

Stock Code: 4763



Jinan Acetate Chemical Co., LTD.

2024 Annual Report

Notice to readers

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

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Contents

I. Letter to Shareholders.....	1
1.1 Business Result of 2024.....	1
1.2 Summary of Business Plan of 2025.....	2
1.3 Corporate Future Development Strategy.....	3
1.4 Influence of External Competitive Environment, Regulatory Environment and Overall Business Environment.....	4
 II. Corporate Governance Report.....	 6
2.1 Directors, Supervisors and Management Team.....	6
2.2 Implementation of Corporate Governance	23
2.3 Information Regarding the Company's Audit Fee and Independence.....	75
2.4 Replacement of CPA.....	75
2.5 The company's Chairman, President, and Officers in charge of Financial or Accounting Affairs has served in its Certified Public Accountant Firm or its Affiliated Enterprise in the Most Recent Year	76
2.6 Change in shares holding and shares pledged by directors, supervisors, managers and shareholders with 10% shareholdings or more in most recent year and as of the printed date of the annual report	76
2.7 Top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other	77
2.8 Number of shares held and shareholding percentage of the Company, the company's directors, supervisors, managers and directly or indirectly controlled entities on the same investee.....	78
 III. Capital Overview.....	 79
3.1 Capital and Shares.....	79
3.2 Status of shareholders	80
3.3 List of Major Shareholders.....	80
3.4 Dividend Policy and Implementation Status	81
3.5 The impact of stock dividend distributions contemplated for the current fiscal year on company operating performance and earnings per share share.....	82
3.6 Remuneration of employees, directors and supervisors.....	82
3.7 Buy-back of Treasury Stock.....	83
3.8 Bonds.....	84

3.9 Status of New shares issuance in Connection with Preferred stock, Global Depository Receipts(GDR), Employee stock warrants, Employee restricted stock awards, Mergers and Acquisitions	84
3.10 Implementation of fund utilization plan.....	84
IV. Operational Highlights	85
4.1 Business Activities.....	85
4.2 Market and Sales Overview	98
4.3 Human Resources.....	107
4.4 Environmental Protection Expenditure.....	107
4.5 Labor Relations.....	108
4.6 InfoComm Security Management.....	110
4.7 Important Contracts.....	111
V. Review of Financial Conditions, Operating Results, and Risk Management.	112
5.1 Analysis of Financial Status.....	112
5.2 Analysis of Operation Results.....	114
5.3 Analysis of Cash Flow.....	116
5.4 Major Capital Expenditure Items.....	116
5.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year.....	117
5.6 Analysis of Risk Management.....	118
5.7 Other important matters.....	125
VI. Special Disclosure.....	126
6.1 Summary of Affiliated Companies.....	126
6.2 Private Placement Securities in the Most Recent Years.....	129
6.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years.....	129
6.4 Other necessary supplementary explanations.....	129
6.5 In the most recent year and as of the publication date of the annual report, if there are any matters determined in Term 2, Item 2, Article 36 of the Securities Exchange Act that have significant impacts on shareholders' equity or securities prices	129
6.6 Description of Significant Differences on Regulations Pertaining to the Protection of Shareholders' Equity in the Republic of China.....	129

I. Letter to Shareholders

Dear Shareholders,

First, we would like to thank all of you for your support and encouragement for the past year. The Company's business result of 2024 is hereby reported as follows:

1.1 Business Result of 2024

(i) Result of Implementation of Business Plan

In 2024, the consolidated revenue of the Company was NT\$15,713,325 thousand, which is 42.52% more than NT\$11,025,642 thousand of last year. The consolidated net profit after tax was NT\$8,386,762 thousand, which is 60.58% more than NT\$5,222,835 thousand of last year. As the US and many European countries have started to ease down lockdown restrictions, duty-free shops affected by travel restrictions are expected to gradually recover, driving demand for tows. In addition, Tow is expected to continue to benefit from the trade war and changing geopolitical conditions. And more, due to the gradual unblocking of Europe and the United States, the terminal demand for frames will remain strong. Revenue growth this year, revenue from tow increased by 51.14% compared with last year, revenue from flakes decreased by 2.20% compared with last year and revenue from anhydride decreased by 91.05% compared with last year.

Therefore, demand for tows and flakes is strong. With the continuous increase in production capacity, the economic scale has been expanded, and upstream integration has been carried out. In addition to maintaining existing customers, it will continue to develop niche markets, seek strategic alliance targets, and increase exports. Overall, the Company remains cautiously optimistic about future operating growth.

(ii) Analysis of Financial Incomes and Expenses and Profitability

Items		Year 2023	Year 2024
Financial structure (%)	Debt Ratio	13.97	21.84
	Ratio of long-term capital to property, plant and equipment	605.06	523.43
Profitability	Return on asset (%)	60.17	50.86
	Return on equity (%)	74.74	62.77
	Pre-tax income to paid-in capital (%)	711.12	1,014.28
	Profit ratio (%)	47.37	53.37
	Earnings per share (NT\$)	62.52	84.36

1. The debt-to-asset ratio for 2024 increased compared to 2023, primarily due to the company's strong operational performance, with revenue and profit reaching new highs. In the first half of 2024, a cash dividend of NT\$2,233,506 thousand was distributed from earnings, resulting in a significant increase in other payables.

2. The ratio of long-term capital to property, plant, and equipment (PPE) decreased in 2024 compared to 2023, mainly due to the company's continued construction of new facilities and capacity expansion in response to internal group and market demand, which led to an increase in the net value of property, plant, and equipment.
3. The return on assets (ROA) for 2024 decreased compared to 2023, primarily because the company continued to expand its scale of operations in 2024. This led to a significant increase in the balances of assets such as cash and cash equivalents, financial assets measured at amortized cost – current, notes and accounts receivable, inventories, and property, plant, and equipment. As a result, the growth in average total assets outpaced the growth in net income after tax.
4. The return on equity (ROE) for 2024 decreased compared to 2023, primarily because the company maintained strong operational performance in 2024, with revenue and profit reaching new highs. However, the substantial increase in retained earnings led to a growth in average total equity that outpaced the growth in net income after tax.
5. All profitability indicators for 2024 — including the ratio of pre-tax income to paid-in capital, net profit margin, and earnings per share — increased compared to 2023. This was mainly due to continued strong demand for tow and acetate flake, the contribution from newly added capacity for tow and filament yarn (Senryu), and the maintenance of high selling prices, all of which drove revenue and profit to new highs.

(iii) Status of R&D

As for the R&D direction, the Group not only continues to develop and improve manufacturing process to strengthen its ability of production and manufacturing, but also designs different process conditions. In addition to applying its experience obtained from current products, the Group also develops relevant material parameters, equipment parameters and craftwork parameters. Continuously increasing investment in the research and development of green and environmentally friendly materials, results have been achieved in the development of biodegradable textile fibers, and efforts are underway to promote and evaluate the expansion of production. Focusing on the development of related products to replace traditional cigarettes, and continuously evaluating other upstream and downstream development opportunities.

1.2 Summary of Business Plan of 2025

(i) Guidelines for Management

1. Focus the niche market with growth potential in an emerging country, and make revenue grow stably.
2. Focus on development of the products with special specifications of cellulose diacetate tow, in addition to the products with general specifications, to satisfy the requirements of specifications required by customers in the world.
3. Strengthen on-the-job training for existing employees, enhance R&D ability, and cooperate with external resources, including institute of science and technology and relevant agencies, to positively research and develop the strategy of applying acetate fiber materials to products, in order to accumulate experience and develop new technology rapidly and ensure and enhance competitiveness in research and development.

4. Provide sound technical service, and customize diversified products with stable quality and a small quantity based on the need for products required by the customer.
5. Continuously communicating with customers to adjust prices, and increasing in production capacity to expand economies of scale.
6. To meet market demand, we continue to expand the production capacity of both upstream and downstream products, aiming to enhance our market share.

(ii) Important Production and Marketing Policies

1. Develop niche markets in Africa, Middle East, South America and Southeast Asia by participating international and famous trade shows, applying the experience obtained from transactions with emerging economies and countries, or through the services provided by the agent.
2. Possess the ability of manufacturing the products with general specifications, and also focus on development of the products with special specifications to satisfy the requirements of specifications required by customers in the world.
3. Formulate a long-term plan to apply acetate fibers to other applied products to expand the level of application of products.

1.3 Corporate Future Development Strategy

(i) Development of Products

1. The application scope of diacetate fiber products is expanding day by day, in addition to the original spinning grade vinegar sheet tow, which is mainly used for the production of smoke filters, the company will further expand to the clothing fabric market to produce acetate filament fabrics. At the same time, in addition to supplying plastic products such as glasses frames and hand machine tool handles, plastic-grade vinegar tablets will be expanded to mobile phone cases, environmentally friendly tableware and other diversified fields in the future to enhance product competitiveness and market share.
2. The company will also continue to increase investment in the research and development of green and environmentally friendly materials, and has achieved preliminary results in the patent research and development of biodegradable textile fibers, and is starting to promote and evaluate the expansion of production plans. At the same time, the company focuses on the development of related products to replace traditional cigarettes, and continues to evaluate upstream and downstream integration opportunities to expand its product line.
3. In addition to the aforementioned product applications, our company is proactively expanding its strategic layout in the field of AI technology applications, with a particular focus on high-end optical materials and supporting supply chains required for AI smart wearable devices. AI applications are poised to become a major investment theme in global capital markets over the next decade, and our development strategy aligns with this trend.

Through our invested company, Yiliang, we are actively deepening our collaboration with Italy's Mazzucchelli to enhance our high-end cellulose acetate optical material supply capabilities. This is especially targeted at supporting the material technology upgrades required for the

AI smart glasses jointly developed by Meta and Luxottica. The collaboration between Meta and Luxottica in the AI eyewear market represents a critical integration of vision AI, edge computing, and fashionable wearables — key areas of future technology — and their supply chain choices are expected to become a focal point of market attention.

Furthermore, our company is evaluating a deeper strategic partnership with Mazzucchelli. As a key European optical technology enterprise with a long-term technical partnership with Luxottica, Mazzucchelli can support us in strengthening our role within the AI smart glasses supply chain, thereby further enhancing our global visibility and value chain positioning.

Looking ahead, we will continue to invest in and integrate technologies in the AI application materials sector, building an internationally competitive platform for new AI optical materials. We are committed to embracing the AI era and generating long-term, stable returns for our shareholders.

(ii) Marketing Strategy

1. Benefiting from the geopolitical influence, competitors in Europe, the United States and Japan are gradually ceding part of the third world market, and the Company will strengthen its marketing layout in this market to explore emerging markets and expand its business territory.
2. The Company will continue to consolidate and maintain existing customer relationships, and actively explore potential customers by participating in international exhibitions to expand the emerging countries with growth potential. In addition, we will select high-quality customers with good relationship and long-term cooperation potential as strategic partners to establish a solid business alliance to promote common growth and market expansion.

(iii) Production Strategy

1. In order to meet the needs of new markets and new customers, the company will continue to expand the production capacity of tow and vinegar tablets, invest in corresponding R&D plans every year, in addition to developing new product specifications, and will also devote itself to the improvement of process technology, including production process improvement, efficiency optimization and improvement of automated production ratio, so as to reduce production costs and enhance overall competitiveness.
2. At the same time, the Company will further integrate the upstream supply chain and reduce unit production costs and improve production efficiency through the integration of upstream and downstream resources. Therefore, in addition to actively expanding production capacity, we will continue to optimize process technology and strengthen the synergies of the upstream, midstream and downstream industrial chains to enhance the company's overall operating efficiency.

1.4 Influence of External competitive environment, Regulatory environment and the overall business environment

The company has independent technological advantages in the field of acetate tow, cellulose acetate (vinegar tablets) and acetic anhydride, and is able to enter the markets of various countries and establish cooperative relations with local tobacco companies that are exclusive or monopolized. In

recent years, the company has actively expanded its export business, successfully entered the niche market, and expanded its product influence and market territory.

In terms of product development, in addition to maintaining the existing product specifications, the company also strengthened the research and development of special specifications to meet more diversified customer needs. At the same time, we will continue to promote the development of products that meet environmental protection standards, and strengthen production and quality control capabilities to enhance market competitiveness and market share. In addition, the company has effectively reduced unit production costs and further improved overall operating efficiency by optimizing manufacturing processes and integrating resources.

Finally, on behalf of all the directors, I would like to express my sincerest gratitude to all shareholders, women, gentlemen and all employees for their contributions and efforts to the long-term development of the company. Thank you for your encouragement and support, so that the company can continue to grow and thrive towards a more stable future.

We wish you good health and all the best.

Sincerely yours,

Chairman: Wang, Ko-Chang

Chief Executive Officer: Wang, Ko-Chang

Chief Financial Officer: Chen, Chieh-Jui

II. Corporate Governance Report
2.1 Directors, Supervisors and Management Team
2.1.1 Directors and Supervisors
(i) Directors

March 24, 2025

Title	Nationality/ Country of Origin	Name	Gender age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Relation	
Chairman	Samoa	Bright Pearl Enterprises Ltd.					21,171,845	29.68	28,232,486	28.54	-	-	-	-	Bright Pearl Enterprises Ltd.-Director Fei yue Engineering Ltd.-Director				
	R.O.C.	Representative: Wang, Ko-Chang	M 61-70	May. 31, 2023	3	Sep. 25, 2014	100,000	0.14	12,009	0.01	-	-	-	-	Jinan Julong Fiber Co., Ltd.- Assistant Vice President Jinan Juda Fiber Ltd.- General Manager Taiwan Business Association of Jinan City- President National Association of Taiwan Enterprises- Vice president	Jinan Hezhen Industry & Trade Co., Ltd.-President Jinan Acetate Chemical Co., Ltd. -President Acetek Material Ltd.- President Acetek Momentum Co., Ltd. -President Acetate (Shandong) Environmental Fiber Co., Ltd. -President			Note 1
Director	Hong Kong	Amacron Trading Ltd.,					-	-	-	-	-	-	-	-	Formosan Rubber Group Inc.-President Frg Development Inc.,- President				
	R.O.C.	Representative: Hsu, Cheng-Tsai	M 61-70	May. 31, 2023	3	Dec. 4, 2014	3,843,515	5.39	2,916,333	2.95	-	-	-	-	University of San Francisco SinoPac Financial Holding Co., Ltd.-Director	Formosan Construction Co., - President Rui-Fu International Co., Ltd.- President Chen His Investment Co., Ltd. - Supervisor Jinan Acetate Chemical Co., Ltd.-Director			
Director	Brazil	Macrifer Trading Sociedad					-	-	-	-	-	-	-	-	Casa I Assessoria Empresarial Ltda.- Managing Director				
	Uruguay	Representative: Ericson Fensterseifer	M 61-70	May. 31, 2023	3	Dec. 4, 2014	10,359,449	14.52	11,651,040	11.78	-	-	-	-	Brasfumo Ind. Brasileira de Fumos S.A.- Commercial Director Brasfumo Ind. Brasileira de Fumos S.A.- Sales Manager Dimond Italy S.R.L.-Factory Manager Mattes & Fensterseifer-General	Head of Leaf Tobacco and Commercial Departments of Brasfumo Ind. Brasileira de fumos			

(ii) Supervisors: Not applicable, as the Company has established an Audit Committee.

(iii) Major shareholders of the institutional shareholders

March. 24, 2025

Name of Institutional Shareholders	Major Shareholders
Bright Pearl Enterprises Ltd.	Wang, Ko-Chang (100%)
AMACRON TRADING LIMITED	Amacron International(B.V.I) Limited (100%)
MACRIFER TRADING SOCIEDAD ANONIMA	Juan Antonio Bruno Perroni (100%)

(iv) Major shareholders of the Company's major institutional shareholders

March. 24, 2025

Name of Institutional Shareholders	Major Shareholders
Amacron International(B.V.I) Limited	Hsu Cheng-Tsai(60%)
	Hsu Yu-Ting(40%)

(v) Professional qualifications and independence analysis of directors and supervisors

Criteria Name	Meet One of the Following Professional Qualification Requirements, Together with at Least Five Years Work Experience			Independence Criteria(Note)												Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	An Instructor or Higher Position in a Department of Commerce, Law, Finance, Accounting, or Other Academic Department Related to the Business Needs of the Company in a Public or Private Junior College, College or University	A Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Other Professional or Technical Specialist Who has Passed a National Examination and been Awarded a Certificate in a Profession Necessary for the Business of the Company	Have Work Experience in the Areas of Commerce, Law, Finance, or Accounting, or Otherwise Necessary for the Business of the Company	1	2	3	4	5	6	7	8	9	10	11	12	
Wang, Ko-Chang (Representative of Bright Pearl Enterprises Ltd.)	-	-	V	-	-	V	V	-	V	-	V	V	V	V	-	-
HSU Cheng-Tsai (Representative of Amaron Trading Ltd.,)	-	-	V	V	-	V	V	-	V	-	V	V	V	V	-	-
Ericson Fensterseifer (Representative of MACRIFER TRADING SOCIEDAD ANONIMA)	-	-	V	V	-	V	V	V	V	V	V	V	V	V	-	-
Meng, Ching-Li	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	1
Lin, Tzer-Jong	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	-
Lin, Wen-Cheng	-	V	V	V	V	V	V	V	V	V	V	V	V	V	V	-
Yu, Ching-Hsien	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	-
Lee, Kuang-Chi	-	-	V	V	V	V	V	V	V	V	V	V	V	V	V	V

Note1: Please tick the corresponding boxes that apply to the directors or supervisors during the two years prior to being elected or during the term of office.

Note2:The independence directors in the two years prior to appointment and during the term of office (those who meet the criteria are disclosed in the table above).

1. Not an employee of the Company or any of its affiliates.
2. Not a director or supervisor of the Company or any of its affiliates. (However, this does not apply, in cases where the person is also an Independent Director of the company or its parent company, subsidiary or the subsidiaries of the same parent company are set up according to this Act or local country ordinances).
3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of issued shares of the Company or ranking as one of the top-10 shareholders.
4. Not a spouse, relative within the second-degree of kinship, or lineal relative within the third degree of kinship, of any of the persons specified in the preceding three notes.
5. Not a director, supervisor, or employee of a corporate shareholder that directly holds 5 percent or more of the total number of issued shares of the Company or that ranks among the top-5 in shareholding or the representatives served as directors or supervisors appointed in accordance with Article 27, Paragraph 1 or 2 of the Company Act. (It does not apply in cases where the person is also an Independent Director of the company or its parent company, subsidiary or the subsidiaries of the same parent company are set up according to this Act or local country ordinances).
6. Not a director, supervisor or employees of other companies controlled by the same person had shares over half of the company's director seats or voting rights. (It does not apply in cases where the person is also an Independent Director of the company or its parent company, subsidiary or the subsidiaries of the same parent company are set up according to this Act or local country ordinances).
7. Not a director, supervisor or employees of other companies or institutions whom or his/her spouse is also the chairman, general manager or employee of equivalent position in the company. (It does not apply in cases where the person is also an Independent Director of the company or its parent company, subsidiary or the subsidiaries of the same parent company are set up according to this Act or local country ordinances).
8. Not a director, supervisor, officer, or shareholder holding 5% or more of the shares of a specified company or institution that has financial or business relations with the Company. (This does not apply, in the cases where a specific company or institution held more than 20% of the total issued shares of the company, but less than 50%, and also served as an Independent Director of the company or its parent company, subsidiary or the subsidiaries of the same parent company are set up according to this Act or local country ordinances).
9. Not a professional individual, sole proprietor, partner, owner of a company or institution, director, supervisor, manager or a spouse thereof of a sole

proprietorship, partnership, company, or institution providing auditing or services including commercial, legal, financial, accounting or consultation services to the Company or its related companies with cumulative remuneration less than NT\$500,000 in the past two years. However, this does not apply, in cases where members of the Remuneration Committee, the Review Committee for Public Tender Offer or the Special Committee for Mergers and Acquisitions who performed their functions in accordance with the relevant laws of the Securities and Exchange Act or the Business Mergers and Acquisitions Act.

10. Not a spouse or a relative within the second degree of kinship to any other director of the Company.
11. Not having any of the conditions defined in Article 30 of the Company Law.
12. Not a governmental or judicial person, or a representative of such institutions as defined in Article 27 of the Company Law.

(vi) The diversity and independence of the Board directors

a) Diversity within the members of the Board of Directors:

The composition of the Board of Directors of Tur Company is considered from multiple aspects based on the "Corporate Governance Best Practice Principles" and the "Rules for Election of Directors" to ensure diversity. There are a total of 7 directors in The Company, including 4 independent directors. Among the directors, 7 are Taiwanese nationals and 1 is a Brazilian national. The professional backgrounds of the directors cover management, science and engineering, and financial analysis, and they possess knowledge of the chemical industry and downstream cigarette manufacturers, as well as operational judgment, international market awareness, leadership skills, and decision-making ability required by The Company. They provide professional advice from different perspectives, which can improve the company's operating performance and management efficiency. The Company attaches importance to the independence of the Board of Directors. The goal of the diversified management policy is to ensure that the number of directors who also serve as company managers does not exceed one-third of the total number of directors.

Core Items Name	Nationality	Gender	Employee	Age			Independent Director Tenure			Operational judgement skills	Accounting and financial analysis skills	Operational management skills	Crisis management skills.	Industry knowledge	Global market view	Leadership skills	Decision making skills
				51-60	61-70	71-80	0-3 years	4-6 years	10-12 years								
Wang, Ko-Chang	ROC	M	V		V					V		V	V	V	V	V	V
HSU Cheng-Tsai	ROC	M			V					V		V	V		V	V	V
Ericson Fensterseifer	Brazil	M			V					V		V	V	V	V	V	V
Meng, Ching-Li	ROC	M			V					V	V	V	V			V	V
Lin, Tzer-Jong	ROC	M			V				V	V		V	V	V		V	V
Lin, Wen-Cheng	ROC	M		V					V	V	V	V	V	V	V	V	V
Yu, Ching-Hsien	ROC	M			V			V		V		V	V	V			V
Lee, Kuang-Chi	ROC	M				V	V			V		V	V				V

b) Independence within the members of the Board of Directors:

The Company has a total of 8 directors, including 4 independent directors, accounting for 50% of the Board. None of the independent directors fall under the circumstances specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. Additionally, there are no spousal or second-degree kinship relationships among any of the Company's directors.

2.1.2 Management Team

March 24, 2025, unit: per share: %

Title	Nationality / Country of Origin	Name	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
				Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Wang, Ko-Chang	Dec. 4, 2014	12,009	0.01	-	-	-	-	Fiber Tech., National Taiwan University of Science and Technology Acelon Chemicals & Fiber Co.- Assistant Vice President Jinan Juda Fiber Ltd.- General Manager Jinan Acetate Chemical Co., LTD.- Chairman Taiwan Business Association of Jinan City- President National Association of Taiwan Enterprises- Vice president	Bright Pearl Enterprises Ltd.- Director Fei yue Engineering Ltd.- Director Jinan Hezhen Industry & Trade Co., Ltd.-President Acetek Material Ltd.-President Acetek Momentun Co., Ltd. - President Acetate (Shandong) Environmental Fiber Co., Ltd. - President				Note
CFO	R.O.C.	Chen, Chieh-Jui	Aug.05, 2020	-	-			-	-	Department of Accounting, National Chengchi University Deloitte CPA Firm- Audit Department Manager	-				
Senior Manager	R.O.C.	Wu, Wen-Pin	March.1, 2023	21,000	0.02	17,000	0.02	-	-	Chinese Culture University- Master's degree Reliance Securities Co., Ltd.- Vice President Tachan Securities Co., Ltd.- Vice President First Securities Co., Ltd.- Vice President	-	-	-	-	-

Vice President	China	Liang, Ji-qiang	Jan. 4, 2019	-	-	-	-	-	-	-	-	-	-	-	-
Department of chemical engineering and technology, college of chemical engineering and materials, heilongjiang university															
Coating process engineer of foxcomm technology co., LTD. (yantai industrial park)															
Chemical design engineer of Beijing landmarkdesign co., LTD. Acetek Material Ltd.- deputy Factory Manager															
Chemical Engineering and Technology, Liaocheng University															
Jinan Juda Fiber Co., Ltd.- deputy Factory Manager															
Factory Chief & Human Resource Supervisor	China	Liu, Zhen	Dec. 01, 2007	-	-	-	-	-	-	-	-	-	-	-	-

Note : If the Chairman and the highest level executive officer (i.e., General Manager) are the same person, spouses, or first-degree relatives, the reasons, rationale, necessity, and corresponding measures should be explained:

In Tur Company, the Chairman also serves as the General Manager in order to enhance operational efficiency and decision-making capabilities, and to have a better understanding of the company's operations. This allows the Board of Directors to have a better grasp of the company's operations. Currently, Tur Company has taken the following specific measures:

- (1) Every year, each director is arranged to attend professional director courses offered by external organizations to enhance the efficiency of the Board of Directors.
- (2) Independent directors are able to fully discuss and propose recommendations in all functional committees for the reference of the Board of Directors, in order to implement corporate governance.
- (3) More than half of the members of the Board of Directors do not concurrently serve as employees or managers.
- (4) When the directors (including independent directors) are fully re-elected on May 31, 2023, the number of independent directors will be increased to four.

2.1.3 Remuneration of Directors, Supervisors, President, and Vice President

(i) Remuneration of Directors

Unit: NTS thousands

Title	Name	Remuneration						Ratio of Total Remuneration (A+B+C+D) to 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 to Directors from an Invested Company Other than the Company's Subsidiary
		Base Compensation (A)		Pension (B)	Bonus to Directors (C)	Allowances (D)											
		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	Stock	Cash	Stock		
Chairman	Wang, Ko-Chang	-	-	-	800	3	3	803&0.01	75,842	78,262	-	-	35,000	-	111,645&1.34	114,065&1.37	-
Director	Hsu, Cheng-Tsai	-	-	-	400	3	3	403&0.00	-	-	-	-	-	-	403&0.00	403&0.00	-
Director	Ericson Fensterseifer	-	-	-	400	-	-	400&0.00	-	-	-	-	-	-	400&0.00	400&0.00	-
Director	Meng, Ching-Li	-	-	-	400	21	21	421&0.01	-	-	-	-	-	-	421&0.01	421&0.01	-
Independent Director	Lin, Tzer-Jong	660	660	-	-	21	21	681&0.01	-	-	-	-	-	-	681&0.01	681&0.01	-
Independent Director	Lin, Wen-Cheng	660	660	-	-	15	15	675&0.01	-	-	-	-	-	-	675&0.01	675&0.01	-
Independent Director	Yu, Ching-Hsien	660	660	-	-	21	21	681&0.01	-	-	-	-	-	-	681&0.01	681&0.01	-
Independent Director	Lee-Kuang-Chi	660	660	-	-	21	21	681&0.01	-	-	-	-	-	-	681&0.01	681&0.01	-

1. Please state the independent director remuneration policy, system, standards, and structure, and describe the correlation between the remuneration amount and factors such as the responsibilities, risks, and time commitment they undertake: According to Article 38 of Tur Company's bylaws, director remuneration may be determined by the board of directors with reference to the recommendations of the Compensation Committee and other general industry standards.

2. In addition to the disclosures provided in the table above, the remuneration received by company directors for providing services (such as serving as a consultant for non-employee affiliates of the parent company/ all companies in financial reports/ investing entities) during the most recent fiscal year was: None.

(ii) The Company has established the Audit Committee, therefore there are no Supervisors.
(iii) Remuneration of the President and Vice President

Unit: NT\$ thousands

Job title	Name	Salary (A)		Pension (B)		Bonuses and special allowances, etc.		Employee remuneration (D)				Total of A, B, C and D as a percentage (%) of Net Income		Receiving the remuneration from the investees other than subsidiaries or 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				
								Cash dividend	Amount of stock	Cash dividend	Amount of stock			
Chairman	Wang, Ko-Chang	2,040	3,569	-	-	73,802	74,693	35,000	-	35,000	-	110,842 & 1.33	113,262&1.36	-
President (Jinan Acetate Chemical Co., Ltd.)	Meng, Ching-Li	-	1,284	-	-	446	2,673	31,000	-	31,000	-	31,446 & 0.38	34,957&0.42	-
Vice President	Zhu, Chang-Chao	-	842	-	19	-	134	-	-	-	-	-	995&0.01	-
Vice President	Zhang, Ai-Feng	-	1,112	-	19	-	223	-	-	-	-	-	1,354&0.02	-
Vice President	Liang, Ji-Qiang	-	796	-	19	-	223	-	-	-	-	-	1,038&0.01	-
Vice President	Zhao, Jin-Po	-	595	-	19	-	67	-	-	-	-	-	681&0.01	-
CFO	Chen, Chieh-lui	1,800	1,800	87	87	6,831	6,831	4,500	-	4,500	-	13,218 & 0.16	13,218&0.16	-

(iv) The remuneration of the top five highest-paid executives in listed and over-the-counter (OTC) companies.

Unit: NT\$ thousands

Job title	Name	Salary (A)		Pension (B)		Bonuses and special allowances, etc.		Employee remuneration (D)				Total of A, B, C and D as a percentage (%) of Net Income		Receiving the remuneration from the investees other than subsidiaries or 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				
								Cash dividend	Amount of stock	Cash dividend	Amount of stock			
Chairman	Wang, Ko-Chang	2,040	3,569	-	-	73,802	74,693	35,000	-	35,000	-	110,842 & 1.33	113,262&1.36	-
President (Jinan Acetate Chemical Co., Ltd.)	Meng, Ching-Li	-	1,284	-	-	446	2,673	31,000	-	31,000	-	31,446 &0.38	34,957&0.42	-
CFO	Chen, Chieh-Jui	1,800	1,800	87	87	6,831	6,831	4,500	-	4,500	-	13,218 &0.16	13,218&0.16	-
Senior Manager	Wu, Wen-Pin	1,088	1,088	52	52	6,521	6,521	3,500	-	3,500	-	11,161 &0.13	11,161&0.13	-
Vice President	Zhang, Ai-Feng	-	1,112	-	19	-	223	-	-	-	-	-	1.354&0.02	-

(v) The names of the managers responsible for distributing employee remuneration and the distribution situation.

