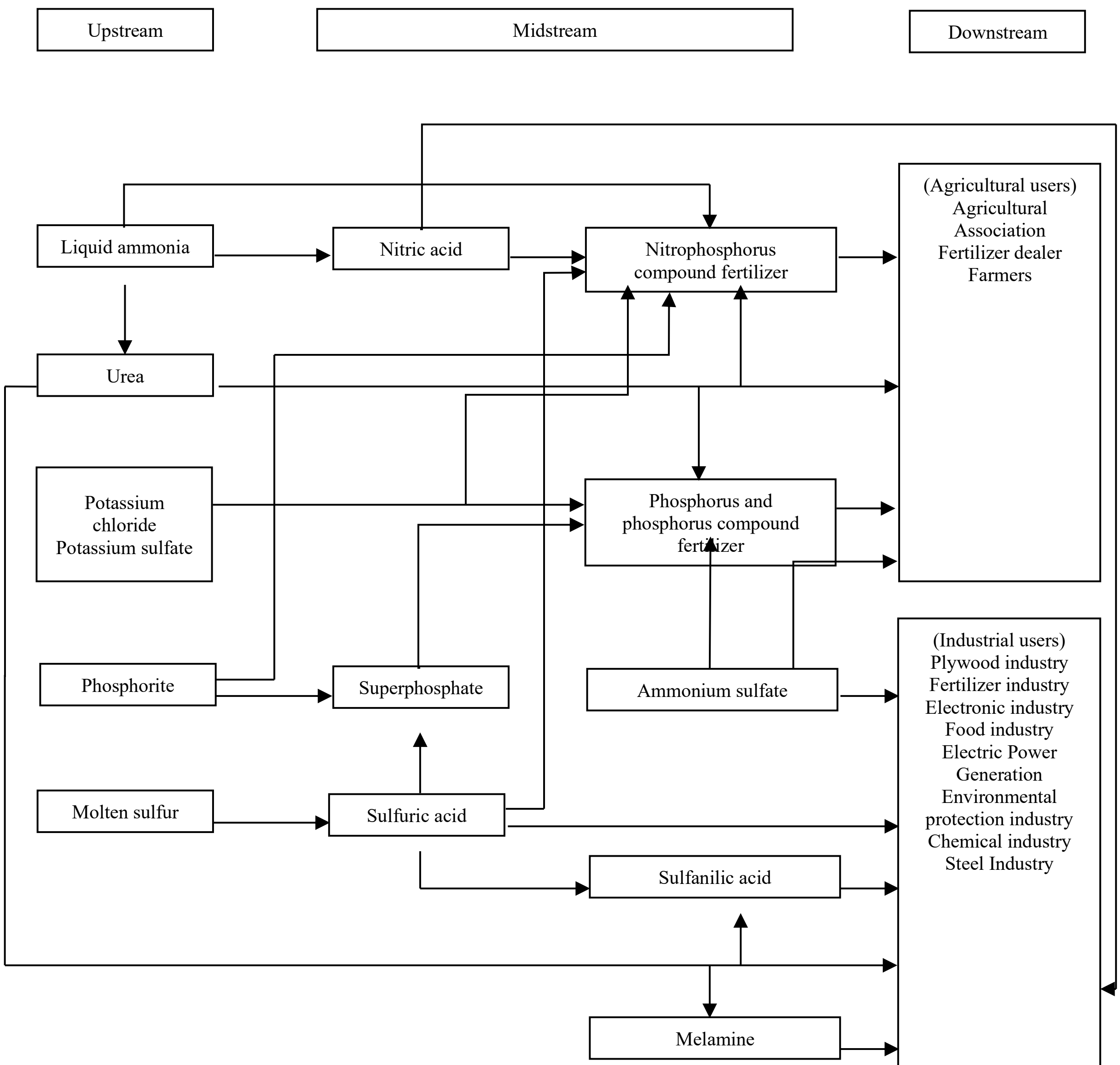
Taiwan has limited natural resources and lacks cost competitiveness in raw materials. Coupled with industrial upgrading and a growing emphasis on environmental protection, most of the traditional chemical industry has relocated their productions to regions with these advantages, driven by considerations of raw material availability and market access. Domestically, demand is now met primarily through imports.

Currently, products from the Company, such as nitric acid, sulphanilic acid and fuming sulfuric acid, which are subject to transportation and storage restricts on them or their by-products, are locally produced in Taiwan. Other products, such as liquid ammonia, industrial urea, and melamine resin, are replaced by the imported substitutions with better market competitiveness as their local production costs are higher due to long distances for the raw material origins.

For the downstream market, sulfamic acid is primarily exported, while the remaining products are for domestic consumption in Taiwan. In view of the relatively mature technologies and saturated market demand in the chemical industry, significant growth opportunities in the domestic chemical market are limited, but distribution channels and industry supply and demand remain relatively stable.

Due to growing global concern over carbon emissions and carbon footprints, the Company leverages its long-standing relationships within the ammonia and environmental industries to prioritize the import of low-carbon ammonia, providing practical low-carbon solutions to assist domestic businesses in reducing their carbon emissions. In the second quarter of 2025, the Company launched blue ammonia for sale, achieving initial success through collaborative efforts—a first step towards meeting domestic manufacturers' demand for energy-saving and carbon reduction certification.

The fertilizer chemical industry up/mid/downstream relationship diagram



(3) Overview, development trend and competitions in the electric-grade chemical industry:

Electric-grade chemicals are generally referred to various chemicals that can be used in the process of electronics industry or facility end, the product items include single organic solvents of simple substance, alkaline acid solution of simple substance to formulas of different proportions. At present, the products are used in the processes such as yellow developer, peeling, itching, polishing and cleaning in semiconductor, panel, solar energy and LED industries.

In 2025, the output value of domestic semiconductor industry has broken through NT$3.5 trillion and more than 200,000 people are employed by this industry. The value-added rate of this industry has exceeded 50% and it contributes more than 15% GDP of Taiwan. Although the pandemic, the Russia-Ukraine War, Israel-Palestine conflict, and the reciprocal tariff levied by the US have caused the global inflation and shrunken economy, the IC industry has been benefited from the booming development of AI, 5G, electric vehicles and robots, as well as the at-home economy. The overall semiconductor industry is expected to gradually grow. Meanwhile, the "Nation Safeguard," i.e. TSMC, continues to increase capital expenditures of advanced process around Taiwan, it is expected to drive the gradual growth of related supply chains and chemical demands. Regarding the panel industry, the over-capacity in China plus the interference from the economic recession, resulted in the downward revision of the capacity utilization for about 40%. The two leading domestic manufacturers, AUO and Innolux, will sell or lease part of their plants to semiconductor makers, and focus on the existing capacities to continuously adjust the product mixes for obtaining the maximum operating benefits; therefore, it will inevitably lead to significant decline in the demands for related chemicals, consumables and key components. The LED industry market demand is not as expected, and the average prices of chips and packages have fallen sharply. Looking forward to the future, the compound annual growth rate of the LED industry will not be able to achieve the growth of more than 10% as easily as in the past, but there is still room for growth. Taiwan's solar power industry will reduce the capacity of domestic capacity of solar cells, and will vertically integrate their OEM partners in the third locations, such as China, Thailand, Vietnam, and Malaysia, taking the development of back-end modules, solar power plants and provisions of overall solutions to customers as the future direction of operations. In summary, under the interfering factors, such as reciprocal tariff levied by the US and geopolitics, the demanded volume of the electronic grade chemical products of the world and Taiwan will tend to positive growth trend due to the innovative applications and capacity expansions of various industries; therefore, it is seen that the electronic chemical market still has room to develop.

(4) Overview and development trend of the DOW industry:

Oceans contain abundant resources and energies, particularly deep ocean water (DOW) located more than 200 meters deep. Featured in low-temperature, clean, rich minerals, and nutritious salt applications, the applications of DOW in Taiwan are mainly in the aquaculture and food, as well as agricultural application, health, beauty and medical care, such as ocean therapy and eco-friendly ocean thermal energy conversion. The government continuously promotes to link the up-, mid-, and downstream of the DOW industry chain. The introduced private business activities mainly focus on the downstream applications. The Company's Hualien D-Park and the subsidiary, Taiwan Yes Depp Ocean Water Co., Ltd. are the key development enterprises in the Taiwanese DOW industry, including the applications of minerals in the deep ocean and development and sales of water products, and establishes the multi-stage DOW reproduction and farming production system to increase the development and sales of aquatic products. By utilizing the land and resources of Hualien D-Park, merchants are recruited actively with the related vendors from the up- and downstream, and integrated various industries, to occupy the Park for joint development, and add more value to the DOW industry production values jointly.

(5) Overview, development trend and Competition of land development industry:

According to the Cathay Real Estate Index in Q4 2025, the price was stable and the volume increased quarter-on-quarter, with stable price and shrunken volume year-on-year Comparing to the previous quarter, the asking price, negotiation rate and transaction price remained stable this quarter; the amount of proposals and the sales rate moderately, and the transaction volume increased significantly. Since the year, benefiting from the exceptional emerging technology applications such as AI, Taiwan's exports have steadily increased, and the Central Bank has raised the full-year economic growth rate in 2025 to 7.31%. For the housing market, the Central Bank has maintained the seventh batch of credit control measures, and banks regained the control over their mortgage loans; the policy direction turns to the autonomous management instead of control over the overall volume.

A closer look at the performance of each region, comparing to the previous quarter, the transaction prices dropped in New Taipei City, and stayed stable in Taichung, while prices in other areas grew; in term of transaction volume, it decreased in Taichung, stayed stable in Tainan, while increasing in all other areas. Comparing to the same quarter last year, the transaction prices in New Taipei City dropped, stayed stable in Hsinchu, and other areasincreased, where the transaction volume stayed stable in New Taipei City, and decreased in other areas.

From the observation of the seasonal moving trends, the transaction prices in each area broke the highs of bands during 2013 to 2015; however, the upward movement became slower recently, and the transaction volumes declined generally. As the market gradually adapted to the loan restrictions after a year of implementation, the policy was partially adjusted in early September, leading to a slight uptick in wait-and-see demand. Developers increased their momentum in project launches, related to a concentrated launches of projects previously delayed at year-end. While real estate transaction volume in this quarter stabilized and stopped declining, it remains at a historic low. The housing market this quarter saw a divergent trend of demand and supply as the sales were low but launched projects were many. Other than Hsinchu, the sales rate drop to single-digit, and the national average was only 6.38%. This is expected to lead to growing inventory pressure over the long term. In summary, the housing market, comparing to the low base in the previous quarter, the prices stayed stable and volume increased; comparing to the same quarter last year, the transaction volume was halved, representing stable price and shrunken volume; the housing market performed weakly, and the market returned to the basics and the performance of individual projects. In addition, by reviewing the whole year, under the unchanged tight credit control the housing market is expected to continosly consolidate.

Regarding the commercial and office building market, according to the 2025 Q4 commercial real estate market monthly report published by Sinyi Global, the transactions commercial market in 2025 showed a significant structural shift. With demand for AI semiconductor supply chain expansion and the trend of industrial upgrading driving growth, the market buying interest has clearly focused on industrial real estate. Plants, industrial lands, and other industrial properties have become the main drivers of market transactions this year, with both corporates actively deploying for in-house use and life insurers increasing their investment in industrial assets. This indicates that the industrial real estate is increasingly becoming a core option for long-term asset allocation.

According to statistics from Sinyi Global Asset Management, the transaction value of commercial real estate by listed companies in 2025 reached NT$152.5 billion, with industrial real estate accounting for approximately 60% of the total volume. Notable transactions include: Delta Electronics' acquisition of the Guanyin plant from Federal Corporation for NT$6.95 billion; Powertech Technology's acquisition of Zhuke L3C plant (including attached equipment) from AUO for NT$6.898 billion; and ASE's acquisition of the Kaohsiung plant from WIN for NT$6.5 billion. These transactions all involved listed companies acquiring plant products, indicating that current market buyers favor purchasing operational plants ready for immediate use to meet urgent orders.

In summary, 2025 saw the AI industry become a key engine driving Taiwan's economic growth. Increased demand from companies for expansion and production capacity has boosted commercial real estate transactions, with industrial properties benefiting the most. Corporate buyers are particularly focused on existing plants ready for immediate production, and interest in these facilities continues to rise.

Look to 2026, the market is expected to continue to be driven primarily by owner-occupier demand. Companies are likely to increase their purchases of industrial products due to capacity expansion, urgent orders, and long-term strategic considerations. In the office market, the completion of new office buildings and the formation of emerging office clusters will offer businesses a wider range of location options.

(III) Technology and R&D overview

1. R&D expenditure

Item / Year	2024	2025
R&D expenditure (NT$ thousand)	39,297	35,405
Proportion in business volume (%)	0.33%	0.29%

2. Achievements in recent 2 years

In response to the Company's latest operational strategic planning, and in response to the future national technology and green energy policies, the Company actively develops emerging businesses, mainly participating the clean energy business, the transformation of land friendly fertilizer (slow release fertilizer and circular agricultural material development).

(1) Development of circular agricultural and husbandry materials

The Company cooperates with the Ministry of Agriculture to promote the policy of achieving net zero in agriculture sector by 2040, and actively invests in the development of the residual agricultural resources based on the Pillar two of the four major net-zero pillars for the agriculture sector: reduction and circulation. Currently, products of the organic compound fertilizers and Organic Fertilizer series, such as the recycled materials including sawdust in mushroom packs and chicken manure, have been developed, to promote the reuse of agricultural residual resources, and increase the organic contents of fertilizers, for improving product competitiveness. The Company has also evaluated the application of biochar in fertilizers. The physical and chemical properties of biochar and peat are extremely stable; however, biochar is a solid product with high specific surface area generated from the limited oxygen pyrolysis process, and has the characteristics of agricultural recycling, soil improvement and microbial carrier;

when properly used, it helps the growth of crops, and has the potential value of replacing part of the peat in fertilizers.

(2) Slow-controlled release fertilizer promotion plan

A. Development of the coating technology of slow release fertilizer:

Nowadays, agriculture is gradually moving towards the trend of fertilizers with high nutrient utilization rate and labor-saving. In order to improve the utilization rate of fertilizers while being environment friendly, the Company cooperated with the "Plastics Industry Development Center" ("Plastic Center") in 2023 to develop the eco-friendly degradable coating materials. After many analyses, and tests of coating volume and slow-release effect, the trial production in small volume of slow release fertilizer in the lab stage has been completed.

In 2024, the Company cooperated with the "Plastic Center" to conduct a "Stability and validation evaluation program for the batch production of slow release materials." The release coating materials and technology developed as the result of 2023 cooperation were adopted, and the degradable materials are further added, to cause the slow-release fertilizer to degrade as time goes by after nitrogen is released, to reduce the impact on the ecology and environment as much as possible. The program has completed the tests of new slow-release materials and degradable materials, with the enlarged test of batch production of slow-release fertilizer production process in kgs being conducted. The processing process parameters have been preliminarily established to confirm that the full nitrogen solvency rate of the slow-release fertilizer samples produced in the early stage meet the requirements of the laws and regulations, and the storage and weather-proof tests were passed. Meanwhile, a draft of the patent application documents has been completed based on the experimental results, and plans are in place to submit the patent specification for examination in 2026.

B. Development and promotion of slow-control release fertilizer products

Taiwan is facing the issues including aging farming population and a shortage of manpower. It is urgent to develop and apply new slow-release fertilizers. The Company has spared no effort to develop the particle slow-release fertilizer product ($N-P_2O_5-K_2O$ 35-3-3) line with the growing curve of rice and suitable for the deep fertilizer applicators of rice in 2025, and the extensive promotional tests were conducted in Hualien, Taitung, Hsinchu, and Taoyuan where the mechanized farming of rice is adopted. For the rice test fields, it is recommended to receive a base fertilizer application of 20-25 kg per 0.1 hectare, depending on the quality of field, with no additional topdressing or spike fertilizer applied until harvest. Test results indicate that a single fertilizer application can meet the rice's nutritional needs throughout its entire growth cycle, effectively reducing chemical fertilizer use while increasing yields.