Unit: NT\$ thousands

Manager	Title	Name	Employee Bonus- in Stock (Fair Market Value)		Employee Bonus - in Cash		Total	Ratio of Total Amount to Net Income (%)	
	Chairman	Wang, Ko-Chang	-		74,000		74,000	0.89	
	President (Jinan Acetate Chemical Co., Ltd.)	Meng, Ching-Li							
	CFO	Chen, Chieh-Jui							
	Senior Manager	Wu, Wen-Pin							

2.1.4 Comparison of Remuneration for Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, Presidents and Vice Presidents

- (i) The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, presidents and vice presidents of the Company, to the net income.

Title	2023		2024	
	This company	All subsidiaries in the financial report	This company	All subsidiaries in the financial report
Director	1.79%	1.98%	1.93%	2.09%
President and Vice President				

- (ii) The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance.

The Company has established a Compensation Committee, which is composed of all independent directors. The compensation policy for directors and executives is determined by the Compensation Committee, taking into account the roles they hold, their contributions to the operations, and industry benchmarks. The Committee is responsible for regularly reviewing the performance evaluation and compensation policies, systems, standards, and structures for directors and executives. It also regularly assesses and determines the compensation for directors and executives.

The Company's compensation policy considers the annual operational performance, financial condition, and future capital requirements of the Company. The evaluation of future risks is also included in the consideration to minimize the possibility of risk occurrences.

2.1.5 Remuneration principles for directors and managers, calculation methods and linkage with performance evaluation

- (i) The principle of remuneration payment of directors and managers, the calculation method and the link with performance evaluation

Principles and calculation methods of remuneration for directors and managers

The Company has set up a Remuneration Committee, which is composed of all independent directors and is responsible for formulating and reviewing the remuneration policies of directors and managers to ensure that the remuneration

system is in line with the Company's operating objectives and shareholders' interests.

(A) Principle of remuneration payment:

- According to the resolution of the Remuneration Committee authorized by the Board of Directors, the remuneration policy of Directors and Managers comprehensively considers the following factors:
 - Market salary level: refer to the salary level of domestic and foreign benchmark enterprises in the same industry to ensure that the salary is competitive in the market.
 - Duties and Responsibilities: The ratio of salary and performance bonus shall be adjusted according to the responsibilities, influence and decision-making weight of the positions held by directors and managers.
 - Individual performance and the company's operating results: Evaluate individual performance with clear quantitative indicators, and combine it with the company's financial and non-financial indicators to reasonably distribute compensation.
 - Long-term incentives: Design long-term performance incentive plans (such as stock options, restricted stocks, long-term performance bonuses, etc.) to ensure that the interests of directors and managers are consistent with the long-term development of the company.

(B) Calculation method of remuneration:

- Fixed salary: The basic salary is determined according to the market salary level, job responsibilities and performance evaluation results.
- Variable Compensation (Performance Bonus):
 - According to the company's current year's operating income growth rate, gross profit margin, operating profit margin, net profit margin, return on equity (ROE) and other financial indicators, the change remuneration ratio is determined.
 - The proportion of performance bonuses is determined according to the results of individual performance appraisal (considering business decision-making, operation management, innovation and R&D, market expansion, sustainable development, etc.).
 - Employee remuneration: According to the articles of association of the Company, if the Company has "profits" in the year, it shall allocate no less than 1% as employee remuneration and pay it after the shareholders' meeting.

(ii) Performance evaluation mechanism for directors and managers and the link with remuneration

(A) Performance Appraisal Mechanism The Company has established a performance evaluation system for directors and managers, which is evaluated annually by the Remuneration Committee based on the following quantitative and qualitative indicators:

Assessment Category	Key indicators	Weight (%)
Financial performance	Operating income growth rate, gross profit margin, ROE, EPS	40%
Business management	Execution of operational strategies, efficiency of capital allocation, and internal control management	20%
Technology & R&D	Product innovation, patent layout, technological breakthroughs	15%
Market competitiveness	Customer development, market expansion, brand value enhancement	15%
Sustainable development	ESG Indicators (Carbon Reduction Performance, Green Supply Chain, Employee Development)	10%

(B). Links to gratuities

- Fixed salary: set according to the market level and job responsibilities, and adjusted annually according to the results of performance evaluation.
- Variable remuneration (performance bonus): linked to financial performance, technological innovation, market expansion and other indicators, the proportion of bonuses for those with excellent performance will be increased, otherwise it will be lowered or not paid.
- Long-term incentives: For key performance personnel who are in line with the company's development direction, stock options, restricted stocks, and long-term performance bonuses are provided to ensure the stability of core talents.

(iii) The relationship between employee salary, benefits and business performance

The company approves the salary of employees based on their academic experience, professional knowledge, senior experience and personal performance, and provides a sound salary and welfare system to ensure the competitiveness of human capital:

(A) Compensation and performance linkage

- Employee salaries and bonuses are paid as follows:
 - Year-end bonus: Issued according to the company's annual operating profit, employees are encouraged to continue to contribute.
 - Performance bonuses: Awarded based on the results of the individual's annual appraisal, the assessment indicators include work performance, innovation contribution, teamwork, ESG performance, etc.

- Employee dividends: According to the company's operating results, no less than 1% of the annual profit will be allocated as employee remuneration.

(B) Welfare measures

- Salary, allowance and subsidy: performance bonus, year-end bonus, holiday gifts (Labor Day, Mid-Autumn Festival, Dragon Boat Festival), employee travel, etc.
- Leave system: Flexible leave is provided in accordance with the Labor Standards Act, the Labor Leave Rules, and the Gender Equality in Work Act.

(C) Gender and diversity equality

- As of the end of 2023, 39.27% of the Company's employees are women, and 13.33% of the management positions are female executives, continuously improving gender equality and talent diversity.

(iv) Strengthen the disclosure content of the annual report

In order to comply with the regulations of the competent authority, the Company will add the following contents to the annual report:

(A) Principles and calculation methods of remuneration for directors and managers (including fixed remuneration and variable remuneration mechanism) in the articles of association

(B) The performance evaluation mechanism and standards of directors and managers by the Remuneration Committee (not only "individual performance/performance/contribution", but specific evaluation indicators shall be listed).

(C) The specific link between the salary, performance bonus and long-term incentive mechanism of directors and managers and the performance evaluation

(D) How business performance is reflected in employee compensation, including year-end bonuses, performance bonuses, employee dividends, etc

(v) Conclusions and appeals

The Company has established a sound remuneration management system, and the remuneration committee decides the remuneration of directors and managers based on market level, responsibilities and contributions, and performance evaluation results, which are fully linked to business performance. In addition, the Company has allocated no less than 1% of the profit as employee remuneration in accordance with the Articles of Association to ensure that the operating results are returned to employees. The content of this annual report will strengthen the disclosure of specific evaluation indicators and salary policies to meet the requirements of the competent authorities and demonstrate information transparency and corporate governance commitment.

2.2 Implementation of Corporate Governance

2.2.1 Board of Directors

A total of 9(A) meetings of the board of directors were held in 2024 and as of the date of this annual report. The attendance of director and supervisor were as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【B/A】	Remarks
Chairman	Wang, Ko-Chang	9	-	100	Re-elected on May 31, 2023.
Director	HSU, Cheng-Tsai	8	1	88.89	Re-elected on May 31, 2023.
Director	Meng, Ching Li	9	-	100	Re-elected on May 31, 2023.
Director	Ericson Fensterseifer	8	1	88.89	Re-elected on May 31, 2023.
Independent director	Lin, Tzer-Jong	9	-	100	Re-elected on May 31, 2023.
Independent director	Lin, Wen-Cheng	9	-	100	Re-elected on May 31, 2023.
Independent director	Yu, Ching-Hsien	9	-	100	Re-elected on May 31, 2023.
Independent director	Lee, Kuang-Chi	9	-	100	Appointed on May 31, 2023.

Other mentionable items:

- The Board Meeting's date, session, proposal contents, all Independent Directors' opinions and the Company's actions in response to the opinions if any of the following occurred:
 - Matters specified in Article 14-3 of Taiwan's Securities and Exchange Act: The Company established Audit Committee on July 1, 2016. The provisions of Article 14-3 of the Securities Exchange Act are not applicable. For an explanation of the matters listed in Article 14-5 of the Securities Exchange Act, please refer to Operation of the Audit Committee section.
 - Other matters apart from the aforementioned where an independent director has a dissenting opinion or qualified opinion: None.
- If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Date	Terms	Communication Content	Reasons for avoidance of conflict of interests and status of decisions
20240312	The 8 th meeting of the 5 th term.	2023 Annual Employee Compensation and Director Compensation Disbursement Amounts	Pursuant to avoid conflict of interest, General manager Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the proposal was approved without objection.
20240530	The 11 th meeting of the 5 th term.	2023 Annual Managerial Staff Remuneration and Director's Compensation Allocation Proposal	Pursuant to avoid conflict of interest, General manager Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the proposal was approved without objection..
20240823	The 12 th meeting of the 5 th term.	Intending to transfer treasury stocks to employees of the company.	Pursuant to avoid conflict of interest, General manager Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the

	term. term.		proposal was approved without objection.
20241113	The 13 th meeting of the 5 th term.	Case Regarding the Company's Property Lease with Mr. Wang, Ko-Chang, a Related Party	Pursuant to avoid conflict of interest, Chairman Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the proposal was approved without objection.
20241226	The 14 th meeting of the 5 th term.	Proposal to Approve the Compensation Committee's Review of the Year-End Bonus Distribution for Managers for the Fiscal Year 2024	Pursuant to avoid conflict of interest, General manager Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the proposal was approved without objection.
20250305	The 15 th meeting of the 5 th term.	2024 Annual Employee Compensation and Director Compensation Disbursement Amounts	Pursuant to avoid conflict of interest, General manager Wang, Ko-Chang had abstained. After the opinion of other directors in attendance were inquired by chairman, the proposal was approved without objection.

3. The listed company shall disclose the evaluation cycle and period, evaluation scope, method and evaluation content of the self (or peer) evaluation by the board of directors, and fill in the attached Table 2 (2) Board evaluation implementation status:

The implementation of the evaluation by the board of directors:

(1) Evaluation cycle: once a year.

(2) Evaluation period: January 1, 2024 to December 31, 2024.

(3) Scope of assessment: individual director members and the entire board of directors
Functional Committee.

(4) Evaluation method: performance evaluation is carried out by directors' self-evaluation and internal self-evaluation of the board of directors.

(5) Assessment content:

1. Performance evaluation of individual directors: The letter includes the following six aspects: (1) Mastery of the company's goals and tasks. (2) Awareness of directors' responsibilities. (3) The degree of participation in the operation of the company. (4) Internal relationship management and communication. (5) Professional and continuing education of directors. (6) Internal control.

2. Performance evaluation of the board of directors: The letter includes the following five aspects: (1) The degree of participation in the company's operations. (2) Improve the decision-making quality of the board

of directors. (3) Composition and structure of the board of directors. (4) Election and appointment of directors and continuing education. (5) Internal control.

3. Performance evaluation of Functional Committee.: The letter includes the following five aspects: (1) The degree of participation in the company's operations. (2) Improve the decision-making quality of the board of directors. (3) Composition and structure of the board of directors. (4) Election and appointment of directors and continuing education. (5) Internal control.

4. Collect the relevant information of the board of directors at the end of each year, collect the questionnaires, and use the scores for the evaluation indicators as a reference for future remuneration and nomination of individual directors.

5. The company completed the performance evaluation of individual director members and the overall board

of directors in March 2025 and reported to the board of directors in 2024. After evaluating the performance of individual directors, the overall board of directors and the functional committees in 2024

the overall operation results were "good" or "excellent".

4. Measures taken to strengthen the functionality of the board: The Board of Directors has established an Audit Committee and a Remuneration Committee to assist the board in carrying out its various duties.
- i. The Company has established rules of Procedures for directors' meetings and election of directors. The operation of the Board of Directors is in accordance with that rules and current enactments.
 - ii. The company has established an Audit Committee and Remuneration Committee to assist the company governance.
 - iii. The Company has a spokesperson and a deputy spokesperson, and has a specific person responsible for public information disclosure and other related matters.

2.2.2 Audit Committee (or Attendance of Supervisors at Board Meetings)

The Audit Committee of the Company consists of four independent directors, who assist the Board of Directors in supervising the quality and integrity of the company's accounting, auditing, financial reporting processes, and financial controls. The matters reviewed by the committee include reviewing financial reports, deliberating on internal control systems and related policies and procedures, evaluating the effectiveness of internal control systems, significant asset transactions, bank financing cases, appointment of auditors and their independence assessment, and compensation, among others.

Total of 9(A) meetings of audit committee were held in 2024 and as of the date of this annual report. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent director	Lin, Tzer-Jong	9	-	100%	Re-elected on May 31, 2023.
Independent director	Lin, Wen- Cheng	9	-	100%	Re-elected on May 31, 2023.
Independent director	Yu, Ching- Hsien	9	-	100%	Re-elected on May 31, 2023.
Independent director	Lee, Kuang- Chi	9	-	100%	Appointed on May 31, 2023.

Other mentionable items:

1. Summary of Annual Key Tasks

- (1) Regular communication with the company's auditor regarding the results of the review or audit of the quarterly financial statements.
- (2) Review of financial reports.
- (3) Review of the annual audit plan proposed by the internal audit unit.
- (4) Assessment of the effectiveness of the company's internal control system.
- (5) Evaluation of the suitability of the head of internal audit.
- (6) Review of the revision of the company's articles of incorporation and internal control system.
- (7) Compliance with laws and regulations.

2. Please refer to the other items required to be disclosed under Article 14-5 of the Securities and Exchange Act for the operational status.

- (1) The matters listed in Article 14-5 of the Securities and Exchange Act and other matters that have not

been approved by the audit committee but have been resolved by more than two-thirds of all directors, if the operation of the audit committee falls under any of the following circumstances, it shall be reported. Indicate the meeting date of the Audit Committee, the period, the content of the proposals, the independent directors' objections, reservations or major recommendations, the results of the Audit Committee's resolutions, and the company's handling of the Audit Committee's opinions:

Date	Terms	Communication Content	Opinions of all Committees	Response to the Committees' opinion
20240312	The 6 th meeting of the 4 th term.	1. Proposal for the 2023 Annual Operating Report, 2023 Annual Consolidated Financial Report of the Company and Subsidiaries 2. Company's "Internal Control System Statement" 3. Proposal to Approve the Evaluation of the Auditor and Appointment Compensation	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240403	The 7 th meeting of the 4 th term.	1. Proposal for the Distribution of Profits for the Fiscal Year 2023 2. Proposal for Capital Increase through Profit Retention and Issuance of New Shares 3. Amendment to the "Articles of Association" Proposal 4. Proposal to Provide Endorsement Guarantees for Subsidiaries and Affiliated Companies in China 5. Arrangements for the Company's 2024 Annual General Meeting	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240510	The 8 th meeting of the 4 th term.	1. Consolidated Financial Report for the First Quarter of 2024 for the Company and Subsidiaries 2. Proposal to Provide Guarantees for Subsidiaries and Affiliated Companies in China 3. Application for Credit Facility from Banks by the Company 4. Matters related to the proposed investment in the establishment of Acetek Co., Pte Ltd (Jinan Acetate Chemical Co., Ltd. in Singapore).	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240530	The 9 th meeting of the 4 th term.	1. Proposed disposal of equity interest in Eleung Limited, the Group's reinvestment company. 2. Proposal Regarding Investment and Establishment of a Mainland China Company	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240823	The 10 th meeting of the 4 th term.	1. Proposal for the Consolidated Financial Report for the Second Quarter of 2024 for the Company and Subsidiaries 2. Proposal to Transfer Treasury Shares to Employees of the Company. 3. Proposal to Cancel Treasury Shares.	The entire audit committee agreed to pass	Approved by the board of directors with no objection.

		4. Proposal for the Distribution of Profits for the First Half of 2024 5. Proposal to Provide Guarantees for Subsidiaries and Affiliated Companies in China		
20241113	The 11 th meeting of the 4 th term.	1. Proposal for the Consolidated Financial Report for the Third Quarter of 2024 for the Company and Subsidiaries 2. Application for Credit Facility from Banks by the Company 3. Formulation of the "Operational Regulations for Sustainable Information Management"	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20241226	The 12 th meeting of the 4 th term.	1. Proposal for the 2025 Operational Plan and Budget 2. Proposal for the 2025 Audit Plan 3. Evaluation of the Suitability and Independence of the Auditor and Appointment Proposal 4. Proposal for the Company's Application for Credit Facility from Banks 5. Proposal to Provide Guarantees for Subsidiary Jinan Acetate Chemical Co., Ltd. (China) 6. Due to a job reassignment, there has been a change in the company's audit supervisor . 7. Due to a job reassignment, there has been a change in the company's acting spokesperson.	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240305	The 13 th meeting of the 4 th term.	1. Proposal for the 2022 Annual Operating Report, 2022 Annual Consolidated Financial Report of the Company and Subsidiaries. 2. Evaluation of the Submission of Internal Control System Statement for the Fiscal Year 2024. 3. Proposal for the Company's Application for Credit Facility from Banks 4. Proposal to Provide Guarantees for Subsidiary Jinan Acetate Chemical Co., Ltd. (China) 5. Amendment to the "Articles of Association" Proposal. 6. Arrangements for the Company's 2025 Annual General Meeting	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240326	The 14 th meeting of the 4 th term.	1. Proposal for the 2023 Annual Operating Report, 2023 Annual Consolidated Financial Report of the Company and Subsidiaries 2. Company's "Internal Control System Statement" 3. Proposal to Approve the Evaluation of the Auditor and Appointment Compensation	The entire audit committee agreed to pass	Approved by the board of directors with no objection.
20240403	The 7 th meeting of the 4 th term.	1. Proposal for the Distribution of Profits for the Fiscal Year 2024. 2. Arrangements for the Company's 2025 Annual General Meeting	The entire audit committee agreed to pass	Approved by the board of directors with no objection.

(2) For the above proposal, the independent directors suggested or reserved or objected: None.

2. In addition to the above matters, other resolutions passed by two-thirds of all the directors but yet to be

approved by the Audit Committee: None.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the items, methods and results of audits of corporate finance or operations, etc.)

(1) The internal audit officer completes the audit reports on a monthly basis and delivers them to the Independent Directors for review in the following month. Regular reports should be conducted at the Board meetings, the internal audit, and the results of the Company's self-inspection.

(2) Regular reviews on the financial statements should be conducted with the publication of review report. The internal audit officer proceeds communication with the Independent Director at least once a quarter, and may convene a meeting to discuss major or abnormal matters at any time. Another, before the annual audit report is issued, the accountant will first communicate with the management entity; explain the relevant check, risk assessment and key check matters, etc., so the accountant and the independent director can maintain full two-way communication the independent director can maintain full two-way communication.

Summary of the communication between independent directors and accountants:

Date	Communication Occurred with the CPAs	Outcome of communication
20240111	1. Communication of key audit items in the 2023 annual report. 2. Accountants discuss and communicate with the questions raised by the participants.	No objective opinion
20240312	1. The accountant will explain the results of the audit of the financial and profit and loss situation in 2023. 2. Accountants discuss and communicate with the questions raised by the participants	No objective opinion
20240717	1. Communication of key audit items for the Second Quarter of 2024 Financial Report. 2. Accountants discuss and communicate with the questions raised by the participants	No objective opinion
20240823	1. The accountant will explain the results of the audit of the financial and profit and loss situation in 2024Q2. 2. Accountants discuss and communicate with the questions raised by the participants.	No objective opinion
20250314	1. The accountant will explain the results of the audit of the financial and profit and loss situation in 2024. 2. Accountants discuss and communicate with the questions raised by the participants	No objective opinion

2.2.3 Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established a code of practice for corporate governance, and adheres to the important principles of corporate governance such as safeguarding shareholders' rights, strengthening the functions of Board of Directors, expressing the interests of independent directors, respecting the interests of stakeholders and enhancing information transparency, etc.; and strengthen information transparency and Board functions and other measures by modifying relevant management measures, shareholder convention rules relevant to corporate governance, directors election rules, rules of independent directors' responsibilities scope, internal control system, integrity management code and ethical code of conduct, etc.; promote the operation of corporate governance.	There is no big difference.
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based	V		(1) The Company has assigned a dedicated stock agency to handle the shareholding issues in Taiwan, and set up a spokesperson to handle the	Set related interior operating procedures to deal with them per the requirements appeared in the

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons future.
	Yes	No	
on the procedure?			
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		There is no big difference.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		There is no big difference.
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		There is no big difference.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V	(1) The association of Company Board members is based on the Board’s operation, operational type and development needs, and is built by the person in charge of the Company and the financial & accounting experts.	There is no big difference.
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V	(2) The Company has established an Audit Committee, a Remuneration Committee, and a Sustainable Development Committee. Other functional committees will be established as needed with authorization from the Board of Directors.	The company will set up other functional committee on the other that per actual requirements appeared in the future
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually? and report the results of the performance evaluation to the board of directors, and use them as a reference for individual directors’ remuneration and nomination for renewal?	V	(3) The company has set the performance evaluation method of the Board of Directors according to actual needs and conduct regular performance evaluation of the Board of Directors.	There is no big difference.

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) The Company is required to assess the independence and eligibility of the certifying accountant at least once per year in accordance with the provisions specified in Article 29 of the “Code of Practice for Corporate Governance on the Listed Companies” and submit it to the Board of Directors. The company has included Audit Quality Indicators (AQIs) as an evaluation criterion for the appointment of audit services. In addition to obtaining an independence declaration from the auditor, it also ensures that the auditor does not hold any position within the company. ¹	There is no big difference.
4. Whether the SE/OTC listed companies have set up a special (part-time) unit or personnel responsible for corporate management related matters (including but not limited to providing data for directors and Supervisors in business operations, handling affairs related to the meeting of board of directors and board of shareholders handling company registration and change registration, making notes for the meeting of board of directors and	V		To enhance corporate governance and enable the board of directors to perform its duties, Tur Company plans to appoint a corporate governance officer by the end of June 2023. The current department responsible for board affairs is the finance department, which is responsible for drafting the board meeting agenda and providing sufficient meeting materials to be sent together with the notice	There is no big difference.

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
board of shareholders)?			of meeting. If directors feel that the meeting materials are insufficient, they may request that the board affairs department provide additional materials, which must be provided within seven days. If directors feel that the information on an agenda item is inadequate, they may postpone the deliberation with the approval of the board of directors.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders, as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company maintains a good communication channel with banks, suppliers and other stakeholders. The Company also has a dedicated staff to deal with the Company's external relations and stakeholder issues, and will set up a stakeholder zone on the Company's website to properly respond to concerns of stakeholders.	There is no big difference.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company designates Grand Fortune Securities Co., Ltd. to deal with shareholder affairs.	There is no big difference.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The Company has built a website and the Company's related information will be disclosed consistently.	There is no big difference.
(2) Does the company have other information disclosure	V		(2) The Company has built a website in both	There is no big difference.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the financial report for the first, second and third quarters and the operating conditions of each month before the prescribed deadline?	V	Chinese and English. Questions are answered by the spokesperson and the acting spokesperson; the finance department is responsible for collecting and disclosing the Company information. (3) The company has announced the 2024 financial report on March 25, 2025, and announced the completion of the first, second and third quarter financial reports and the operating conditions of each month before the specified deadline.	There is no big difference.
8. Whether this company has important information for others to know the business operations (including but not limited to employee rights, employee care, investor relation, supplier relation, rights of interested parties, training of directors and Supervisors, risk management policy and execution of risk measurement standard, execution condition of customer policy, the condition of the company to buy insurance for directors and Supervisors)?	V	(1) The Company and its subsidiaries provide employees with adequate training programs; enable employees to fully reflect their opinions by a channel; and provide employees with reasonable benefits and remuneration in accordance with local enactments. (2) Employee care: According to the relevant regulations of local government, provide social insurance to ensure the welfare of employees; and hold irregular activities such as dinner, recreation and other activities to	There is no big difference.

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			special department is responsible for customer consultation and complaint pipeline. (9) The liability insurance the Company has purchased for its directors: In 2024 and 2025, the Company insured liability insurance for directors; and reported the 2025 insurance price, coverage and insurance fee rate were reported to Board of Directors on March 5, 2025.	
9. Please describe the improvement in the results of the recent corporate management review issued by the Corporate Governance Center of the Taiwan Stock Exchange, and give priority to strengthening measures for those matters which have not been improved:				
Business Operation Review No.	Business Operation Review Item			Improvement and execution condition
1.15	Has the company formulated and disclosed on the company's website internal rules prohibiting insiders such as directors or employees from using undisclosed information in the market to buy and sell securities, including (but not limited to) directors are not allowed to trade their shares during the closed period 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report, and explain the implementation status?			113 years of corporate governance evaluation has improved scores
2.2	Whether the company has formulated a diversity policy for board members, and discloses the specific management objectives and implementation of the diversity policy on the company's website and annual report ?			The director diversity policy has been implemented and placed on the company's website and annual report, and the score of the 113 corporate governance evaluation has been improved

Evaluation Item	Implementation Status ¹		Abstract Illustration	Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No		
2.3	Whether the directors of the company and the general manager or other persons of equivalent rank (top manager) are not the same person or are each other's spouses or relatives?		In addition to strengthening the functions of the "Audit Committee" and the "Remuneration Committee" under the Board of Directors, the Company has also added a Sustainability Committee to alleviate the concerns of the Chairman and the General Manager °	
2.6	Does the company's board of directors include at least one female director? [If the directors of the company have more than one-third of the board seats for each gender, an additional point will be added to the total score.] Does the company's board of directors include at least one female director? [If the directors of the company have more than one-third of the board seats for each gender, an additional point will be added to the total score.] ° ㉠		The Company will prioritize enhancement and increase the number of female directors when the term of the fifth term of the Board of Directors expires °	
2.27	Whether the company has formulated an intellectual property management plan linked to its operational objectives, disclosed the implementation status on the company's website or annual report, and reported to the board of directors at least once a year ?		113 years of corporate governance evaluation has improved scores	
3.14	Whether the company's annual report discloses the link between the performance appraisal and remuneration of directors and managers ?		113 years of corporate governance evaluation has improved scores	
3.17	Whether the company's website discloses financial, business and corporate governance related information ?		113 years of corporate governance evaluation has improved scores	

Note: 1. CPA Independence Evaluation Criteria.

Item	Evaluation Content		Yes	No
1	The CPA have no direct or significant indirect financial relationship with the Company		V	
2	The CPA have no close commercial relationship with the Company		V	
3	The CPA have no potential employment relationship with the Company		V	
4	The CPA have no financing and guarantee activities with the Company		V	
5	The CPA have not received gifts or gifts of great value from the directors and managers of the Company (Its value doesn't exceed the standard of general social etiquette)		V	
6	The CPA have no offered auditing service to the Company for the past seven years		V	
7	The CPA have not been disciplined by the competent authority or the CPA Association, or has been punished in accordance with paragraph 3 of Article 37 of the securities and Exchange Act.		V	
8	The CPA have not holding the shares of the Company		V	

Item	Evaluation Content	Yes	No
9	The CPA have no concurrent work at the Company or regular work at its conglomerates and has paid the fixed salary.	V	
10	The CPA have no join investment or profit sharing relationship with the Company	V	
11	The CPA have no close personal relationship with the Company's directors, managers or employees who have significant influence on the audit	V	
12	The CPA, his spouse, dependants or audit team members have no held the position of director or manager of the Company or is in a key position to exert significant influence over the subject matter of the engagement current or in the most recent two year or in the future audit period.	V	
13	Whether the CPA have met the standards of independence in No. 10 statement of professional ethics, and have obtained the CPA's statement of independence	V	

Attached Table1 : 2024 Training Records of the Company's Directors :

Title	Name	Date	Organizations	Courses	Training hours
Chairman	Wang, Ko-Chang	2024.05.30	Securities & Futures Institute	10 Key Sustainability Issues that Directors and Supervisors Must Know	3
				Challenges and Responsibilities of the Board of Directors Under Corporate Governance Evaluation Indicators and Sustainability Action Plans	3
Director	Hsu, Cheng-Tsai	2024.12.13	Taiwan Corporate Governance Association	Introduction to the Corporate Governance Personnel System and the Role of Legal Personnel in Corporate Governance	3
		2024.12.17		Executive Compensation and ESG Performance System Design	3
Director	Ericson Fensterseifer	2024.05.30	Securities & Futures Institute	10 Key Sustainability Issues that Directors and Supervisors Must Know	3
Director	Meng, Ching-Li				
Independent Director	Lin, Tzer-Jong				
Independent Director	Lin, Wen-Cheng			Challenges and Responsibilities of the Board of Directors Under Corporate Governance Evaluation Indicators and Sustainability Action Plans	3
Independent Director	Yu, Ching-Hsien				
Independent Director	Lee, Kuang-Chi				

2.2.4 Composition, Responsibilities and Operations of the Remuneration Committee

(i) Professional Qualifications and Independence Analysis of Remuneration Committee Members

2025.03.24

Title	Criteria Name	Professional Qualification	Work Experience	Independence Criteria (Note 1)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director (Convenor)	Lin, Tzer-Jong	Work experience required in business, legal, financial, accounting, or corporate affairs.	Taiwan Chemical Plant Manager Taiwan Chemical Business Unit Research and Development Director President of Chorine Fiber (Stock) Company Director of Tuoxin Investment (Stock) Company Director of Lixiang Investment (Stock) Company Director of Jueneng Investment (Stock) Company Director of Juma Bio-Tech (Stock) Company	1.2.3.4.5.6.7.8.9.10.11.12	0
Independent Director	Lin, Wen-Cheng	Experience in business, legal, financial, accounting, or corporate affairs; Certified Public Accountant (CPA) license.	Master of Business Administration from St. Norbert University, USA Director at Great Elite Inc LTD. (Cayman Islands) Chief Financial Officer for Greater China Region at Newegg Group (USA) Director at Newegg Electronics Information (China) Limited Chief Financial Officer at Pug Tech (Stock) Company Finance Manager at Tsann Kuen Enterprise (Stock) Company Chief Financial Officer of the Baoneng Hui Business Group at Blue Sky Computer (Stock) Company Finance Manager at Happy Revelation (Stock) Company Associate at the Capital Markets Division of Bao Lai Securities Audit Team Leader at Anhou Accounting Firm	1.2.3.4.5.6.7.8.9.10.11.12	0

Independent Director	Yu, Ching-Hsien	Experience in business, legal, finance, accounting, or corporate affairs is required.	New Taipei Industrial Vocational High School, Department of Textiles CEO of Zhan Hong International Enterprise Limited Head of Yu Jing Ji Food Enterprise Limited	1.2.3.4.5.6.7.8.9.10.11.12	0
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Note 1: Please tick the corresponding boxes that apply to a member during the two years prior to being elected or during the term(s) of office.