In addition, the Company broke through the traditional slow-release solid fertilizer granule forms and launched a liquid slow-release fertilizer product, Leaf King No. 1 ($N-P_2O_5-K_2O$ 24-0-0) in October 2025. This product contains Methylene Urea (MU) and, through a special process, slowly releases nitrogen for crop absorption and utilization. The fertilizer effect lasts for 1 to 1.5 months, making it a smart fertilizer with "long-lasting nitrogen supply, stable absorption, safe and efficient performance, and low risk of fertilizer burn.” “Leaf King No. 1” is suitable for long-term leafy vegetables and melon crops, including tea, kale, cabbage, cauliflower, onions, strawberries, and rice. Its liquid formulation is easy to use and particularly well-suited for drone spraying, drip irrigation, and foliar application. It can also be combined with pesticides and other fertilizers to reduce labor costs and increase crop yields.

(3) Development and applications of clean energy technologies

In line with the Company's strategy of developing the clean energy business, the Company will execute the development of forward-looking technologies, improvement of existing technologies, integration of energy systems, enhancement of industry-academia cooperation with academic institutions, and application for government projects. In addition, as the semiconductor industry in Taiwan has been striving to build a low-carbon supply chain in recent years, The low-carbon ammonia imported by TFC is able to support the sustainable needs of the semiconductor industry. In terms of clean energy, the main focus is the promotion of ammonia energy.

A. Design and construction of the clean energy industry chain model: To cope with the Company's clean energy development, the Company has completed the establishment of the "Taichung Liquid Ammoniac Storage and Transportation Port Operation System Model," "Green Energy Integrated EMS Energy Saving System Model" and "Ammoniac Energy Value Chain Process Model" to enable the Company to promote to potential customers and establish partnerships with its partners.

B. Evaluation of the small-scale ammonia cracking module construction: The Company has contacted LHNE, CALORIC, Blade hydrogen Green Technology, KAORI, KAPSOM, and KBR. A comprehensive evaluation has been completed, including the following items: ammonia feed volume, capacities of ammonia fuel and hydrogen, ammonia cracking heat source (electric heating, plasma, ammonia combustion, or natural gas combustion), whether NOx is generated after cracking, fuel consumption, power consumption, hydrogen production cost, sales performance, construction time, and area occupied by the system. This project has been adjusted in line with the Company’s policy and will no longer be implemented.

C. Promotion of ammonia-powered marine fuel: Assess the feasibility of cooperating with "CR", the "MPA of Singapore", and "MHI" on the joint development of ammonia-powered ships, or of borrowing their ammonia bunkering vessels to demonstrate ammonia refueling at Taichung Harbor. Also, we completed the evaluation of specifications for ammonia-fueled marine engines manufactured by IHI, Wärtsilä, MAN, and winGD. This project has been adjusted in line with the Company’s policy and will no longer be implemented.

D. Ammonia cracking through a net-zero process and advanced catalyst development: The Company cooperated with National Taiwan University of Science and Technology in June 2025 to conduct the “Ammonia Cracking through Net-zero Process and Advanced Catalyst Development Program,” which centers on ammonia cracking, to explore the effects of different catalyst materials on reaction activity and hydrogen yield. This study primarily calculates the conversion rate by controlling reaction conditions and measuring the change in ammonia concentration before and after cracking. The concentration of hydrogen produced is used as an indicator of catalyst efficiency, and further physical characterization of the catalyst material is performed to investigate how its specific surface area, crystal structure, metal dispersion, and surface reduction characteristics affect ammonia cracking activity. From the comprehensive test results, the metal dispersion, carrier structure, and composition design of the catalyst are all key factors influencing the efficiency of hydrogen production from ammonia cracking. Due to a change in company policy, the project was terminated early at the end of January 2026.

(4) Evaluation and Development of the Technology Recycling Waste Phosphoric Acid Liquid from the Semiconductor Process

In 2024, the Company cooperated with the Industrial Technology Research Institute for the "Evaluation and Development of the Technology Recycling Waste Phosphoric Acid Liquid from the Semiconductor Process." to assess the feasibility and effectiveness of the waste phosphates decolorization. This program has completed the planning and design of the waste phosphates treatment system based on the ion exchange resin method, able to reduce the color of the waste phosphates in the semiconductor industry to below 20, and increase the value of recycling and reuse. The monthly capacity of this waste phosphorus acid liquid decolorization system is 200 tons. If the volume and expenses for the domestic semiconductor manufacturers to request the Company's Miaoli Factory to process the waste phosphorus acid liquid increases, and downstream customers also have higher requirements for phosphorus acid color, it is recommended to assess build the waste phosphorus acid liquid decolorization treatment system in-house.

(5) Design for introduction of GHG reduction technology for nitric acid plant in Taichung Factory

Based on the results of greenhouse gas inventory (ISO14064-1), the nitric acid plant in Taichung Factory emits the most carbon equivalent emission among all TFC plants. To cooperate with the government's 2050 net zero policy, and the imposition of carbon fee by the Ministry of Environment from 2025, the Company's Taichung Factory intends to commission "KBR" to provide the basic design for introducing the Grade-Three reduction technology in May 2024, in the nitric acid plant. It is expected the carbon emission will be reduced from 442,500 metric tons to 15,000 metric tons, with the treatment efficiency of 95% or more. This project is the basic design, and the process diagram, P&ID, pipeline list, equipment and catalyst, among other information, is completed, to serve as the basis for the detailed design and equipment construction in the future. In 2025, based on the basic design data of "KBR," the following detailed design and related facility construction have been commenced. Currently, the steel structure design, equipment procurement, and catalyst procurement have been completed. An autonomous emission reduction plan was submitted to the "Ministry of the Environment" and approved on December 15, 2025, with a preferential carbon fee rate obtained.

Short-, mid-, and long-term business development plans

Category	Short-term business	Medium and Long-term business
Fertilizer industry	(1) To stabilize the existing industry, strengthen after-sales services, continuously improve fertilizer quality so as to satisfy quality requirements of customers. (2) To separate the market, develop and introduce niche products and keep promoting fertilizers with high additive values so as to increase sales income. (3) To improve packaging quality, strengthen advocacy of new fertilizers, establish test, demonstration and explanation sessions in highly economic crops area of entire province in order to increase the additive value of products. (4) In line with the Southbound Policy of the Government along with the global deployment through the construction of ten Plants in the West, work has been undertaken to integrate the industry need of the domestic market, as well as to redirect the excessive fertilizer capacity from domestic market outwards after satisfying the domestic demands, via exporting so as to lay out a foundation for the target oversea markets.	(1) Help the government to utilize domestic agricultural and livestock by-products and cope with the national policy of net zero emissions, the domestically produced fertilizers added with domestic agricultural resources, as well as slow-release compound fertilizers are launched continuously. (2) To continuously develop high-technology organic fertilizers in coordination with development of organic agriculture. (3) To refine the agriculture development in order to promote high-component and high-quality fertilizers.
Chemical industry	For competitive products like industrial urea, melamine, and nitric acid, we are strengthening the customer service while also maintaining distribution channels and profitability by making agile adjustments to our marketing strategies. Regarding OEM products such as sulfamic acid and fuming sulfuric acid, we are increasing the recovery of intermediate acid to secure more supply sources for our customers. Liquid ammonia: satisfy the downstream demands by applying the strengths of operations and supply sources and closely monitor the market.	For the industrial urea and Melamine, the costs are suppressed by gigantic importation, seeking the stable quality to supply the existing customer groups while looking for the opportunities to expand the market. Nitric acid exports will be exported from the inventory depending on the inventory level as an adjustment. For sulfamic acid and fuming sulfuric acid, we discuss preferential processing fees with OEM makers for better profit margins. For liquid ammonia, we will continue to monitor market trends and leverage our existing equipment and channels to support the emerging blue ammonia market.

Category	Short-term business	Medium and Long-term business
Electronic grade chemical products	With the aim to take full advantage of the maximum synergy of Miaoli Plant, semiconductor industry and optoelectronics industry will be entered proactively to expand sales of electric-grade chemicals in addition to activating existing production equipment, developing solvent, alkaline, and acid product recovery and regeneration and purification business and increasing capacity utilization.	Taking the basic chemical engineering products mastered by the Company as the development direction, in addition increasing products produced in-house, the products suitable for the Company to involve are sought, to continuously improve the quality assurance ability of process, strengthen the R&D technology grade, and deepen the after-sales service and customer relation management; technical capacity will be improved upwards to serve the semiconductor industry customer base and product scope will be expanded downwards to solar and LED industries; and competitive niche products will be produced, to become the essential key partner in the technology industry.
Deep ocean water industry	In addition to building the multi-stage culture production system and the development, application and sales of related aquatic products, the Company's Hualien Factory (Hualien Deep Ocean Water Park) also actively adopts the resources of the park to recruit stationed merchants for creating a win-win situation. In 2026, it is planned to develop the aquatic food of shellfish, fresh algae, and processed algae consecutively, seeking to improve the profits. The reinvestment, Taiwan Yes Deep Ocean Water Co., Ltd., has continuously researched and developed the applications of deep ocean minerals and established domestic and foreign marketing channels to increase the Group's profit.	The convenient location and resource of the Company’s Hualien Factory, is ideal to develop the recreational tourist park along with the aquaculture sector. Currently, it continues to cooperate with the government to promote the Hualien Deep Ocean Water Industry Corridor Planning, to use the relevant land and industrial resources of the Hualien Deep Ocean Water Park as the extended hinterland of the National Marine Resources Museum; meanwhile, through the Platform of the Co-Prosperity Development Partnership for the Neighborhood of Hualien Port, the Company works with the government and related business continuously, to promote the development of DOW and the regional development.
Land development	(1) The Development Project of TFC ONE in the Hsinchu Tech Business Park: the commercial and office building has been 100% leased. (2) The first phase of the rezoning of Hsinchu City: it is approved in 2023 to dissolve the rezoning committee. (3) The second phase of the rezoning of Hsinchu City: the allocation of rezoned lands and rezoning	(1) Lands in Hsinchu: In response to the national science and technology industry development policy and in line with the "X Plan of Hsinchu Science Park," the lands in D4 and D5 block will be successively developed in phases for commercial real estate, and transformed into a "Hsinchu Commercial Park." (2) Lands in Kaohsiung: lands in Specific Trading 7C Area will be

Category	Short-term business	Medium and Long-term business
	construction, implementation of rezoning, and acceptance have been completed; currently, the rezoning handover is in progress. (4) D7 development Project for Hsinchu Science and Commercial Park: the D7-B office building development project is under construction to accommodate the overall land planning of the Science and Commercial Park. (5) C2 development project in Nangang Economic and Trade Park: the hotel at Building C is under construction of interior decoration, and the opening is expected in 2026. (6) Nangang Business Park C4 development project: The commercial and office buildings are under construction, and will be leased and operated after the completion. (7) Lands in Keelung: The land on Dongming Road (Plant 2) is retained for industrial development to lower tax liabilities and serve as a reserve for future industrial use in the mid-term.	gradually developed into a commercial and office complex in phases. (3) Lands in Keelung: the land at Dongming Road (Plant 2) is under review if the change of the urban plan shall proceed, change the zoning of land use, or adjust the control of the land use, depending on the area industrial development or to accommodate the national policies. (4) Hualien Land: Continue to develop toward the deep sea water park, and plan to introduce related industries as the main development axis to increase the land utilization rate of the park to increase revenue.

II. Overview of market and production & sales

(I) Market analysis

1. Sales area

Category	Product name	Sales area
Fertilizer products	Ammonium sulfate, Urea, Potassium chloride Calcium superphosphate, Compound fertilizer, and Organic fertilizer	Taiwan
Chemical product	Industrial grade urea, liquid ammonia/blue ammonium, nitric acid, melamine, sulfanilic acid, fuming sulfuric acid and industrial grade ammonium sulfate.	Taiwan and east Asia and western countries
Electronic grade chemical products	Ablution, etchants, organic solution, inorganic acid solution and etc.	Taiwan and East Asia, Mainland China
Land development	Real property development	Taipei, Hsinchu, Kaohsiung, Keelung, Hualien and etc.

2. Market share, future supply and demand and growth

(1) Fertilizers products:

Regarding fertilizers required in the domestic market, apart from urea and potassium chloride which are totally reliant on imports from abroad as none is produced here at home, the rest of the fertilizers can all be produced here at home by domestic fertilizer manufacturers once raw materials from are imported from abroad. The Company has the rich experience, largest output and most complete production equipment of fertilizer in Taiwan with the quality of all products is better than others, making our products more competitive.

(2) Chemical products

The original market demand and market share have been greatly challenged by both the relocation of traditional industries to overseas and the influx of chemical products from neighboring countries. Regarding this issue, the marketing strategy focuses on flexible pricing adjustments based on market conditions and strengthening customer service, with the goal of maintaining smooth distribution channels and maximizing profits. In addition, a cycle is established with customers and foundries for the sale/processing and recycling of spent acid, resolving their difficulties in disposing of it and thereby strengthening the cooperative relationship and ensuring our irreplaceability.

Given the continued focus on carbon emissions, the Company will leverage its experience, facilities, and distribution channels in liquid ammonia to develop blue ammonia projects and become a key supplier of low-carbon feedstock.

(3) Electronic grade chemical products

So far, the Company has low market share in electric grade chemicals. With regard to future strategy, products relevant to the Company's core business, such as ammonia, acid-alkaline series, will be focused on. In addition to mastering raw material advantages and enhancing competitiveness and serving as an upstream supplier, the Company will also integrate its existing resources, improve its equipment utilization ratio, reduce production cost and strengthen its R&D ability and produce products of niche formulas. At the same time, it will compete with peers in order to supply customers directly for better profits.

3. Expected sales volume

The estimated sales of fertilizer products in 2026 is 625 thousand tons; 94 thousand tons of chemical products; 19 thousand tons of electronic grade chemicals.

4. Competitive edges

(1) Fertilizers products:

A. As the largest fertilizer manufacturer and supplier, it has a long history and owns the leading brand in market.

B. The quality is reliable, which has passed CNS Mark and ISO 9001 certification, and the products are trusted by farmers.

C. Product differentiation: We have the only production equipment producing nitrophosphate compound fertilizer, and will add domestic agricultural resources in full scale to meet the international energy-saving and carbon reduction trend. The product quality and the effect are superior to the product produced by domestic competitors.

D. With completed, various products, it can meet clients' demand for one stop shopping by self-producing or importing.

E. The after-sales service network is available through Taiwan, we have business centers, north, central and south. Our service agents are available for every country nationwide and they provide comprehensive and real-time after-sales service.

F. The business conditions are mastered exactly and purchase conditions for raw materials are superior to peers.

G. The teams for R&D, advertising progressively can provide high-tech products creatively, continuously and deal with tests for fertilizer efficiency and explanation session for new products all over this province so that the capacity of product development, advertising is superior to that in same industry.

(2) Chemical products:

A. Our Taichung Factory is equipped with storage and unloading equipment for the imported liquid ammonia. We have comprehensive liquid ammonia storage and transportation equipment and rich storage and transportation experience, large purchase volume without concern of supply shortage. We also have stable channels and good customer relationships with customers. We are the main domestic supplier of liquid ammonia and have a relatively stable sales market.

B. One of the main raw materials for the production of nitric acid is liquid ammonia. The Company has the advantage of importing liquid ammonia, and becoming the only domestic nitric acid manufacturer. With low cost and large production capacity, we can stably supply the needs of domestic customers.

C. With long-term operation, the Company has the advantage of stable supply, good quality, and satisfying customer needs without the risk of shortage.

(3) Electronic grade chemical products

A. Based on core of the Company and relevant products in this industry (such as ammonia, 3-acid 1-alkali, etc.), the Company can reinforce competitive force by using, mastering niche of raw materials and reducing costs of production.

B. Equipped with the distillation, blending, and split charging capacity of solvent products, and various technical capability and permits to recover and reuse waste liquids.

5. Favorable, unfavorable factors and countermeasures for development:

Category	Favorable factors	Unfavorable factors	Countermeasures
Fertilizer products	(1) The domestic fertilizer market was freed from January 2003 and all owners compete for competitive conditions. The Company is more excellent that those in same industry at the aspect of quality, costs of production, marketing channels, advertising and after-sales service. (2) With improvement of knowledge, the farmers require creation and change, especially in great demand of new fertilizers with special functions and the advanced R&D teams in our company can promote new products in order to meet farmers' demand appropriately. (3) The government has launched the "Program to subsidize addition of domestic agricultural resource for carbon reduction" since May 2023, which is beneficial to the quality upgrade of the Company's traditional compound fertilizer. In addition to continuously developing compound fertilizer as organic products, it further integrates the fertilizer products with the development trend of the friendly domestic agricultural environment.	(1) Since the domestic fertilizers are scarce and all raw materials depend on importation, the costs of production are weak against the international price and fluctuation of ocean freight. (2) In order to keep the supply and demand of domestic chemical fertilizers, the government noticed that export sales of fertilizers should be approved by the Ministry of Agriculture previously from May 2008 to restrict exportation of fertilizers. (3) To cooperate with the government's policy of taking care of farmers, and achieve the public welfare objective of taking care of farmers, the fertilizer prices have not been adjusted.	(1) Adjust combination of products, improve sales profits, continuously improve quality of products, reduce costs of production and increase competitive power of products. (2) Develop multifunctional and quality niche products, such as slow-release fertilizer, organic compound fertilizer, etc., to keep difference of products, improve added value and meet clients' demand. (3) Promote excellent organic fertilizers to meet strong demand of consumers for organic agricultural products. (4) Improve service for clients, including demonstrational popularization, field trial, result review and emulation, initiation and education for fertilizers, rapid treatment for clients' complaints, explanation session for new products, sample presentation for trial, plant visit, etc. (5) On May 1, 2023, the Agriculture and Food Administration of the Ministry of Agriculture implemented the program of "Carbon Reduction Subsidy for

			Compound Fertilizer Adding Domestic Agricultural Resources." To cope with the international trend of energy saving and carbon reduction, the plan will focus on adding domestic agricultural resources in traditional compound fertilizers as new products and re-launch such.
Chemical product	(1) The Company produces its own industrial urea and melamine at the beginning with basic customers and good reputation in the market. It has established a good reputation and leadership position. (2) The unloading, storage equipment for importing Liquid Ammonia are set in Taichung Plant and the Company keeps leading position for mastering costs of raw so the cost of production is lower. (3) Nitric acid is mainly made from liquid ammonia, which the Company imports and produce at its own cost. This gives the Company the advantage of low production cost and high competitiveness. (4) The Taichung Factory has the ability to process the by-product acid from OEMs and end-customers, thereby effectively reducing environmental protection issues and making customers	(1) In view of potential competition from the peers in the liquid ammonia industry, domestic sales will therefore be affected. (2) The import threshold of industrial urea and Melamine dropped and thus our previous customers now are the competitors, plus the factors such as industry upgrade and relocation of traditional industries, the demand decreases significantly. (3) In the face of comprehensive threats from the expansion of the chemical industry and its downstream sectors in China and Southeast Asia, along with intensifying price cutting, sales and profits will face significant challenges.	(1) Precisely catch the business intelligence, consider the competitive power of downstream clients, make price flexibly and appropriately in order to stimulate demand. (2) By applying the strengths of long-term operations in the market and significant imports for in-house applicaion, we ensure the imported products are affordable, good-quality, and sufficient in supply, and adjust marketing strategies flexibly to keep competitive advantages. (3) The Company uses its best strategic position in catching source of goods, storage and transportation, and application of liquid ammonia industry, to deploy the blue ammonia market ahead of others, to solidify the liquid ammonia market and sales volume.

	highly dependent on the factory for close partnership.		
Electronic grade chemical products	(1) Electronics related industry is still the key industry in Taiwan. Despite the impact of the red supply chain in recent years that led to shrinking the industrial growth, these semiconductor industry will still be expanding. Also, the panel, solar energy and LED industry still keep in a certain scale, so the prosperity of the market is still expectable. (2) The production and quality control technologies of our electronic products are from a Japanese company, HPC, which is the brand accepted in domestic TFT-LCD industry. In the future, the technical layer should be improved and the products and service should be provided for relevant industries, such as,semiconductor, solar energy and LED industry positively. (3) For our electric grade chemicals in future, Miaoli Plant will be the center for production and supply,	(1) As the Company enters into this industry quite late, the market is occupied by favorable brands, the supply chain in market is quite stable and the certification for quality of materials in photo-electricity industries, it is quite hard to develop market. (2) Since the business cycle of electronic industries is quite short, manufacturers actively control the costs or raw materials and chemicals, suppress the price of electric grade chemicals, which can affect space of profits. (3) Except for a few niche products, most of the electronic grade chemicals are in a perfect competition. New suppliers entering the market mainly adopt a low-price strategy to gain a rapid market share. Customers also tend to adjust and consider the suppliers and supply volume, making it difficult to adjust the sales price	(1) Set up factories to produce products in-house or provide more competitive products through outsourcing to increase product diversification and enhance customer stickiness. (2) Improve quality assurance capacity of processing, reinforce R&D technology grade, build complete logistics system, improve after-sales service of products and management capacity for customer relationship and manufacture products with good profitability formula in order to improve profitability. (3) Reinforce sales team's technical service capacity and improve brand reputation and customer trust. (4) Reinforce the response capacity of manufacturing plants for production mode of diversified products with small volume in order to improve chances to get orders and provide services.

	which is the center of Taoyuan County, Hsinchu County, Miaoli County and Taichung County in concentrated area of domestic electronic industries and can provide Just in Time Service needed by this industry urgently. (4) Integrating our company's core industry of three acids and one alkali, we have the competitive advantage in obtaining advantage raw materials to reduce the production cost. And, our self-produced products will get into the niche market. (5) To cope with the global trend of energy saving and carbon reduction, as well as clean energy, the Company continues to develop the reuse and recovery technologies for waste liquid from processes. Currently, partial waste acid and waste solvent can be recovered and converted into industrial-grade products for closeout. In the future, the equipment and technology capabilities will be enhanced, and re-supply the process by coping with the customers' needs, to solve the customers' trouble of waste liquid disposal.	upward (4) As the variation of self-made products is not diversified enough, it cannot cope with customers' needs for integrated supply and it is quite difficult for the products to enter current market.	

Land development	**Commercial Real Estate of Taipei Leasing market:** (1) Under the development vision of the "Five Centers" and "Eight Concepts" of the "Taipei East Gateway Project" of Taipei City Government, Nangang area has transformed into another rising star of the capital life circle. (2) In Nangang Business Park, office-plant buildings in Phase 1 to 3 of the Nangang Software and CTBC headquarter have been completed and opened for many years, becoming a hub for technology, software and biotechnology companies. In the future, upon the successive completion of commercial development projects, it is expected that the rental price is about NT$2,000 to 2,400 per 3.3m2. Comparing to buildings in downtown, the rental cost is reduced by nearly one-third, the companies with needs to set up headquarters, or being cost-oriented, will be attracted to move to the Nangang Business-Trade Park. The Company has C2 and C4 commercial property projects in the Nangang Business-Trade Park. (3) In the future, in Nangang a industry technology cluster has been formed, and large	**Commercial Real Estate of Taipei Leasing market:** (1) Currently, the development projects in Nangang area with a known schedule possess more than 924,000 sqm of office space to be completed in five years. Although the vacancy may still be maintained at a low level within three years, upon the completion of the new buildings one by one, the large-scale office space will be released at the same time. If the companies with demand cannot not digest such supply in time, it will not only result in short-term pressure to recruit merchants and tenants, but also accelerate the reshuffle of the commercial office market in Taipei City, and the rent may show a temporary slow growth.	**Commercial Real Estate of Taipei Leasing market:** (1) Taking advantage of the opportunity of providing office floors early, the development and leasing of the offices are accelerated.

	construction projects have been continuously launched, such as the public renewal project of Nangang Depot of Taiwan Railways (Nangang Star), Chunghwa Telecom Nangang Huizhi Building, and the public renewal project of Taipower CR1 continuously promoting many projects the Gateway Plan of Eastern Area, and it is expected more inflows of population and industries will be attracted to here.		

(II) Important use and manufacture process of main products

1. Usage of main products

(1) Fertilizers products:

Name of fertilizers	Nitrogen- phosphoric anhydride- potassium oxide	Usage
Ammonium Dihydrogen Phosphate	21-0-0	Base fertilizers and top dressing of all plants
Urea	46-0-0	Base fertilizers and top dressing of all plants
Potassium chloride	0-0-60	Base fertilizers and top dressing of all plants
Superphosphate	0-18-0	Base fertilizers
Compound fertilizers	Multiple formula	Base fertilizers and top dressing of all plants
Organic Fertilizer series	Multiple formula	Base fertilizers

(2) Chemical products:

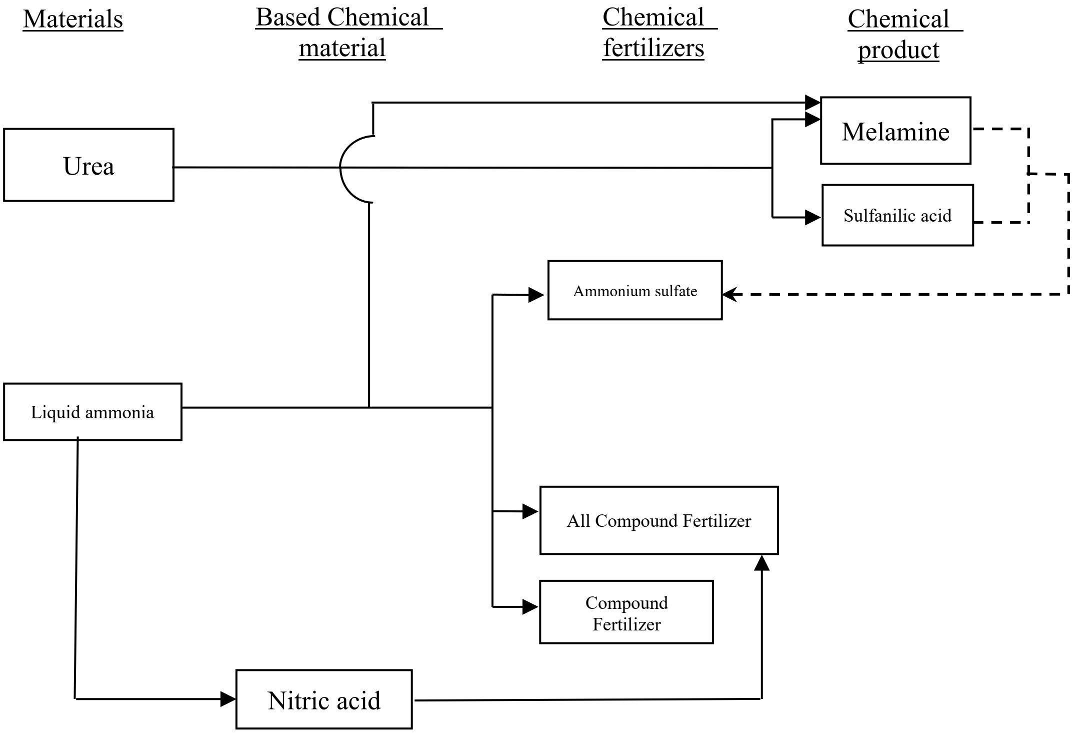
Product Name	Specification	Usage
Industrial urea	Including 46% of nitrogen	Resin, dyeing and finishing, composites plate, green algae, and chemicals.
Liquid ammonia/ blue ammonia	99.50% purity	Monosodium glutamate, refrigeration, electronics, steel, chemicals, etc.
Nitric acid	61~68% concentration	Mental treatment, electroplate, pigment, chemicals, common industrial usage.
Melamine	99.8% purity	Resign, molding powder, composites plate, dyeing, finishing, etc.
Sulfanilic acid	99.8% purity	Flame retardant, softener, metal detergent, pigment, saccharin, saccharin, analytical reagent, etc.
Oleum	Including 25% SO_3	Common chemical industrial usage

(3) Electronic grade chemical products

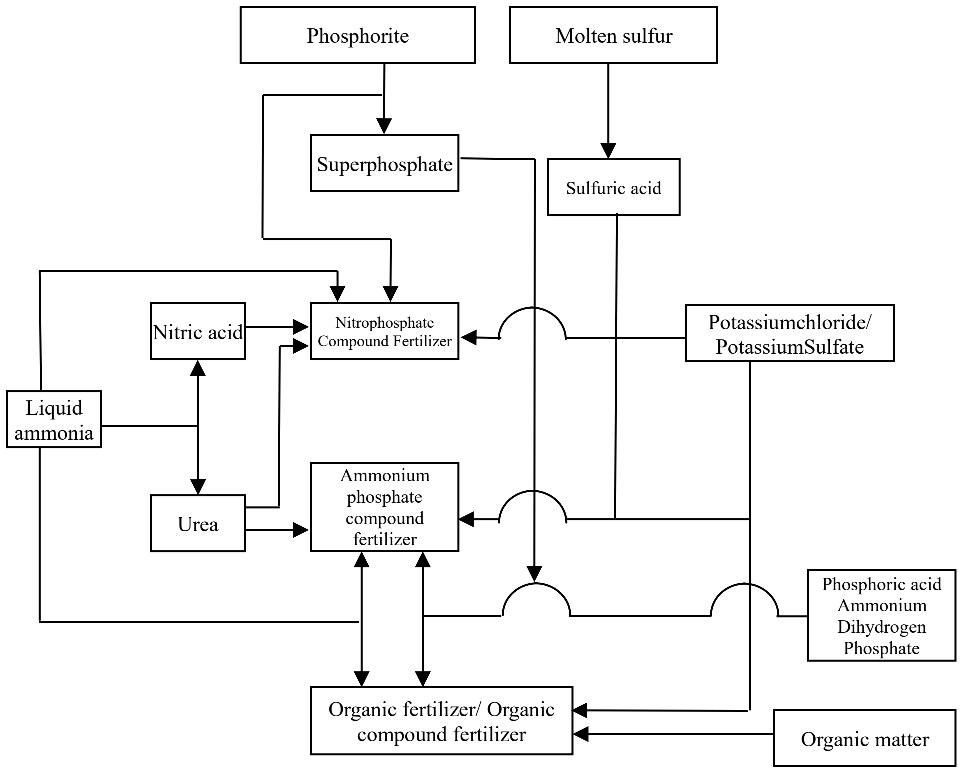
Product Name	Specification	Usage
Ablution	Electronic grade	Cleansing wafer, panel and solar substrates
Etchants	Electronic grade	Wires of faceplate are etched.
Organic Solution	Electronic grade	Cleaning, rework and development of substrates in each process
Inorganic acids and alkali	Electronic grade	Etched developing of semiconductor, solar energy panel, solar energy and LED etching, development, and cleaning.