- (1) Non-employees of the company or its affiliated enterprises.
- (2) Directors or supervisors of non-affiliated companies or their affiliated enterprises (excluding cases where independent directors are mutually appointed between the company and its parent company, subsidiary, or a subsidiary of the same parent company according to this law or local laws).
- (3) Natural person shareholders who do not hold shares exceeding 1% of the total issued shares of the company or are not among the top ten shareholders, including their spouses, minor children, or natural person shareholders who hold shares on behalf of others.
- (4) Spouses or relatives within the second degree of kinship of the individuals listed in (1) or (2), or their spouses or relatives within the third degree of kinship.
- (5) Directors, supervisors, or employees of legal person shareholders who directly hold more than 5% of the total issued shares of the company, are among the top five shareholders, or are appointed as directors or supervisors by the company's representatives according to Article 27, Paragraph 1 or 2 of the Company Act (excluding cases where independent directors are mutually appointed between the company and its parent company, subsidiary, or a subsidiary of the same parent company according to this law or local laws).
- (6) Directors, supervisors, or employees of other companies or institutions where the majority of director seats or voting rights are controlled by the same person, excluding cases where independent directors are mutually appointed between the company and its parent company, subsidiary, or a subsidiary of the same parent company according to this law or local laws.
- (7) Directors, supervisors, or employees of other companies or institutions where the chairman of the board of directors, general manager, or equivalent positions are the same person or their spouse, excluding cases where independent directors are mutually appointed between the company and its parent company, subsidiary, or a subsidiary of the same parent company according to this law or local laws.
- (8) Directors, supervisors, managers, or shareholders holding more than 5% of shares of specific companies or institutions with financial or business transactions with the company (except for cases where the specific company or institution holds more than 20% but less than 50% of the total issued shares and is a subsidiary of the company, its parent company, subsidiary, or a subsidiary of the same parent company according to this law or local laws).
- (9) Professionals, sole proprietors, partners, business owners, directors, supervisors, managers, or their spouses providing business, legal, financial, or accounting-related services to the company or affiliated enterprises, with a cumulative remuneration not exceeding NT\$500,000 in the past two years (excluding members of the remuneration committee, public tender offer review committee, or merger special committee fulfilling duties according to securities trading laws or merger and acquisition laws).
- (10) No spouse or relative within the second degree of kinship with other directors.
- (11) Does not fall under any of the circumstances specified in Article 30 of the Company Act.
- (12) Not elected by government, legal persons, or their representatives as stipulated in Article 27 of the Company Act.

(ii) Attendance of Members at Remuneration Committee Meetings

1. There are 3 members in the Remuneration Committee.
2. The term of Committee members: May 31, 2023 to May 30, 2026, A total of 5 (A) Remuneration Committee meetings were held in 2023 and as of the date of this annual report. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Lin, Tzer-Jong	5	-	100%	Re-elected on May 31, 2023.
Committee Member	Lin, Wen-Cheng	5	-	100%	Re-elected on May 31, 2023.
Committee Member	Yu, Ching-Hsien	5	-	100%	Re-elected on May 31, 2023.
Other mentionable items:					
1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company’s response to the remuneration committee’s opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
2. For matters resolved by the Compensation and Remuneration Committee, if members have objections or reservations, and there is a record or written statement, the date of the Remuneration and Remuneration Committee, the period, the content of the proposal, the opinions of all members and the handling of the opinions of the members shall be stated.					
Date	Terms	Communication Content	Remuneration Committee’s opinion	Response to the Committee ’s opinions	
20240312	The 4th meeting of the 4 th term.	Distribution of employees’ bonuses and compensation of the Company’s directors for FY2023.	The entire committee agreed to pass	Approved by the board of directors with no objection.	
20240530	The 5th meeting of the 4 th term.	Proposal for the Allocation of 2023 Executive Compensation and Directors’ Remuneration.	The entire committee agreed to pass	Approved by the board of directors with no objection.	
20240823	The 6th meeting of the 4 th term.	Proposal for the Transfer of Treasury Shares to Company Employees.	The entire committee agreed to pass	Approved by the board of directors with no objection.	
20241226	The 7th meeting of the 4 th term.	Review of the year-end bonus distribution for managers in 2024.	The entire committee agreed to pass	Approved by the board of directors with no objection.	
20250305	The 8th meeting of the 4 th term.	Distribution of employees’ bonuses and compensation of the Company’s directors for FY2024.	The entire committee agreed to pass	Approved by the board of directors with no objection.	
The above-mentioned motion, the remuneration committee's suggestion or reservation or objection: there is no such thing.					
3.Remuneration Committee responsibilities: The members of Remuneration Committee are appointed by the Board of Directors. Members of the Committee shall be responsible for the good management to the Board of Directors and shall set and regularly review the management’s performance, policies, systems, standards, and structures of the remunerations and compensations; Regular assessment shall be conducted to determine					

the remunerations and compensations of Directors and the managerial officers. The most recent fiscal year and up to the date of publication of the annual report, the Remuneration Committee faithfully fulfilled the duties.

2.2.5 The composition, responsibilities and operation of the Sustainable Development Committee

(i) Information on the members of the Sustainable Development Committee

December 26, 2024

Identity name		Condition	Professional Qualifications	experience	Independence Circumstances (Note 1)	The number of concurrently serving members of the remuneration committees of other public companies
Independent Director (Organizer)	Wang Ko-Chang		Possess the necessary working experience in business, legal, finance, accounting or corporate business	Associate of Julong Fiber Co., Ltd General Manager of Jinan Juda Fiber Co., Ltd Chairman of Jinan Acetate Chemical Co., Ltd. Chairman of Acetek Material Co., Ltd. Chairman of Acetek Momentum Co., Ltd. Chairman of Acetate (Shandong) Environmental Fiber Co., Ltd. President of Jinan Taiwanese Business Association Vice President of the National Federation of Taiwanese Enterprises	3.4.6.8.9.10.11	0
Independent Director	Lin Tzer-Jong		Possess commercial, legal, financial, accounting or corporate work experience as required	Director of Taihua Plant R&D Director of Taihua Division General Manager of Julong Fiber (Shares) Company Director of Topit Investment Co., Ltd Director of Lixiang Investment Co., Ltd Director of Juneng Investment Co., Ltd Director of Jumao Biotech Co., Ltd	1.2.3.4.5.6.7.8.9.10.11.12	0

Independent Director	Yu Ching-Hsien	Possess commercial, legal, financial, accounting or corporate work experience as required	Textile Department of Xipu Technical College Chief Executive Officer of Zhan Hong International Enterprises Co., Ltd Head of Yu Jingji Food Enterprise Co., Ltd	1.2.3.4.5. 6.7.8.9.1 0.11.12	0
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(ii) Information on the operation of the Sustainability Committee

(1) There are 3 members of the Remuneration Committee of the Company.

(2) Term of office of the current members: December 26, 2024 to May 30, 2026, the most recent year (2024) and as of the date of printing of the annual newspaper, the Sustainability Committee has met once, and the qualifications and attendance of the members are as follows:

Job title	Name	Actual number of attendances	Number of delegated attendances	Actual Attendance Rate (%)	remark
convener	Wang Ko - Chang	1	-	100	2024/12/26 First term
commissioner	Lin Tzer-Jong	1	-	100	2024/12/26 First term
commissioner	Yu Ching-Hsien	1	-	100	2024/12/26 First term

Other matters to be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Sustainability Committee, it shall state the date, period, content of the proposal, the results of the resolutions of the Board of Directors, and the Company's handling of the opinions of the Sustainability Committee: None.
2. If members have objections or reservations to the resolution of the Sustainability Committee and have a record or written notice, the date, period, content of the proposal, the opinions of all members and the handling of members' opinions shall be stated

date	Period	The content of the motion	The result of the resolution of the Remuneration Committee	The Company's handling of the opinions of the Sustainability Committee
20241226	1st edition For the first time	1. Elect the convener of the first sustainable development committee of the company, and ask all members to nominate them. 2. 2025 Annual Work Project of the Committee on Sustainable Development: (1) Greenhouse gas management and carbon	All the members of the Sustainable Development Committee agreed to approve it	The proposal to the Board of Directors shall be approved by all the directors present as required

		emission targets (2) Preparation and disclosure of sustainability reports and greenhouse gas inventory reports (3) Policy and Compliance		
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The above motions, the matters suggested or retained by the Sustainable Development Committee, and the objections: There is no such matter.

3. Responsibilities of the Sustainability Committee: The members of the Sustainability Committee shall be appointed by resolution of the Board of Directors, and the members of the Committee shall be responsible to the Board of Directors with the care of a good manager to formulate and regularly review the policies, systems, standards and structure of the Greenhouse Gas Management and Carbon Emission and Sustainability Report, and regularly assess and set greenhouse gas emission and reduction targets. The meetings of the most recent year until the date of printing of the newspaper are faithful performance of duties.

(iii) The Board of Directors' supervision of sustainable development is recommended as follows:

(1). The Board of Directors' management policy for sustainable development

The Board of Directors of the Company has incorporated sustainability into its business strategy and formulated specific management policies, including:

- In line with international environmental, social and corporate governance (ESG) trends, and promote sustainable development goals.
- Establish a corporate governance structure to ensure the implementation of policies and operating procedures related to sustainable development.
- Strengthen climate change risk management, reduce carbon emissions and promote a circular economy.
- Implement labor human rights, employee care and social responsibility to ensure the sustainable operation of the enterprise.

(2). Formulation of sustainable development strategies and goals

The Board of Directors of the Company is responsible for formulating the sustainable development strategy and regularly reviewing the implementation of the goals, the main strategies include:

- Environmental aspect (E): Promote green production, energy management and carbon reduction plans, strive to increase the proportion of recycled materials, and ensure compliance with environmental regulations.
- Social aspect (S): Establish a friendly working environment, improve employee well-being and occupational safety, and strengthen supply chain management and social feedback.
- Governance (G): Strengthen risk management and information transparency, implement corporate ethics, and ensure shareholders' rights.

The Board reviews ESG goals and performance annually and adjusts its strategy to ensure alignment with the Company's development direction.

(3). The Board of Directors' monitoring and review mechanism for sustainable development goals

- Operation of the Sustainability Committee: The Company has set up a Sustainability Committee, which is authorized by the Board of Directors to be responsible for planning and implementing sustainability-related policies and reporting progress to the Board.
- Regular review and revision: The Board of Directors reviews the sustainability policy and goals at least once a year to ensure that they are consistent with the latest regulations, industry trends and stakeholder expectations.
- Performance evaluation: The Board of Directors evaluates sustainability achievements based on key performance indicators (KPIs), including greenhouse gas emission reduction, energy efficiency improvement, employee satisfaction, supply chain sustainability evaluation and other indicators, and adjusts management policies accordingly.
- Information Disclosure and Transparency: The Company regularly prepares a "Sustainability Report" to disclose the status of ESG-related performance and goal achievement, and submits it to the Board of Directors for review to ensure information transparency.

(4). Practical implementation cases and results

- In 2023, the company will officially implement the greenhouse gas inventory, formulate the short, medium and long-term carbon reduction targets for the future (the base year will start from 2023), and in 2023, the company will ask Kejian Consulting Company to provide guidance on greenhouse gas inventory and future carbon reduction plans, and pass the third-party certification of adhering to the accounting firm.
- The company has been carrying out the preparation of sustainability reports for many years, formulating short-, medium- and long-term ESG management goals for the future, and has asked Kejian Consulting to guide the preparation of sustainability reports, and has passed the third-party certification of adhering to the accounting firm
- Supply chain ESG and greenhouse gas emission requirements
- Employee satisfaction increases
- Product Take-Back and Circular Economy Program Promotion

2.2.6 The difference between the situation of social responsibility fulfillment and the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and its reasons.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
1. Whether the Company have conducted risk assessments of environmental, social and corporate governance issues related to its operations in accordance with the materiality principles and formulated relevant risk management policies or strategies?	V	In 2022, The Company established a Corporate Sustainability Implementation Team, which was approved by the Board of Directors. The General Manager was appointed as the Chairperson, with each responsible department handling the execution of corporate governance, economic, environmental, and social sustainability issues. The team reports the outcomes of corporate sustainability implementation to the Board annually, strengthening the Board's involvement in the company's sustainability efforts. To further enhance the company's sustainable development, we established a Corporate Governance Officer in 2023 to continue promoting sustainability initiatives. In 2023, the Corporate Governance Officer completed 41 hours of professional development.	No obvious discrepancy.
2. Has the Company set up specialized or concurrent departments to promote CSR, authorized by the Board of Directors to have high-level management and hierarchical operations, and report back to the Board on the status of matters handled?	V	(1) This report discloses information covering the period from January 1, 2023, to December 31, 2023. The scope of the current risk assessment includes the Taipei office and four overseas subsidiaries, Jinan Acetate Chemical Co., Ltd., Acetek Material Co., Ltd., Acetek Momentun Co., Ltd, and Acetate (Shandong) Environmental Fiber Co., Ltd.(China). (2) The Company has established internal control systems and related risk management measures to implement risk management policies and standards. These measures are carried out in accordance with regulations to reduce and prevent any risks that may arise from the Company's operations. (3) Based on the risk assessment, the following measures have been established in	No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons															
	Yes	No																
				Abstract Explanation ²														
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3. Environment issues (1) Does the company have an appropriate environmental management system established in accordance with its industrial character?	V		The Company Our company has established comprehensive standards for quality management, health and safety, and environmental protection. In recent years, we have continuously improved manufacturing processes, actively promoted waste reduction, emissions reduction, energy conservation, carbon reduction, water resource recycling, and wastewater treatment efficiency. Environmental sustainability has been prioritized as a key goal, and we are committed to environmental protection and fulfilling our social responsibility, striving toward sustainable operations. To systematically manage environmental and energy resources, Jinan Acetate Chemical Co., Ltd. introduced the ISO 14001 Environmental Management System in 2019. Acetek Material Co., Ltd. and Acetek Momentun Co., Ltd. implemented it in 2020 and 2023, respectively. This ensures that emissions and waste disposal during the production process comply with legal regulations, while also providing ongoing management of critical environmental issues. Jinan Da Ziran Company and Astec Company also introduced the ISO 50001 Energy Management System in 2020 and 2024, respectively. Through the identification of energy equipment and energy indicators for each factory, we plan significant energy equipment improvement projects to continue driving energy conservation and carbon reduction.	No obvious discrepancy.		

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(2) Is the company committed to enhance the utilization efficiency of resources and use renewable materials that are with low impact on the environmental?	V	The Company strives to promote resource recycling, entrusting legal vendors for the handling and recycling of waste. Through the following activities, the company is committed to continuously improving the efficiency of resource utilization: 1.Internal documents are circulated via email to reduce paper usage and replace copying. Document paper is double-sided, and recycling racks are placed beside photocopiers for paper recycling. 2.Employees bring their own drinking cups and are encouraged to bring their own lunch boxes and eco-friendly utensils to reduce the use of paper lunch boxes. 3.Addition and modification of the company's environmental facilities.	No obvious discrepancy.
(3) Has the company assessed the potential risks and opportunities for business operations now and the future regarding climate change and will it adopt response measures relating to climate issues?	V	The company has established internal control and internal audit systems and has implemented a Corporate Social Responsibility (CSR) Code to integrate risk management related to environmental, social, and governance aspects into sustainable operations. Given the increasing significance of issues such as extreme weather events due to global warming and energy and climate change, the company recognizes its responsibility for sustainable development within the industry. In accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD), which includes governance, strategy, risk management, indicators, and goals, the company's Sustainability Implementation Committee and its subcommittees identify climate-related risks and opportunities. They then formulate subsequent response strategies and provide regular reports to the board of directors, who monitor the effectiveness of execution. By establishing a risk framework based on the core disclosures of "governance," "strategy," "risk management," and "indicators and goals," the company aims to understand the impacts of climate change risks and propose corresponding measures.	No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			Abstract Explanation ²
			For further details, please refer to the company's 2023 Sustainability Report (http://www.acetek.com.cn), specifically page 60, section 3.7 on Climate Change Risk Management and Response.
(4) Has the company calculated the greenhouse gas emissions, water consumption, and total weight of waste in the past 2 years, and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management?	V		1. The Company's production site is located in China. Since its direct emissions from fossil fuel combustion do not reach the threshold of 25,000 tons of CO₂ equivalent per year as announced by the Environmental Protection Administration, it is not subject to the mandatory periodic greenhouse gas (GHG) inventory and reporting requirements. Therefore, The Company independently estimates its GHG emissions based on the consumption of gasoline, diesel, steam, and electricity. The estimation is limited to carbon dioxide (CO₂) emissions only, enabling The Company to monitor trends and respond proactively. For more details, please refer to The Company's Jinan Acetate Chemical Co., Ltd. 2023 Sustainability Report, page 58, section "3.6 Greenhouse Gas Management" (http://www.acetek.com.cn). 2. The production sites of The Company's four subsidiaries are not located in ecological conservation areas, and all water sources are supplied by the local water utility company. Therefore, there are no concerns about any impact on the water quality or water resource protection of nearby nature reserves. Regarding wastewater discharge, all wastewater generated from daily production and operations is collected and treated at the Company's in-plant wastewater treatment facilities. The treated water is discharged only after meeting the relevant local environmental standards. The Company's water resource usage over the past two years can be found in the Jinan Acetate Chemical Co., Ltd. 2023 Sustainability Report, page 41, section "3.2 Water Resource Management" (http://www.acetek.com.cn). No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			Abstract Explanation ² 3. The Company complies with environmental regulations set by the authorities for waste management. All waste is handled by qualified local waste disposal service providers, and there are no cases of hazardous waste being transported across national borders for processing. The responsible departments regularly track and audit waste disposal processes to ensure compliance and safety. Over the past three years, due to the proper handling of hazardous waste, The Company has not been fined by environmental authorities, nor has its waste disposal caused environmental pollution. Additionally, in 2023, there were no recorded incidents of significant waste or raw material leakage. 4. The Company’s waste is classified into hazardous waste and general waste. Hazardous waste primarily consists of spent activated carbon, which comes from activated carbon that has reached the end of its service life after 3–5 years of use. This waste is handled by qualified local hazardous waste treatment providers. After regeneration, the activated carbon can be reused for wastewater filtration and other applications, reducing environmental pollution while enhancing its overall utility. General waste is categorized into household waste and production residues. Due to two incidents of waste leakage, the amount of discarded filter cloth increased. Household waste and filter residues are handled by the Jiyang County Environmental Sanitation Bureau and Mushi Town Environmental Sanitation Office, respectively. Additionally, some production residues are supplied to local farmers as fuel, ensuring efficient resource utilization. For detailed statistics on waste treatment volumes, please refer to The Company’s Jinan Acetate Chemical Co., Ltd. 2023 Sustainability Report, page 46, section “3.3 Waste Management and Recycling” (http://www.acetek.com.cn).

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
4. Social issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V	The Company complies with relevant regulations and follows international human rights conventions, such as the gender equality, right of work and prohibition of discrimination, etc. Its human resource team uses a policy without difference in gender, race, social and economic class, age, marriage and family status to implement equality and fairness in employment, employment condition, pay, benefit, training, assessment and promotion opportunity.	No obvious discrepancy.
(2) Does the Company formulate and implement reasonable policies of staff welfare (including compensation, vacation and other welfares), and reflect the operating performance or achievement in the compensation of the employees properly?	V	The company determines its salary levels based on employee qualifications, professional knowledge, years of experience, and individual performance, in compliance with legal requirements. Basic salaries are not affected by gender, race, religion, political affiliation, marital status, or other factors. The company provides a sound and legal employee compensation and attendance system. The current welfare measures are as follows: 1. Employee compensation, allowances, bonuses, and subsidies: Performance bonuses, year-end bonuses, team bonuses, festival bonuses (Labor Day, Mid-Autumn Festival, Dragon Boat Festival, etc.), employee travel, etc. 2. Leave: The company provides employees with a leave attendance system in accordance with the "Labor Standards Act," "Labor Leave Regulations," "Gender Equality in Employment Law," and work rules. As of the end of 2024, The Company has a total of 668 employees, including 252 female employees, accounting for approximately 37.72% of the workforce. The Company's management team consists of 15 members, among whom 2 are female, representing approximately 13.33%. The company's business performance is reflected in its employee compensation	No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			Abstract Explanation ² policies and implementation, as explained below: (1) Employee remuneration According to the company's articles of association, if the company has a "profit" in the year, it shall allocate no less than 1% of the profit as employee remuneration. (2) Year-end bonus The company issues year-end bonuses each year based on its operating profit status, to reward employees for their past efforts and encourage their future contributions to the company. (3) Various performance bonuses To encourage employees to improve work efficiency and quality, and create and share profits together, the company evaluates employee performance based on individual job grades and the assessment items specified for each job title. The assessment methods are fully integrated with the company's sustainable development efforts.
(3) Does the Company create a safe and healthy working environment and provide safety and health education for employees regularly?	V		The Company values the health and safety of our employees, and to create a safe working environment, we have invested resources to establish a "Safety Production Management Committee" and a "Safety Production Leadership Group" responsible for safety production and occupational health management. We follow the GB/T45001-2020 occupational health and safety management standard, and have implemented the ISO 45001 system. Regular safety meetings are held weekly to discuss safety issues reported by various departments, identify improvement performance, and propose solutions. The Engineering Department and the Safety and Environmental Protection Department No obvious discrepancy.

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation ²	
			ensure the implementation of improvements to ensure safety production. The meeting covers all safety-related issues, such as mechanical failures, electrical hazards, process safety, safety training, and fire drills. In terms of occupational health and safety training, newly hired employees undergo level-three safety training within the factory, with effectiveness confirmed through quizzes. Current employees participate in fire safety training and drills, with on-site guidance from local fire department personnel. Continuous investment is made to improve the working environment, guided by the company's annual work plan and safety objectives. Training needs analysis and predictions for employees in various positions are conducted by the Safety and Environmental Protection Department to formulate training plans. Employees are trained and assessed to ensure compliance with safety regulations during operations. Regarding occupational accident statistics for the year 2024, they have not been verified by a third party. For detailed information on occupational health and safety for the year 2023, please refer to the company's 2023 Sustainability Report (http://www.acetek.com.cn), specifically page 70, section 4.3 on Occupational Health and Safety. The company has also developed special plans including the "Safety Emergency Response Plan" and the "Emergency Response Plan for Sudden Environmental Incidents." Additionally, Acetek Material Co., Ltd. has established the "Comprehensive Emergency Plan," the "Fire and Leakage Special Emergency Plan," and the "On-site Disposal Plan." In the event of a fire or leakage within the factory, emergency teams are immediately activated according to the emergency plan, with each team member assuming their designated responsibilities based on routine	

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			emergency drills. Under the group's sound management system, no significant incidents occurred in the year 2024.
(4) Does the Company provide employees with opportunities for career development and training?	V		The Company provides employees with opportunities to participate in various training programs to enhance their skills and improve work efficiency. Additionally, the company subsidizes employees to participate in learning programs offered by government agencies and obtain relevant certificates. If the certificate has an expiration date, employees must take the exam again before the expiration date to maintain its validity. Various levels of managers in the company also conduct regular and irregular meetings to provide education and training to employees on their job-related skills. The Company's marketing and labeling on products and services follow relevant codes/regulations and international standards.
(5) Does the Company follow regulations and international standards in the customer health, safety, customer privacy, marketing and labeling of its products and services, and set policies and appeal procedures for protection of consumer's rights and interests?	V		No obvious discrepancy.
(6) Does the Company formulate the supplier management policies and require suppliers to follow relevant norms on environmental protection, occupational safety and health, or labor's human rights, and disclose the implementation?	V		No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
5. Does the Company, following internationally recognized guidelines, prepare and publish reports such as its corporate social responsibility report to disclose non-financial information of the Company? Does the Company obtain a third-party verification or assurance for such reports?	V		with them once the said activity is discovered and is listed as the refusing suppliers. The Company's 2024 sustainability report is compiled in accordance with the core option of the Global Reporting Initiative (GRI) Sustainability Reporting Standards (GRI Standards). However, as of the date of this public statement, the report has not been completed yet. In addition, we have commissioned a limited assurance engagement by a certified public accounting firm in accordance with the Statement of Assurance Standards No. 1 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation of the Republic of China.
6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: None.			No obvious discrepancy.
7. Other important information to facilitate better understanding of the company's corporate social responsibility practices : In addition to pursuing product development, the company continues to pursue sustainable operation and strives to practice corporate social responsibility, promote corporate volunteers to serve the good culture, and jointly contribute to caring for society and changing society. The company's social welfare activities in the last year are as follows:			
N0.	Donor	Recipient	Plan Name
1	Taipei Municipal Wanfang Hospital	Taipei Municipal Wanfang Hospital	Medical Project Fund (Palliative Care Ward Bathing Machine)
2	Anue company, Inc.	Disadvantaged populations in rural areas	Warmth and Love Charity Event 2024
			One of the principles of palliative care is to alleviate unnecessary suffering and preserve the dignity of patients during the final stages of life, allowing them to embark on their final journey with comfort and respect. On the morning of April 3, 2024, while the people of Taiwan were still in a daze from sleep or caught in the hustle and bustle of their commute, a powerful earthquake with a magnitude of 7.2 on the Richter scale

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	Yes	No	
			Abstract Explanation ²
			struck Hualien. It was Taiwan's largest earthquake since the 1999 921 earthquake. The disaster resulted in 18 casualties, over 1,000 people injured or missing, and numerous buildings collapsed. Many roads, bridges, and other infrastructure were damaged to varying degrees, with the eastern regions of Taiwan, particularly Hualien and Taitung, suffering the most severe impact. Hualien and Taitung are now facing a long road to recovery. In the face of limited resources, vulnerable populations in the remote corners of these areas are finding life even more difficult. They are waiting for the strength of the public to deliver warm assistance. Anue invites you to accompany the disadvantaged groups in Hualien and Taitung as they rebuild their beautiful homes. Together, we can protect and spread love to these areas!

Note: 1. Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

Note: 2. Companies who have compiled Sustainability Report may cite the source from specific pages of their Sustainability Report.

2.2.7 Climate-related Information Implementation

Items	Execution status				
1. Description of the Board and Management's Oversight and Governance of Climate-related Risks and Opportunities	The Company established a Corporate Sustainability Implementation Team in June 2022, which is divided into three sub-teams: the Corporate Governance Team, the Sustainable Environment Team, and the Social Care Team. The Sustainable Environment Team, composed of executives from key departments, is responsible for identifying, assessing, and managing climate risks and opportunities. Climate risk and opportunity governance, along with annual sustainability risk management issues, are reported to the Board of Directors by the General Manager, who serves as the chairperson of the team. Additionally, the team provides an annual report on the execution of risk management, enabling the Board to effectively supervise and review critical climate risks and governance issues, as well as propose relevant response and management policies, and assess the Company's progress in implementation. The Company has established an internal control system and internal audit system, and has developed a corporate social responsibility (CSR) code of conduct to implement integrated risk management related to environmental, social, and governance (ESG) aspects of sustainable operations. Given the increasing impact of extreme weather events due to global warming, as well as the growing significance of energy and climate change issues, the Company must fulfill its corporate responsibility for sustainable development in order to achieve long-term sustainability within the industry.				
2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term).	The identification of climate-related risks and opportunities is carried out by the Sustainable Environment Team under the Corporate Sustainability Implementation Team, which then formulates subsequent response strategies. For more details on the short-term, medium-term, long-term, and other related strategies, please refer to The Company's 2023 Sustainability Report (http://www.acetek.com.cn), section "3.7 Climate Change Risk Management and Response."				
3. Describe the financial impacts of extreme climate events and transition actions.	1. The Company's main production location is in Shandong, China. Shandong is not affected by typhoons, and the annual rainfall is limited. Therefore, there is no risk of extreme weather events such as typhoons or floods causing a crisis. 2. Transformation Action <table> <tr> <th>Items</th><th>Financial Impact on the Company</th></tr> <tr> <td>Uncertainty in Market Information</td><td>Domestic and international economic, financial conditions, and regulatory changes may impact the company's revenue, operating costs, exchange rates, interest rates, etc., resulting in changes in the company's profit and loss and cash flow, including capital losses, funding</td></tr> </table>	Items	Financial Impact on the Company	Uncertainty in Market Information	Domestic and international economic, financial conditions, and regulatory changes may impact the company's revenue, operating costs, exchange rates, interest rates, etc., resulting in changes in the company's profit and loss and cash flow, including capital losses, funding
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		gaps, credit risks, etc.; the financial impact is moderate.
	Raw material cost increase	Climate change may lead to shortages of raw materials and the demand for low-environmental-impact raw materials. Carbon tariffs are being gradually imposed by various countries, increasing the company's operating costs. The financial impact is moderate.
	For detailed information, please refer to the company's 2023 Sustainability Report (http://www.acetek.com.cn) 3.7 Climate Change Risk Management and Response. The risk identification, assessment, and management process is as follows: Step 1: The Corporate Sustainability Implementation Team members collect climate and environmental background data and assess climate risks and operational scope. Step 2: Establish a list of climate risks and opportunities, and create an internal operations impact survey. Step 3: The Corporate Sustainability Implementation Team members conduct climate risk and opportunity analysis, as well as operational impact assessments, to determine major risk items. Step 4: Establish execution strategies and set goals. Step 5: Annually review the effectiveness of execution strategies and goals through the Corporate Sustainability Implementation Team meetings. The Company referred to the 2°C scenario (2DS) for discussion in the Sustainability Environment Team meetings and simultaneously used the tools provided by TCCIP (Climate Change Integration Service Platform) as a reference for evaluating physical climate risk scenarios. The final decision was to adopt the 2DS / RCP2.6 scenario as The Company's physical climate risk scenario. In this scenario, we conducted thematic descriptions of climate change risks and opportunities, including physical risks and regulatory transition risks. For detailed information, please refer to The Company's 2023 Sustainability Report (http://www.acetek.com.cn) 3.7 Climate Change Risk Management and Response.	
4. Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.		
5. If using scenario analysis to assess resilience against climate change risks, it is necessary to describe the scenarios, parameters, assumptions, analytical factors, and major financial impacts used in the analysis.		