2. Manufacturing process of main products

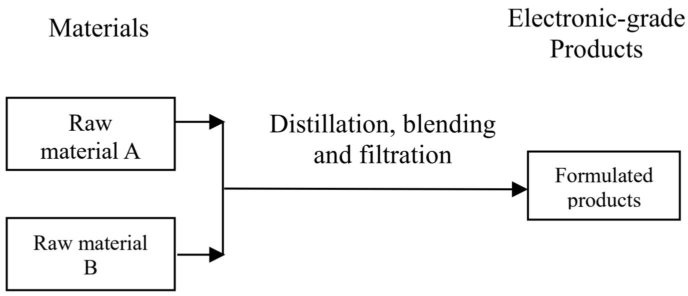
(1) Association diagram of liquid ammonia and downstream products



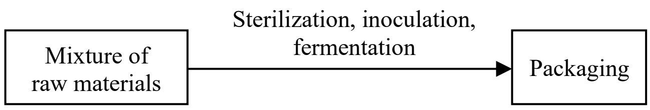
(2) Association diagram of compound fertilizers



(3) Manufacturing process of electronic grade chemicals



(4) Manufacturing process of microbial fertilizer



(III) Supply conditions of main raw materials

Materials	Supply Condition
Urea	It is mainly purchased externally through bidding, most of which is from Mainland China and Southeast Asia. Besides, the Company also buys back urea from an investee, Al-Jubail Fertilizer Company.
Liquid ammonia	Mainly purchased from Sabic Asia Pacific Pte. Ltd. and Saudi Arabian Mining Company in the form of annual contracts.
Sulfuric acid	It is mainly purchased from Japan through long term agreement, the supply of which is stable.
Phosphorite	The main sources of supply are Jordan and Morocco.
Potassium chloride	Most of it is imported from Canada, Israel and Belarus.
Molten sulfur	It is purchased by ordering contracts with CPC Corporation.

(IV) In the following table, the names of clients whose purchase (selling) amount is 10% or more than 10% of total amount in either year of last two years, list of main purchase or selling clients and purchase (selling) amount, proportion are listed. Besides, the reason for increase or decrease is illustrated.

1. List of main suppliers:

	2024				2025			
Item	Name	Amount (NT$ thousand)	Proportion of net purchases for the whole year (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Proportion of net purchases for the whole year (%)	Relationship with the issuer
1	Ma'aden	1,116,903	17%	Supplier of Liquid Ammonia	Ma'aden	1,068,110	16%	Supplier of Liquid Ammonia
2	Agromate	876,659	14%	Supplier of potassium chloride	Agromate	845,350	12%	Supplier of potassium chloride
3	SABIC	737,229	11%	Supplier of Liquid Ammonia	Others	5,014,420	72%	-
4	Others	3,789,298	58%	-				
	Net purchases	6,520,089	100%	-	Net purchases	6,927,880	100%	-

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2. List of main customers:

(1) Fertilizer products

2024	Name of customer:	Amount	Proportion for this year (%)
2024/01~2024/12	Tai Feng Hsing Industrial Limited	NT$506,567 thousand	17.01
	Jin Feng Tian Limited	NT$392,538 thousand	13.18

2025	Name of customer:	Amount	Proportion for this year (%)
2025/01~2025/12	Tai Feng Hsing Industrial Limited	NT$534,271 thousand	17.13
	Jin Feng Tian Limited	NT$412,962 thousand	13.24

(2) Chemical product

2024	Name of customer:	Amount	Proportion for this year (%)
2024/01~2024/12	Hsin Tai Chemicals Co., Ltd	NT$1,237,856 thousand	40.93

2025	Name of customer:	Amount	Proportion for this year (%)
2025/01~2025/12	Hsin Tai Chemicals Co., Ltd	NT$1,240,103 thousand	44.13

(3) Electronic-grade chemicals

2024	Name of customer:	Amount	Proportion for this year (%)
2024/01~2024/12	Asia Union Electronic Chemical Corp.	NT$76,657 thousand	15.8

2025	Name of customer:	Amount	Proportion for this year (%)
2025/01~2025/12	Transchief Chemical Corp.	NT$79,628 thousand	16.73

III. Employees

(I) Data of employees for last two years till latest annual press

March 31, 2026

Year		2024	2025	Q1 2026
Number of employees		666	678	689
Average age		43.65	40.25	40.34
Average years of service		12.12	8.6	8.8
Education distribution	PhD	0.45%	1.11%	0.99%
	Master	25.83%	28.54%	28.47%
	College	55.26%	53.92%	53.82%
	Senior high school	18.02%	16.16%	16.12%
	Under senior high school	0.45%	0.27%	0.60%

Note: The number of TFC’s employees here refers to the sum of permanent staff and contractors.

(II) Productivity of employees

Unit: NT$ thousand
December 31, 2025

Year	2024	2025
Annual revenue	11,517,221	11,703,756
Revenue per person	17,293	17,262
Annual operating profit	396,298	203,312
Annual operating profit per person	595	300

IV. Information of environmental protection expenditures

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents

Violated Regulation (Article)	Description of Violation	Penalty Imposed
2025-04-17 / Administrative Penalty No.: 20-114-060004	On February 26, 2025, the Taichung City Environmental Protection Bureau conducted an on-site inspection and found that the N-408 fan at Nitrophosphate Plant No. 1 was damaged, resulting in the leakage of exhaust gas. This constituted a violation of Paragraphs 2 and 4 of Article 24 of the Air Pollution Control Act.	A fine of NT$100,000 was imposed.
2025-04-23 / Administrative Penalty No.: 44-114-040006	In a letter dated March 4, 2025, the Miaoli County Environmental Protection Bureau notified that regulated waste transportation vehicle No. 550-Y7 failed to activate the GPS system as required, resulting in no transmission of tracking signals. This constituted a violation of Subparagraph 3, Paragraph 1 of Article 31 of the Waste Disposal Act.	A fine of NT$12,000 was imposed.
2025-07-30 / Administrative Penalty No.: 30-114-070003	On June 5, 2025, the Hsinchu City Environmental Protection Bureau conducted an on-site audit and found that the car-washing platform, sedimentation basin, public notice facilities, and detention facilities were not fully constructed in accordance with the originally approved Construction Site Runoff Wastewater Reduction Plan. The Bureau determined this constituted violations of Article 18 of the Water Pollution Control Act and Article 10 of the Regulations on Water Pollution Control Measures and Test Reporting Management, and ordered corrective actions within a prescribed period.	A fine of NT$64,000 was imposed.
2025-05-06 / Administrative Penalty No.: 20-114-060035	During an inspection conducted in October 2024, it was found that the full-scale drift test results for sulfur dioxide and nitrogen oxides conducted on January 23, 2024, did not comply with performance specifications. However, the monitoring system status still indicated normal operation (status code 10), which did not comply with the regulations governing the calculation, processing, and status determination of monitoring data. This constituted a violation of Paragraph 2 of Article 23 of the Air Pollution Control Act.	A fine of NT$220,000 was imposed.
2025-08-07 / Official Letter No.: Taipei City Dept. of Urban Development, Bei-Shi-Du-Shou-Jian No. 11460351742	Regarding the Nangang C4 Development Project, the Taipei City Department of Urban Development issued a letter on August 7, 2025, following a public complaint filed on July 29, 2025, reporting that project vehicles failed to transport excavated soil in accordance with the approved disposal plan. This constituted a violation of Article 67 of the Building Act, for which a fine was imposed and construction was ordered to be suspended.	A fine of NT$90,000 was imposed.
2025-10-29 / Administrative Penalty No.: 23-114-100001	For the Hsinchu City D7-B New Construction Project, the Hsinchu City Environmental Protection Bureau conducted an on-site inspection on August 13, 2025, during excavation activities and identified the following deficiencies: fencing did not cover the entire construction area, vehicle routes lacked pollution prevention measures, and the exposed ground surface area was excessive. These deficiencies constituted violations of Paragraph 2 of Article 23 of the Air Pollution Control Act and Articles 6, 7, 8, and 9 of the Regulations Governing Air Pollution Control Facilities for Construction Projects.	A fine of NT$64,000 was imposed.

(II) Countermeasures and potential expenditure in the future

1. Expected environmental capital expenditure in the next two years:

Item \ Year	2026	2027
Description of the equipment intended to purchase for preventing pollution or the expenditure	(1) Air pollution prevention facility (2) Improve equipment of wastewater treatment. (3) Clean, treat and recycle wastes (4) Improve the manufacturing process to prevent pollution in main production plants.	(1) Air pollution prevention facility (2) Improve equipment of wastewater treatment. (3) Clean, treat and recycle wastes (4) Improve the manufacturing process to prevent pollution in main production plants.
Expected improvement	(1) Improve and reduce emissions of greenhouse gases and pollutants to ensure that the treatment of air pollutants, effluent, and waste complies with environmental regulations. This initiative aims to minimize the impact on the ecological environment and mitigate the shocks of future carbon fees, carbon taxes, or carbon border tariffs. (2) The plants fulfill the commitments set for in the environmental impact assessments.	(1) Improve and reduce emissions of greenhouse gases and pollutants to ensure that the treatment of air pollutants, effluent, and waste complies with environmental regulations. This initiative aims to minimize the impact on the ecological environment and mitigate the shocks of future carbon fees, carbon taxes, or carbon border tariffs. (2) The plants fulfill the commitments set for in the environmental impact assessments.
Amount	87,835 thousand	161,560 thousand

2. Influence after improvement:
   (1) Improve and reduce greenhouse gas (GHG) and pollutant emissions, ensuring that effluent discharge, air pollutants (including GHG), and waste management comply with environmental regulations. This initiative aims to minimize ecological impact and mitigate the risks posed by future carbon fees, carbon taxes, or carbon border adjustment mechanisms (CBAM).
   (2) The operation of plants should meet the requirements in environmental impact assessments and prevent from polluting environment effectively.
   (3) Reduce environmental impact on the public living in the communities near the plants and improve enterprise image.

V. Labor Relations

(I) Key employee-employer agreements.

1. Condition of employee-employer agreements

The Company has formulated "Key Points of Implementing Labor Relation Symposium," and holds labor relation symposium regularly each year. The symposium is hosted by the General Manager or the Deputy General Manager specified by General Manager, who leads HR and first-level staffs to discuss with labor representatives and representatives of all labor unions of TFC o unblock communication channels, publicize business principles of the Company and enhance the interaction between labor and management. In addition, suggestions and advices of workers can be voiced by means of the Membership Representative Conference, Meetings of Board of Directors and Supervisors and Joint Meeting of Team Leaders regularly held by the Enterprise Union of TFC. The Company will reply employees' suggestions and advices in writing officially and improve accordingly.

Communication method	**Frequency**
Labor Relations Symposium	Once/year
Employee-employer meeting	Once/quarter
Trade Union Congress	Once/year
Meeting of governors and supervisors of the union	Once/quarter
Joint meeting of team leaders of union	Once/quarter

2. Collective agreement executed

Each corporate union of TFC enters a collective agreement with TFC. By institutionalizing employees' rights and interests, the labor-management relationship is deepened, exceeds the domestic labor laws and regulations and the requirements of international human-right covenants, to implement the safeguard of employees' rights and interests.

Union	**Collective agreement executed**	**Number of members (as of December 31, 2025)**
Union of Taiwan Fertilizer Co., Ltd.	On October 9, 2024, the TFC Union and TFC entered the collective agreement.	233
Union of Miaoli Plant, Taiwan Fertilizer Co., Ltd.	On October 18, 2024, the Union of Miaoli Plant, TFC and the Miaoli Plant of TFC has been entered.	100
Union of Hualien Plant, Taiwan Fertilizer Co., Ltd.	On July 13, 2023, the Union of Hualien Plant, TFC and the Hualien Plant of TFC has been entered.	37
Union of Taichung Plant, Taiwan Fertilizer Co., Ltd.	On June 18, 2025, the TFC Union of Taichung Factory and TFC entered the collective agreement.	308

3. Employee benefit measures

(1) The welfare funds are appropriated as required; the "Employee Welfare Committee" was established to manage all the matters regarding employee's welfare, such as tours and a variety of contests.

(2) Setting up a breastfeeding room provides female employees a place for breastfeeding.

(3) Setting up a medical office to manage all employee's medical matters and regularly holding the health examinations.

(4) There are nine clubs in the company with diverse type and operated vigorously. The clubs are set for cultivate employee's interest and self-cultivation.

(5) Our retired employee will be gifted a commemorative present and get a

retirement certificate.

(6) Marriage and funeral subsidies are available for employees.

(7) If an employee dies, depending on the cause of death and subject to our company’s guidelines of pension fund, the descendants will be given death benefit, compensation for death and funeral expenses.

(8) We insure employees against Labor Insurance, National Health Insurance, group life accident insurance and hospitalization insurance.

(9) We issue annual bonus to our employees. Also, depending our company’s annual operating interests and the rate of surplus, we will give our employees year-end bonuses and employee remuneration.

(10) Maternity and baby-setting allowance is available for employees.

(11) Travel subsidy is available for employees.

(12) Massage service is available for employees.

(13) Conduct the trust of employees’ shareholding, with the incentives for purchasing the Company’s share.

4. Retirement system

The Company has a “Taiwan Fertilizer Company’s Employees Retirement, Pension and Severance Regulations”, which is in accordance with the Labor Standard Act and the Labor Pension Act, for new employees and the selection of senior employees who are applicable to the newly-established pension ordinance, the company should pay monthly 6% of their insured salary to the personal account of Labor Insurance Bureau and the 0~6% of his or her insured salary. Selected senior employees who are applicable as the former labor standards, the company should pay monthly 9% to the retirement reserve account, and at the end of March, in accordance of the 56th law of Labor Standard Act providing for the actuarial replenishment of the difference and periodically convenes the Labor Pension Supervision Committee on a quarterly basis. Employees may apply for retirement per Article 5 of the Company's retirement, pension and severance regulations, and those aged 65 should be eligible for compulsory retirement. The said retired employees shall be given pension under the Labor Standards Act and the Labor Pension Act.

(II) Employees’ conducts or moral principles

In accordance with the provisions of the Labor Standard Act, the Company has made the “Taiwan Fertilizer Co., Ltd. Code of Practice for Employees”. In addition to sending a notification letter to the employees, it should be announced on the Company's internal website for employees to look up and follow. There is also the “Taiwan Fertilizer Co., Ltd. Code of Ethical Conduct for Directors, and Level I Managerial Officers,” which was submitted to the Company's 2009 Annual Shareholders General Meeting, its amendment was approved in the 3rd Meeting of the 36th Board of Directors held on December 11, 2024, and will be reported in the Company's 2025 Annual Shareholders General Meeting. The guidelines were also announced in conjunction on the Company's internal website, to enable the Company's directors as well as the Level I managerial supervisors (including the general manager, deputy general Manager, and Level I managerial supervisors of each unit) to follow as their code of conduct and moral principles whenever engaging in the Company's business activities. In addition, the Company's stakeholders can understand the Company's ethical norms.

(III) Employees' further education and training

Year	2024	2025
Number of classes for training	346	340
Person-time for training	4,444	6,034
Man-hour for training	13,293	17,742
Per capita training hours	19.93	26
Costs for training (NT$)	3,792,107	4,359,533
Per capita costs for training (NT$)	5,685	6,392

(IV) Losses suffered due to labor disputes (including any violations of the Labor Standards Act found in labor inspection): None

VI. Cyber security management

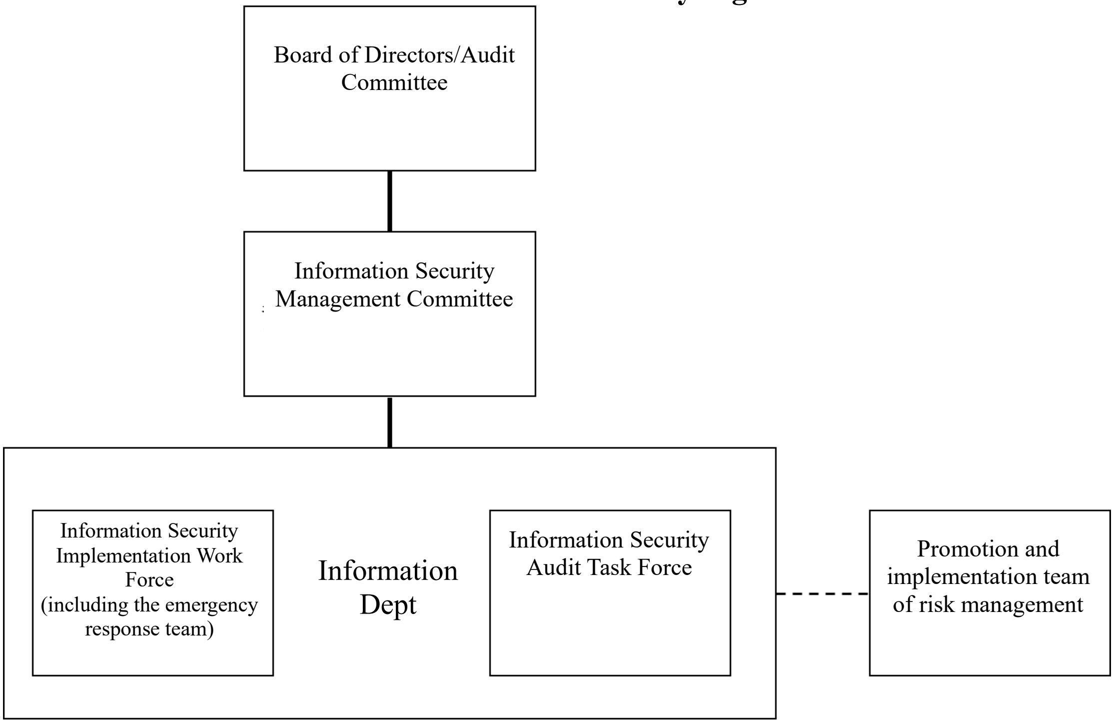
(I) Cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

The Company has established the Information Security Management Committee (hereinafter referred to as the Information Security Committee). The President serves as the chairman, the vice president of information serves as the deputy chairman, and the information officer serves as the executive secretary. The committee members are all level 1 officers. In November 2022, a dedicated information security officer and information security personnel were appointed.

The Information Security Committee is mainly responsible for formulating information security management policies and systems, formulating the promotions of the Company's internal information security awareness and training plans, deliberating and assessing the legality and suitability of the information security management system, and verifying effectiveness of the Company's information security management operations, while regularly reporting the information security operations and results of risk appraisal to the Audit Committee and the Board.

Structure of information security organization



2. Cyber security policy

Cyber security policy target

- **Purpose:**

The management of TAIWAN FERTILIZER CO., LTD. (hereinafter referred to as the Company) has declared its determination to support information security, and continues to improve information security quality, reducing the impact of information security incidents, to protect the rights and interests of shareholders and customers.

In order to strengthen the information security management, ensure the confidentiality, integrity and availability of information assets, maintain an information environment for the continuous operation of the Company's business, and comply with the requirements of relevant government regulations and internal and external stakeholders, so that they can avoid any threats from internal or external intentional or accidental sources, and achieve information security, the Company has formulated this policy.

- **Scope:**

This policy applies to all employees of the Company (including subsidiaries), suppliers that have contact with the Company's business information or provide services, and third parties.

- **Goals:**

In order to maintain the confidentiality, integrity and availability of the Company's information assets, all employees will work together to achieve the following goals:

(1) To protect the information of the Company's business-related activities, safeguard the Company's confidential and personal information from unauthorized access or alteration, and ensure their accuracy and integrity.

(2) Respect intellectual property rights and protect the company information.

(3) Comply with the requirements of relevant laws or regulations, and maintain the

business continuity of the Company.

- **Responsibility:**

(1) All employees should actively participate in and support various information security management measures, and implement the policy through appropriate key points and operational procedures.

(2) All personnel, organizations, service providers, outsourced vendors and visitors related to business operations must abide by this policy.

(3) All employees and outsourced service providers are responsible for reporting information security incidents or vulnerabilities through appropriate reporting mechanisms.

(4) Any conduct that endangers information security will be held civil and criminal liability depending on materiality of the circumstances, and the disciplinary actions will be taken pursuant to the relevant regulations of the Company.

(5) Customers, vendors, and their employees dealing with the Company shall comply with the Company's information security management system (ISMS) and relevant regulations on personal information and privacy, and shall be responsible for the protection of the Company's information assets obtained or used due to work needs, in order to prevent unauthorized access, tampering, destruction, or improper disclosure. All employees are obliged to protect customers' information, including transaction and basic information, and are prohibited from accessing and using, or disclosing and informing such information to colleagues, vendors, and other customers who are not related to the business.

(6) All employees shall maintain alerted when information security incidents occur, information security vulnerabilities are found, or concerning possible violations of information security policies and regulations, and report such in accordance with relevant procedures.

(7) All employees comply with the internal and external regulations, establish corresponding control procedures, and regularly perform information security inspections, to ensure the continuous effectiveness of the information security management system.

- **Review and announcement**

(1) The management review meeting of the Information Security Committee reviews this policy annually to verify the information security organization and information security related procedures.

(2) The policy shall be implemented upon the Chairperson's approval and shall be announced on the Company's intranet and the official website.

3. Concrete management programs

(1) The Company has established numerous information security key points internally, to regulate the operation and conducts of the employees. Every year, the information security policies and key points are reviewed, to check whether they align with the changes in the external environment, and adjustments may be made according to legality and expediency.

(2) The information security is the responsibility of all employees. All employees of the Company shall comply with relevant laws and regulations, system, and rules in order to achieve the information security policy goals. Managers at each level should supervise the implementation of information security and reinforce the employees' awareness of information security and the concept of compliance.

(3) In daily operations, the “Personal Data Protection Act,” “Copyright Act,” “Trade Secrets Act,” and other laws and regulations related to information security shall be fully complied with, to protect the Company's business activity information, prevent unauthorized access and alterations, and ensure its accuracy and integrity.

(4) The software with legal copyright bought by the Company shall be used, and avoid downloading software from unknown sources online.

(5) After receiving the user account, the personal password shall be setup immediately. The passwords for the personal computer, mainframe or network device must be changed regularly. Any user shall not provide his/her user account and password for others’ uses.

(6) The endpoint protection software should be installed on all personal computers. If it is found that the endpoint protection software has been removed, the virus cannot be deleted, or information security risks are found, the Information Dept or the IT personnel of each Plant should be notified so that personnel can be dispatched to assist the treatment.

(7) The sent and received e-mails in the email system are all monitored and analyzed by anti-virus and anti-hack software. However, there is still the risk of misjudgment or overlooking. Where any employee finds irregular mails when sending and receiving emails, he/she should take the initiative to notify the Information Dept.

(8) To respond to various internal and external information security threats, the Company has deployed various information security protection equipment at all aspects, to build a multi-layer information security protection mechanism for enhancing the security of the overall information environment.

(9) The Company's information assets should be installed with the endpoint protection software and asset management software; the relevant usage and operation tracks will be recorded.

(10) The Company regularly conducts social engineering drills and information security trainings every year to enhance the information security awareness of internal personnel.

(11) The Company conducts penetration test and vulnerability scan for the website every year to ensure that the vulnerabilities of the website is timely patched and strengthened.

(12) The Company joined the alliance of “Taiwan CERT/CSIRT” in January 2022.

(13) The Company began to introduce the information security management system (ISMS) in May 2024.

(14) The Company held the first meeting of the Information Security Committee in 2024 on December 26, 2024 to review and approve 20 documents of ISMS Level 1 (Policy) and Level 2 (norms, separate regulations, and regulations) documents. The implementation was announced in mid-January 2025 after the approval via the internal procedures.

(15) The Company officially approvedthe ISMS external audit on June 23, 2025, and obtained ISO/IEC 27001:2022 certification in July 2025.

The concrete management programs are as following:

Type	Description	Relevant regulations and operation
Permission management	Management measures for personnel accounts and accesses.	1. ISMS-02-008 - Regulations for Information Equipment Authorization and Protection Management
Access controls	Controlling measures for employees' accesses to the internal and external system, and data transmission channels.	1. ISMS-02-010 - Regulations for Network and Communication Management - Network Bandwidth Management Operations 2. ISMS-02-016 Regulations for Office Information Management 3. ISMS-03-015_Operational Procedures of the File Sharing System.
Internal and external threats	1. External network attacks. 2. Internal vulnerability safeguard. 3. Antivirus and safeguard measures.	1. ISMS-02-013 - Regulations for Information Security Incident Management 2. ISMS-02-017 - Regulations for Information Security Intelligence Management 3. ISMS-03-011 - Operating Procedures for End Protection System Management 4. Penetration test and vulnerability scan of web pages
Availability	Handling measures when the system availability and services are interrupted.	1. ISMS-02-009 - Regulations for Security Area Management 2. ISMS-02-014 Regulations for Operation Continuity Management 3. ISMS-03-013 - Work Flow for Server Operating System Backup and Tape Backup

4. Investments of resources for cyber security management

The corporate information security measures promotion and implementation results for 2025:

(1) Two educational trainings of information security were conducted during 2025, for total of 599 attendants, and the total of five hours trained.

(2) Two social engineering drills were conducted during 2025 with the coverage of the employees tested of 100%, to enhance the response to the information security risks and information security awareness of employees, and implement the information security control.

(3) Two disaster recovery drills were conducted during 2025, to shorten the period being affected by the disrupted information service system.

(4) In 2025, the Company organized one penetration test and vulnerability scan against external website and completed the repair of medium and high-risk vulnerabilities.

5. Information technology security risks and management measures

Taiwan Fertilizer has established the comprehensive network and computer-related information security protection measures, but no guarantee may be given that the computer system controlling or maintaining important company functions such as the manufacturing, operations and accounting, may be completely free from network attacks from any third-party paralyzing system. These network attacks illegally invaded the internal network system of Taiwan Fertilizer Company, and carried out activities such as sabotaging the company's operations and damaging the company's goodwill. Where a serious cyber attack is suffered, the system of the Taiwan Fertilizer may lose key company data, and the production lines may be shut down as a result. Taiwan Fertilizer continuously reviews and evaluates its information security regulations and procedures, to ensure their appropriateness and effectiveness, but no guarantee is given that the Company will be free from the impacts of emerging risks and attacks amid the evolving information security threats. Cyber attacks may also attempt to steal the Company’s trade secrets and other confidential information, such as proprietary information of customers or other stakeholders, and personal information of Taiwan Fertilizer employees.

Malicious hackers may introduce computer virus, destructive software or ransomware into the Company’s network system, to interrupt the Company’s operation, blackmail or request ransom from the Taiwan Fertilizer, obtain the control over the Company’s system, or peep the confidential information. These attacks may result in the Company’s compensation to customers due to delayed or interrupted orders, or sustain huge amount of expenses for remedies or improvements to enhance the Company’s cyber security system, or may cause the Company to sustain significant legal liability due to involvement in legal cases or supervisory investigation resulted from leaking of employees, customers, or third parities’ information to which the Company is held liable for the confidentiality.

Although Taiwan Fertilizer has not been attacked in the past due to purchasing and installing equipment containing malware, it may face similar attacks in the future. In order to prevent and reduce the damage caused by such attacks, Taiwan Fertilizer has implemented relevant improvement measures and continued to update them, for instance, building endpoint defense mechanisms to prevent malicious software from entering the Company; strengthening network information security gateways and network control to prevent computer viruses from spreading; building endpoint anti-virus measures by computer type; introduce advanced solutions to detect and handle malware; introducing new technologies to enhance data protection; enhancing phishing email detection and conducting regular employee vigilance tests. Although Taiwan Fertilizer continues to strengthen its information security protection measures, no guarantee may be given that the Company will be free from malicious software and hacker attacks.

In addition, although Taiwan Fertilizer requires third-party service providers to comply with confidentiality and network security regulations in the service contracts entered with them, no guarantee may be given that every third-party service provider will strictly comply with these obligations. The internal network systems and external cloud computing networks (such as servers) maintained by the aforesaid service providers and their contractors are also at risk of cyber attacks. If Taiwan Fertilizer or its service providers are unable to solve technical problems resulted from these cyber attacks in a timely manner, or to ensure the integrity and availability of Taiwan Fertilizer (and its customers or other third parties) data, or to control the computer systems of the Company or its service providers, Taiwan Fertilizer's commitment to customers and other stakeholders may be seriously harmed, and the Company's operating results, financial positions, outlook and reputation may also be materially and adversely affected.

(II) Losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: None

VII. Important Contracts

(I) Supply and sales contracts

Counterparty	Beginning and end dates of contract	Main contents	Restrictive terms
Sabic Asia Pacific Pte.Ltd.	2026.01.01~2026.12.31	Supply contract for liquid ammonia	None
Saudi Arabian Mining Company	2026.03.01~2027.02.28	Supply contract for liquid ammonia	None
Sinon Corporation	2025.01.01- 2025.12.31	Procurement contract for fertilizers	None
Tai Feng Hsing Industrial Limited	2025.01.01- 2025.12.31	Procurement contract for fertilizers	None
Hongcheng Biotechnology Co., Ltd.	2025.01.01- 2025.12.31	Procurement contract for fertilizers	None

(II) Cooperative contract

Counterparty	Beginning and end dates of contract	Main contents
SABIC Agri-Nutrients investment company, invested by Saudi Basic Industries Corp.	1980.02.08~2031.07.12	Cooperate to invest in Al-Jubail Fertilizer Company, and each party holds 50% equities.
Taichung District Agricultural Reserve and Extension Farm, Ministry of Agriculture	2017.07.01~2027.06.30	Technical license of “Production and application technology of rice straw decomposing germ complex preparation”
Miaoli District Agricultural Reserve and Extension Farm, Ministry of Agriculture	2018.06.08~2026.06.07	Non-exclusive license of to the mass production techniques of Bio-Phosphorus Solubilization Fertilizer of the Miaoli Living Bacteria No. 1
National Agricultural Chemicals Research Institute, Ministry of Agriculture	2020.01.01~2028.01.01	Non-exclusive license of the “new liquefied bacillus thermoamylovorans strain Ba-BPD1 and application for biological pesticides” (including a patent of R.O.C, certificate No. I373523)
National Taiwan Ocean University	2020.01.13~2025.01.13	Non-exclusive license of “production technology of ulvan polysaccharides”
National Agricultural Chemicals Research Institute, Ministry of Agriculture	2021.05.02~2026.05.01	License Renewal of "Mass production and application of Bacillus amyloliquefaciens strain Ba-BPD1 for microbial fertilizer and biopesticide”.
Taichung District Agricultural Reserve and Extension Farm, Ministry of Agriculture	2022.07.20~2027.07.19	Renewal of technical license of “Production technology and the application method of Complex farm livestock manure composting fermentation”
Plastics Industry	2024.03.01~2005.05.31	Stability and validation evaluation

Counterparty	Beginning and end dates of contract	Main contents
Development Center		program for the batch production of slow release materials
Kaohsiung District Agricultural Reserve and Extension Farm, Ministry of Agriculture	2024.09.26~118.09.25	Non-exclusive license of "New minerals secondary trace element fertilizer formula"
Green View Garden	2025.03.16~2027.03.15	Renewal of Agreement for Taiwan Fertilizer Organic Demo Cooperative Farm

(III) Construction and other contracts

Counterparty	Beginning and end dates of contract	Main contents	Restrictive terms
HCCH & Associates Architects Planners & Engineers	Effective from the date of contract (February 1, 2013) until the completion of final acceptance in conjunction with no matters required to be resolved.	Hsinchu Science and Commercial Park D7 Architectural Design and Supervision Technical Service Work	None
HCCH & Associates Architects Planners & Engineers	Effective from the day of contract (October 31, 2011) until one year after the use permit is acquired.	Technical service work of “Construction design and supervising of the 1st stage C2 and the overall regulation of C2C3C4 Nangang Business-Trade Park”	None
HCCH & Associates Architects Planners & Engineers	Effective from the date of contract (April 20, 2018) until the use permit is acquired in conjunction with the completion of final acceptance.	Increase the grouping of supervisors, and supervision and technical service work for Taiwan Fertilizer's new construction project of Nangang C2 hotel and office building	None
HCCH & Associates Architects Planners & Engineers	Effective from the day of contract (June 1, 2018) until one year after the use permit is acquired.	Technical service work of “Construction design and supervising of the C4 Nangang Business-Trade Park”	None
FAR EASTERN GENERAL CONTRACTOR INC.	Effective from the date of contract (September 30, 2020) until the completion of final acceptance in conjunction with no matters required to be resolved.	Taiwan Fertilizer's new Nangang C4 office building construction project.	None