6. If there is a transformation plan to manage climate-related risks, please describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transition risks.		
	Items	Response strategies and goals
	Transition Risk - Market Information Uncertainty	1. All business operations are carried out in accordance with important domestic and international policies and legal regulations. 2. Timely attention is given to the development trends of important domestic and international policies and legal changes, in order to respond to market environment changes and take appropriate measures when necessary.
	Transition Risk - Increase in Raw Material Costs	1. Continuously monitor fluctuations in raw material market prices and maintain good relationships with suppliers. 2. Adjust customer quotations appropriately based on market conditions to minimize the impact of cost changes on the company's profit and loss. 3. Continuously monitor the carbon tariff regulatory requirements of various countries. 4. Seek competitive low-carbon suppliers through supplier ESG evaluations.
	Opportunity - Reduction in Water Usage and Consumption	1. Establish Water Intensity Indicators: In 2022, the group's total water intensity per unit of annual revenue was 213.7334; in 2023, it was 96.1332. The overall water intensity in 2023 decreased by 55.02% compared to 2022. 2. Acetate Fiber Products: In 2023, the water consumption per unit product was 12.92 m³/t; in 2024, the planned water consumption per unit product is 12.60 m³/t. 3. Technical Transformation: Upgraded the triple-effect evaporation treatment equipment to increase the concentrated water treatment capacity. 4. Technical Transformation: Upgraded the mother liquor drying low-temperature evaporation equipment. 5. Wastewater Treatment Plant: Renovated the closed canopy of the wastewater treatment plant. 6. Discharge Water Quality: 100% compliance with regulatory discharge standards for water quality, with zero violations or pollution fines in the year.

7. If internal carbon pricing is used as a planning tool, please explain the basis for determining the price.	The Company has not implemented internal carbon pricing, therefore it is not applicable.					
8. If climate-related targets have been set, please explain the activities covered, the scope of greenhouse gas emissions, the planning timeline, and the progress achieved each year. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the relevant targets, please describe the source and amount of the carbon offset reductions or the number of Renewable Energy Certificates (RECs) used.	<table><tr><th>Emission Reduction Targets</th><th>Strategic Actions</th></tr><tr><td>Compared to the base year 2023: 1. 15% reduction in Scope 1 and 2 greenhouse gas emissions, and a 5% reduction in Scope 3 emissions by 2030. 2. 25% reduction in Scope 1 and 2 greenhouse gas emissions, and a 10% reduction in Scope 3 emissions by 2040. 3. 30% reduction in Scope 1 and 2 greenhouse gas emissions, and a 20% reduction in Scope 3 emissions by 2050. 4. Achieve carbon neutrality and reach the net-zero carbon emission goal by 2050 and beyond.</td><td>1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance the recovery and utilization rates of high-temperature steam to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).</td></tr></table>	Emission Reduction Targets	Strategic Actions	Compared to the base year 2023: 1. 15% reduction in Scope 1 and 2 greenhouse gas emissions, and a 5% reduction in Scope 3 emissions by 2030. 2. 25% reduction in Scope 1 and 2 greenhouse gas emissions, and a 10% reduction in Scope 3 emissions by 2040. 3. 30% reduction in Scope 1 and 2 greenhouse gas emissions, and a 20% reduction in Scope 3 emissions by 2050. 4. Achieve carbon neutrality and reach the net-zero carbon emission goal by 2050 and beyond.	1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance the recovery and utilization rates of high-temperature steam to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).	
Emission Reduction Targets	Strategic Actions					
Compared to the base year 2023: 1. 15% reduction in Scope 1 and 2 greenhouse gas emissions, and a 5% reduction in Scope 3 emissions by 2030. 2. 25% reduction in Scope 1 and 2 greenhouse gas emissions, and a 10% reduction in Scope 3 emissions by 2040. 3. 30% reduction in Scope 1 and 2 greenhouse gas emissions, and a 20% reduction in Scope 3 emissions by 2050. 4. Achieve carbon neutrality and reach the net-zero carbon emission goal by 2050 and beyond.	1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance the recovery and utilization rates of high-temperature steam to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).					
9.	Greenhouse Gas Inventory and Assurance, and the Reduction Targets, Strategies, and Specific Action Plans					

1-1 Recent Two-Year Greenhouse Gas Inventory and Assurance Status 1-1-1 Emission and Intensity: Describe the greenhouse gas emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per million), and the scope of data coverage for the most recent two years. 1-1-2 Assurance Status: Describe the assurance status for the most recent two years up to the date of the annual report's publication, including the scope of assurance, assurance provider, assurance standards, and the assurance opinion.	1-1-1 Emission and Intensity: The Company's production sites are located in mainland China, and the direct emissions from fossil fuel combustion across the entire plant have not reached the 25,000-ton CO₂ annual emission equivalent threshold set by the Environmental Protection Agency for mandatory greenhouse gas emissions inventory reporting. Therefore, the Company only conducts a self-estimate of greenhouse gas emissions based on gasoline, diesel, steam consumption, and electricity usage. Additionally, the estimation is limited to carbon dioxide emissions to help the Company understand trends and take early action. 1-1-2 Assurance Status: Complete assurance information will be disclosed in the Sustainability Report. For more details, please refer to The Company's 2023 Sustainability Report (http://www.acetek.com.cn).
1-2 Greenhouse Gas Emission Reduction Targets, Strategies, and Specific Action Plans Describe the base year for	According to Article 10, Paragraph 2 of the Guidelines for the Required Disclosures in the Annual Report of Publicly Listed Companies, as the Company's paid-in capital does not reach NT\$5 billion, the Company is required to complete the emissions inventory disclosure by 2026 and assurance disclosure by 2028. However, the Company is actively complying with legal and policy requirements and will complete the 2023 annual consolidated financial report inventory in 2024, establishing 2023 as the base year based on ISO 14064-1.

greenhouse gas emission reduction, the data for that year, the reduction targets, strategies, specific action plans, and the progress in achieving the reduction targets.	<table><tr><th>Reduction Targets</th><th>Strategic Actions</th><th>Timeline</th></tr><tr><td>Compared to the base year 2023: 1. 2030: Reduce greenhouse gas emissions by 15% for Scope 1+2, and by 5% for Scope 3. 2. 2040: Reduce greenhouse gas emissions by 25% for Scope 1+2, and by 10% for Scope 3. 3. 2050: Reduce greenhouse gas emissions by 30% for Scope 1+2, and by 20% for Scope 3. 4. After 2050: Achieve carbon neutrality and reach the net-zero carbon emission goal.</td><td>1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment, and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance high-temperature steam recovery and usage rates to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).</td><td>1. 2024-2030: Achieve Emission Reduction Target 1. 2. 2030-2040: Achieve Emission Reduction Target 2. 3. 2040-2050: Achieve Emission Reduction Target 3. 4. After 2050: Achieve Emission Reduction Target 4.</td></tr></table>	Reduction Targets	Strategic Actions	Timeline	Compared to the base year 2023: 1. 2030: Reduce greenhouse gas emissions by 15% for Scope 1+2, and by 5% for Scope 3. 2. 2040: Reduce greenhouse gas emissions by 25% for Scope 1+2, and by 10% for Scope 3. 3. 2050: Reduce greenhouse gas emissions by 30% for Scope 1+2, and by 20% for Scope 3. 4. After 2050: Achieve carbon neutrality and reach the net-zero carbon emission goal.	1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment, and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance high-temperature steam recovery and usage rates to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).	1. 2024-2030: Achieve Emission Reduction Target 1. 2. 2030-2040: Achieve Emission Reduction Target 2. 3. 2040-2050: Achieve Emission Reduction Target 3. 4. After 2050: Achieve Emission Reduction Target 4.
Reduction Targets	Strategic Actions	Timeline					
Compared to the base year 2023: 1. 2030: Reduce greenhouse gas emissions by 15% for Scope 1+2, and by 5% for Scope 3. 2. 2040: Reduce greenhouse gas emissions by 25% for Scope 1+2, and by 10% for Scope 3. 3. 2050: Reduce greenhouse gas emissions by 30% for Scope 1+2, and by 20% for Scope 3. 4. After 2050: Achieve carbon neutrality and reach the net-zero carbon emission goal.	1. Install solar photovoltaic panels at each plant to increase self-consumption of solar energy (2023-2030). 2. Purchase electric vehicles for company fleets and install electric vehicle charging stations at each plant (2023-2030). 3. Through green procurement, purchase environmentally certified infrastructure equipment, and gradually replace refrigeration and air conditioning systems with energy-efficient, Grade 1 products (2023-2030). 4. Enhance high-temperature steam recovery and usage rates to reduce energy consumption (2023-2030). 5. Implement energy-saving projects at each plant and update energy-consuming equipment (2030-2040). 6. Purchase Renewable Energy Certificates (RECs) through renewable energy trading platforms to achieve emission reduction targets (2040-2050). 7. Conduct afforestation by purchasing land and planting trees in Xinjiang, China, to achieve carbon neutrality and net-zero carbon emissions (2050 and beyond).	1. 2024-2030: Achieve Emission Reduction Target 1. 2. 2030-2040: Achieve Emission Reduction Target 2. 3. 2040-2050: Achieve Emission Reduction Target 3. 4. After 2050: Achieve Emission Reduction Target 4.					

2.2.8 Ethical Corporate Management

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) The Company has an "Ethical Code of Conduct" and a "Code of Integrity Operation" to stipulates the rules for directors, managers to abide with and prevent fraud behavior.	No obvious discrepancy.
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(2) The Company has an "Operation Procedure and Conduct Guideline for Integrity and Operation" as a code of conduct and in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.	No obvious discrepancy.
				No obvious discrepancy.

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3) The Company has a "Operation Procedure and Conduct Guideline for Integrity Operation Code" and strictly prohibits of any dishonest act such as bribery or illegal political contribution; If any dishonest act is found, it will be handled in accordance with relevant regulations.	
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?	V		(1) The Company personnel prevents from engaging in commercial transactions with unscrupulous suppliers, customers or other business partners, once discovered, immediately stop trading with it and list it as a refusal.	No obvious discrepancy.
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	V		(2) The Company sets the Audit Committee, which holds meeting at least once a quarter to supervise the effective implementation of the Company's internal control that shall obey the enactments, and is responsible to the Board of Directors.	No obvious discrepancy.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate	V		(3) The Company's "Operation Procedure and Conduct Guideline for Integrity Operation	No obvious discrepancy.

Evaluation Item	Implementation Status ¹			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
communication channels, and implement it?			Code" provides complete guidelines for employees.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The Company has an accounting system for accounting personnel to follow when operating, and the audit entity performs audit operations in accordance with the audit plan, and regularly reports audit performance to the Audit Committee and Board of Directors.	No obvious discrepancy.
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) The Company's internal advocacy meeting arranges for high-tier management to express the importance of integrity to directors, employees and assignees.	No obvious discrepancy.
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	V		(1) The company has established an employee reporting and reward system, which is disclosed on the company website. For reported issues, appropriate responsible personnel are assigned to handle the cases, ensuring that individuals with no conflicts of interest are designated to manage the cases according to their nature.	No obvious discrepancy.

Evaluation Item	Implementation Status ¹		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?	V	(2) According to the reporting system regulations, any personnel handling reported cases must maintain confidentiality regarding the identity of the whistleblower and the content of the report. The identity of the whistleblower must not be disclosed without cause.	
(3) Does the company provide proper whistleblower protection?	V	(3) The reporting system strictly prohibits any threats or retaliation against whistleblowers.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V	The Company has designated a specific person to be responsible to collect company information and disclose it on company website; and emphasizes the concept of integrity management in annual reports and external documents.	No obvious discrepancy.
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation. There have been no differences.			

Evaluation Item	Implementation Status ¹		Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
6. Other important information to facilitate a better understanding of the company’s ethical corporate management policies (e.g., review and amend its policies). When trading with the suppliers, the company has always adhered to the principle of good faith and promoted the company’s integrity management philosophy to its suppliers, and strengthened the education of our employees.			Abstract Illustration

2.2.9 Corporate Governance Guidelines and Regulations

Please refer to the Company’s website at www.acetek.com.cn.

2.2.10 Other Important Information Regarding Corporate Governance

None.

2.2.11 Internal Control Systems

(i) Statement of Internal Control System

Jinan Acetate Chemical Co., LTD.
Statement of internal control system

Date: March 5, 2025

We hereby declare the results of the self-assessment of our internal control system in 2024 as below:

1. We acknowledge that it is the responsibility of the Company's Board of Directors and managers to establish, implement, and maintain the internal control system. We have established said system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including revenue, performance, and asset safety) and reporting are reliable, timely and transparent, as well as to ensure compliance with relevant regulations and laws.
2. Due to the inherent limitations of the internal control system, an effective internal control system can only provide reasonable assurance about the achievements of the three goals above, no matter how completely it is designed. Also, the effectiveness of an internal control system may vary when environment and circumstances change. However, our internal control system contains a self-supervision mechanism. We will immediately take corrective action towards any deficiency identified therefrom.
3. We determine the effectiveness of the design and implementation of our internal control system based on the criteria set forth in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter called the "Regulations"). The Regulations specify five elements during the management and control process that constitute the internal control system: a. control environment, b. risk assessment, c. control activities, d. information and communications, e. supervision activities. Each constituent element may include several topics. The foregoing elements are as described in the Regulations.
4. We have adopted the above criteria of the internal control system to assess the effectiveness of the design and implementation of our internal control system.
5. Based on the results of said assessment, we determined that our internal control system (including the supervision and management of subsidiaries) as of December 31, 2024 have provided an effective design and implementation to reasonably ensure the achievement of goals, including the understanding of the achievement level of our effectiveness and efficiency goals, the reliability, timeliness, and transparency of reporting, as well as compliance with relevant regulations and laws.
6. This Report will form the major part of our annual report and prospectus, and will be disclosed to the public. Any misrepresentation, concealment and other illegal conduct will result in liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Report has been passed by the Board of Directors on March 5, 2025. Among the eight directors present at the meeting, zero members had objections, and the rest agreed to the statement herein.

Jinan Acetate Chemical Co., LTD.

Chairman: Wang, Ko-Chang

General Manager: Wang, Ko-Chang

(ii) If an accountant is entrusted to review internal audit control, the accountant review report shall be disclosed: None.

2.2.12 Punishment of this company and its internal personnel according to law, and the company's punishment for violation of internal control system, main missing and improvement conditions from past year to this report's printing: None.

2.2.13 Major Resolutions of Shareholders' Meeting and Board Meetings

a. The resolutions approved by the entire attending shareholders at the annual shareholders' meeting on May 30, 2024 and its implementation

Resolutions	Implementation
2023 Annual Operating Report and 2023 Annual Consolidated Financial Report of the Company and Its Subsidiaries.	The resolution has been approved.
Approval of the 2023 earnings distribution	Ex-Dividend Date : 9th September, 2024 ; Distributed on 9th October, 2024
Amendment to the "Articles of Association" of the company	The resolution has not been approved.
Proposal for capitalization of retained earnings through issuance of new shares.	9th October, 2024, has been set as the ex-dividend date, and 9th October, 2024, as the issuance date for new shares.

b. The resolutions approved by the board of directors for 2022, up to April 2, 2023 and its implementation

Date	Date	Major resolutions
20240312	The 8th meeting of the 5th term.	1. 2023 Annual Business Report, 2023 Consolidated Financial Report of the Company and its Subsidiaries. 2. 2023 Internal Control System Statement. 3. 2023 Employee and Director Compensation Payment Amounts 4. Matters related to the convening of the 2024 Annual Shareholders' Meeting.
20240403	The 9th meeting of the 5th term.	1. 2023 Annual Profit Distribution Proposal. 2. Proposal for Capital Increase through Retained Earnings to Issue New Shares. 3. Amendment to the "Articles of Incorporation" Proposal. 4. Proposal to Provide Endorsements and Guarantees for Subsidiaries and Sub-subsidiaries in China. 5. Addition of Matters related to the Convening of the 2024 Annual Shareholders' Meeting.
20240510	The 10th meeting of the 5th term.	1. Proposal for the 2024 First Quarter Consolidated Financial Report. 2. Proposal to Provide Guarantees for Subsidiaries and Sub-subsidiaries in China. 3. Proposal for the Company to Apply for Credit Limits from Banks. 4. Proposal for Investment and Establishment of Acetek Co., Pte

		Ltd. 5. Authorization for the Company to Open an Account with DBS Bank 6. Authorization for the Company to Open an Account with Bank of Banxin. 7. Authorization for the Company to Open an Account with Shin Kong Bank
20240530	The 11th meeting of the 5th term.	1. Proposal to Sell the Company's Investment in Eleung Limited. 2. Proposal for Investment and Establishment of a Company in China. 3. Proposal for the Distribution of 2023 Executive and Director Compensation.
20240823	The 12th meeting of the 5th term.	1. Proposal for the 2024 Second Quarter Operations Report and 2024 Second Quarter Consolidated Financial Report. 2. Proposal to Transfer Treasury Shares to the Company's Employees. 3. Proposal to Cancel Treasury Shares. 4. Discussion on the Proposal for the Company's 2023 Profit Allocation to Capital Increase by Issuing New Shares. 5. Proposal for Profit Distribution for the First Half of 2024. 6. Proposal to Provide Guarantees for Subsidiaries and Sub-subsidiaries in China. 7. Proposal for the Company to Open an Account with Sinopac Bank. 8. Establishment of the "Greenhouse Gas Inventory Management Procedure". 9. The Company's 2023 Sustainability Report.
20241113	The 13th meeting of the 5th term.	1. Proposal for the 2024 Third Quarter Consolidated Financial Report. 2. Housing Lease Matters between the Company and Related Party Mr. Wang, Ko-Chang. 3. Proposal for the Company to Apply for Credit Limits from Banks. 4. Proposal to Establish the "Sustainability Development Committee" and Define Its Organizational Regulations. 5. Proposal to Appoint Mr. Wang, Ko-Chang (General Manager), Mr. Lin Zezhong (Independent Director), Mr. Yu Jingxian (Independent Director), and Mr. Wu Wenbin (Corporate Governance Officer) as Members of the Sustainability Development Committee. 6. Proposal to Establish the "Sustainability Information Management Guidelines". 7. Proposal for Cash Capital Increase in Holyard International Co., Ltd. for Ratification.
20241226	The 14th meeting of the 5th term.	1. Proposal for the 2025 Annual Operational Plan and Budget. 2. Proposal for the 2025 Annual Audit Plan. 3. Proposal to Approve the 2024 Annual Bonus Distribution for Executives, as Reviewed by the Company's Compensation Committee. 4. Proposal to Approve the Selection of Auditors and Appointment of Compensation. 5. Proposal for the Company to Apply for Credit Limits from Banks. 6. Proposal to Provide Guarantees for Subsidiary Jinan Nature New Materials Co., Ltd. (China) 7. Proposal for the Company to File the "Economic Substance Declaration" and "Annual Filing" for the Cayman Islands.

		8. Proposal for the Appointment of a New Audit Supervisor due to Job Adjustment. 9. Proposal for the Change of the Company's Spokesperson.
20250305	The 15th meeting of the 5th term.	1. Proposal for the 2024 Annual Operations Report and 2024 Annual Consolidated Financial Report for the Company and Its Subsidiaries. 2. Proposal for the 2024 Annual Internal Control System Declaration. 3. Proposal for the Distribution of Employee and Director Compensation for the Year 2024. 4. Proposal for the Company to Apply for Credit Limits from Banks. 5. Proposal to Provide Endorsements and Guarantees for Subsidiaries and Sub-subsidiaries in China. 6. Proposal to Amend the Company's "Articles of Incorporation". 7. Proposal to Set the Date for the Company's 2025 Annual Shareholders' Meeting.
20250326	The 16th meeting of the 5th term.	1. Proposal for the 2024 Earnings Distribution. 2. Proposal to Amend the Agenda for the 2025 Annual Shareholders' Meeting.

2.2.14 Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by the Board of Directors: None.

2.3 Information Regarding the Company's Audit Fee and Independence

2.3.1

(i) Audit Fee

Information on Audit fees

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Accountant audit period	Audit public expenses	Non-audit public fees	Total	Remark
Deloitte & Touche	Huang, Yao-Ling	2024.01~2024.12	5,055	524	5,579	Note
	Chou, Shih-Chieh					

Note: Non-audit public expenses include 163,000 yuan for business registration, 50,000 yuan for agreement procedures, and 311,000 yuan for advance payment

(ii) Change accounting firm and audit fees paid for the fiscal year in which such changes took place are lower than those for the previous year, the reduction in the amount of audit fees: None.

(iii) When the audit fees paid for the current year are lower than those for the previous fiscal year by 10 percent or more: None.

2.4 Replacement of CPA: None.

2.5 The company's Chairman, President, and Officers in charge of Financial or Accounting Affairs has served in its Certified Public Accountant Firm or its Affiliated Enterprise in the Most Recent Year: None.

2.6 Change in shares holding and shares pledged by directors, supervisors, managers and shareholders with 10% shareholdings or more in most recent year and as of the printed date of the annual report

2.6.1 Changes in the Shareholding of Directors, Supervisors, Executives, and Major Shareholders

Unit: Shares

Title	Name	2024		As of March 24, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman (Major Shareholders)	Bright Pearl Enterprises Ltd.	3,700,120	-	(171,000)	-
	Representative: Wang, Ko-Chang	(133,620)	-	(9,000)	-
Director (Major Shareholders)	MACRIFER TRADING SOCIEDAD ANONIMA	(334,425)	-	(369,000)	-
	Representative: Ericson Fensterseifer	-	-	-	-
Director	Amacron Trading Ltd.,	173,040	-	(1,000)	-
	Representative: HSU Cheng-Tsai	-	-	-	-
Director	Meng, Ching-Li	-	-	-	-
Independent Director	Lin, Tzer-Jong	-	-	-	-
Independent Director	Lin, Wen-Cheng	-	-	-	-
Independent Director	Yu, Ching-Hsien	-	-	-	-
President	Wang, Ko-Chang	-	-	-	-
President	Meng, Ching-Li	-	-	-	-
Vice President	Shu, Chang-Chao	-	-	-	-
Vice President	Chang, Ai-Feng	-	-	-	-
Vice President	Liang, Ji-Qiang	-	-	-	-
Vice President	Zhao, Jin-Po	-	-	-	-
Vice President	Liu, Chen	-	-	-	-
CFO	Chen, Chieh-Jui	(51,000)	-	(3,000)	-
Senior Manager(Note 3)	Wu, Wen-Pin	3,885	-	-	-
Sale Director	Sun, Ching	-	-	-	-

Note 1: Shareholders holding more than ten percent of the company's shares should be identified as major shareholders and listed separately.

Note 2: For related parties involved in share transfers or share pledges, the following table should be completed.

2.6.2 Shares Trading with Related Parties: N/A

2.6.3 Shares Pledge with Related Parties: N/A

2.7 Top 10 shareholders who are related parties, spouses, or within second-degree of kinship to each other

As of March 24, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Bright Pearl Enterprises Ltd.	28,232,486	28.54	-	-	-	-	-	-	-
Representative: Wang, Ko-Chang	12,009	0.01	-	-	-	-	-	-	-
Macrifer Trading Sociedad Anonima	11,651,040	11.78	-	-	-	-	-	-	-
Representative: Ericson Fensterseifer	-	-	-	-	-	-	-	-	-
Yuanta Taiwan High Dividend Fund Special Account	5,032,543	5.09	-	-	-	-	-	-	-
Amacron Trading Ltd.	2,916,333	3.03	-	-	-	-	-	-	-
Representative: Hsu, Cheng-Tsai	-	-	-	-	-	-	-	-	-
Chang, Jun-An	1,382,000	2.95	-	-	-	-	-	-	-
Citibank (Taiwan) Commercial Bank Trustee Custodian of the Norges Bank Investment Special Account	713,288	0.72	-	-	-	-	-	-	-
Taiwan SME Bank Co., Ltd. Trustee Custodian of the Dahua Bank Taiwan Preferred Dividend High Yield 30 ETF Securities Investment Trust Fund Special Account	653,033	0.66	-	-	-	-	-	-	-
CTBC Taiwan Preferred Growth High Dividend ETF Fund Special Account	611,000	0.62	-	-	-	-	-	-	-
HSBC (Taiwan) Commercial Bank Co., Ltd. Trustee for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. - Securities Trading Unit Proprietary Platform Tripartite SBL Trading Investment Special Account	598,000	0.60	-	-	-	-	-	-	-
Hu, Man-ling	575,000	0.58	-	-	-	-	-	-	-

2.8 Number of shares held and shareholding percentage of the Company, the company's directors, supervisors, managers and directly or indirectly controlled entities on the same investee

Unit: shares/ % As of December 31, 2024

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
My Parents Living Technology Limited	Note	100	-	-	Note	100
Jinan Acetate Chemical Co., LTD.(China)	Note	100	-	-	Note	100
Acetate Material Co., Ltd.	Note	88	-	-	Note	88
Acetate Chemical Co., Ltd.	Note	80	-	-	Note	80
Acetek Momentum Co., Ltd.	Note	100	-	-	Note	100
Acetate (Shandong) Environmental Fiber Co., Ltd.	Note	100	-	-	Note	100
Acetek Aspiration (Jinan) Trading Co., Ltd.	Note	100	-	-	Note	100
Acetek Aspiration (Shandong) Co., Ltd.	Note	100	-	-	Note	100
Acetek Guardian(Shandong) Co., Ltd.	Note	100	-	-	Note	100

Note: Limited company with no shares

III. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Capital

Unit: NT\$1000/One thousand shares

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT\$ thousands)	Shares	Amount (NT\$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
09/2014	10	100,000	1,000,000	10,000	100,000	Authorized capital	none	
11/2014	10	100,000	1,000,000	40,000	400,000	Organizational restructuring (Capital increased out of surplus)	none	Note 1
02/2015	10	100,000	1,000,000	41,000	410,000	Capital increased by cash	none	Note 2
11/2015	10	100,000	1,000,000	46,480	464,800	Capital increased by cash	none	Note 3
10/2019	10	100,000	1,000,000	51,076	510,760	Capital increased out of surplus	none	Note 4
05/2021	10	100,000	1,000,000	58,756	587,560	Stock dividends of Common Stock	none	Note 5
01/2022	10	100,000	1,000,000	58,062	580,620	Decrease in treasury stock	none	Note 6
07/2022	10	100,000	1,000,000	58,605	586,050	Convertible bonds converted to ordinary shares	none	Note 7
09/2022	10	100,000	1,000,000	61,605	616,050	Capital increased by cash	none	Note 8
04/2023	10	100,000	1,000,000	71,333	713,330	Convertible bonds converted to ordinary shares	none	Note 9
04/2023	10	100,000	1,000,000	71,113	711,130	Decrease in treasury stock	none	Note 10
05/2023	10	100,000	1,000,000	71,134	711,340	Convertible bonds converted to ordinary shares	none	Note 11
06/2023	10	100,000	1,000,000	71,206	712,060	Convertible bonds converted to ordinary shares	none	Note12
07/2023	10	100,000	1,000,000	71,207	712,070	Convertible bonds converted to ordinary shares	none	Note 13
08/2023	10	100,000	1,000,000	75,207	752,070	Capital increased by cash	none	Note 14
08/2023	10	100,000	1,000,000	75,263	752,630	Convertible bonds converted to ordinary shares	none	Note 15
09/2023	10	100,000	1,000,000	75,322	753,220	Convertible bonds converted to ordinary shares	none	Note 16
10/2023	10	100,000	1,000,000	85,890	858,900	Stock dividends of Common Stock	none	Note 17
10/2023	10	100,000	1,000,000	86,286	862,860	Convertible bonds converted to ordinary shares	none	Note 18
09/2024	10	100,000	1,000,000	99,172	991,717	Stock dividends of Common Stock	none	Note 19
10/2024	10	100,000	1,000,000	98,915	989,147	Decrease in treasury stock	none	Note 20

Note1: After the establishment of the company and the group's original holding company Tzu Yan Company to exchange shares

Note2: The company raised capital in cash and issued 1,000 new shares.

Note3: The company raised capital in cash and issued 5,480 new shares.

Note4: For 2019 Stock dividend from capital surplus, each share was distributed NT\$1.0 of stock.

Note5: For 2021 Stock dividend from profit, each share was distributed NT\$1.0 of stock.

Note6: First Repurchase Decrease in treasury stock: 513,000 shares

Note7: Convertible bonds converted to ordinary shares: 542,392 shares

Note8: The company raised capital in cash and issued 3,000,000 new shares.