Counterparty	Beginning and end dates of contract	Main contents	Restrictive terms
Lee Ming Construction Co., Ltd.	Effective from the date of contract (March 10, 2025) until the end of warranty period with all requirements under the warranty completed.	Construction project of the TFC office building in D7-B technology and commercial area in Hsinchu	None
Joseph Oat	2024.01.18~2025.07.11	The buyer of exhaust heat exchanger (X-1403) using 332, has paid pursuant to the Contract MT-10017 dated December 10, 2021, with the supplier's procurement of C-shaped casing side and assembly of pipeline (MT-12021)	None
Tai Hsin Engineering & Construction Co., Ltd.	2025.05.29~2025.08.30	Heat exchanger in series of the nitric acid plant Construction of peripheral facilities	None
CEAI Engineering Co., Ltd.	2025.05.07~2027.07.16	GHG reduction technology for nitric acid plant:	None
Kaohsiung Branch, Yokogawa Taiwan Corp.	2024.11.25~2025.05.19	Factory production informatization design and construction	None
Agilent Technologies Taiwan Ltd.	2024.10.01~2025.02.28	Construction of quadrupole ICP-MS (Agilent ICP-MS/MS 8900) in Miaoli Factory (Agilent ICP-MS/MS 8900)	None

(IV) Contract for Land Development

Counterparty	Beginning and end dates of contract	Main contents	Restrictive terms
Shinera Construction Co., Ltd.	On June 10, 2015, a urban renewal joint-construction contract was signed. The project shall complete the public hearing for right exchange before April 24, 2025. The title registration and delivery of the property shall be completed within 5 years from the commencement date of construction.	Urban renewal business of 4 lands of Plot 607, Section 1, Taipei City owned by TFC should be included in the urban renewal business of 25 lands in the same section. The co-construction agreement signed is on the sales of superior residential buildings to be constructed.	The implementer contained in “Urban Renewal Act” of the agreement is Shinera, who should handle urban renewal procedures. TFC should provide co-construction land as the building land, and Shinera is responsible for integrating the adjacent lands with the co-constructing land, providing all capital

Counterparty	Beginning and end dates of contract	Main contents	Restrictive terms
			needed to execute this project and implementing construction.

Five. Review and Analysis of Financial Status, Business Results, and Risks

I. Financial Status

Unit: NT$ thousand

Item \ Year	2025	2024	Difference	
			Amount	%
Current asset	8,513,218	9,214,349	(701,131)	(7.61)
Property, Plant and Equipment	12,447,104	12,863,925	(416,821)	(3.24)
Intangible asset	7,852	40,502	(32,650)	(80.61)
Investment property	45,688,370	43,969,027	1,719,343	3.91
Other assets	14,868,090	15,019,387	(151,297)	(1.01)
Total assets	81,524,634	81,107,190	417,444	0.51
Current liabilities	2,675,577	1,775,573	900,004	50.69
Non-current liabilities	24,574,364	23,642,382	931,982	3.94
Total liabilities	27,249,941	25,417,955	1,831,986	7.21
Share capital	9,800,000	9,800,000	0	0.00
Additional paid-in capital	2,246,165	2,245,108	1,057	0.05
Retained earnings	38,163,060	39,194,342	(1,031,282)	(2.63)
Other equities	4,065,468	4,449,785	(384,317)	(8.64)
Equity attributable to owners of the parent company	54,274,693	55,689,235	(1,414,542)	(2.54)

Note : The financial information of 2024 and 2025 has been reviewed by the CPAs.
Analysis of the reason causing changes of 20% or more:
1. Intangible assets: The decrease was mainly due to the recognition of impairment losses on intangible assets in 2025.
2. Current liabilities: Current liabilities increased, mainly due to the other payables increased.

II. Financial Performance

(I) Comparative analysis table of financial performance

Unit: NT$ thousand

Item \ Year	2025	2024	Increased (decreased) amount	Percentage of change (%)
Operating revenue	12,087,709	11,873,258	214,451	1.81
Operating cost	10,504,701	10,088,819	415,882	4.12
Gross profit from operations	1,583,008	1,784,439	(201,431)	(11.29)
Operating expenses	1,220,920	1,234,733	(13,813)	(1.12)
Operating profit	362,088	549,706	(187,618)	(34.13)
Non-operating income and expense	798,459	1,088,118	(289,659)	(26.62)
Net income (loss) before tax	1,160,547	1,637,824	(477,277)	(29.14)
Tax expense (income)	228,308	(327,825)	556,133	(169.64)
Net income (loss) of the period	932,239	1,965,649	(1,033,410)	(52.57)

Note : The financial information of 2024 and 2025 has been reviewed by the CPAs.
Analysis of the reason causing changes of 20% or more:

1. Operating income decreased: mainly due to an increase in raw material costs during the period.
2. The non-operating income decreased: mainly due to an increase in compensation losses during the current period.
3. Decrease in income before tax: Primarily due to the increase in raw material costs and compensation losses during the current period.
4. Income tax expense increased: mainly due to the taxable income for the prior period decreased.
5. Net profit of the period decreased: mainly due to the net profit before tax decreased.

(II) Analysis table of gross profit from operations

Unit: NT$ thousand

	Changes between two consecutive period	Reason of difference			
		Selling price difference	Cost difference	Quantity difference	Other factors
Gross profit from operations	(201,431)	456,702	(629,906)	(63,728)	35,501
Description	Gross profit decreased year on year, mainly because the material costs increased.				

III. Cash flows

Describe and analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year.

1. Analysis of cash flow changes for the year

Unit: NT$ thousand

Beginning cash balance	Net cash generated from (used in) operating activities for the year	Net increase (decrease) in cash and cash equivalents for the year	Cash surplus (deficit)	Remedial measures for cash deficit	
				Investment plans	Financing plans
4,088,248	2,370,254	(4,508,677)	1,949,825	-	-

(1) Net inflow from operating activities: mainly due to the net cash inflow generated from operating activities, and the investees distributed the cash dividends.
(2) Net outflow from investing activities: mainly due to the acquisition of property, plant, and equipment, and investment properties.
(3) Net cash used in financing activities: mainly due to the payment of cash dividends.

2. Corrective measures to be taken in response to illiquidity of the year:
(1) There was no insufficient cash during the year.
(2) Analysis of the liquidity in the recent two years:

Item / Year	2025	2024	Increased (decreased) percentage (%)
Cash flow ratio (%)	88.59	208.69	(57.55%)
Cash flow adequacy ratio (%)	85.56	75.17	13.83%
Cash reinvestment ratio (%)	0.46	1.30	(64.69%)

Description:
A. Decrease in cash flow ratio: mainly due to the decrease in net cash generated from operating activities and the increase in current liabilities in 2025.
B. The cash flow adequacy ratio increased, mainly due to the cash inflow from operating activities in the recent five years increased.
C. The cash reinvestment ratio decreased, mainly due to the cash inflow from operating activities decreased in 2025.

3. Analysis of cash flow in the coming year

Unit: NT$ thousand

Beginning cash balance	Net cash flow from operating activities throughout the year	Estimated yearly net cash inflow (outflow)	Cash surplus (deficit)	Remedial measures for cash deficit	
				Investment plans	Financing plans
1,949,825	1,790,410	(1,535,473)	2,204,762	-	-

IV. Impact to the Financial and Business by the Significant Capital Expenditures in the Previous Year

(I) Utilization Status and Source of Funds for Significant Capital Expenditures in the Previous Year

Project	Actual or Expected Source of Funds	Actual or Expected Finish Date
Nangang Software Park C4 Development Project	30% of self-owned funds; 70% of bank financing	Completion is expected by November, 2027
D7-B Development Project of Hsinchu Tech Business Park	30% of self-owned funds; 70% of bank financing	Completion is expected by December, 2029
Installation of greenhouse gas (GHG) abatement equipment for the nitric acid plant	100% Self-owned funds	Completion is expected by December, 2027

(II) Expected Potential Benefit: Expected Sales Quantity, Value and Gross Margin Increase

Year	Item	Total floor area	Leasing revenue	Gross Margin
2030~	Nangang Software Park C4 Development Project	around 56,198.6 m_2	Stable annual rent NT$378 million	Gross margin NT$200 million
2032~	D7-B Development Project of Hsinchu Tech Business Park	around 56,198.6 m_2	Stable annual rent NT$645 million	Gross margin NT$345 million

Year	Item	Reduction of annual emissions	Reduction in carbon fee expenditures
2028~	Installation of greenhouse gas (GHG) abatement equipment for the nitric acid plant	Approximately 420,000 metric tons of CO_2e	Approximately NT$126 million

V. Re-investment Overview

(I) Main Reasons, Improvement Plan for Re-investment Policy, Profit or Loss for Previous Years:

1. Re-investment Policy

To stay true to the Company's strategy of developing clean energy business, the reinvestment policy focuses on three key areas, namely “new agriculture,” “biotechnology,” and “clean energy.” In terms of investment model, the Company adopts the dual-track strategy that incorporates both the financial profit and strategic deployment; not only retaining the robust financial investment, the Company specifically emphasizes the strategic investment to seize the resources of blue and green ammonia for solidifying the advantages of the supply chain. In addition, the Company takes the application of ammonia energy as the core axis, to actively discover the forward-looking investment opportunities such as construction of ammonia refueling station for ammonia-combusting vessels, and coal-combusting with ammonia power generation, in order to expand the Company's influence in the clean energy industry.

2. Main reason of profits made by the major reinvestees

Re-invested Company	Main reasons for profits in 2025
PEIFENG TECHNOLOGY CO., LTD.	Peifeng Technology mainly accommodates the production and sales system of TFC, focusing on fertilizer OEM, and supported by the sales of sulfuric acid, with sound operations.

3. Main reasons of loss made by the major reinvestees and improvement plan: None

(II) Investment Plan for Next Year:

In the investment plan for the coming year, the Company will continuously focuses on the development opportunities in the ESG and medical biotechnology industries, while simultaneously maintaining the expansion momentum of its clean energy business. Leveraging our existing position as a liquid ammonia supply chain hub, the Company will integrate its advantages in gas source control and storage and transportation applications, to conduct in-depth feasibility assessments of new ammonia energy technologies, aiming to be among the first to seize key investment opportunities in the energy transition wave.

VI. Risk management organization

1. Board of Directors and Audit Committee: The Board is the highest risk management oversight body of the Company. It approves risk management policies and procedures, ensures the effective operation of the overall risk management mechanism, and allocates sufficient and appropriate resources. Audit Committee reviews the assessment against the effectiveness of the Company’s internal control system to ensure the internal control operates effectively. The risk management related information is review and overseen by submitting to Audit Committee before being approved by the Board.
2. Audit Office: Assist the Board of Directors in monitoring the implementation of risk management mechanisms.
3. Risk Management Promotion and Execution Unit: Operated in the manner of grouping by tasks; the "Risk Management Promotion and Execution Team" is established, with the President as the convener, and is responsible for the promotion, execution, integration and coordination of the Company's risk management related matters.
4. Operational Units: Including each factory, division, and office; responsible for identifying, analyzing, assessing, and responding to risks in their subordinate units, and reporting relevant information to the risk management promotion and execution units.

VII. Assessment of risks

(I) Effects of interest rate change, exchange rate change, and inflation on the Company's profit and loss and the countermeasures in the future

1. Interest rate change
   The net interest income of the Company for the year ending December 31, 2025 was NT$ 48,782 thousand, which accounted for 0.40% of the net operating revenue. Therefore, there was no significant impact on the Company's operations and profit. In the future, in response to the change of interest rate trends, we will actively look for higher returns and lower cost targets to reduce interest rate risk.

2. Foreign exchange rate change
   For the year ending December 31, 2025, the Company's net exchange gain (loss) amounted to NT$1,693 thousands, accounted for 0.01% of net operating revenue. Therefore, there was no significant impact on the Company's operations and profit. In a nutshell, the exchange rate fluctuation risks generated from the daily operations are within controllable extent.

(II) Policy on high risk, high leverage investment, loaning of funds to others, endorsement and guarantee, and derivative trading, and main reasons for profit or loss and countermeasures in the future

1. High-risk and highly leveraged investments, loans to others, and derivative trading: Not applicable. The Company does not conduct such business.
2. Endorsement/guarantee: no endorsement/guarantee as of the end of 2025.

(III) Future R&D Plan and Estimate of R&D Expenses

To align with the Company's planning of operational strategy development, the R&D tasks aim to focus on the deepening and innovation of the core business, and look forward to focusing on the scopes of "agriculture" and "fertilizers," with the slow-control and slow-release fertilizers as the key development items. By developing new slow-control and slow-release fertilizers to improve the utilization rate of crop fertilizer, decrease times and volume of fertilizer application, while increase the benefits of farmers, for achieving the smart agriculture goal of "labor-saving, fertilizer-saving, effect-improving, and eco-friendly."

Future R&D directions:

1. Short-term goals: development of mixed slow-control and slow-release fertilizers to create the short-term profit and accelerate the market share of the slow-release fertilizers.
2. Mid- and long-term goals: establishment of in-house eco-friendly formula of slow-release materials and the processing/production technologies of slow-control and slow-release fertilizers, seeking to introduce such to the compound fertilizer process, for upgrading the conventional compound fertilizer to the slow-control and slow-release products and improving the effects of the compound fertilizers.

To enable sustainable growth, Taiwan Fertilizer Co., Ltd. will continue to strengthen research and development. The estimated total R&D budget will be about NT$30 million each year. The R&D plan for the next two years is summarized as follows:

1. Feature Research and Product Development of Slow-control and Slow-release Fertilizers

(1) Granular slow-control and release fertilizers

Granular slow-control and release fertilizers are a type of fertilizer formulation that releases nutrients over a long period with a long effect. The applicable fertilizer formula varies depending on the crop type and growth stage. To develop various slow-control and release formulas applicable to major crops, horticultural crops, and high-value crops, in addition to the in-house development, we also plan to collaborate with the Tainan District Agricultural Research and Extension Station of the Ministry of Agriculture, to develop a general-purpose, machine-specific, long-acting fertilizer for long-term crops.

For the granular slow-control and release fertilizer for rice deep-fertilizer applicators currently under development, the Company will conduct expanded promotion trials, seeking to give a clearer understanding of the new products and the actual effects of application among farmers through the results presentation, to substantially expand the application rate of controlled-release fertilizers. Furthermore, the average-formulation slow-control and release fertilizer products will also be expanded for field efficacy verification in long-term leafy vegetables and melons/fruits, establishing recommended application volume and patterns to provide farmers with a reference for future applications.

(2) Liquid slow-release fertilizer:

Liquid slow-release fertilizers can be applied more versatilely to crop fertilization management, and to meet the nutrient needs of crops at different growth stages. Through a collaborative project with “National Taiwan University”, we are conducting research and mechanism exploration on the characteristics of different liquid slow-release materials, and combining market demands, to develop various types of liquid slow-release fertilizers and slow-release instant compound fertilizers, in order to develop new fertilizer products that have the dual effects of extending fertilizer effect and improving fertilizer utilization.

The program is expected to invest NT$15 million R&D expenses in the next two years.

2. Development of the eco-friendly materials and the process technologies of for slow-control and release fertilizers:

Conventional compound fertilizers face problems such as short-term effectiveness and the rapid loss through leaching, volatilization, or nitrification. Therefore, to improve fertilizer utilization and reduce the frequency of fertilization, the Company plans to introduce different slow-release materials into the compound fertilizer production process at the Taichung Factory, aiming to transform the conventional compound fertilizers into long-lasting, slow-release compound fertilizers.

Through ongoing long-term cooperation with the “Plastics Industry Development Center,” we are conducting research and exploration into fertilizer coating materials and technologies to establish the optimal processing technologies and parameters for eco-friendly slow-release materials. In the future, we will gradually integrate these technologies into the existing compound fertilizer production process to develop high-utilization and high-quality slow control and release fertilizers as a advantageous products in the slow-release fertilizer market, enhancing overall product competitiveness and increasing company revenue.

The program is expected to invest NT$15 million R&D expenses in the next two years

(IV) Effects of important policies and legal changes at home and abroad on the Company's finance and business and countermeasures

1. The Company has coped with the COA's fertilizer purchase with real name 2.0 policy, which include the subsidies for shipping freights of organic matter-containing compound fertilizers, shipping freights of chemical fertilizers to Hualien, Taitung, and islands, as well as the carbon-reduction of coated compound fertilizers. Since January 10, 2022, whenever a farmer buys the fertilizers under the domestic major fertilizers through the real name system of the fertilizers purchasing information system, the fertilizer maker is eligible to apply the subsidy of 50% of the price increase in the fertilizer materials.
2. In its third-quarter 2024 directors' and supervisors' meeting, the Central Bank decided to implement the seventh round of selective credit controls for the property market. The measures took effect the following day due to a resurgence in property transactions in the second half of 2023, coupled with accelerating property price increases and a continued rise in the year-on-year growth rate of residential mortgage loans. Consequently, real estate loans comprised 37.5% of total loans across all banks (real estate loan concentration), nearing the historical high of 37.9%. To further strengthen the management of bank credit resources and curb property speculation and hoarding, and to prioritize mortgage loans for those without owner-occupied housing, the Central Bank has amended the "Regulations Governing Financial Institutions' Real Estate-Backed Lending Operations." The main amendments are as follows: 1. A new regulation stipulates that the first home purchase loan for individuals who already own property may not have a grace period. 2. The maximum loan-to-value ratio for individuals purchasing a second home has been reduced from 60% to 50%, and this change now applies nationwide. 3. The maximum loan-to-value ratio for corporate housing loans, natural persons purchasing high-priced homes, and loans for a third or subsequent property purchase has been reduced from 40% to 30%. 4. The maximum loan-to-value ratio for secondary homes has been lowered from 40% to 30%. By strengthening monetary and credit controls and raising the reserve requirement ratio to boost the effectiveness of selective credit controls, we can help curb the flow of credit into the real estate market.
3. The "Greenhouse Gas Reduction and Management Act" was amended after the third reading in the Legislative Yuan on January 10, 2023, to be renamed as the "Climate Change Response Act." For this amendment, the national target of GHG net-zero by 2050 is specified, and the carbon fee will be levied on the major carbon emission enterprises with annual emission of 25,000 tons or more of carbon dioxide equivalent in 2024. The Taichung factory was among the first facilities subject to carbon fees. To support national policy and reduce carbon fee expenses, the Taichung factory submitted a voluntary emission reduction plan, which was approved by the Ministry of Environment on December 15, 2025, qualifying it for a Class A preferential rate of NT$50 per metric ton of CO2 equivalent.

(V) Effects on the Company's finance and operations of developments in science and technology (including cyber security risks) as well as industrial change, and countermeasures

1. With the change of Taiwan's agricultural structure and the increasing emphasis on environmental protection and health preservation awareness of the citizens the Company's organic fertilizers; with the superior material supply system and fermentation technology and taking advantage of the Company's excellent brand image it will reshape the image of the "Known-You" brand of organic fertilizer and to enter the domestic and foreign organic fertilizer market. Continue to improve the formula and introduce a variety of beneficial microorganisms; also, introduce a post-fermentation process to

improve the quality of organic fertilizer products.

2. Due to the severe impact of international raw material and energy price fluctuations on the production of fertilizers and chemical products of the Company, for the purpose of grasping the sources of raw materials and reducing the impact of price fluctuations, the Company has strengthened supply contracts with manufacturers and continued the investment contract with SABIC in Saudi Arabia; also, it has actively implemented a downstream related product integration investment plan and energy transfer investment plan in order to improve the overall operating synergy of the Company.
3. Please refer to Chapter 4, the information related to the cyber security management for the cyber security risks.

(VI) Effects on the Company's crisis management of changes in the Company's corporate image, and countermeasures

The Company was originally a state-owned enterprise and has been transformed into a private Company since September 1, 1999. The Company has continued to reform its business with a diversified operation implemented to improve operating performance; also, it has changed people’s stereotyped images of a company with a state-owned business operation. The Company’s corporate image has been positively promoted; however, while pursuing reasonable profits, the Company still fully cooperates with the government to take care of the farmers and uphold the downstream chemical industry policies, to stably supply domestically-needed fertilizers and chemical products at a reasonable price, and to execute various industrial pollution prevention tasks and care for the benefit of employees. The Company established the Taiwan Fertilizer Foundation in 2007 to take care of farmers and underprivileged individuals; also, it aims to exercise corporate social responsibility in order to fulfill the three operating objectives, including “promoting stable development of the Company’s operations,” “protecting the interest of the Shareholders of the Company,” and “performing the social responsibility of the Company.”

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken

The Company has no project or plan for M&A.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken

The plans for the relocation of the Company’s factories to Taichung Harbor were completed in 2015 and the development will be carried out in three phases. The first phase will be for land filling and geology improvement, harbor loading and storage facilities, raw material storage systems, public systems, other infrastructure constructions, and new construction projects for nitric acid and nitrate-phosphorus plants. The second phase will be for the construction of phosphonium and ammonium sulfate plants and the relocation of an old nitrate-phosphorus plant. The third phase will be for the construction of a new phosphate fertilizer plant. The production in each old plant will be ceased gradually and the relevant production machinery and equipment will be relocated to the new plants in accordance with the principle of “build new plants, relocate old plants” to continue the overall operation of the Company and ensure that the fertilizer supply business will not be interrupted due to the development of this plan.

The Company has been producing fertilizers for more than 78 years and is quite skilled in various fertilizer production processes. The business product items in this plan are all current business items on the production line:

1. Chemical Products: liquid ammonia, urea, phosphoric acid, nitric acid, sulfamic acid, and other chemicals.

2. Fertilizer products: single nutrient fertilizers, potassium sulfate “King Won” fertilizer series, “Hey Won” nitrophosphate organic compound fertilizer series, Biotec organic compound fertilizer series, "SuShiauBau" organic compound fertilizer series, organic fertilizer series, instant water soluble fertilizer series, biopower stimulants series, microbial fertilizer, micronutrient fertilizer, and acidic soil conditioner, among other things.
3. Warehoused Products: In line with the increase in the utilization rate of the harbor unloading business, the Company will actively strive to apply to the Port of Taichung to become a qualified statutory unloading and storage company to undertake the customs declaration and tally business of the import and export goods of the fertilizer industry or other businesses.

In line with the implementation of this plan, in addition to screening the world’s excellent manufacturing processes, the Company will strictly request these international manufacturers to provide patent technology guarantee in compliance with production specifications; also, combine each plant’s many years of operating experience in the design improvement to refine the production process in order to lay a foundation for future successful business operation. Moving the production of each plant to Taichung Harbor, will help increase productivity, efficiency, product portfolio, unloading management efficiency, and complementary use of raw materials in order to reduce costs. In particular, the production site is close to major fertilizer markets, such as, Taichung, Nantou, Yunlin, Chiayi, and Tainan, which are highly beneficial to the management of sales channels, reduction of transportation costs, and market integration and competition.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken

In 2025, the Company's main suppliers were Saudi Arabian Mining Company and Sabic Asia Pacific; both are key liquid ammonia manufacturers in Saudi Arabia and major suppliers in Asia; they have had good business relationships with the Company for many years. Apart from paying attention to the supply quality and goodwill of each raw material supplier, the Company also judges business conditions, prepares safety stocks, and follows-up on shipping lead time; therefore, the risk of facing purchase concentration is insignificant

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: Not applicable

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: Not applicable

(XII) Litigation and non-litigation

Item	Main parties involved	Facts in dispute	Amount involved	Date of litigation commencement	Status as of the annual report publication date
1	Tung-Chou Chao, Chi-Nien Tsao	On February 24, 2011, the plaintiffs, Chi-Nien Tsao and Tung-Chou Chao signed the transaction contracts of houses during the presale of “Sun & Moon” with the Company for NT$80,600,000 and NT$81,400,000, respectively. The two paid the considerations of NT$21,261,071 and NT$21,669,962, respectively. The Company sent the reminder letter	For Tung-Chou Chao: NT$ 21,261,071 For Chi-Nien Tsao: NT$21,669,962	Around June 20, 2017, Tung-Chou Chao and Chi-Nien Tsao filed the litigation:	For Chi-Nien Tsao: it is determined that the Company shall refund the price of NT$12,210,000, including the principal and interest. For Tung-Chou Chao: The case was returned to the High Court by the Supreme Court for the

		on January 14, 2016, to urge the two plaintiffs to complete closing procedures and ownership transfer. Still, the two plaintiffs did not execute the closing obligation within the prescribed time limit. The Company, therefore, notified them through a letter on March 9, 2016, its move to rescind the two purchase contracts for their failure to complete closing payments, and charged them a breach penalty equivalent to 15% of the total amount paid. The two plaintiffs thus filed civil appeal around June 20, 2017, to claim a refund of purchase payment.			second instance in progress. The both parties settled in the Court, and the Company returned NT$6.045 million to Tung-Chou Chao. The case was concluded.
2	Kuo-Chi Liao, City Bon Company, Da Shon Company, Kwong Tsuen Construction Co., Ltd.	In 2011, Liao, Guo-Chi purchased two presold units (B1-11 and B5-11) of the Building "Sun & Moon" and has completed ownership transfer. In March 2016, four of the joint purchasers of the unit A3-09F, the City Bon Company, Kwong Tsuen Construction Co., Ltd., and Da Shon Company, together filed joint litigation in August 2016 stating the detection of countless black cracks on the structural pillars and suspecting the presence of slag components. They requested a purchase price reduction to NT$ 24.2 million (Mr. Liao requested a reduction to NT$ 7,950,000 and the three other plaintiffs requested a total reduction to NT$ 16,250,000) due to illegal construction, unsafe building structure (public facility flaws), and false advertising	NT$24,200,000	In August 2016, Kuo-Chi Liao, City Bon Company, Da Shon Company, Kwong Tsuen Construction Co., Ltd. jointly filed the litigation	The Supreme Court rejected the appeal and the case was concluded. The Company was confirmed to win the case.
3	Fang-Chou Lai	Plaintiff Fang-Chou Lai owned the land of Land lot 934 of Beishan section in Xizhi District, New Taipei City, as there are no roads for passage around, Lai then requested for the right of pass through surrounding lands of Land lot 1332 and 1318 of Beishan Section, owned by the Company and National Property Administration totaling 125 m2. But as what requested was too high than regulations stated in current law, the claim of Lai was denied by the Company and National Property Administration. In order to declare the right of passage and necessity to install cables, and pipelines of water and gas on land lot 1332 in Beishan Section that was owned by the Company, Lai, therefore, filed a lawsuit ensuring the right of passage with Shilin District Court	NT$10,100,000	On November 26, 2018, Fang-Chou Lai filed the litigation	The case is now on trial in the High Court.

		Neihu Summary Court on November 26, 2018. The National Property Administration was also the defendant of the case.			
4	Guangxi Mingli Chemicals Co., Ltd	The Company and Guangxi Mingli Chemicals Co., Ltd ("Mingli" hereinafter) entered a procurement contract for the electronic-grade phosphoric acid procurement on September 2, 2015 (hereinafter "procurement contract") with a term of September 2015 to August 2016. The payment term is full pre-payment for yellow phosphorous, a material of electronic-grade acid. However, Mingli had the problem of quality and delayed delivery since May 2016; after numerous negotiation, Mingli has not been able to resume the supply. On May 19, 2020, the Company filed a complaint and claim damages from "Mingli" for US$1,027,817.62.	US$ 1,027,817.62	The Company filed the litigation on May 19, 2020	On December 11, 2020, the court ordered "Mingli" to indemnify the Company for the purchase price plus interest losses. However, "Mingli" is currently in bankruptcy and liquidation, and the Company has joined the bankruptcy and liquidation procedure.
5	Dong-Cheng Investment Consulting Co., Ltd.	After Dong-Cheng Investment Consulting Co., Ltd. filed a provisional injunction, it filed a lawsuit to the Taipei District Court, to claim that the Company shall deliver six levels above the ground and 50 parking spaces at Building B indicated on 2017 Jian-Zhi No. 56 Construction Permit on Land Lot No. 12 at Jing-Mao Section, Nangang District, Taipei for their use and benefits. The Company has commissioned a lawyer to appear. The case was tried at the court of the first instance. The Company received the complaint in November 2021.	None	During June 2021, Dong-Cheng Investment Consulting Co., Ltd. filed a litigation	Through the Court's mediation, the case was settled as that the Company shall pay NT$599 million, and Dong-Cheng shall not claim any right over the 849 parking space at the office building on Land Lot No. 12 at Jing-Mao Section, Nangang District, Taipei and the basement thereof in the future. The Company may retrieve the bond of NT$295.6 million retained in the Court. The case was concluded.
6	Dong-Cheng Investment Consulting Co., Ltd.	Regarding the enforcement of the provisional disposition between Dong-Cheng Investment Consulting Co., Ltd. and the Company, pursuant to the enforcement order Shi-Yuan-Qing-111-Si-Chi-Quan-Zhuang-Zhi No. 25 by Shilin District Court, the Company shall comply with the main text of the provisional injunction ruling of Taipei District Court 2021 Kang-Zhi No. 1365, not to deliver to others for using, or rent, or lease 799 parking spaces at Land Lot No. 12 at Jing-Mao Section, Nangang District, Taipei. For this ruling, the Company commissioned a lawyer to re-appeal on February 14, 2022 On May 19, 2022, the Supreme Court rejected the re-appeal with the Civil Ruling 2022 Tai-Kang-Zhi No. 346. The Company also filed	None	The Company files a claim on December 23, 2022	As said previously, the lease dispute between the Company and Dong-Cheng has been settled through the court's meditation, and therefore the case was concluded.

		an application for revocation of provisional disposition.			
7	Dong-Cheng Investment Consulting Co., Ltd.	After Dong-Cheng Investment Consulting Co., Ltd. filed the provisional injunction, it also filed a lawsuit to Taipei District Court, to request the Company to deliver 799 parking spaces indicated on 2021 Shi-Zhi No. 0122 Use Permit on Land Lot No. 12 at Jing-Mao Section, Nangang District, Taipei for their use and benefits. The Company received the complaint in May 2022.	None	During February 2022, Dong-Cheng Investment Consulting Co., Ltd. filed a litigation	As said previously, the lease dispute between the Company and Dong-Cheng has been settled through the court's meditation, and therefore the case was concluded.
8	Taiwan Life Insurance Co., Ltd.	Taiwan Life Insurance Co., Ltd. claimed a damage of NT$114,458,478 from the Company during August 2022 for the treatment of soil containing ammonia in C3 land of Nangang. The Company has commissioned lawyers to respond the claim.	NT$114,458,478	During August 2022, Taiwan Life Insurance Co., Ltd. filed the litigation	The first trial concluded that the Company shall pay Taiwan Life Insurance NT$114.58478, and the interest since April 26, 2022 up to the day of settlement at the annual rate of 5%. The Company has appealed and the appeal is currently under the second trial in the court.
9	Jung-Ji Chung, Wei-Hsing Chou, Yi-Chung Liu	Taifer (Cayman) International Group Co., Ltd., a subsidiary of the Company, established TR Electric Chemical Co., Ltd. (hereinafter referred to as "TR Electric") as a joint venture with Samoa Jinqun International Co., Ltd. (hereinafter referred to as "Jinqun"). TR Electric took out a loan of US$ 10 million from the Hsinchu Branch of Shanghai Commercial and Savings Bank on February 29, 2012 with the Company and Jinqun serving as joint guarantors. Later, the loaning bank collected the loan from the joint guarantors (including the Company), and thus the Company sustained damages. For this case, after the investigation of the Taiwan Taipei District Prosecutors Office, it was recognized that Chung, Rong-Ji, Chou, Wei-Hsin, and Liu, Yi-Chung violated the Securities and Exchange Act, as they proposed the Company and Jinqun serve as the joint guarantors for TR Electric Chemical Co., Ltd. to finance US$ 10 million from a bank, and claimed that such a guarantee conformed to the related laws and regulations to have the Company to approve the proposal and become a joint guarantor. The three people were prosecuted on September 30, 2022.	US$ 10,017,065.65	The prosecutor filed a public prosecution on September 30, 2022, and the Company filed a criminal with civil litigation on December 19.	The first instance sentenced that the defendant, Chung, Rong-Ji, for 5 years of imprisonment, 4 years of imprisonment for Chou, Wei-Hsin, and 1 year and 9 month imprisonment for Liu, Yi-Chung, with a probation of 3 years. Chung, Rong-Ji and other defendants have appealed. The court ruled that the civil case attached to the crime case to be transferred to the Civil Court of the Commercial Court.
10	Caesar Park	As the Company was unable to	NT$281,157,154	On September	The case is being tried at

	Hotels Ltd.	deliver the hotel in Building B on C2 land parcel in Nangang, Caesar Park Hotels Ltd. claimed a payment of NT$ 281,157,154 against the Company on September 15, 2023.		15, 2023, Caesar Park Hotels Ltd. filed the litigation	the District Court.
11	Taiwan Life Insurance Co., Ltd.	Taiwan Life Insurance Co., Ltd. claimed a damage of NT$914,286,557 from the Company due to additional working expenses and less rent profit for processing C3 land in Nangang in February 2026.	NT$ 914,286,557 thousand	During February 2026, Taiwan Life Insurance Co., Ltd. filed the litigation	The case is being tried at the District Court.