Note9: Convertible bonds converted to ordinary shares: 9,727,897 shares

Note10: First Repurchase Decrease in treasury stock: 220,000 shares
Note11: Convertible bonds converted to ordinary shares: 21,540 shares
Note12: Convertible bonds converted to ordinary shares: 71,708 shares
Note13: Convertible bonds converted to ordinary shares: 1,042 shares
Note14: The company raised capital in cash and issued 4,000,000 new shares.
Note15: Convertible bonds converted to ordinary shares: 56,280 shares
Note16: Convertible bonds converted to ordinary shares: 59,296 shares
Note17: For 2022 Stock dividend from profit, each share was distributed NT\$1.5 of stock.
Note18: Convertible bonds converted to ordinary shares: 394,705 shares
Note19: For 2023 Stock dividend from profit, each share was distributed NT\$0.50000001 of stock.
Note20: Third Repurchase Decrease in treasury stock: 257,000 shares

3.1.2 Type of Stock

As of March 24, 2025/ Unit: shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	98,914,667	1,085,333	100,000,000	-

3.2 Status of Shareholders

As of March 24, 2025/ Unit: shares

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	-	10	136	26,284	189	26,619
Shareholding (shares)	-	5,653,661	3,804,151	37,213,889	52,242,966	98,914,667
Percentage	-	5.72	3.84	37.62	52.82	100.00

Note : Foreign institutions or individuals without mainland Chinese investors

3.3 List of Major Shareholders

As of March 24, 2025/ Unit: shares

Shareholder's Name	Nationality/ Country of Origin	Shareholding	
		Shares	Percentage
Bright Pearl Enterprises Ltd.	Samoa	28,232,486	28.54
Macrifer Trading Sociedad Anonima	Uruguay	11,651,040	11.78
Yuanta Taiwan High Dividend Fund Special Account	R.O.C.	5,032,543	5.09
Amacron Trading Ltd.	Hong Kong	2,916,333	3.03
Chang, Jun-An	R.O.C.	1,382,000	2.95
Citibank (Taiwan) Commercial Bank Trustee Custodian of the Norges Bank Investment Special Account	R.O.C.	713,288	0.72

Taiwan SME Bank Co., Ltd. Trustee Custodian of the Dahua Bank Taiwan Preferred Dividend High Yield 30 ETF Securities Investment Trust Fund Special Account	R.O.C.	653,033	0.66
CTBC Taiwan Preferred Growth High Dividend ETF Fund Special Account	R.O.C.	611,000	0.62
HSBC (Taiwan) Commercial Bank Co., Ltd. Trustee for Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. - Securities Trading Unit Proprietary Platform Tripartite SBL Trading Investment Special Account	R.O.C.	598,000	0.60
Hu, Man-ling	R.O.C.	575,000	0.58

3.4 Dividend Policy and Implementation Status

3.4.1 Dividend Policy in articles of the company:

The Board may, subject to approval by the Members by way of Ordinary Resolution or, in the case of Article 12.3(a), Supermajority Resolution and subject to the Articles and any direction of the Company in general meeting, declare a dividend to be paid to the Members in proportion to the number of shares held by them, and such dividend may be paid in cash or shares.

Subject to the Applicable Law, no dividends or other distribution shall be paid except out of profits of the Company, realised or unrealised, out of share premium account or any reserve, fund or account as otherwise permitted by the Law. Except as otherwise provided by the rights attached to any shares, all dividends and other distributions shall be paid according to the number of the shares that a Member holds. If any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividends accordingly.

The Company, in addition to the dividends to be distributed at the end of each financial year, may distribute interim dividends to the Members on semi-year basis. If the Board decides not to distribute interim dividends, the Board shall adopt a resolution to confirm such non-distribution after the relevant first half of the financial year. The distribution of the dividends at the end of each financial year shall comply with the requirements and procedures set forth in Clauses 14.4 to 14.6 and 14.10 to 14.12 and the distribution of the dividends for the first half of the financial year shall comply the requirements and procedures set forth in Clauses 14.6 to 14.12.

Subject to the Law and this Article and except as otherwise provided by the rights attached to any shares, the Company may distribute profits in accordance with a proposal for profits distribution approved by the Board and sanctioned by the Members by an Ordinary Resolution, in annual general meetings.

The Company is in the growth stage. The Board shall prepare the dividend proposal by taking into account the profit of the year, overall development, financial plans, capital requirements, the industry and the Company's prospects and perspectives and so on and submit the proposal for the Members' approval. For so long as the shares are traded on the ESM or listed on the TPEx or the TSE in Taiwan, if there are profits, in making the profits distribution recommendation, the Board shall set aside out of the profits of the Company for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; (iii) ten per cent (10%) as reserve ("Statutory Reserve"); and (iv) a special surplus reserve as required by the applicable securities authority of the ROC under the Applicable Public Company Rules. The remaining balance, if any, together with a part or whole of accumulated undistributed profits in the previous years, subject to the Law and the Applicable Public Company Rules and after having considered the financial, business and operational factors of the Company, may be distributed as dividends to Members in proportion to their shareholdings in the amount of no less than ten per cent (10%) of profit after tax of the relevant year. In the event that dividends are distributed to Members in a combination of share dividend and cash dividend, cash dividend shall be no less than ten per cent (10%) of the total dividends.

3.4.2 Proposed Distribution of Dividend

- (i) Shareholder's stock dividend: None.
- (ii) Shareholder's cash dividend: The Company's Board of Directors approved the 2024 earnings distribution plan on March 26, 2025. The cash dividend for the first half of 2024 was fully distributed on January 22, 2025. For the second half of 2024, the Company plans to allocate NT\$2,472,866,675 as shareholder dividends, distributing a cash dividend of NT\$25 per share. Upon approval by the General Meeting of Shareholders, the Chairman will be authorized to determine the ex-dividend date.
- (iii) Employee Bonus – in Stock: None.
- (iv) Employee Bonus – in Cash: NT\$ 84,237,000.

3.5 The impact of the issuance of bonus shares proposed in the current shareholders' meeting upon the Company's business performance and earnings per share (EPS): None.

3.6 Remuneration of employees, directors and supervisors

- (i) Information Relating to Employee Bonus and Directors' and Supervisors' Remuneration in the Articles of Incorporation:
According to the Articles of Incorporation of the Company, the Company accrues employees' compensation at a rate of no less than 1% when the Company earned profits in the year. Employees' compensation is paid to employees of subordinate companies that meet certain conditions. When the Company is able to increase the amount of profit, it accrues directors' remuneration at a rate of no more than 3% of the profit of the year.

(ii) The Estimated Basis for Calculating the Employee Bonus and Directors' and Supervisors' Remuneration

The Company's annual employee remuneration and director remuneration in 2024 are based on the Company's 2024 annual profit (defined as net profit before tax), taking the distribution percentage specified in Company's Articles of Association as the estimation basis, and list the current-stage operating expenses. However, if there is a difference between the actual allotment amount and the estimated one according to the conclusion of shareholder convention, it is regarded as the accounting deviation and is included in the balance profit and loss of the resolution of the shareholder convention. If the employee's remuneration is issued by stock, the calculation of shares in the share-based remuneration bases on the market-closing price on the previous day of the shareholders convention and considers the ex-dividend and ex-dividend effect.

(iii) Profit Distribution for Employee Bonus and Directors' and Supervisors' Remuneration for 2024 Approved in Board of Directors Meeting

(1) The company's board of directors passed the 2024 earnings distribution proposal on March 5, 2025, proposing to distribute a cash reward of NT\$84,237,000 to employees and NT\$2,000,000 to directors.

(2) Ratio of Recommended Employee Stock Bonus to Capitalization of Earnings: 0%

The above-mentioned actual distribution of employee bonus and directors' and supervisors' remuneration was in line with the recommended resolution of the Board of Directors.

(iv) Distribution of last year's earnings surplus paid to employees, directors and supervisors: None.

3.7 Buyback of Treasury Stock (Completed)

As of April 1, 2025			
Treasury stocks: Batch Order	The1st batch in 2018	The2nd batch in 2020	The3rd batch in 2021
Purpose of buy-back	Transfer ownership of shares to employees	Transfer ownership of shares to employees	Transfer ownership of shares to employees
Timeframe of buy-back	Nov. 9, 2018–Jan. 8, 2019	March 18, 2020–May 17, 2020	Sep. 03, 2021–Nov. 1, 2021
Price range	NT\$100 ~ NT\$160	NT\$95 ~ NT\$190	NT\$90 ~ NT\$140
Class, quantity of shares bought back	513,000 shares	571,000 shares	382,000 shares
Value of shares bought-back (in NT\$ thousands)	NT\$63,586,370	NT\$52,319,960	NT\$38,080,604
Shares sold/transferred	513,000 shares	571,000 shares	382,000 shares
Accumulated number of company shares held	-	-	-
Percentage of total company shares held (%)	-	-	-

3.8 Bonds

3.8.1 Corporate Bond: None.

3.8.2 Convertible Bonds: None.

3.8.3 Exchangeable Bonds: None.

3.8.4 Shelf Registration for Issuing Bonds : None.

3.8.5 Corporate Bonds with Warrants: None.

3.9 Status of New shares issuance in Connection with Preferred stock, Global Depository Receipts(GDR), Employee stock warrants, Employee restricted stock awards, Mergers and Acquisitions: None

3.10 Financing Plans and Implementation:

3.10.1 Plan Contents:

As of the end of the most recent quarter before the publication date of the annual report, any previously issued or privately placed securities that have not yet been completed, or those completed within the last three years but whose expected benefits have not yet materialized: None

3.10.2 Execution:

For the purpose of each plan stated above, the item-by-item analysis will be compared with the originally expected benefit on the last quarter before the printing date of this annual report. If the implementing progress or the benefit does not meet the expected target, specifically specify the reason and impact on shareholders' equity and the respective improvement plan: None.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Business Scope

(i) Main areas of business operations

The Group is mainly engaged in research, manufacture and sale of cellulose acetate, acetate tows and acetic anhydride.

(ii) Revenue distribution

Unit : NT\$ thousands

Item \ Annual	2023		2024	
	Sales Amount	Business Proportion	Sales Amount	Business Proportion
Acetate flake	9,357,125	84.87%	14,142,609	90.00%
Acetate tow	1,599,827	14.51%	1,564,567	9.96%
Acetic anhydride	68,690	0.62%	6,149	0.04%

(iii) Main products

Cellulose acetate tow and Cellulose acetate.

(iv) New products development

Products	Application of new products
Cellulose acetate tow	Cigarette filters, water-based pen refills, garment materials, diapers, other filter materials and IQOS e-cigarettes, etc.
Base fabric (non-woven fabric)	Facial masks, facial filters
Cellulose acetate plastic grade	Special plates, plastic toys, packaging materials, instrument casings, tool handles and cellulose films
Cellulose triacetate	Protective films for LCD PVA film, organic permeable films

4.1.2 Industry Overview

(i) Current state and development of the industry

The Company is an overseas holding company established in the Cayman Islands in September 2014. The Group mainly engages in the manufacture, sale and R&D of cellulose diacetate tows, vertically integrates the material sources. Since 2016, the Company jointly established the Aceteck Material Co.,

Ltd. with Lunan Chemicals Co., Ltd. and the strategic investor Qiyao Co., Ltd., which mainly engages in the production, sales and R&D of cellulose diacetate. The cellulose diacetate tows belong to the acetate industry, the main applications are on the filter materials. The downstream application market includes filters for cigarettes, dry diapers, refills, non-woven masks, reverse osmosis membranes, sewage treatment. In medical applications, the cellulose diacetate tows are used to produce blood filters; some of them are also used in high-class clothing. About 75%-85% of the global cellulose acetate fiber production is the cellulose diacetate, and over 90% of the acetate tows are used for cigarette filters. The raw material of diacetate is wood pulp, which is a naturally regenerated fiber. The fiber is made into the cellulose diacetate by reacting with chemical raw materials such as acetic anhydride, and then produced into the cellulose diacetate tows through a series of process technologies. The industry overview and terminal application market are as follows:

The global environmental pollution is increasingly serious; the original ecological balance is destroyed as never made before. Countries around the world have developed strict environmental laws and regulations, using natural fibers or renewable resources as fiber raw materials, which enables the minimum pollution to the environment from products in the manufacturing process and the disposal afterward. The main raw material of cellulose acetate fiber is made by natural vinegar through acetification process, and is divided into acetate cellulose, cellulose diacetate and cellulose triacetate according to the acetification degree. The acetate cellulose has good skin contact and wearing comfort, hygroscopicity and easy to handle about, and its products can be completely decomposed, biodegradable that many synthetic fibers can't, which can be used for pharmaceutical enteric coatings, eyeglass frames, toys and other plastic products, or dissolved in acetone, after spinning, silking and curling, form tows to produce cigarette filters, dry diapers, refills, non-woven masks and sewage treatment; in addition, in medical, acetate cellulose can be used to make hemodialysis filtration membrane, artificial kidney membrane material and similar products. Therefore, the end application products of acetate cellulose can be quite extensive and diverse.

The Group makes vertical integration and expands new plant to material source and completed the plant construction on June 30, 2017. The new plant mainly produces cellulose diacetate (commonly known as vinegar tablets), and the spinning grade vinegar tablets are used by Jinan Acetate Chemical Co., Ltd., which is a downstream company of the supply group. The plastic vinegar tablets are mainly sold out. The manufacturing process of vinegar tablets applies the medium temperature method, and the cellulose acetate grade pulp reacts with acetic anhydride as the catalyst under the condition of sulfuric acid as the solvent and the acetic acid is as the solvent to produce cellulose triacetate, which is then hydrolyzed, precipitated, washed and dried to obtain cellulose diacetate. The manufacturing process of cellulose diacetate tows mainly uses vinegar tablets as raw material, processed by dissolution, filtration, spinning, and crimping, drying, wire-drawing, packaging and other processes. Because the cellulose diacetate tows have excellent elasticity and thermal stability, its texture is firm, non-toxic, tasteless, small suction resistance, and remarkable in filter effect. It can reduce harmful substances such as tar and nicotine that enter human body during smoking, and thus have replaced the polypropylene material and become the main raw material for today's cigarette filters. Since the acetate tows have come into mass production model in 1962, the production of Celanese, Eastman and Rhodia (bought by the Solvay Group in 2011) accounted for the majority in the market; all three major suppliers produce their own vinegar tablets, supplying the world's major tobacco manufacturers (China Tobacco, PMI, British Anglo, Independent & Monopolies, Japan Tobacco and other manufacturers) after being

formed to towels, and has long-term stable cooperation with global tobacco manufacturers. Since the manufacturing capacities of these three major suppliers are adjusted mainly in line with the demand of the top five tobacco manufacturers, therefore, the capacity expansion is cautious. In the past a few years, due to the growth of Chinese cigarette market, the supply of cellulose diacetate towels is in short; China tobacco industry has no independent technology, it thus makes joint venture with international companies. After obtaining the required technology, the production and demand have gradually become balanced. The demand and price of cigarettes are extremely affected by the cycle of economy. Even if the tobacco tax is added to the tobacco control policy, the additional cost is taken by consumers and the cigarette prices increase instead of decrease; yet, for the acetate towels, under the major change in the cost structure, the price of the cellulose diacetate towels was adjusted along with adjusting of upstream and downstream prices.

In 2016, the global output of diacetate towels was about 762,000 tons, and its end products were widely used in cigarette filters. According to the research report of Zhiyan Consulting Group Research Center, the global sales amount of diacetate towels in 2016 is about 4.217 billion US dollars; the growth is going to reach over 4.811 billion US dollars by the end of 2023. It is obvious that the market demand will continue to grow in the future. The following are the markets for downstream applications such as the filters and textile cellulose acetate fibers.

A.Filters

The filters are the upper part of cigarettes, which are used to filter out part of the tar inhaled from cigarettes, reducing the discomfort of the smoker after smoking. With the technology development, the filter types have made some changes. Because cellulose diacetate towel has good elasticity and thermal stability, it has a special type structure and chemical composition, which is non-toxic, tasteless, and strong in adsorption and has a significant effect on filtering, which can reduce the toxic substances in the flue gas. Filters have been applied to the cigarette filters since 1957 to instead of polyester fiber material; it has become the main material for cigarette filters. Cellulose acetate fiber is widely accepted by consumers enjoying both low tar and high tar cigarettes. At present, the density or specification of acetate towel has reached 5.0 denier from 1.8 denier and can be made into a series of filters that adapt to different pressures and remaining characteristics. The finer the fiber, the higher filtration efficiency of cigarette it can reach about. In addition, the ventilation function of cellulose acetate fiber can also reduce the smoke volatilization, and the volatilization of cigarette tar and nicotine decreases as the filter becomes longer. In the past, cigarette filter was usually 20 mm long, at present, 25 mm, 27 mm or even 31 mm filters are common. The increase in filter length reduces the tobacco amount in cigarette; on the other hand, it reduces the cigarette smoke; longer cigarette filter can make better smoke-reducing effect.

The filter market is mainly from the demand of cigarette market. At present, the demand of global cigarette market is affected by the increasing number of tobacco control measures and the diversified trend of smoker consumption. The cigarettes demand in the developed countries including the United States, Europe and Japan continues to declining, within 2005 to 2018, cigarette sales in Asia, Middle East and Africa increased. The main cigarette growth in Asia comes from China. China is the country with the highest smoking population in the world. The output value of Chinese cigarettes is 43.6% of the global total. Other emerging economies such as Indonesia and Africa are the growing regions of cigarettes. According to the data, the top five cigarette markets are China, Russia, the United States, Indonesia and Japan, which account for 61.7% of the total cigarette market in 2018; among the top ten

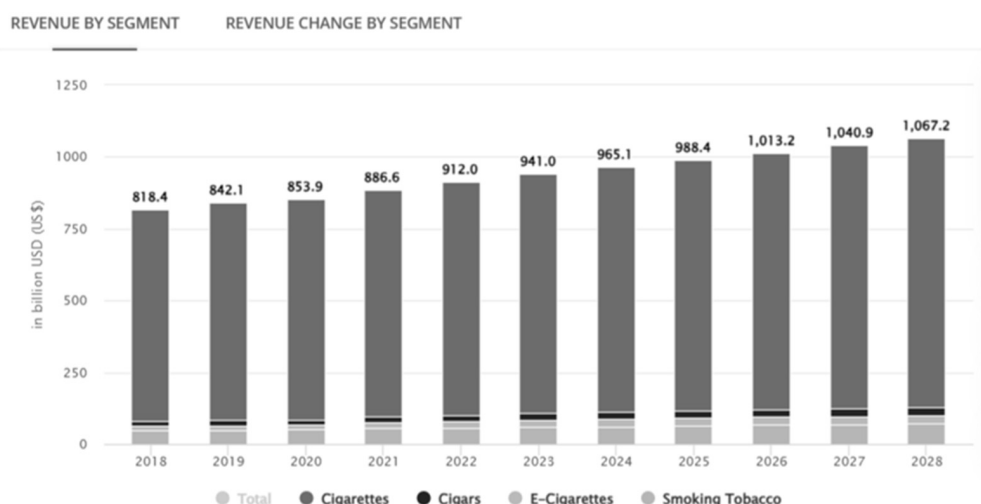
cigarette markets, six of them are the emerging market economies. The Indonesian cigarette market is a special one, mainly based on clove-flavored diced cigarettes; in the Russian cigarette market, cigarette sales decreased by 31.7% within 2013 to 2018, yet, cigarette sales increased by 2%; the tobacco market in India mainly is the smoke-free tobacco, about 75% market share; followed by the hand-rolling tobacco market, about 27% market share; cigarettes share only 14%; but for international tobacco merchants, about 825 billion cigarettes were sold in India in 2018, which is one of the emerging markets that can be expected to be developed.

B.Heating does not burn smoke (HNB)

Heated tobacco products electronic cigarette (full name "heated non-burning tobacco products") is a tobacco product that heats tobacco to a high temperature of about 300-350 °C in a non-combustible manner. Because tobacco is not burned, heated tobacco can release nicotine and other chemicals, but the use of heated tobacco produces 90-95% less harmful substances than the smoke produced by burning traditional cigarettes (but some of them are still more concentrated), while producing no smoke or soot. In 2023, the global heated tobacco (HNB) market reached a value of USD 21.5 billion. Looking ahead, IMARC Group forecasts that the market will grow to USD 162.8 billion by 2032, with a compound annual growth rate (CAGR) of 24.44% from 2024 to 2032. The cost-effectiveness of the product, its wide availability through offline and online distribution channels, and the growing prevalence of diseases due to chewing tobacco and cigarettes represent some of the key factors driving the market. Japan is the largest consumer market in the world, followed by South Korea, Eastern Europe and Western Europe, the European market is growing significantly, and emerging markets such as Southeast Asia and the Middle East are also gradually expanding.

Statista Market Insights estimates that the global tobacco products market revenue is expected to reach \$941 billion in 2023, with a compound annual growth rate (CAGR) of 2.6% from 2023 to 2028, while the CAGR of demand is -0.4%. This is mainly due to stricter laws and growing consumer health concerns, with global smoking rates continuing to decline. But despite this, cigarette prices have risen and sales have decreased, but tobacco companies are still making significant profits.

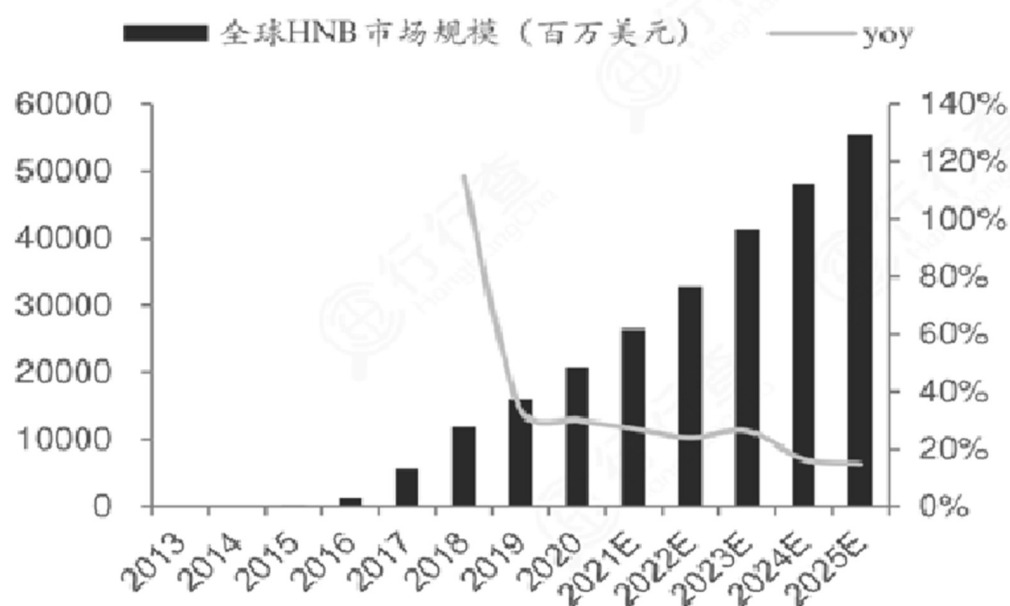
However, in response to these changes, Philip Morris (PMI), the world's largest tobacco company by market capitalization, is also promoting healthier alternatives and finding new revenues to replace traditional cigarettes, such as Heat Not Burn (HNB), a type of e-cigarette that can reduce the intake of carcinogen tar. Traditional cigarettes can reach a temperature of 800 degrees when burned, which is easy to release harmful substances. In contrast, HNB is only heated to 280 degrees Celsius, which reduces harmful substances by 90%. The US FDA has also confirmed that the flavor of HNB is comparable to that of conventional cigarettes, which further stimulates its sales. PMI data shows that in 2022, the shipment of heated cigarettes will increase by 15% year-on-year, accounting for 15% of its total shipments, and PMI expects the compound annual growth rate of heated cigarettes to reach 16-20% in the next 10-15 years, indicating its rapid growth. In addition, PMI also plans that 50% of its revenue in 2025 will come from smoke-free products, and more than two-thirds of its net revenue in 2030 will come from smoke-free products, and heat-not-burn smoke (HNB) is an important product.



Notes: Data shown is using current exchange rates and reflects market impacts of the Russia-Ukraine war.

Most recent update: Sep 2023

HNB tobacco started late, but it grew faster. The global HNB tobacco market size is expected to exceed \$55 billion in 2025 and reach \$76.9 billion by 2028, exhibiting a growth rate (CAGR) of 28.0% during 2023-2028.



来源：欧睿国际、中泰证券研究所

However, not all cigarettes have filters, especially unfiltered cigarettes are mostly found in emerging economies, and now due to the increase in income and health awareness in emerging economies, in addition to the government's cooperation with the World Health Organization (WHO) to strengthen tobacco control measures, consumers and manufacturers have many opinions on the use of filters and the way that extended cigarette filters can reduce the smoking of harmful substances. The demand for diacetate tow in emerging markets such as the Middle East and Latin America should continue to rise, coupled with the rapid increase in the global HNB market size, the world's four major tobacco manufacturers are all seizing market share, driving the demand for tow filters.

C. Cellulose acetate fiber grade (non-woven facial mask, dry diaper and high-grade clothing, etc.)

Non-woven fabric made of acetic acid staple fiber (non-woven fabric) can be used for surgical dressing that is non-sticking to the wound which is a high-grade medical and hygienic material, and can also be used as the main material for the absorbent layer of diapers. In addition, acetic acid staple fiber can also be blended with cotton or synthetic fiber to make various fabrics with excellent properties. On particular, acetate fiber has been developed for use in masks because it has stronger water retention and conformability than existing non-woven fabrics. Acetate filaments are the silkiest one in the chemical fiber, and the gloss is elegant. Bright dyeing, strong color fastness, soft and smooth hand-feeling, light texture, low moisture regain, good elasticity, hard to wrinkle, good drapability and thermos-plasticity and dimensional stability, able to be widely used as clothing lining, casual wear, pajamas and underwear, etc. It can also combine with polyvinyl alcohol, polyester, polyamine filaments and silk to make composite yarns, weaving all kinds of men's and women's clothing and developing satin fabrics and woven fabrics, decorative satin and embroidered products. At present, it is favored by consumers in the United States, Britain, Japan, Italy, Mexico, South Korea, Russia, Pakistan and other countries and regions, especially in the US market. China's annual demand on textile cellulose acetate fiber is about 10,000 tons. Due to the high import price, there are only small amount of import, about 2,000 tons per year. Many textile mills use substitutes to solve the problem of insufficient cellulose acetate, and the performance of acetate fiber is excellent. Wide range, high added value of products, no pollution in the production process and renewable raw materials that is suitable for sustainable development. China's textile acetate filament production is still completely dependent on imports, so the market prospect of textile acetate fiber is very promising.

D. Cellulose acetate fiber grade

Cellulose acetate is the most widely used material for plastic eyeglass frames. Its key advantages include ease of coloring—allowing for a wide range of aesthetic effects such as layered designs, tortoiseshell patterns, wood grains, and brushed textures—as well as excellent light transmission and glossiness. Prior to frame production, cellulose acetate must undergo lengthy processes such as deacidification, air drying, and baking to enhance its stability. On the other hand, a drawback of cellulose acetate is its tendency to deform when absorbing moisture, as it is made from plant-based fibers.

According to Global Information, the plastic lens frame market is expected to experience robust growth in the coming years. By 2028, the market is projected to reach USD 6.99 billion, growing at a compound annual growth rate (CAGR) of 7.3%. This growth will be driven by continuous improvements in lens durability and scratch resistance, increased adoption of augmented reality (AR) and virtual reality (VR) devices, and manufacturers' push for environmentally friendly materials and production methods.

Key trends during the forecast period include the shift toward smart lenses with built-in sensors for health monitoring and vision enhancement, increasing adoption of customized lens solutions tailored to individual prescriptions and lifestyle preferences, advancements in 3D printing and digital manufacturing technologies, and stricter regulations related to waste disposal.

The growing demand for consumer electronics and home appliances is also expected to propel the plastic lens market. These include electronic devices designed for personal use such as entertainment, communication, and convenience. This demand surge is driven by technological

advancements, rising disposable incomes, and increasing interest in smart and connected devices—encouraging innovation and multifunctional product development.

Plastic lenses are widely used in consumer electronics due to their lightweight nature, excellent impact resistance, and ability to enhance performance and durability in devices like smartphone cameras, digital cameras, and tablets, while also offering clear optical functions.

For instance, according to a May 2023 report by the Japan Electronics and Information Technology Industries Association, the production value of home electronics reached JPY 32.09 billion (USD 221 million), compared to JPY 25.2 billion (approx. CNY 1.11 billion) in May 2022 and JPY 7 billion (approx. CNY 1.1 billion) in the same period. Additionally, a March 2023 report by Cyber Crew projected that the percentage of UK households using smartphones would rise from 91.43% in 2021 to 93.8% by 2026. Hence, the growing demand for consumer electronics is driving forward the plastic lens market.

Major players in the plastic lens market are focusing on developing innovative products, such as camera lenses for autonomous vehicles, to enhance the safety and performance of self-driving systems. These specialized lenses capture high-resolution images and videos required for autonomous navigation.

For example, in December 2022, LG Innotek Co. Ltd. announced the launch of plastic-glass hybrid lenses for autonomous vehicle camera modules. These lenses combine the lightweight, impact-resistant nature of plastic with the superior optical clarity of glass, ensuring high-resolution imaging and durability even under harsh conditions. Integrating these lenses into automotive camera systems enhances the ability to detect and interpret the surrounding environment, thus improving the safety and reliability of autonomous driving systems.

E Filament Fabric

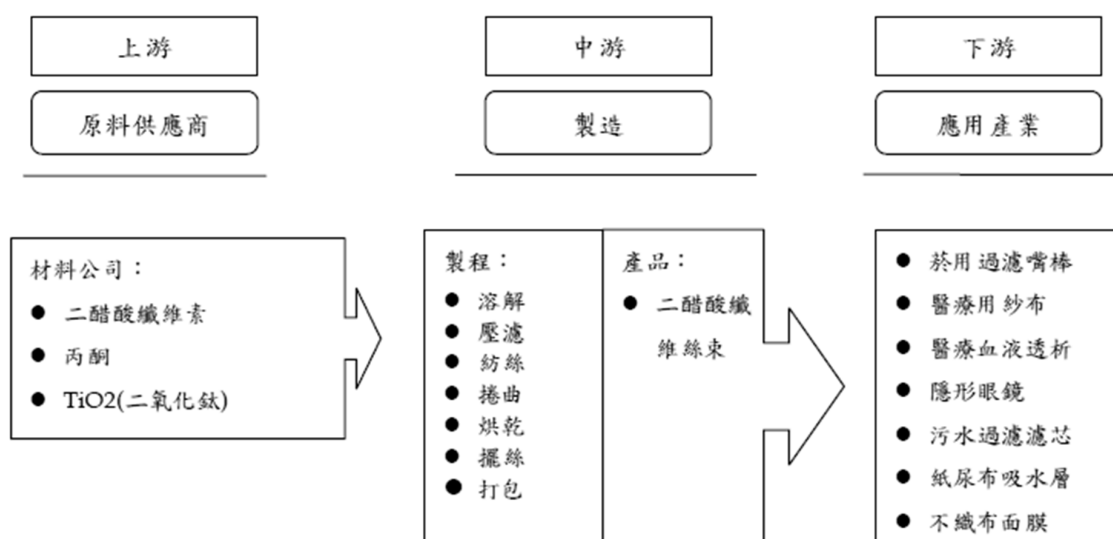
The appearance of acetate fiber is similar to that of mulberry silk, and the feel is soft and smooth and similar to that of mulberry silk, and its specific gravity is the same as that of mulberry silk, so the drape is no different from that of mulberry silk. The fabric woven from acetate silk is easy to wash and dry, and the acetate fabric is not moldy or moth, and its elasticity is better than that of viscose fiber. Acetate cellulose fiber is in line with the development trend of many high-end clothing fabrics, which is green and environmentally friendly, high-end and comfortable, and has a unique style. With the continuous progress of acetate cellulose fiber processing technology and the continuous improvement of the market, the product highlights of acetate cellulose fiber will be further explored, the application field will be further expanded, and the future prospects will be broader.

According to market analysis, acetate is definitely an ideal irreplaceable fashion and eco-friendly material due to its inherent excellence and sustainability. For this reason, the demand for acetate fabrics at home and abroad has increased year by year, and acetate fibers have gradually replaced the use of other cellulose fibers. According to statistics, China imports about 13,000 tons of acetic acid filament from Eastman and Lithuania every year. But it is far from being able to meet domestic demand. After the epidemic, the demand for acetate filament has been increasing. The number of acetate fabrics that have been put on the market has increased to more than 500 varieties. The use of acetate has been greatly expanded. Now acetic filament has been in short supply. According to industry insiders, the domestic demand for acetic acid filament will reach 25,000 tons / year within 3-5 years. The market prospect is very broad.

As the only company in Asia that has the ability to produce acetate filaments, Astek occupies the advantages of time, place, and people. The company decided to take advantage of the trend and make every effort to expand the production capacity of acetic acid filament: on the basis of the existing 344 spin positions, it is planned to add 243 spin positions to be put into production in June 2024; By the end of 2024, the production capacity of 8 more lines (736 spinning positions) will be added. By then, ASTEC's total production capacity will reach 4,000 tons/year. It will occupy an important position in the entire acetate filament market.

(ii) Correlation among upstream, midstream and downstream sections of the industry:

The relationship of the Group's upper, middle and lower industries are shown as follows. The Company's cellulose diacetate tows can be used in a wide range of applications. At present, most of the tows are used in cigarette filters, the upstream industry is the manufacturers of cellulose diacetate, and the downstream one is the filter rod manufacturers or cigarette manufacturer, ink refills, dry diaper layer products and sewage filters, etc. In 2016, the Group vertically integrated the material source and has established a joint venture with Lunan Chemicals Co., Ltd., which is the upstream supplier, and downstream strategic investor Qiyao Co., Ltd. and started to mass production since the second half of 2017, which mainly produces the cellulose diacetate to reduce the cost of raw materials, and processed through a series of process technologies, and then sold to downstream manufacturers such as filter rod manufacturers or cigarette manufacturers that manufacture cigarette filters. The tobacco industry, which is mainly used for its application, is relatively closed in operation. Therefore, in addition to direct sales, the Company also sell products through agents familiar with the tobacco industry. Acetek Momentum Co., Ltd. was established in June 2020. Product the acetic anhydride for Acetate flake begin in Q4 2021. Reducing and stabilizing production costs for self-use, and shipping began in October.



Data Source: Provided by the Company

(iii) Various development trends and competition conditions of the product:

A. Expanding other application areas of cellulose acetate fiber

Cellulose acetate tow is mainly used in tobacco tows, dry diapers and refills, etc. It can also be applied to sewage treatment filtration and hemodialysis. The Group will actively perform R&D on related applications in the future.

B. In-depth R&D (R&D) on the full series of special tobacco tow specifications

While continuing to develop existing specifications, we will strengthen special specifications to meet the needs of diverse customers and focus on quality improvement.

C. In-depth horizontal development

In addition to maintaining its own customers, the Company also actively seeks potential customers by participating in foreign exhibitions, and proceeds to develop potential emerging markets so as to expand its business. In addition, it will select good-quality customers as partners and grow together with them.

In summary, the Group continues to invest in the R&D of high-level technologic research and related applications of cellulose diacetate tows and cellulose triacetate, responding to the development of future medical and daily consumer products, with a view to master business opportunities.

(iv) Industrial competition

The Group mainly engages in the R&D, production and sales of cellulose diacetate tows. It is a professional cellulose acetate tows manufacturing company, the main competitors are from multinational international companies such as Europe, the United States and Japan, including Solvay, Eastman, Celanese and Daicel, etc. In this almost oligopolistic market, aim to the efforts of emerging country customers as business development targets, and nowadays have gained certain reputation in this field. But the Company still has to face the competition of international manufacturers that own transnational resources. In addition to the Company's continuous R&D, the Group has continued to improve the manufacturing process and maintain quality stability, and strives for more customer orders and whereas reduces the risk of industrial changes.

4.1.3 Research and Development

(i) Research and development and technical ability of our business lines

A. Technologic level

The Group mainly engages in the production of various types of cellulose diacetate and tows, and makes R&D on such products. Cellulose diacetate has different properties and applications depending on its esterification degree. The products with of acetification degree of 2.25-2.3 are used for producing special plastic sheets; products with of acetification degree of 2.8-3.0 are for high performance electronic films and organic penetration membranes. The products with of acetification degree of 2.4-2.6 are applied for producing the Group's tows.

The raw material of cellulose acetate is natural cellulose such as wood pulp or cotton pulp. It is a renewable resource with rich sources and sustainability. Meanwhile, the wastewater generated in the production process is easy to handle and has less rejects. The main operating units in production process are cellulose acetate production unit, recovery unit, raw material tank area and chemicals area. Due to the wide variation of raw materials, the conditions for producing various specifications of tows are also quite different. Cellulose diacetate tow has a very powerful filtering function. In the production process, the main operating units are dissolution, high efficiency filtration, spinning, crimping, drying, wire swaying, packing, acetone, recovery and distillation units, etc. The main features of products are:

- (A) Renewable, belonging to the cleaning industry;
- (B) High filtration accuracy;
- (C) Fit the filtration requirements for multiple industries.

From the aforesaid features we can see that the Group's products are in line with the needs of society under sustainable development. For different filtration requirements and consumption, different process conditions are designed to produce different specifications of cellulose acetate and tows, and the experience of existing products cannot be fully applied. In addition to the experience of using existing products, it is necessary to develop relevant material parameters, equipment parameters and process parameters. The development of new products must have a certain amount of technology and experience to achieve the high production rate of new products. The technical threshold for entering this industry is very high. After years of hard work, the Company's overall technology maturity is quite high, and related products have been recognized by manufacturers in more than 50 countries.

B. Research and development (R&D):

In addition to the continuous development and improvement of the present product, the Group's R&D direction is to strengthening the own manufacturing strength and steps toward diversified products; the expected future development direction is as follows:

Product	Developing direction
Cellulose acetate tow	Cigarette filters, water-based pen refills, garment materials, diapers, other filter materials and IQOS e-cigarettes, etc.
Base fabric (non-woven fabric)	Facial masks, facial filters
Cellulose acetate of plastic grade	Special plates, plastic toys, packaging materials, instrument casings, tool handles and cellulose films
Cellulose triacetate	Protective films for LCD PVA film, organic permeable films

(ii) R&D costs of recent year

Unit ; NT\$ thousands;%

Item	2021	2022	2023	2024
Expense of R&D	190,486	171,295	187,499	280,699
Net Sales	2,714,866	4,269,391	11,025,642	15,713,325
Proportion of revenue	7.02	4.01	1.70	1.79

(iii) Technology or product developed successfully

In 2024, the Company continued to deepen its research and development efforts in acetate tow, successfully enhancing product quality and process standards. This resulted in the introduction of more competitive high-end fiber materials to the market. As a synthetic fiber made from cellulose acetate, acetate filament has garnered significant attention in the textile industry due to its unique physical and chemical properties.

A. Material Properties

Cellulose acetate is a polymer compound derived from the reaction between natural cellulose (such as cotton linters or wood pulp) and acetic acid. It exhibits the following outstanding characteristics:

- **Touch & Feel:** Acetate filament offers a silky luster and soft hand feel, providing exceptional wearing comfort.
- **Breathability:** Excellent breathability makes it particularly suitable for intimate apparel.
- **Wrinkle Resistance:** Compared to natural fibers, acetate filament is less prone to wrinkling,

making it easier to care for.

- Dyeability: Easily dyeable, resulting in vibrant and long-lasting colors that meet diverse design needs.

B. Production Process

The Company continuously optimizes its acetate filament manufacturing processes to improve product quality and stability:

- Dissolution & Spinning: Cellulose acetate is dissolved in organic solvents to form a viscous solution, which is then extruded through spinnerets to form fine filaments.
- Solidification & Stretching: The filaments are solidified in a coagulation bath and then stretched to enhance strength and elasticity.
- Post-treatment: After washing and drying, the final product achieves stable quality and superior performance.

C. Application Fields

Thanks to its excellent performance, acetate filament is widely used in multiple industries:

- Apparel Fabrics: Commonly used in high-end garments such as shirts, dresses, and coats, offering a refined appearance and soft texture.
- Decorative Textiles: Suitable for home textiles like curtains and bed linens, enhancing overall aesthetic appeal.
- Blended Materials: Can be blended with other natural or synthetic fibers to improve the overall properties of fabrics.

D. AI optics

- The company is proactively expanding its strategic layout in the field of AI technology applications, with a particular focus on high-end optical materials and supporting supply chains required for AI smart wearable devices. AI applications are poised to become a major investment theme in global capital markets over the next decade, and our development strategy aligns with this trend.

E. Market Position

Through continuous innovation, the Company has solidified its leading position in the acetate filament market:

- High-End Market: With its superior quality and unique properties, acetate filament is favored by fashion brands and the high-end custom clothing sector.
- Technological Innovation: Ongoing investment in R&D drives the application of new technologies and processes, meeting diverse market demands and continuously enhancing product competitiveness.

Looking ahead, the Company will continue to uphold its commitment to innovation and sustainability, further advancing acetate filament technologies and delivering higher-quality, eco-friendlier textile materials—contributing to a new era of growth in the textile industry.

4.1.4 Long-term and short-term business development plan

1. Short-term business development plan

The Group exports to more than 50 countries and regions worldwide for a long time and maintains good cooperative relations. Both existing and new products are comparable to competitors with more affordable prices. In recent years, the company has continued to develop new product projects such as acetate fiber non-woven fabric, Acetate flake staple fiber and filament, acetate fiber film while maintaining its cost advantage. Among them, acetate fiber non-woven fabric has high-precision filtering function and is mainly used in the ready-to-wear market. As a base fabric for high-end apparel embroidery, it has been successfully developed and exported to Italy. In the future, the company will continue to improve technology and actively promote overseas markets; and acetate film Its degradable function is widely used in straws, agricultural mulch, etc., which can achieve the environmental protection purpose of reducing environmental pollution. The Group will continue to maintain cost advantages and develop better product specifications. Meanwhile, on the basis of existing customers, the Group continues to develop the larger world market.

2. Long-term business development plan

The development of new products alone is an established strategy of the Group. In the past a few years, the Group has continued to actively develop new products and accumulated rich experience in product development. In the future, the Group will closely monitor the development trend of new products and new technologies, and develops better products for customers. The main advantage of the Group is its rich R&D experience on new products.

4.2 Market and Sales Overview

4.2.1 Market Analysis

(i) Sales (Service) Region

Unit ; NT\$ thousands;%

Year	2022		2023		2024	
Area	Amount	Amount	Amount	%	Amount	%
Asia	2,173,156	3,707,759	3,707,759	50.90	5,444,135	34.65
Europe	1,446,055	5,825,098	5,825,098	33.87	8,302,358	52.84
America	562,156	1,226,019	1,226,019	13.17	434,530	2.77
Africa	88,024	266,766	266,766	2.06	1,532,302	9.74
Total	4,269,391	11,025,642	11,025,642	100.00	15,713,325	100.00

(ii) Market Share (%) of Major Product Categories in the Last Two Years

The Group mainly engages in the manufacturing and sales of cellulose acetate tows. As there is no company with the same business content in Taiwan, the Group's market share is estimated by the global production of cellulose acetate tows. The Group's annual sales volume in 2024 is approximately 55,000 tons; the estimated global market share is about 6.88%.

(iii) Market Analysis of Major Product Categories

Since the mass production of cellulose acetate tow began in 1962, three major producers—Celanese, Eastman, and Rhodia (acquired by Solvay Group in 2011)—have accounted for the majority of global market share. These three suppliers manufacture cellulose diacetate (flaked cellulose acetate), which is further processed into tow and supplied to major global tobacco companies such as China National Tobacco Corporation, Philip Morris International (PMI), British American Tobacco (BAT), Imperial Brands, and Japan Tobacco. These suppliers have long-standing and stable partnerships with major tobacco manufacturers.

Due to the alignment of these three producers' capacity adjustments with the needs of the top five global tobacco firms, capacity expansion has been conservative. Over the past few years, the increasing cigarette consumption in China led to a supply shortage of cellulose acetate tow. As China Tobacco lacks proprietary technology, it has formed joint ventures with international giants to access the technology and gradually commence production, bringing supply and demand closer to balance.

Demand and pricing in the downstream cigarette industry are minimally impacted by economic cycles. In fact, due to stricter tobacco control policies and higher excise taxes, increased costs are often passed on to consumers, leading to rising cigarette prices. As a result, the price of cellulose acetate tow in the midstream sector adjusts in response to upstream raw material and downstream market fluctuations, despite little change in its own cost structure.

In 2022, the global cellulose acetate market was valued at USD 4.78 billion and is projected to

reach USD 7.75 billion by 2030, with a compound annual growth rate (CAGR) of 5.2% from 2023 to 2030. This growth is primarily driven by rising demand across industries such as eyewear, textiles, and cigarette filters. Cigarette filters are made from cellulose acetate—a synthetic material derived from cellulose. Due to its synthetic nature and degradability, cellulose acetate contributes to reduced environmental pollution. As public awareness of environmental protection continues to rise, cellulose acetate plays an increasingly critical role in achieving cleaner environments, supporting the sustained growth of this market.

The cellulose acetate market in the Asia-Pacific region has seen substantial growth. Countries such as China, Japan, and India are actively contributing to the production and development of cellulose acetate. For example, on April 3, 2023, as part of the Green Sea Setouchi Hiroshima Initiative, Japanese trading company Kinki Advnippon Tourism launched a campaign to reduce plastic waste by promoting toothbrushes made with cellulose acetate handles derived from wood.

Following the global reopening after the COVID-19 pandemic, duty-free shops—previously affected by travel restrictions—have resumed normal operations, thereby driving increased demand for acetate tow. Furthermore, acetate tow continues to benefit from the global trade war and geopolitical shifts, as worldwide supply chains are being restructured, creating growth opportunities for the Company.

Cellulose acetate is emerging as a sustainable solution to plastic pollution. As awareness of plastic's environmental impact increases, demand for eco-friendly alternatives continues to grow. Derived from renewable resources and biodegradable under specific conditions, cellulose acetate addresses these environmental concerns and offers a viable path to reducing plastic waste—further fueling the growth of the cellulose acetate market.

(iv) Strengths and weaknesses of development

A. Independent production technology and customized services

The Group has been in the field of chemical fibers for many years. It has professional technology of cellulose acetate production, such as spinning winding, acetone recovery and other equipment and technologies. According to the customer's request for new products, the two parties have a tacit understanding of rapid design and development of products; significantly shorten customer communication time, speed up the joint development of new products, assist customers to launch new products as soon as possible, and seize market opportunities. The Group has a long-standing relationship with major customers and has successfully gained the trust and recognition from its customers with its stable and excellent product quality and the advantage of perfect service.

B. Establish a good relationship with customers and provide perfect services to them.

The Group has a long-standing relationship with major customers and is able to communicate directly with customers to understand their actual needs and produce high-quality products with superior process technology. Meanwhile, in addition to maintaining existing customers, the Group has successfully developed orders from many filter rods manufacturers. It is obvious that the product quality has been affirmed by large customers.

C. Emphasis on elite recruitment and develop independent technology

The Group pays great attention on the independent training of elites and regards them as an important strategy for long-term operation. With advanced acetate tows production technical capabilities in various specifications and excellent R & D team, in-depth study the development of more products with special specifications that can meet the diverse needs of end customers. The Group also applied for a number of patents in R&D technology. Through the establishment of national patent certification, develop independent technology to enhance technical competitiveness and leading edge.

(v) Favorable and Unfavorable Factors in the Long Term

A. Favorable factors

- (1) Production technology patents, independent R&D capabilities and high barriers to capital access

The key technologies of the Group are the production technologies, patents and independent R&D capability of cellulose diacetate and tows, which have certain barriers to access. The Group has intensively studied for many years with rich experience in technology, such as R&D of the industry-leading special-specification acetate tows equipment and technology that can meet the product requirements of different end customers.

The production technologies of cellulose diacetate tows are intensive, the process technology and product output yield decide the production cost. The Group's products have high yield and stable quality; the experienced R&D and production personnel regularly observe and adjust the acetate tows producing process and related machine programs to maintain high production yield and reduce production cost. In addition, mass production will reduce the unit input cost and expenses.

The production technology of cellulose diacetate tows is becoming more and more important to the industry, and the amount of capital investment is also increasing. The capital-intensive nature of manufacturing acetate tows is becoming more and more obvious. The Group has advanced acetate tows manufacturing R&D technology and equipment, the quality and

technology is deeply affirmed by international manufacturers that make other new players in this field more difficult to access this field.

(2) Growth of the filter market from emerging economies

Global cellulose diacetate tows are mainly used in cigarette filters. Although the aforesaid cigarette market has a long-term growth and affects the demand of filters, but, not all cigarettes have front filters, especially unfiltered cigarettes are more common in emerging economies, mainly due to lower health awareness and income, and the cigarette filter is considered the reason of affecting the taste of smokers. Nowadays, due to the increasing income of emerging economies and rising health awareness, except the governments still work with the World Health Organization (WHO) to strengthen tobacco control measures, consumers and manufacturers mostly agree that adding filters to cigarettes and increasing the cigarette filter lengthen can reduce the inhale of harmful substances, so the current demand for cellulose diacetate tows in emerging markets such as Eastern Europe, Africa, Middle East and Latin America is still increasing as filter demand increases.

(3) The Rise of Heated Tobacco Products (HNB)

The global heated tobacco product (HNB) market is poised for significant growth in the near future. One of the primary driving forces is the growing public awareness of the health risks associated with traditional cigarette smoking. As a result, consumers are increasingly seeking alternatives that are perceived to be less harmful than conventional combustible cigarettes.

Continuous innovation by manufacturers has further contributed to market expansion, with product improvements enhancing user experience and acceptance. Heated tobacco products are also gaining traction among individuals looking to quit smoking or reduce tobacco consumption, accelerating the adoption of these alternatives.

Moreover, the rising popularity of e-cigarettes and vaping devices—which are often seen as complementary or substitute products for HNB—has created additional growth opportunities within the broader reduced-risk product segment. Overall, as more consumers embrace safer alternatives to traditional tobacco products, the HNB market is expected to experience substantial growth.

A key factor driving the increased use of heated tobacco products is their perceived advantage over conventional cigarettes. According to user-shared experiences online, two main reasons for switching from traditional cigarettes to HNB products are:

- a) Reduced Odor and Secondhand Smoke: Heated tobacco significantly reduces the lingering smell associated with traditional cigarettes, thereby minimizing secondhand and thirdhand

smoke exposure and causing less inconvenience to people nearby.

- b) Cleaner Usage: The smokeless nature of HNB products eliminates ash, contributing to a cleaner environment and making them more user-friendly, particularly in indoor or shared spaces.

These advantages collectively support the ongoing shift from combustible tobacco products to cleaner, more socially acceptable alternatives such as heated tobacco.

(4) Wide range of cellulose acetate applications

With its high added value of products and good market prospect, the Group, by utilizing the understanding on the characteristics of cellulose acetate and the R&D of various fiber materials, has begun to develop other applications of cellulose acetate, such as sewage treatment process application, biomedical products or other derivative products, and expands product application scope.

(5) Maintaining long-term stable partnership with customers

The Group's products are produced per customers-demanded new products or under customized production according to customer needs. The Group has a long-standing relationship with major customers, established a good understanding with customers, and has successfully obtained the trustfulness and affirmation from customers by the advantage of stable and excellent product quality.

B. Unfavorable factors and countermeasures

(1) Impact from tobacco control measures

At present, the largest application area of cellulose acetate in the world is still the cigarette filters. As the cigarette market is affected by enactments, such as cigarette health donation tax and indoor smoking prohibition, the cigarette market trend is fair in the developing countries, and shows recession in the developed countries such as the United States, Western Europe and Japan are showing recession.

Countermeasures

Through the experience of internationally renowned exhibitions and past transacting experiences with emerging economies, the Group develops the profitable markets in Africa, Middle East, Eastern Europe and Asia (excluding China) or the markets in other low income countries through the agent services worldwide. In addition, it also strengthens other applications of cellulose acetate, such as the R&D of hollow fiber membranes.

(2) The risk of rising wage costs in Mainland China

The Group's main production base is located in Mainland China. In recent years, Mainland China provinces have continuously raised labor wages and benefits, resulting in the increase in labor costs for enterprises. Due to the improvement of education standard and income level in Mainland China, supply of labor force in there has been decreasing, caused by the change of social value; and the Group has gradually increased its recruitment and production costs.

Countermeasures

In facing the trend of rising wages in China, the Group will continue to improve production line planning, process management and import of high-performance equipment to further reduce manpower, increase output efficiency and yield and reduce production cost to reduce the production cost in response; and strengthen employee work training to upgrade work efficiency, reduce the impact of rising labor cost on business operation.

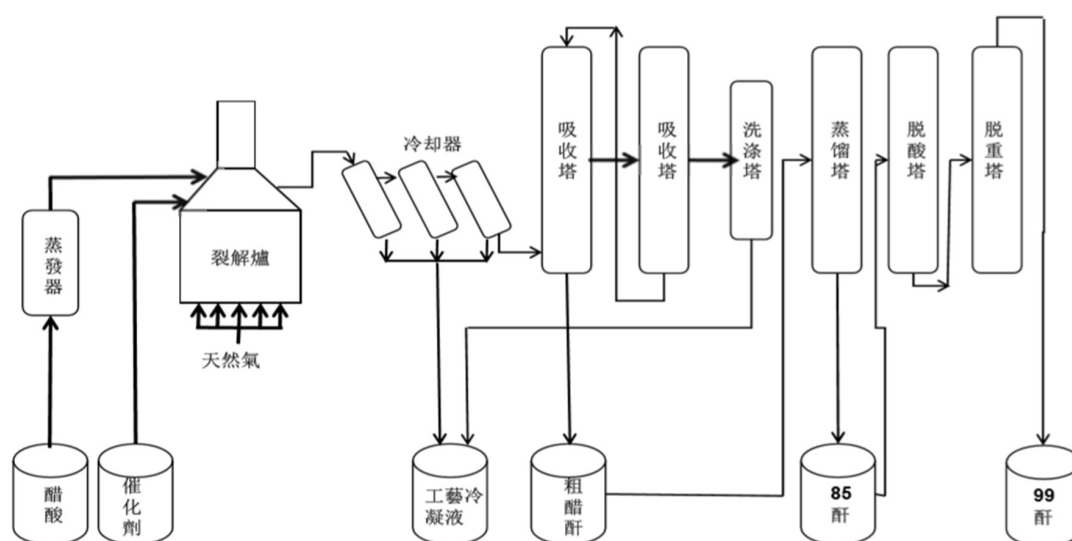
4.2.2 Production Procedures of Main Products

(i) Major Products and Their Main Uses

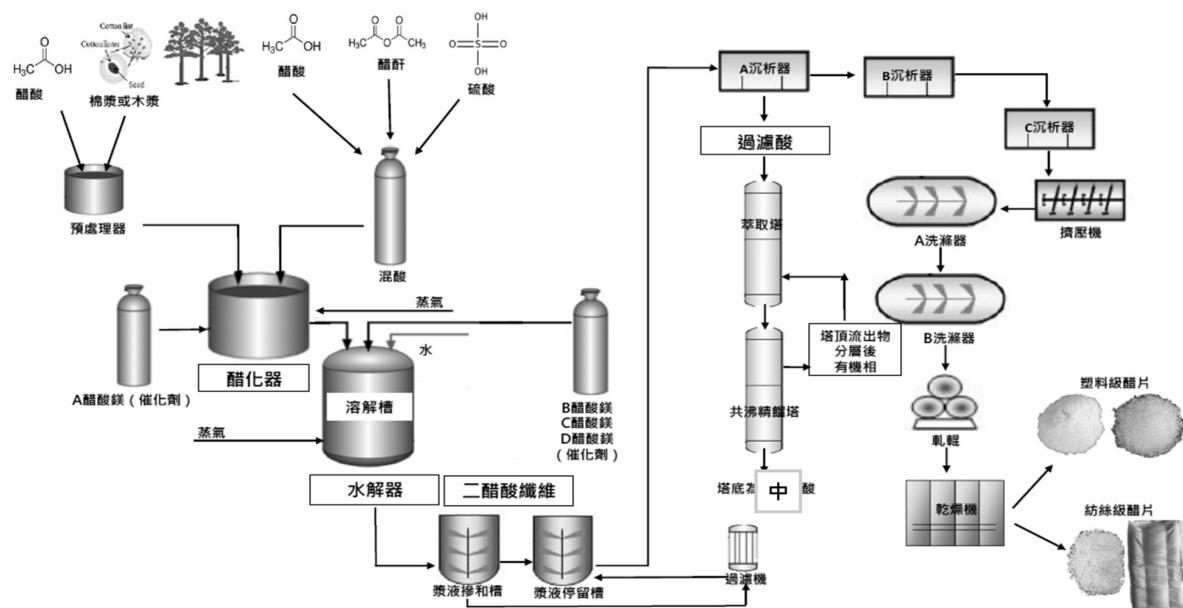
Product type	Major Product	Usage
Filtrate foreign matters	Acetate tow	Cigarette filters, water-based pen refills, diaper absorbing lining and clothes
Plastic sheets with high transparency and anti-climate	Acetate flake	Glasses frame and high-class tool handles, etc.
Colorless transparent liquid	Acetic anhydride	Medicine, Dye, Acetate flake manufacture

A. Major Products and Their Production Processes

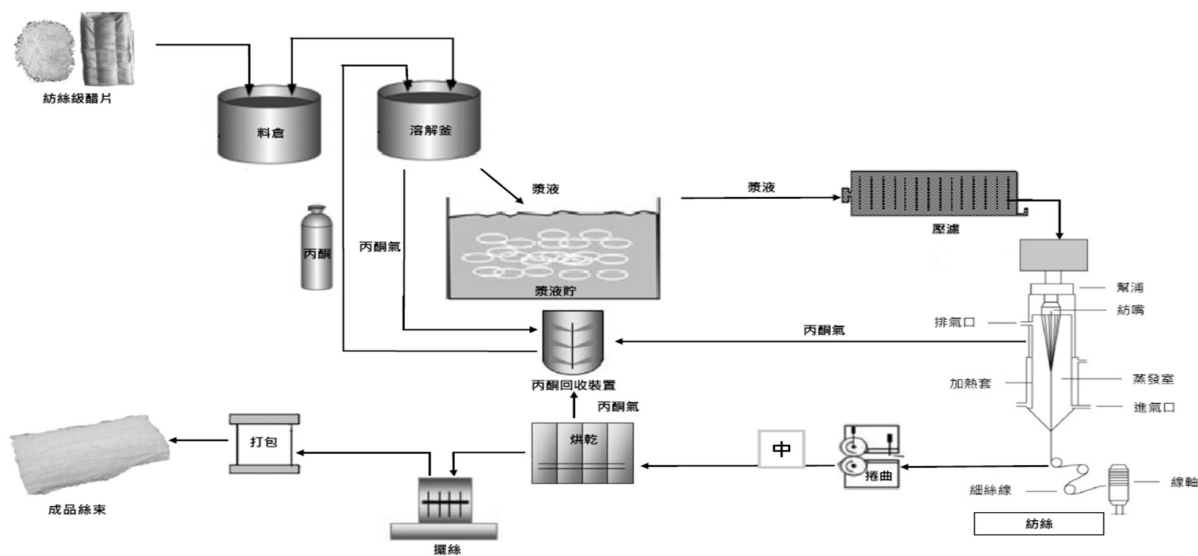
Acetic anhydride process



Process of Acetic anhydride



Process of Acetate tow



4.2.3 Supply Status of Main Materials

Major Raw Materials	Source of Supply	Supply Situation
Wood /Cotton pulp	Bracell, Rayonier, Gaomi Yinying	Stable
Acetate Flakes	Cerdia	Stable
Acetic anhydride	Yankuang Coal Chemicals International Trading Co., Ltd., Lunan Chemical Co., Ltd.	Stable
Acetone	Jiabo Chemicals	Stable

4.2.4 Major Suppliers and Clients

List of customers that account for more than 10% of total sales within either of the last two years, their purchase amount and ratio:

A. Major Suppliers in the Last Two Calendar Years

Unit: NT\$ thousands ; %

Item	2023				2024			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Cerdia	1,030,509	38.63	-	Cerdia	1,621,741	40.90	-
2	Bracell	691,810	25.93	-	Bracell	1,103,243	27.82	-
3	Yankuang Coal Chemicals	305,432	11.45	Note 1	-	-	-	-
	Others	639,922	23.99	-	Others	1,240,121	31.28	-
	Net Total Supplies	2,667,673	100.00	-	Net Total Supplies	3,965,105	100.00	-

Note1: Yankuang Coal Chemical is a related party of the same group as Yankuang Lunan Chemical, and Yankuang Lunan Chemical is a shareholder of Acetek Material Co., Ltd., a subsidiary company of The Group. In November 2023, Yankuang Lunan Chemical transferred 8% of its shares in Acetek Material Co., Ltd. to Jinan Acetate Chemical Co., Ltd., so Yankuang Lunan Chemical and Yankuang Coal Chemical are not related parties.