(XIII) Other important risks, and mitigation measures being or to be taken:

Evaluation and Analysis of Information Security

1. **Risk evaluation and analysis of cyber-attacks:** In spite of the constantly changing cyber-attacks and invasion types, the Company has established a multi-level information security protection system through various gateway security equipment and end point security system in order to protect or maintain the Company's manufacturing operation, accounting, and other critical operating functions. Data backup and standby system are in place according to the operating procedure. But there is no guarantee that the Company's intranet will be completely free from any illegal invasion and cyber-attack, or any activity that will destruct the Company's operation and damage the goodwill. Malicious attack may also try to implant a computer virus, ransomware, or other malicious program into the Company's network and information system, interrupting with the Company's operating, acquiring the control over the Company system, extort the Company or intruding the confidential information. These attacks may cause a temporary paralyze of the Company's network and information system for a period of time, or require additional expense to implement remedial and improvement measures, or may leave the Company to some legal disputes or supervisory investigations associated with significant liability due to the divulge of the information belonged to a customer or a third party to which the Company owes the obligation of confidentiality.
2. **Risk evaluation and analysis of social engineering attack:** The Company constructs the defense mechanism of social engineering attacks with various algorithms and information and intelligence sources but cannot guarantee that the social engineering attacks or BEC from a third party will be completely prevented.
3. **Risk evaluation and analysis of denial-of-service attack:** The Company has established the multi-line load redundancy system for important internet services but cannot guarantee that the all third-party internet attacks paralyzing the system will be completely prevented.
4. **Risk evaluation and analysis of information divulge:** External attacks or internal employees may attempt to steal the Company's trade secrets, other intellectual property and confidential information, such as the proprietary information of customers, or other stakeholders, and employees' personal data.
5. The Company retains the third party to perform the audit of the information environment and internal control, and to inspect and evaluate the information operating procedure every year to ensure the adequacy and effectiveness. However, this does not guarantee that the Company will be free from any unknown risk and attack from the constantly changing security threat. For 2025 and up to the publication date of the annual report, the Company has not found any material cyber attack or incidents have had or may have materially negative impact on the Company's business or operation.

VIII. Other Important Matters: None

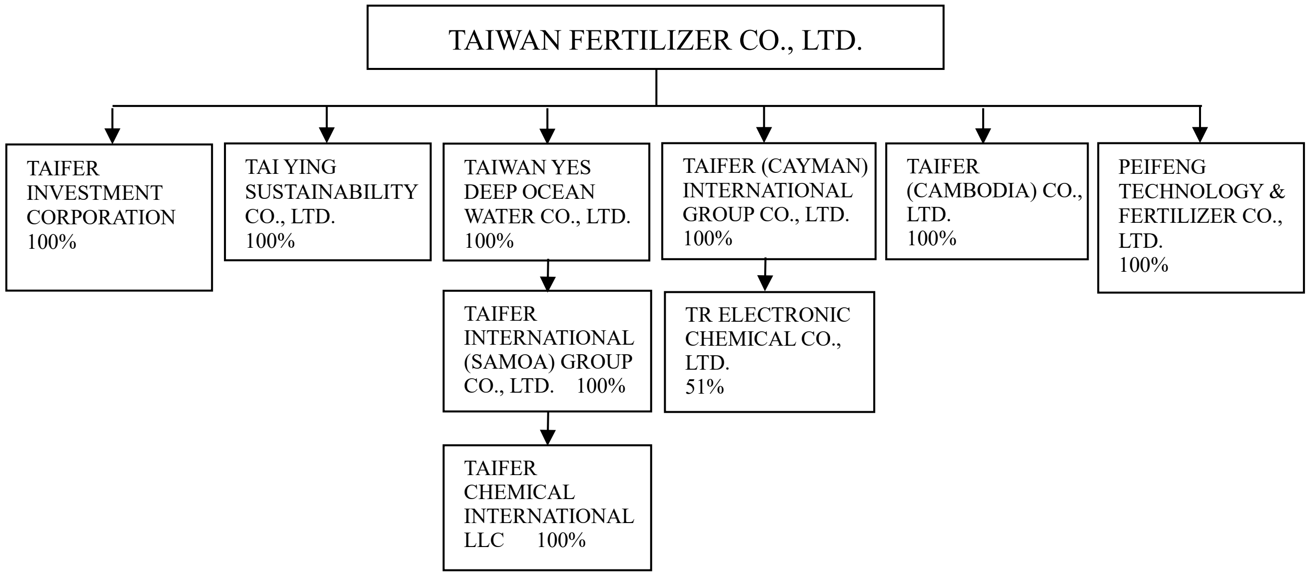
Six. Special Records

I. Affiliate Information

(I) Consolidated Business Report of Affiliates

1. Organizational Chart of Affiliates

December 31, 2025



2. Basic information of affiliates

December 31, 2025

Company	Establishment date	Address	Paid-in capital	Business/production item
TAIWAN YES DEEP OCEAN WATER CO., LTD.	September 25, 2006	No.15, Huadong, Hualien City, Hualien County, Taiwan (R.O.C.)	NT$ 284,795 thousand	Sales of cosmetics, health care products and cleaning products related to pure natural compound mineral ingredients
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	February 25, 2013	TMF Chambers, P.O. Box3269, Apia, Samoa	US$1,415 thousand	Investment and share holding
TAIFER CHEMICAL INTERNATIONAL LLC	October 19, 2001	No. 38, Tourist Street, 3rd Sub-District, Qingertai District, Ulaanbaatar, Mongolia	US$1,333 thousand	Leasing of buildings and real estate
PEIFENG TECHNOLOGY & FERTILIZER CO., LTD.	June 06, 2017	17F, No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City	NT$ 2,400,000 thousand	Manufacture and sales of fertilizer
TAIFER INVESTMENT CORPORATION	September 9, 1999	16F, No. 170, Jingmao 1st Rd., Nangang Dist., Taipei City	NT$ 207,391 thousand	Investment
TAI YING SUSTAINABILITY CO., LTD.	September 17, 2025	1 F., No. 36, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City	NT$ 100,000 thousand	Clean energy business
TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD. (No longer in operation and undergoing dissolution and liquidation)	February 01, 2011	P.O. Box 32052, Grand Cayman Ky1-1208, Cayman Island, British West Indies	US$1,000	Investment and share holding
TR ELECTRONIC CHEMICAL CO., LTD. (No longer in operation)	November 03, 2010	P.O. Box 2804, George Town, Grand Cayman, Cayman Island, British West Indies	US$21,500 thousand	Investment and share holding
TAIFER (CAMBODIA) CO., LTD. (Closed and in liquidation)	December 22, 2014	No.11 Street 3, Sangkat Teuk Loak 3,Khan Tuol Kork, Phnom Penh. Cambodia	US$255 thousand	Fertilizer sales

3. Information of the same shareholders presumed having a control or affiliating relationship: None
4. Industries generally covered by the business of the overall affiliates:

   Major industries covered: Manufacture, sales, import, and export of fertilizer of all kinds, chemical products, care products, health care products, as well as investment and building leasing and sales.

5. Information of the directors, supervisors and presidents of the affiliates

December 31, 2025
Unit: NTD thousand; share; %

Company	Title	Name or representative	No. of shared held	
			Shares (contribution)	Shareholding ratio
TAIWAN YES DEEP OCEAN WATER CO., LTD.	Chairman	TAIWAN FERTILIZER CO., LTD. Representative: Cheng, Kuo-Chung	28,479,450 shares	100.00
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Liu, Sheng-Hung		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Chen, Wei-Kai		
	Supervisor	TAIWAN FERTILIZER CO., LTD. Representative: Juan, Chiang-Han		
	General Manager	Liu, Kuo-Ying		
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	Director	TAIWAN YES DEEP OCEAN WATER CO., LTD. Representative: Liu, Kuo-Ying	1,414,989 shares	100.00
TAIFER CHEMICAL INTERNATIONAL LLC	General Manager	Liu, Kuo-Ying	US$1,333 thousand	100.00
PEIFENG TECHNOLOGY & FERTILIZER CO., LTD.	Chairman	TAIWAN FERTILIZER CO., LTD. Representative: Tseng, Chien-Shoy	240,000,000 shares	100.00
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Ho, Shang-Tang		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Huang, Tsung-Ping		
	Supervisor	TAIWAN FERTILIZER CO., LTD. Representative: Huang, Mei-Ling		
	General Manager	Tseng, Chien-Shoy		
TAIFER INVESTMENT CORPORATION	Chairman	TAIWAN FERTILIZER CO., LTD. Representative: Chung, Jun-Ming	20,739,050 shares	100.00
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Huang, Mei-Ling		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Chen, Wei-Kai		
	Supervisor	TAIWAN FERTILIZER CO., LTD. Representative: Juan, Chiang-Han		
	General Manager	Chung, Jun-Ming		
TAI YING SUSTAINABILITY CO., LTD.	Chairman	TAIWAN FERTILIZER CO., LTD. Representative: Liu, Kuo-Ying	10,000,000 shares	100.00
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Chen, Wei-Kai		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Pan, Lin-Tsang		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Lin, Ren-Yi		
	Director	TAIWAN FERTILIZER CO., LTD. Representative: Chen, Chien-Fu		
	Supervisor	TAIWAN FERTILIZER CO., LTD.		

<table>
<tr><th rowspan="2">Company</th><th rowspan="2">Title</th><th rowspan="2">Name or representative</th><th colspan="2">No. of shared held</th></tr>
<tr><th>Shares (contribution)</th><th>Shareholding ratio</th></tr>
<tr><td rowspan="2"></td><td></td><td>Representative: Juan, Chiang-Han</td><td rowspan="2"></td><td rowspan="2"></td></tr>
<tr><td>General Manager</td><td>Liu, Kuo-Ying</td></tr>
<tr><td>TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD.
(No longer in operation and undergoing dissolution and liquidation)</td><td>Director</td><td>TAIWAN FERTILIZER CO., LTD.
Representative: Liu, Kuo-Ying</td><td>1 shares</td><td>100.00</td></tr>
<tr><td rowspan="6">TR ELECTRONIC CHEMICAL CO., LTD.
(No longer in operation)</td><td>Chairman</td><td>TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD
Representative: Liu, Kuo-Ying</td><td rowspan="6">10,965,000 shares</td><td rowspan="6">51.00</td></tr>
<tr><td>Director</td><td>TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD
Representative: Wei Liu</td></tr>
<tr><td>Director</td><td>Jinqun International Corp.
Representative: Zhao, Jian-Liang</td></tr>
<tr><td>Director</td><td>TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD
Representative: Hsu, Shih-Chang</td></tr>
<tr><td>Supervisor</td><td>TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD
Representative: Jian, Zhao-Ren</td></tr>
<tr><td>General Manager</td><td>Zhao, Jian-Liang</td></tr>
<tr><td rowspan="4">TAIFER (CAMBODIA) CO., LTD.
(Closed and in liquidation)</td><td>Chairman</td><td>TAIWAN FERTILIZER CO., LTD.
Representative: Wang, Chun-Wen</td><td rowspan="4">US$255 thousand</td><td rowspan="4">100.00</td></tr>
<tr><td>Director</td><td>TAIWAN FERTILIZER CO., LTD.
Representative: Zhuang, Zhi-Ying</td></tr>
<tr><td>Director</td><td>TAIWAN FERTILIZER CO., LTD.
Representative: Wei Liu</td></tr>
<tr><td>General Manager</td><td>Wang, Chun-Wen</td></tr>
</table>

6. Operating status of affiliates

December 31, 2025
Unit: NT$ thousand

Company	Capital	Total property	Total liability	Net value	Operating revenue	Operating profit	Current pofit/loss	EPS (dollar)
TAIWAN YES DEEP OCEAN WATER CO., LTD.	284,795	208,911	14,188	194,722	53,936	3,263	5,253	0.18
TAIFER INTERNATIONAL (SAMOA) GROUP CO., LTD.	42,797	67,525	0	67,525	0	(1,184)	5,805	-
TAIFER CHEMICAL INTERNATIONAL LLC	45,630	68,146	1,406	66,740	7,814	3,664	7,281	-
PEIFENG TECHNOLOGY & FERTILIZER CO., LTD.	2,400,000	2,893,616	309,962	2,583,654	566,399	154,275	131,307	0.55
TAIFER INVESTMENT CORPORATION	207,391	207,080	207	206,874	0	(2,346)	(1,046)	(0.05)
TAI YING SUSTAINABILITY CO., LTD.	100,000	100,186	209	99,977	0	(209)	(23)	0
TAIFER (CAYMAN) INTERNATIONAL GROUP CO., LTD. (No longer in operation and undergoing dissolution and liquidation)	29	-	-	-	-	-	-	-
TR ELECTRONIC CHEMICAL CO., LTD. (No longer in operation)	680,475	-	-	-	-	-	-	-
TAIFER (CAMBODIA) CO., LTD. (Closed and in liquidation)	7,843	-	-	-	-	-	-	-

7. Endorsement/guarantee, loans to others, and derivative transactions by each affiliated company: None

(II) **Consolidated financial statements of affiliates:** For the year of 2025 (from January 1, 2025 to December 31, 2025), the companies to be included in the preparation of the affiliate consolidated financial statements pursuant to the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Reports and Consolidated Financial Statements of Affiliated Enterprises,” are the same as those included in the consolidated financial statements of the parent company and subsidiaries prepared in conformity under the International Accounting Standards (IAS) No. 10, which standards certified by the Financial Supervisory Commission. In addition, the information required to be disclosed in the consolidated financial statements is included in the aforesaid consolidated financial statements. Consequently, the Company and its subsidiaries do not prepare a separate set of consolidated financial statements.

(III) Relationship Report: None

II. Private placements of securities in the most recent year and as of the printing date of the annual report: None

III. Shares of the Company that are held or disposed by a subsidiary in the most recent year and as of the printing date of the annual report: None

IV. Other necessary descriptions: None

Seven. Any event which has a material impact on shareholders' equity or securities prices, as specified in Article 36, Paragraph 2, ubparagraph 2 of the Securities and Exchange Act: None