Reasons for amount change:

The changes in the purchase amounts from the above-mentioned suppliers are mainly due to the group's efforts to secure material sources by establishing Acetek Material Co., Ltd. and Acetek Momentum Co., Ltd., which purchase cellulose acetate and acetic anhydride raw materials from Bracell, Rayonier, Lunan Chemical, Yankuang Coal & Chemical, and Gaomi Silver Eagle. Additionally, due to the expansion of fiber bundle production capacity, and the fact that Acetek Material Co., Ltd.'s acetic acid flake production capacity has not yet been expanded accordingly, the group has been purchasing acetic acid flakes from Cerdia. These changes are considered reasonable.

B. Major Clients in the Last Two Calendar Years

Unit: NT\$ thousands ; %

Item	2023				2024			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	PHILIP MORRIS	1,155,677	10.48	-	PETRO	2,243,307	14.28	-
2	-	-	-	-	PHILIP MORRIS	2,170,766	13.81	-
	Others	9,869,965	89.52	-	Others	11,299,252	71.91	-
	Net Sales	11,025,642	100.00	-	Net Sales	15,713,325	100.00	-

Reasons for amount change:

In 2022, The Group benefited from the global trade chain reshuffling caused by the COVID-19 pandemic and the China-US trade war, as well as the high demand for fiber bundle products. At the beginning of 2022, the Russia-Ukraine war triggered further supply chain reorganization. In the second half of 2022, The Group secured orders from the world's four largest tobacco companies, which were gradually shipped in 2023 and 2024, causing PHILIP MORRIS and PETRO to become major customers.

4.3 Human Resources

The number, average years of service, average age, and education distribution ratio of employees in the most recent two years up to the printed date of this annual report:

Year		2023	2024	2025/2/28
Number of Employees	Manager	15	15	15
	General employee	183	218	228
	Manufacturing staff	324	435	492
	Total	522	668	735
Average Age		37.04	36.82	36.22
Average Years of Service		3.66	3.01	3.02
Education	Ph.D.	-	-	-
	Masters	-	0.45	0.27
	Bachelor's Degree	52.49	48.80	48.03

4.4 Environmental Protection Expenditure

4.4.1 Total Losses and Penalties

The loss or penalty caused by environmental pollution during the latest year and up to the printing date of this annual report: None

4.4.2 Future Countermeasures and Possible Expenditure:

- (i) The company complied with government regulations on the responsibility of environmental protection, at present, in addition to waste is handled by local qualified professional manufactures, in the future in the sewage and air pollution will continue to carry out sewage and cavitation environmental protection equipment maintenance and environmental management system operation.

(ii) Major environmental capital expenditure in recent years and in progress is as follows:

Company	Type of Equipment Invested	Investment Amount (RMB, thousand)	Purpose
Jinan Acetate Chemical Co., LTD.	Adsorber	1,010	Prevent environmental pollution and ensure compliance with environmental standards.
Jinan Acetate Chemical Co., LTD.	Acetone Recovery System	2,230	Recycling of acetone using activated carbon adsorption
Jinan Acetate Chemical Co., LTD.	RTO equipment	5,720	Exhaust gas treatment to ensure that exhaust gas emissions comply with environmental protection regulations.

4.5 Labor Relations

(i) Company's employee benefits, education, training, retirement system and their implementation, as well as the employer/employee agreement status:

A. Employee benefits:

In addition to providing relevant insurance for employees according to local government regulations, the Group regularly promotes salary raise opportunities to reward employees with outstanding performance, and distributes year-end bonus, performance bonus, retention bonus and production inspiring bonus according to the Company's operating performance and individual work performance. Employees can enjoy holidays such as statutory holidays, marriage leave, maternity leave and annual paid leave. The remaining welfare measures include wedding and funeral gifts, improvement proposal bonus, free annual health checks, and non-regular tourisms, dinners and recreation activities to adjust employees' physical and mental health.

B. Skills upgrade & training:

Regarding human resource quality, in addition to the rigorous terms of recruiting, the Group's personnel department also annually hosts training programs per employee's professional requirements during the hiring time, including internal and external training programs, used to enhance staff's skills.

C. Pension system implementation:

The Company's Taiwan office has established an employee retirement system in accordance with the Labor Standard Act. The pension is paid by the Company at the amount of 6% of employee's monthly salary, deposited to employee's individual pension account respectively.

The Company's Chinese subsidiary has paid monthly pension insurance to the local government's financial department account in accordance with the provisions specified in the employees fund pension insurance for Chinese enterprise.

D. The agreement between labor and management and the maintenance measures of various employee

rights:

The Group always pays great attention on employee's rights and interests. In addition to the relevant work rules that follow the enactments, the Group has clearly regulated the various service conditions, with the human resources department as a unified window for interaction with employees. Non-regularly holds labor meetings to make both parties able to communicate with each other in order to maintain good labor relation, and the communication channel is unimpeded. As of the date of printing this public notice, there is no major dispute between two parties.

- (ii) The Company's losses and total fines due to employer/employee disputes within the most recent two years up to the printed date of this annual report, and the current and future estimated monetary amount and measures to be taken in response: None.

4.6 InfoComm Security Management

4.6.1 Information security risk management framework, information security policy, management plan and resources invested in information security management, etc.:

Computers and digital information are now widely used, and almost all companies have adopted computerized operations to cope with the processing and access of large amounts of data. The following table shows the cybersecurity risk assessment and corresponding measures taken by our group, which should significantly reduce the impact of cybersecurity risks.

No.	Risk Item	Current measures
1	System damage causing data loss	1. Set up two main servers for data synchronization and backup. If the first server encounters problems, the second server can immediately take over its functions without time delay. 2. Backup data using dedicated lines and external hard drives.
2	Power outage and abnormal air conditioning	1. The information room is equipped with an uninterrupted power supply (UPS) system to cope with short power outages. 2. Emergency fans can be activated for forced convection. If the temperature continues to rise, all devices in the room should be shut down in sequence.
3	Storage server failure	Activate the backup storage server and copy the data from the backup storage server to the original storage server.
4	Network equipment damage	Call up the backup network device and replace the faulty device after completing the setup.

After evaluation, there are no significant operational risks to information security in our group.

4.6.2 If, in the latest publication of the annual report, any losses, possible impacts and countermeasures caused by major information security incidents cannot be reasonably estimated, the facts that cannot be reasonably estimated shall be stated:

The Company has not experienced any major cyber attack incidents that impacted the Company's operations in 2024.

4.7 Important Contracts

Item No.	Agreement	Counterparty	Period	Major Contents	Restrictions
1	Sale Contract	PHILIP MORRIS IZHORA	2023/11 ~2025/03	The party purchased Acetate tow from Jinan Acetate Chemical Co., Ltd.	None
2	Sale Contract	British American Tobacco-SPB	2024/01 ~2024/12	The party purchased Acetate tow from Jinan Acetate Chemical Co., Ltd.	None
3	Sale Contract	OOO SERTOW	2024/01 ~2024/12	The party purchased Acetate flake from Acetek Material Co., Ltd.	None
4	Sale Contract	Wujiang Xintengyuan Textile Co., Ltd.	2024/09 ~2025/09	The party purchased cellulose acetate fiber from Acetate (Shandong) Environmental Fiber Co., Ltd.	None
5	Purchase Contract	SC Cellulise Trading Pte. Ltd.	2024/01 ~2024/12	Jinan Acetate Chemical Co., Ltd. and Acetek Material Co., Ltd. purchased dissolving pulp from the party.	None
6	Purchase Contract	Cerdia International GmbH	2024/01 ~2024/12	The party purchased Acetate flake from Acetek Material Co., Ltd.	None
7	Engineering Contract	DEZHOU TIANYUAN GROUP	2023/12 ~2024/05	Jinan Acetate Chemical Co., Ltd. expanding its factory facilities.	None
8	Engineering Contract	China National Chemical Engineering Third Construction CO., Ltd.	2024/04 ~2024/12	Acetek Aspiration (Shandong) Co., Ltd. expanding its factory facilities.	None
9	Comprehensive credit contract	Fubon Bank (China)	2024/07 ~2027/07	The party give Jinan Acetate Chemical Co., Ltd. the credit line. The amount is about RMB 65 million.	None
10	Comprehensive credit contract	Bank of Beijing	2025/01 ~2027/01	The party give Jinan Acetate Chemical Co., Ltd. the credit line. The amount is about RMB 50 million.	None
11	Comprehensive credit contract	Fubon Bank (China)	2024/07 ~2027/07	The party give Acetek Material Co., Ltd. the credit line. The amount is about RMB 45 million.	None

V. Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Analysis of Financial Status

(i) Comparative analysis of the financial status in the past two (2) years

Unit: NT\$ thousands

Item \ Year	2023	2024	Difference		Remark
			Amount	%	
Current Assets	9,856,491	16,803,777	6,947,286	70.48	1
Property, plant and equipment	1,706,095	3,132,915	1,426,820	83.63	2
Intangible assets	-	-	-	-	-
Other assets	436,790	1,042,938	606,148	138.77	3
Total Assets	11,999,376	20,979,630	8,980,254	74.84	4
Current Liabilities	1,676,545	4,580,937	2,904,392	173.24	5
Non-current liabilities	14	-	(14)	-100	6
Total Liabilities	1,676,559	4,580,937	2,904,378	173.23	5
Capital stock	862,861	989,147	126,286	14.64	-
Capital surplus	3,896,248	3,988,643	92,395	2.37	-
Retained Earnings	5,749,340	11,150,708	5,401,368	93.95	7
Other equity	(271,221)	93,107	364,328	134.33	8
Non-controlling interest	123,670	177,088	53,418	43.19	9
Total Stockholders' Equity	10,322,817	16,398,693	6,075,876	58.86	10

Analysis of changes in financial ratios:

1. Increase in Current Assets: Mainly due to the Group's continued profit net cash inflow and the increase in financial assets-current measured at amortized cost during the year.
2. Decrease in Property, plant and equipment: Mainly due to the increase in capital expenditure to expand the production capacity of yarn bundles and vinegar sheets in order to meet order demand and expand the scale of operations.
3. Increase in Other Assets: Mainly due to the purchase of land to expand production capacity, resulting in a significant increase in right-of-use assets.
4. Increase in Total Assets: Please refer to the analysis of the increase in Current Assets, Property, plant and equipment and Other Assets.
5. Increase in Current Liabilities and Total Liabilities: Mainly due to the fact that the semi-annual cash dividends for the previous year of 2024 had not yet been paid out at the end of the year.
6. Decrease in Non-current Liabilities: Mainly due to the decrease in deferred income tax liabilities.
7. Increase in Retained Earnings: Mainly due to the net profit contribution from the company's operations in 2024.
8. Increase in Other Equity loans: Mainly due to the appreciation of the RMB against the New Taiwan Dollar, which has resulted in a positive increase in the exchange rate difference in the translation of the financial statements of overseas operating institutions.
9. Increase in Non-controlling Interests: Mainly due to the increase in net profit attributable to non-controlling interests in the current year.
10. Increase in Total Stockholders' Equity: Please refer to the analysis of Retained Earnings and Other Equity increases.

Note: The financial statements have been audited by independent auditors.

(ii) Effect of changes on the company's financial condition: The Company's financial condition has not changed significantly.

(iii) Future response actions: Not applicable.

5.2 Analysis of Operation Results

5.2.1 Operation result analysis table

Unit: NT\$ thousands

Year Item	2023	2024	Difference		
			Amount	%	Remark
Net Sales	11,025,642	15,713,325	4,687,683	42.52	1
Cost of Sales	(4,136,950)	(5,773,489)	1,636,539	39.56	2
Gross Profit	6,888,692	9,939,836	3,051,144	44.29	3
Operating Expenses	(840,129)	(963,718)	123,589	14.71	-
Operating Income	6,048,563	8,976,118	2,927,555	48.40	1
Non-operating Income and Expenses	87,451	1,056,623	969,172	1,108.25	4
Income Before Tax	6,136,014	10,032,741	3,896,727	63.51	6
Tax Benefit (Expense)	(913,179)	(1,645,979)	732,800	80.25	5
Net profit	5,222,835	8,386,762	3,163,927	60.58	6

Analysis of changes in financial ratios:

1. Increase in Net Sales and Operating Income: Mainly due to the factors such as the trade war and geopolitical impact on the reorganization of the supply chain, the continued strong demand for tow and vinegar sheets, the completion of the new production capacity expansion of tow and filament (Acetek Yarn), and the high sales unit price, which led to the continued record high revenue and profits.
2. Increase in Cost of Sales: Mainly due to the increase in costs as revenue grew.
3. Increase in Gross Profit: Mainly due to factors such as the trade war and geopolitical factors affecting the reorganization of the supply chain, the continued strong demand for tow and vinegar sheets, the completion of the new capacity expansion of tow and filament (Acetek Yarn), and the high sales price. It is also due to the weak prices of raw materials acetic acid and the decline in wood pulp.
4. Positive increase in operating expenses: Mainly due to the increase in government subsidy income, the recognition of foreign exchange gains due to the appreciation of the US dollar, and the increase in interest income due to good operations and sufficient cash.
5. Increase in Tax Expenses: Mainly due to the recognition of disposal interests of non-current assets to be sold in the previous period, but this situation did not occur in the current period.
6. Increase in tax expenses: Mainly due to the increase in Jinan Acetate Chemical Co., Ltd. net profit before tax and the increase in the amount of tax deducted on remitted surplus.
7. Increase in Income Before Tax and Net Profit: Mainly due to the increase in operating gross profit and net operating profit this year.

There is no major abnormality in the overall performance of the Company, and thus there is no need to develop a response plan.

Note: The financial statements have been audited by independent auditors

5.2.2 Expected sales volume and its basis:

The Group mainly sets annual shipment targets based on the estimated demand of customers, considering production capacity planning and past operating performance. The estimated sales volume is expected to grow with the increase in customer demand. For relevant market research and analysis and the current status and development of the industry, please refer to the Operational Highlights.

5.2.3 The possible impact on the company's future financial business and the corresponding plan:

The Group will always pay attention to changes in market demand, expand market share, develop new customers, increase company profits, and continue to maintain a stable and sound financial position Not applicable.

5.3 Analysis of Cash Flow

5.3.1 Cash Flow Analysis for the Current Year

Unit: NT\$ thousands

Item \ Year	2022	2023	Increase (decrease) amount	Increase (decrease) ratio (%)
Operating activities	1,608,992	6,249,797	4,640,805	288.43
Investing activities	(240,336)	(684,813)	444,477	184.94
Financial activities	(46,925)	733,264	780,189	-1,662.63
Analysis of financial ratio change:				
1. Increase of cash inflow from operating activities: Mainly due to the increase in operating gross profit this year, the substantial increase in pre-tax net profit and the increase in the number of major sales customers receiving payment in advance this year.				
2. Increase of cash outflow from Investing activities: Mainly due to the increase in financial assets measured at amortized cost.				
3. Cash flow from financing activities changes from outflow to inflow: Mainly due to the cash capital increase this year.				

5.3.2 Cash flow analysis and improvement plan for insufficient cash flow in next one year:

The Company's operating activities will constantly produce cash inflow and there is sufficient cash and cash equivalents which can be sufficient to cover the cash outflow of investing and financing activities. There is no doubt of insufficient financial liquidity or capital shortage. With the continuous growth operation scale, the group has close contacts with banks and has established good financing credit conditions. If there is insufficient cash liquidity, the company will respond with bank loans.

5.4 Major Capital Expenditure Items

The Company's purchase of fixed assets during 2022~2024 was NT\$332,665,000 NT\$ 349,458,000 and NT\$ 1,513,810,000 respectively. The reason is to expanding plants of Jinan Acetate Chemical Co., Ltd., Acetate Material Co., Ltd., Acetek Momentum Co., Ltd., Acetate (Shandong) Environmental Fiber Co., Ltd. and Acetek Aspiration (Shandong) Co., Ltd. continuously equipment and to response of market demand. The Company's fixed assets and total assets turnover rate for the last three years are shown in the table below. As the quality of the Group's cellulose acetate is gradually improved, the production capacity and product quality are gradually increased in line with market demanding, and the price and sales amount are gradually improved. The decline in the turnover rate is still reasonable, and the Group has not adversely affected the financial business of the Company due to the increase of capital expenditure.

Turnover	2022	2023	2024
Property, plant and equipment turnover (times)	3.08	6.86	6.49
Total assets turnover (times)	0.94	1.27	0.95

5.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

5.5.1 Re-investment policy

The Company's current investment policy is based on investment targets related to the Company's business and doesn't invest in other industries. The Company's management on the transfer business is based on the investment cycle specified in the internal control system and on the Company's "Operating Rules for the Group Corporate, Specific Companies and Stakeholders" and the "Administrating and Supervision Rules for Subsidiaries", etc. The aforesaid Rules have been approved by the Board of Directors.

5.5.2 Main reason for the profit and loss of re-investment and improvement plan

Unit: NT\$ thousands

Reinvested company	Percentage	2024 Recognized investment Gain/(Loss)	Main causes for profit or loss and Improving Plan
My Parents Living Technology Limited	100%	8,248,763	The investing holding company. To recognize the investment profit or loss from the subsidiary
Jinan Acetate Chemical Co., LTD.(China)	100%	8,145,129	The company is good operating performance and stable profitability.
Acetate Material Co., Ltd. (China)	88%	228,835	The company is good operating performance and stable profitability.
Acetate Chemical Co., LTD.	80%	72,169	The investing holding company. Mainly due to the recognition of disposal gains from the sale of shares of the reinvested company.
Acetek Momentum Co., LTD.	100%	36,361	The company is good operating performance and stable profitability.
Acetate (Shandong) Environmental Fiber Co., Ltd.	100%	162,037	The company is revenue growth, production reaching an economic scale, and profits having been achieved.
Acetek Aspiration (Jinan) Trading Co., Ltd.	100%	(61)	Investment in the early stages of development.
Acetek Aspiration (Shandong) Co., Ltd.	100%	79,466	Mainly due to the recognition of government subsidy income.
Acetek Guardian(Shandong) Co., Ltd.	17%	1,509	Investment in the early stages of development.

5.5.3 Investment plan in the coming year:

In order to respond to market supply and demand, the Group plans to expand the production capacity of Filament (Acetek Yarn) in 2025 to meet market demand.

5.6 Analysis of Risk Management

5.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

(i) Interest rate

The Group's bank interest income for 2023 and 2024 were NT\$ 152,327,000 and NT\$ 503,250,000 respectively, which account for 1.38% and 3.20% of the combined net operating income for the respective year; the bank interest expenses were NT\$ 16,826,000 and NT\$ 3,000 respectively, which account for 0.15% and 0% of the combined net operating income ratio of the respective year; the impact on the Company's revenue and profit is rare. As the Group's credit is good and the relationship with banks is well, the Group has obtained sufficient bank line of credit; the change in the interest rate of the Group is still controllable to the Group's operating profit and the balance risk, which won't have significant impact.

(ii) Foreign exchange rates

Most of the Group's products are for export. The selling trades are mostly made in US dollars. The buying trades are made both in US dollars and CNY respectively. Although the receivables offset will have certain hedging effect, but the main trading place is in Mainland China where the functional currency is CNY, therefore, the local daily expenses need to be exchanged for CNY and there is still exchange gains and losses made therefor. Overall speaking, the exchange rate changes have a certain degree of impact on the Group's revenue and profit. The net exchange gains (losses) of the Group for 2023 and 2024 were (61,789,000) and 262,680,000, the net exchange gains (losses) in 2023 and 2024 account for (0.56%) and 1.67% of the net operating income and (1.01%) and 2.62% for the pre-tax net profit ratio respectively. Due to the increase in the Group's net foreign currency assets in US dollars, the appreciation of the US dollar in 2024 will generate foreign exchange gains. It is assessed that the impact of exchange rate changes on the Group's operating conditions is still limited.

(iii) Inflation

The Group's past profit and loss weren't significantly affected by inflation. The Group will timely pay attention on market price fluctuation and maintain good interaction with customers and suppliers. If the purchase cost increases due to inflation, the Group will also adjust the sales price appropriately to reduce the impact on the Group's operation.

5.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

Based on the stable principle and pragmatic operating idea, except for focusing on the Group's business, the Group does not engage in high-risk or highly leveraged investments.

The Group has established the “Procedures for Loaning of Company Funds”, “Procedures for Endorsements and Guarantees”, “Procedures for Acquisition and Disposal of Assets” and “Procedures for Financial Derivatives Transactions”. The Group runs business per these procedures, so the related risks shall be limited.

5.6.3 Future Research & Development Projects and Corresponding Budget

(i) Future R&D plan

The application scope of cellulose acetate contains the glasses frames and facial masks, etc. In order to meet the trend of global plastic molding and expand the market applications of cellulose acetate, CA (cellulose acetate film) will be developed in the future, which are mainly used in food packaging and lithium battery separating membranes; we do these to make preparation on the decomposable product packaging materials in EU next stage action. Acetate tow application scope includes the cigarette filters and pen cores, in response of the needs of top a few tow customers, we actively co-develop the currently high growing IQOS electronic cigarettes with customers, these products has a wide application range.

In view of the increasing demand for cellulose acetate and tows used in living products, the Group continues to invest R&D in new product specifications to quickly meet the needs of various product specifications in the market, and in cellulose diacetate and cellulose diacetate tows to expand customer market. The

R&D expenses invested in 2023 and 2024 accounted for 1.70% and 1.79% of the operating revenue respectively. The Group is actively engaging in technology development, continuously investing in R&D resources and personnel to improve process technology, including the process optimization and high-grade automation; and actively work on diversified products. The proportion of the Group's R&D expense remained reasonable and stable.

(ii) Expected R&D expenses

The Group estimates that the R&D expenses invested in 2025 will be NT\$364,862,000.

5.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company is registered in the Cayman Islands and its main place of operation is in Mainland China with a representative office in Taiwan. The operation of the Group's various businesses is handled in accordance with important domestic and international policies and laws, and timely pay attention to domestic and international significant policy developing trend and laws fluctuation; responding to the changes in market environment with appropriate response measures. Therefore, there has not significant impact on the financial business due to changes in significant domestic or international policies and laws yet.

5.6.5 Effects of and Response to Changes in Technology (including information security risks) and the Industry Relating to Corporate Finance and Sales

In recent years, with the rapid development of science and technology and the increasing importance of information security, computerized operations have become popular all over the world. The Group has implemented corresponding countermeasures for information security risk assessment. Please refer to page 90 for details.

The Group independently makes R&D on the production process, formula and technology of cellulose acetate and tows, breaks through the market technically monopolized by European, American and Japanese multinational manufacturers. The production quality has been worldwide recognized by customers and the Group continues to develop new product applications. The Group is in a position of mastering the market trend and to assessing the impact of the on the Group's operation from market changes. In addition, the Group's customers are mostly cigarette manufacturers or their filter suppliers and agents. The Group maintains close cooperation with customers; control the status of cigarette vendors and obtain order from them.

The Group's financial operation won't have adverse effect from the changes of technology and industry.

5.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Group focuses on the management of its own field, continuously pursues the sustainable operation and growth, actively strengthens internal management, enhances product quality and production efficiency, and continuously introduces outstanding elites to incubate the strength of the management team; rewards the operating result to shareholders and the public, performs the social responsibility that a corporate shall do. The Group's operating result and reputation are good. As of the date of print this financial statement, there is no corporate crisis that would jeopardize the corporate.

5.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

In the latest year and to the statement printing date, the Group has no M&A plan, yet, if there is an M&A plan, it will be handled in accordance with local enactments and the Group's management rules. In order to reduce possible risk, if the Group is subject to the potential M&A object, it will adhere to the attitude of prudent evaluation and consider the combined effect of the merger, and consults with professionals; handle the merger and acquisition procedure on reasonable terms to ensure the Company's interests and shareholders' overall equity.

5.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

The expansion of the group's production capacity has been carefully planned to meet the need of customers and optimize the utilization of capital expenditure. Therefore, the completion of the acetate filament production line in August 2025 will strengthen the product diversity of the Group, expand the scale of operations and enhance the overall competitiveness, which will bring limited risks.

5.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

(i) Stock concentration risk:

The group's purchase objects are scattered according to the nature and source of raw materials, and there are more than two suppliers of main raw materials, as

to ensure the stability and autonomy of the source of goods, and maintain a good cooperative relationship with each supplier. Therefore, there was no shortage of goods in the recent year or up to the date of printing of the annual report, which had a significant impact on the overall operation or the rights and interests of customers.

(ii) Sales concentration risk:

The Group's customers are mainly located in emerging markets such as Europe, North Africa, Latin America and Asia. The net operating income of the top two customers in 2023 and 2024 accounted for 19.44% and 28.09% of the total annual operating revenue respectively, and there were no individual sales customer that share over 25% of the annual sales price; thus, the Group shall have no risk on the concentrated sales.

5.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%

The shareholdings of the Company's directors and supervisors have been stable during the last few years, and there have been no major transfers or swaps of shares.

5.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights

From last year to the time of publication, the management rights of this company have not changed. This company has strengthened its company operation measures, brought in independent directors, and established an audit committee and salaries and remuneration commission with the hope of improving the protection of overall shareholder rights. While the daily operation of the company relies on professional managers, who have made great contributions to the business performance of this company, they will get shareholders' support in the future, and a change in management right will not negatively impact the company's management and business operation strength.

5.6.12 Litigation or Non-litigation Matters

- (1) Major ongoing lawsuits, non-lawsuits or administrative lawsuit: None.
- (2) Major ongoing lawsuits, non-lawsuits or administrative lawsuits caused by directors,

supervisors or shareholders with over 10% shareholdings: None.

5.6.13 Other Major Risks- Information security risks analyze

(i) Datacom Security Risk Management Framework

The responsible unit of the company's information security is the information department, which has designated personnel responsible for formulating the company's information security policies, planning information security operations, and promoting and implementing information security policies. The audit office will conduct regular audits every year. If any defects are found in the audit, the inspected unit will be immediately requested to propose improvement measures, and the improvement results will be tracked regularly to reduce internal information security risks.

(ii) Infocom Security Policy

In order to maintain the normal operation of the company's information system, strengthen the security management of information communication, ensure the availability, integrity and confidentiality of information, and avoid internal and external intentional or accidental threats. The company's information security management mechanism includes the following four aspects:

A. System specification: formulate the company's information security management system to standardize the operation behavior of personnel.

B. Organizational management system: establish the company's top-down information security work management system, establish the responsibilities of the security management organization, make overall planning and expert decision-making to promote the development of information security work across the jurisdiction.

C. System protection: Set up information security management equipment and tools, and implement information security management measures.

D. Personnel training: regularly conduct information security education and training to improve the information security knowledge and professional skills of the company's colleagues.

(iii) Information security specific management plan

With the popularization for computers and digital information and in response to bulk data processing and retrieval, currently, almost all companies have opted for computerized operations. The company's information security assessment and coping measures are as shown in the table below, which should significantly reduce impacts arising from information security risks.

Item	Information Risk	Current Implication
1	System damage results in the losses of data.	1. Secure a second host to perform synchronized data backup. If there is a problem with the first host, the second host can immediately function without a time gap. 2. Data is backed up in two places through dedicated line transmission and portable storage device.
2	Power failure and air-condition breakdown	1. The information control room is equipped with an uninterruptible power system (UPS) to cope with temporary power outages. 2. There is an emergency fan for forced convection. If the temperature continues to rise, the various equipment in the control room shall be shut down in order.
3	Storage Server Damage	Turn on the backup storage server and copy the data from the backup storage server to the original storage server.
4	Internet Equipment Damage	After calling the offline backup network equipment and completing setting, replace the faulty equipment.

After assessment, the Company has no material operating risk of the Information security.

(iv) Invest resources in security management

- A. Set up an information security chief before the end of 2022
- B. Build an information security monitoring system and perform system

vulnerability scanning to prevent hackers from invading and stealing confidential company information

C. Management of computer room, network equipment, network connection and personal information equipment

5.7 Other important matters: None.

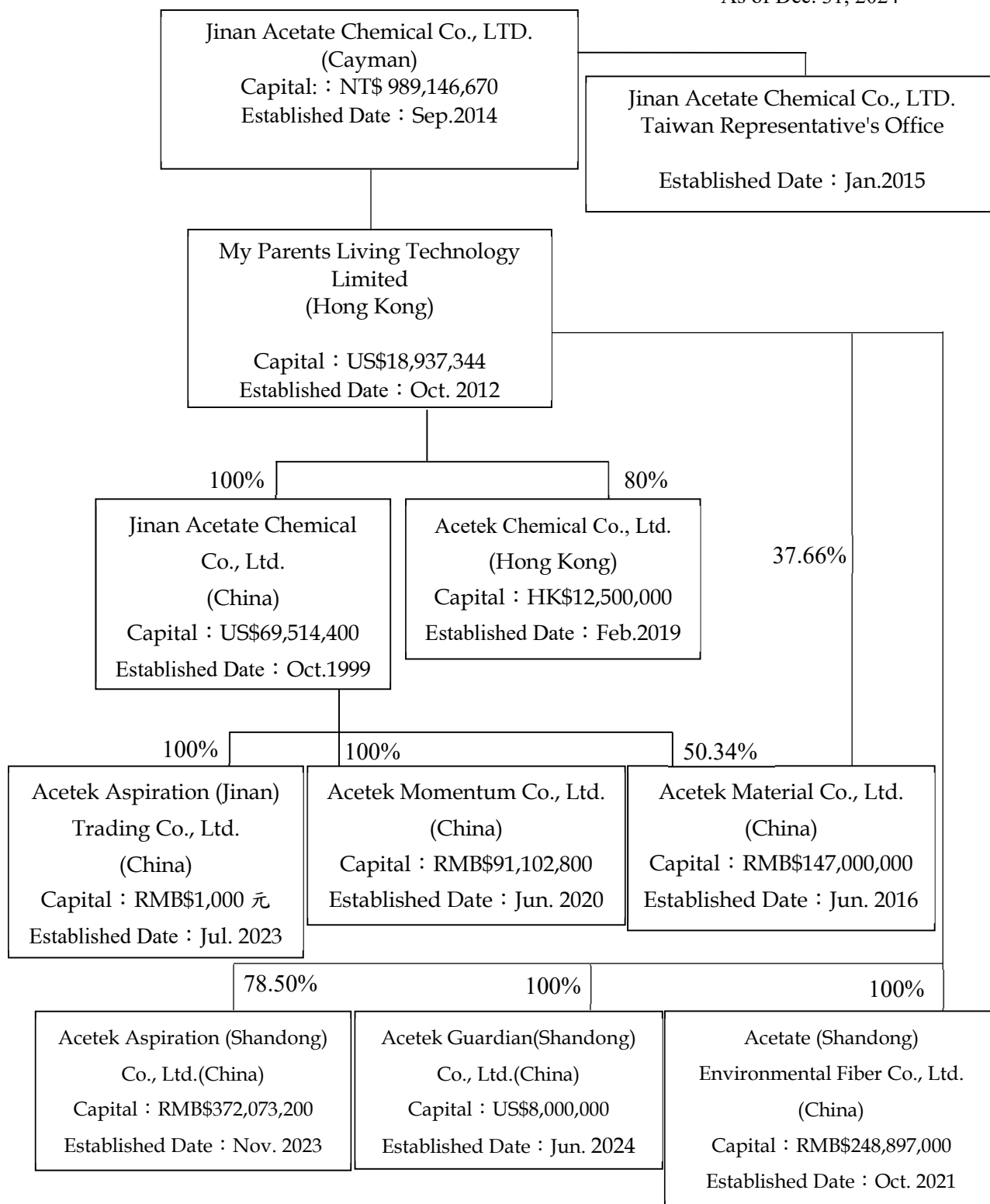
VI. Special Disclosure

6.1 Summary of Affiliated Companies

6.1.1 Consolidated operating report of affiliates

(i) Investment Structure

As of Dec. 31, 2024



(ii) Basic information on affiliated enterprises:

As of Dec. 31, 2023; Unit : NT\$ 1,000

Name of Subsidiary	Established Date	Address	Capital		Main Business Activity
My Parents Living Technology Limited	Oct. 2012	Hong Kong	USD	18,937	Holding Company
Jinan Acetate Chemical Co., LTD.	Oct. 1999	China	USD	69,514	Manufacturing and sale of acetate tow
Acetek Material Co., Ltd.	Jun. 2016	China	RMB	147,000	Manufacturing and sale of acetate lake
Acetek Chemical Co., Ltd.	Feb. 2019	Hong Kong	HKD	12,500	Holding Company
Acetek Momentum Co., Ltd.	Jun. 2020	China	RMB	91,103	Manufacturing and sale of acetic anhydride
Acetate (Shandong) Environmental Fiber Co., Ltd.	Oct. 2021	China	RMB	248,897	Manufacturing of Pulp
Acetek Aspiration (Jinan) Trading Co., Ltd.	Jul. 2023	China	RMB	1	Sale of product
Acetek Aspiration (Shandong) Co., Ltd.	Nov. 2023	China	RMB	372,073	Manufacturing and sale of high-performance fibers.
Acetek Guardian(Shandong) Co., Ltd.	Jun. 2024	China	USD	8,000	Manufacturing and sale of hydroxyethyl cellulose ether and specialty cotton cellulose.

(iii) Presumed to be controlled and dependent in accordance with Article 369-3 of the Company Law: None.

(iv) Business Scope of the Company and Its Subsidiaries

The whole business scope of the Company and its subsidiaries mainly include investment, research and development, production, and sales of Cellulose acetate tow and Cellulose acetate and Acetic anhydride. Each of the subsidiaries conducts division operations according to the Group's overall business planning.

(v) Rosters of Directors, Supervisors, and Presidents of Subsidiaries

Company	Title	Name or Representatives	Shareholding	
			Amount of Investment	Proportion of Investment
My Parents Living Technology Limited	Director	Wang, Song-Lan	-	-
Jinan Acetate Chemical Co., LTD.	Director	Wang, Ko-Chang	USD 69,514,000	100%
	Director	Wang, Song-Lan		
	Director	Zhu, Zhang-Chao		
	Supervisor	Hsu, Cheng-Tsai	-	-
	President	Meng, Ching-Li	-	-
Acetek Material Co., Ltd.	Director	Wang, Ko-Chang	RMB 74,000,000	50.34%
	Director	Wang Chong-Ru		
	Director	Hsu, Ming-Hsun		
	Supervisor	Hsu, Cheng-Tsai	-	-
	President	Wang, Jian-Li	-	-
Acetek Momentum Co., Ltd.	Director	Wang, Ko-Chang	RMB 91,103,000	100%
	Director	Chen, Yan-Xia	-	-
	Director	Sun, Jing	-	-
	Director	Zhang, Ai-Feng	-	-
	Supervisor	Liang, Ji-Qiang	-	-
Acetate (Shandong) Environmental Fiber Co., Ltd.	Director	Wang, Ko-Chang	-	-
	Director	Wang, Chong-An	-	-
	Director	Wang, Chong-Xuan	-	-
Acetek Aspiration (Jinan) Trading Co., Ltd.	Director	Wang, Chong-An	-	-
Acetek Aspiration (Shandong) Co., Ltd.	Director	Wang, Chong-An	-	-
Acetek Guardian(Shandong) Co., Ltd.	Director	Wang, Jing	-	-

6.1.2 Operation Status of affiliate companies

As of Dec. 31, 2023; Unit : NT\$ 1,000

Name of affiliates	Capital amount	Total assets	Total liabilities	Net worth	Operating revenue	Net operating income	Net income (after tax)	EPS (after tax) (NTD)
My Parents Living Technology Limited	564,850	15,934,303	411,153	15,523,150	42,207	(5,057)	8,248,763	(Note)
Jinan Acetate Chemical Co., LTD.	2,168,662	13,779,584	4,322,431	9,457,153	14,107,920	8,675,961	8,145,129	(Note)
Acetek Material Co., Ltd.	678,648	1,947,158	747,108	1,200,050	1,993,343	246,323	267,764	(Note)
Acetek Chemical Co., Ltd.	48,977	141,627	1,101	140,526	-	(2,475)	90,212	(Note)
Acetek Momentum Co., Ltd.	394,799	567,140	24,166	542,974	336,085	37,169	36,361	(Note)
Acetate (Shandong) Environmental Fiber Co., Ltd.	1,104,579	1,482,645	108,205	1,374,440	1,207,536	174,734	162,037	(Note)
Acetek Aspiration (Jinan) Trading Co., Ltd.	4	495	68	427	-	(1)	(61)	(Note)
Acetek Aspiration (Shandong) Co., Ltd.	1,657,870	1,981,325	235,284	1,746,041	-	(367)	79,466	(Note)
Acetek Guardian(Shandong) Co., Ltd.	254,905	256,703	-	256,703	-	(10)	1,509	(Note)

Note: Limited company with no shares, unable calculate EPS.

6.1.3 Consolidated Financial Statements of Affiliates:

Please refer to Market Observation Post System:

<http://mops.twse.com.tw> / Electronic Books> 4763> 2024_4Q Financial Statements.

6.1.4 Relationship Report on the Affiliates: N/A.

6.2 Private Placement Securities in the Most Recent Years: None.

6.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

6.4 Other necessary supplementary explanations: None.

6.5 In the most recent year and as of the publication date of the annual report, if there are any matters determined in Term 2, Item 2, Article 36 of the Securities Exchange Act that have significant impacts on shareholders' equity or securities prices:None.

6.6 Description of Significant Differences on Regulations Pertaining to the Protection of Shareholders' Equity in the Republic of China

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
1	The shareholders' convention shall be held within the ROC territory. If the	In accordance with Article 18.3 of the revised Articles of Association made	If the shareholders convene the shareholder convention outside

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
	shareholder convention is convened outside the ROC territory, it shall obtain the TWSE consent within two days after the conclusion of the Board of Directors or the shareholders obtain the permission from the competent authority.	by the shareholder convention's special resolution of the issuing company (hereinafter: the issuing company's Articles of Association) on December 4, 2014, during the period that the shares are listed on the TWSE, except as otherwise specified by the Cayman Company Act, the shareholder convention shall be held within ROC territory. If the board of directors decides to convene a shareholder convention outside ROC territory, the issuing company shall report to TWSE for approval within two days after the resolution of the board of directors.	the Republic of China, since the shareholders' own convening of the shareholders' temporary convention is not subject to the permission of the local authorities of Cayman, Article 18.3 of the issuing company's Articles of Association only stipulates that TWSE shall be notified in advance, instead of the "obtain the TWSE consent within two days after the shareholders obtain the permission from the competent authority" as required by the checklist for the protection of shareholders' equity.
2	If the shareholders continue to hold shares for more than one year and more than 3% of the total issued shares, they can write down the proposed matters and reasons and request the board of directors to convene a temporary shareholders convention. Within 15 days after the request is filed, when the board of directors fails to notify the convening, the shareholders can report to the competent authority for permission to convene it themselves.	After reviewing the issue company's Articles of Association, the relevant provisions on protecting shareholders' equity, as stipulated in Articles 19.3, 19.4, 19.5 and 19.6, when more than 3% of the total issued shares to be holding for more than one year during the period of listing on TWSE request in writing, the board of directors shall immediately convene a temporary shareholders convention. If the board of directors fails to convene the shareholders' temporary convention within fifteen days from the date of the request, the requesting shareholders can convene the temporary shareholders convention in the same way as the board of directors does on convening the shareholders meeting.	As for the part that shareholder hold the shareholders convention by themselves, since the Cayman Company Act has no special provisions for the shareholders to hold the shareholder convention, Article 19.6 of the issuing company's Articles of Association does not regulate the shareholders to report to the competent authority before holding the self-convening shareholder convention. However, according to Article 19.6 of the issuing company's Articles of Association, if the board of directors fails to convene a notice for the temporary shareholders convention within 15 days from the date of shareholders request, the requesting shareholders may convene the temporary shareholders convention themselves, but shall try to convention in consistency with the way convened by the board of directors. As for the place where the temporary shareholders convention is to be

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			held, according to Article 18.3 of the issuing company's Articles of Association, in addition to the provisions of the Cayman Company Act, it shall be convened in ROC territory. Shareholders who wish to convene temporary shareholders convention outside the Republic of China shall, according to the provisions of Articles 19.6 and 18.3 of the issuing company's Articles of Association, still follow the way of board of directors' resolution in holding the shareholders convention outside ROC, submit the request to TWSE for approval.
3	When the Company performs its voting rights in writing or electronic way, its performing method shall be stated in the shareholder convention notice. Shareholders who perform their voting rights in writing or electronic way are deemed to be present in person at the shareholder convention. However, the provisional motions of the shareholders convention and the amendments of original motion shall treat the writing or electronic way as rights give-up.	Article 25.4 of the issuing company Articles of Association stipulates that when a shareholder performs his/her voting rights in the shareholder convention by written or electronic vote, it is deemed to assign the meeting chairperson to act for him/her to perform voting right at the shareholders convention in accordance with the written or electronic documents. The meeting chairperson bases on the status of agent, has no right to perform the voting right on behalf of the shareholder in matters not mentioned/stated in the written or electronic documents and/or amendments to the original proposal proposed at the shareholders convention. In order to clarify the doubt, shareholders performing their voting right in such manner shall be deemed to have performed their right to vote in respect of the provisional motions and/or amendments of the original motion proposed in the shareholder convention.	For shareholders performing voting rights in writing or electronic way, the Cayman Company Act does not mention whether shareholders who perform their voting right in writing or electronic way can be treated to have attended the shareholder convention in person or not? Cayman's lawyers have not found any relevant cases on it. For the other arrangement, Article 25.4 of the issuing company's Articles of Association stipulates that "the shareholder is deemed assigning the meeting chairperson by written voting or electronic way to exercise his/her voting rights in the shareholder convention per instructions. Based on the status of the agent, for the matters not mentioned/stated in the written or electronic documents and/or the amendments to the original proposal proposed at the shareholders convention, the meeting chairperson is not

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			entitled to exercise the voting rights of the assigned shareholders. To clarify the doubt, shareholders exercising their voting rights in such manner shall be deemed to have abandoned their voting rights of amendments to the provisional motion and/or the original motion proposed in the shareholder convention. In Article 26.3 of the issuing company Articles of Association, the voting rights of that the chairperson exercises on behalf of the entrusted shareholders in the shareholder convention shall not exceed a limit of 3% of the total voting rights of issued shares.
4	The following proposals concerning the major equity of shareholders shall be agreed by the attending of over 2/3 of the total shareholders with issued shares, and 1/2 of the shareholders' voting rights. If the total number of shares attending shareholders is insufficient from the aforesaid conditions, it can represent the agreement by the attendance of over 1/2 of the total shareholders with issued shares and 2/3 of the attending shareholders with voting rights agree on that: 1. The Company builds, alters or terminates the contract that leases all business, entrusts the operation or co-operations with others, transfers all or the major part of the business or property, receives all business or property transferred from others, and others that significantly impact the Company's operation. 2. Change the Articles of Association. 3. If the change in Articles of Association is infringing the rights of the special shareholders, the	1. Article 12.1 of the publishing company Articles of Association stipulates that the Company may, at any time, have a special resolution without violating the Cayman Company Act and the Articles of Association: (a) Change its name; (b) Amend or add Articles of Association; (c) Amend or add the Articles of Association outline on the company's purpose, powers or other matters specifically stated; (d) Reduce capital and capital redeem reserve; or (e) Consolidation 2. Article 12.3 of the issuing company Articles of Association stipulates that the following acts of the company shall be approved by the shareholders' serious resolution without violating the Cayman Company Act: (a) Capitalize the dividends and/or bonus and/or other money specified in Article 17 of the Articles of Association;	1. Regarding the resolution method in the shareholders convention, in addition to the ordinary resolutions and serious resolutions under the ROC laws, the "Special Resolution" defined by the Cayman Company Act is also included in Article 1.1 of the issue company's Articles of Association. In the case of non-compliance with the Cayman Company Act, it means that the shareholders who have right to participate in the voting presents in person at the company's shareholders convention, or votes by proxy, or legally authorizes the legal corporate shareholder or non-citizen shareholder to attend the voting (according to Article 23.1 of the issuing company's Articles of Association, it means that the attended shareholders number is over

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
	resolution of special shareholders convention on it shall be required. 4. Distribute all or part of the dividends and bonus by means of new shares. 5. Resolution for dissolution, merger or division.	(b) Pay all or part of the capital reserve and statutory surplus reserve (as defined in article 14.4 of the Articles of Association) by new shares or cash in proportion to the original shares of the shareholders. The issue of new shares or cash by statutory surplus reserve is limited to the portion of the reserve exceeding 25% of the paid-up capital. (c) Consolidation (except for "M&A" defined in the Cayman Company Act, only a special resolution is required) or division; (d) Build, change or terminate a business lease contract, entrusted business contract or joint-operation contract; (e) Transfer all or major part of the business or property thereof; or (f) Acquire or receive all of the business or property from others and has a significant influence on company operation. 3. Under the provisions specified in Article 12.4 of the company's Articles of Association, while not to violate the Cayman Company Act, the company can voluntarily dissolve itself by the following resolutions: (g) If the company decides to voluntarily dissolve itself due to the inability to pay off the due debt, by ordinary resolution made thereof; or (h) If the company decides to voluntarily dissolve itself as a result of the reason other than the conditions specified in 12.4(a) above, by a special resolution made thereof. 4. Per Article 13 of the issuing company's Articles of Association, no matter whether the company has been liquidated or not, if the company's capital is divided into different types	1/2 of the total number of shares with voting rights). After each shareholder has the right to vote, at least 2/3 of the voting rights of shareholders agree the issue. 2. In accordance with the provisions of the Cayman Company Act, the following matters shall be governed by special resolutions: (1) Change the Articles of Association According to Cayman law, the changes of Articles of Association shall base on the special resolution of the Cayman Company Act. Therefore, Article 12.1 of the publishing company's Articles of Association specifies the rule of changing the threshold of resolution instead of asking to follow ROC serious resolution specified in the shareholders' rights protecting check list. In addition, in accordance with Article 13 of the issue company's Articles of Associations, if any modification or change of Articles of Association will damage the priority of any kind of shares, the relevant amendments or changes shall be passed by special resolution and shall be subject to the special resolution of the shareholders convention held separately by the rights-damaged shareholders. (2) Dissolution According to Cayman law, if a company decides to

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
		of shares, except that shares issuing condition is another specified, rights of such shares can be changed by the special resolution of shareholders convention. Subject to the aforesaid provisions, if any modification or change in the Articles of Association would prejudice the priority of any type of shares, the relevant modification or change shall be by the special resolution and shall be convened by the shareholders under the damage with the special resolution.	voluntarily liquidate and dissolve itself because it cannot settle the debt after the debt is matured, its dissolution shall be in accordance with the ordinary resolution of the shareholders convention (i.e., Article 12.4(a) of the issuing company's Articles of Association). For the purpose of voluntarily liquidating and dissolving the company for reasons other than the above, the dissolution shall be subject to the special resolution prescribed by the Cayman Company Act; therefore, Article 12.4(a) of the Articles of Association of the issuing company sets the reason of unable to pay the debt after the debt is matured and defines the resolution threshold for the company's voluntarily liquidation and dissolution by resolution, which doesn't follow the shareholders' rights protecting check list asking to follow serious resolution under ROC laws. As for Article 12.4(b) of the publishing company's Articles of Association, since the special resolution stipulated by the Cayman Company Act has higher threshold than the thresholds of ROC's serious resolution, the provisions asking for dissolution by the special resolution specified in Article 12.4(b) of the issuing company's Articles of Association actually has

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			been in conformity with the protection checklist of shareholders' rights and interests that shall list the dissolution into the serious resolution requirement under ROC law. (3) Merger Since the Cayman Company Act is mandatory for voting procedure on defining the "M&A and/or merger" (that is, it must proceed with the special resolution), by considering the definition of "M&A and/or Merger" in Cayman Company Act is not the same as those in ROC law, in order to make the merger pattern beyond the "M&A and/or merger" defined by the Cayman Company Act can be listed as the serious resolution of the shareholders convention according to the requirements of the shareholders' rights protection. Section 12.3(c) of the issue company's Article of Association sets that "merger" (meet the "M&A and/or merger" as defined in the Cayman Company Act, which only needs for special resolution) shall be the serious resolution to be passed. 3. The difference between the above matters and the checklist of shareholders' rights protection matters is that the important matters under shareholder equity protection shall be the resolution of serious matter;

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			in the Articles of Association of the issuing company, these matters are specified in serious resolution and special resolution matters separately.
5	1. Company's supervisors are selected from shareholders convention. At least one supervisor shall have domestic residence. 2. The supervisors shall not serve for more than three years. Yet, this restriction won't be valid if re-elected. 3. When all supervisors are dismissed, the Board of Directors shall hold a temporary shareholders convention to select new supervisors within 60 days. 4. The supervisor shall supervise the operation of the company's business; timely investigate the company's business and financial status; check the accounting sheets and documents, and can request the Board or managers to submit reports. 5. The supervisor shall check the sheets submitted to the shareholders convention from the Board of Directors and reports checking opinions to the shareholders convention. 6. The supervisor shall assign the accountant or lawyer to review the checking matter on behalf of the company. 7. The supervisor can attend the Board of Directors and make comments. If the Board of Directors or directors conduct business against the enactments, Articles of Association or the resolutions of the shareholders convention, the supervisor shall immediately notify the Board of Directors or the directors to stop their improper actions. 8. The supervisor can exercise supervision rights independently.	Article 63 of the issuing company's Articles of Association has specified the duties of Audit Committee, which is equivalent to supervisors in Taiwan.	There is no "supervisor" idea defined in Camay Company Act, the issuing company only builds the Audit Committee, not supervisors, therefore, no supervisor provision is defined in the Articles of Association.

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
	9. The supervisor cannot serve as the company director, manager or other employee.		
6	1. Shareholder holding more than 3% of the total company-issued shares for more than one year can request the supervisor to make a lawsuit against the directors for the company; and set Taipei District Court as the court of first instance. Within 30 days after the shareholder makes the lawsuit request yet the supervisor fails to comply, the shareholder can make a lawsuit against the company; and set the Taipei District Court as the court of first instance. 2. According to Article 48.3 of the Articles of Association of the issuing company, within the scope permitted by the Cayman Law, shareholder holding more than 3% of the total company-issued shares for more than one year can (a) request the Board of Directors to authorize the independent director in the Audit Committee to launch a lawsuit against the directors for the company in writing; and set the Taipei District Court as the court of first instance; or (b) requested the independent director of the Audit Committee to launch a lawsuit against the directors for the company in writing; and set the Taipei District Court as the court of first instance;	According to Article 48.3 of the Articles of Association of the issuing company, within the scope permitted by the Cayman Law, shareholder holding more than 3% of the total company-issued shares for more than one year can (a) request the Board of Directors to authorize the independent director in the Audit Committee to launch a lawsuit against the directors for the company in writing; and set the Taipei District Court as the court of first instance; or (b) requested the independent director of the Audit Committee to launch a lawsuit against the directors for the company in writing; and set the Taipei District Court as the court of first instance; Within 30 days after the request (a) or (b) above is applied, if (i) the requested Board of Directors fails to authorize the independent director of the Audit Committee to launch lawsuit, or the independent director of the Audit Committee authorized by the Board of Directors fails to launch lawsuit, stated in item (a) above; or (ii) the requested independent director of the Audit Committee fails to launch the lawsuit, within the scope permitted by the Cayman laws, the shareholder can launch a lawsuit against the directors for the company; and set the Taipei District Court as the court of first instance.	The issuing company has an Audit Committee, so there are no related regulations for the supervisors in the Articles of Association. However, with reference to Article 214 of ROC Company Act on the request of lawsuit against the directors by minority shareholders, Article 48.3 of the Articles of Association of the issuing company specifies that under the scope permitted by Cayman laws, shareholder holding more than 3% of the total company-issued shares for more than one year can (a) request in writing the Board of Directors to authorize the independent director of the Audit Committee to launch a lawsuit against the directors for the company in writing, and set the Taipei District Court as the court of first instance; or (b) requested the independent director of the Audit Committee to launch a lawsuit against the directors for the company in writing; and set the Taipei District Court as the court of first instance. Within 30 days after the request (a) or (b) above is applied, if (i) the requested Board of Directors fails to authorize the independent director of the Audit Committee to launch lawsuit, or the independent director of the Audit Committee authorized by the Board of Directors fails to launch lawsuit, stated in item (a) above; or (ii) the requested independent director of the Audit Committee fails to launch the

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			lawsuit, within the scope permitted by the Cayman laws, the shareholder can launch a lawsuit against the directors for the company; and set the Taipei District Court as the court of first instance. Cayman's lawyers remind the following provisions in accordance with the Cayman laws: The Cayman Company Act does not allow the specific specification for the lawsuit procedure derived from the minority shareholders launching lawsuit against the directors in Cayman courts. The Articles of Association is not a contract between the shareholders and the directors, but is the agreement between the shareholders and the company, even though the Articles of Association allows the minority shareholders to launch derivative lawsuits against the directors, Cayman's lawyers believe that the content will not be able to bind the directors. However, under common law, all shareholders (including minority shareholders) have right to launch derivative lawsuits (including litigation against directors) regardless of their shareholding or shareholding period. Once the shareholder sues, the Cayman court will have full discretion to decide whether the shareholder can continue the lawsuit or not. In other words, the Articles of Association of the company stipulates that minority shareholders (or shareholders with the required shareholding ratio or shareholding period) can

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			launch lawsuits against the director for the company, but whether the lawsuit can continue or not depends on Cayman court's decision. According to the relevant judgment of the Cayman Grand Court, when considering whether to approve the continuation of derivative proceedings or not, the applicable criterion is whether or not the Cayman court believes and accepts that the plaintiff's request on behalf of the company is superficial and the claimed illegal activity is made by the party that can control the company, and the controller can prevent the company from litigating it. The Cayman Court will judge the lawsuit on a case-by-case basis (although the court may refer to the company's Articles of Association regulations, this is not a decisive factor). Under Cayman law, the Board of Directors shall decide on its behalf (instead of individual directors) on behalf of the company. Therefore, the directors shall, under the Articles of Association regulations, authorize any director to launch lawsuit against the other directors on behalf of the company. The Cayman Company Act does not give shareholders a clear request for a director to convene a Board of Directors to specify the specific matters. However, the Cayman Companies Act does not prohibit companies from establishing provisions relating to the Board of Directors proceedings at the Articles of

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			Association (including the requirements for Board of Directors meetings). Therefore, with reference to Article 214 of ROC Company Act regarding the request of minority shareholders to launch lawsuit against directors, the Articles of Association of the company may require the shareholders to request the convening of Board of Directors to resolve specific matters (i.e., launch the lawsuit against the directors) in accordance with Article 48.3.
7	1. The company directors shall faithfully perform the business and perform the duty that the managers shall take care. If there is any violation on company, the damage liability shall be taken thereof. If the act is committed by the directors or by others, the shareholder will be able to resolve the act as the company's income in the proceeds. 2. While performing the company's business, if the action of company directors is against the law that causes damage to others, the company managers, supervisors shall be liable to the damage identical to the company directors within their duty scopes. 3. The company managers and supervisors shall bear the same liability for damage as the company directors do within the scope of their duties.	According to Article 48.4 of the Articles of Association of issuing company, under the circumstance of not violating the general directors' responsibilities per Cayman common law principles and laws that the company directors are engaged in, company directors shall honestly perform business and do their responsibility a good management shall do. If there is any violation that incurs the company's damage, company directors shall be liable for damages to the maximum extent permitted by law. In the event that a director obtains any benefit for himself or another person in violation of the aforesaid provisions, the company shall take all appropriate actions and steps to the maximum extent permitted by law, as decided by the ordinary resolution of the shareholders convention. The company interests are owned by the company. When a company director conducts business operation, if there is any breach of law or order that causes the company to be liable for any compensation or damage to any person, the director shall be liable with the company for compensation or damage for any reason, if the director	Article 48.4 of the Articles of Association of the issuing company has provided that "under the circumstance of not violating the general directors' responsibilities per Cayman common law principles and laws that the company directors are engaged in, company directors shall honestly perform business and do their responsibility a good management shall do. If there is any violation that incurs the company's damage, company directors shall be liable for damages to the maximum extent permitted by law. In the event that a director obtains any benefit for himself or another person in violation of the aforesaid provisions, the company shall take all appropriate actions and steps to the maximum extent permitted by law, as decided by the ordinary resolution of the shareholders convention. The company interests are owned by the company. When a company director conducts business operation, if there is any breach of law or order that causes the

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
		is not to be liable along with the company for compensation, the director shall compensate the company for any losses by the company suffers from the violation of the director's own obligations. Managers shall be subject to the same liability for damages as company directors when performing company duties.	company to be liable for any compensation or damage to any person, the director shall be liable with the company for compensation or damage for any reason, if the director is not to be liable along with the company for compensation, the director shall compensate the company for any losses by the company suffers from the violation of the director's own obligations. Managers shall be subject to the same liability for damages as company directors when performing company duties." Cayman's lawyers are remind the following provisions in accordance with the Cayman enactments: Under Cayman law, the director's company liability can be broadly divided into common law responsibilities (i.e. professional competence, attention and diligence) and loyalty obligations. However, the directors are legally obligated under the provisions of various laws and, in certain circumstances, also have obligations to third parties (such as creditors). If the company is or may be unable to pay off, the directors shall consider the interests of the creditors when performing their duties. In addition, regarding the provisions of the directors' interests as the company's income, Cayman's lawyers believe that such regulations are uncertain and too general, so they have doubts about their enforceability. For example, whether or not a director's breach of obligation is left to the court to

NO	Important Matters Related to Protection of Shareholders' Equity	The Provisions Contained in the Articles of Incorporation	The Reasons for Differences
			finalize and how to define the benefit (and the period in which it benefits)? Cayman's lawyers also believe that this Article does not limit the director's responsibilities. Directors are still subject to various statutory, common law and fiduciary duties under Cayman law.