Stock Code: 6509

HOPAX

Taiwan Hopax Chemicals Mfg. Co., Ltd.

Annual Report 2024

April 21, 2025

Taiwan Stock Exchange Market Observation Post System: https://mops.twse.com.tw

HOPAX annual report is available at https://www.hopax.com/en/investor/shareholders-meeting

In case of any discrepancy between the English and the Chinese version, the Chinese version shall prevail.

I. Name, title, contact number, and email of the Company's spokesperson and acting spokesperson:

Name of spokesperson: Chung-Sheng Cheng

Job title: Executive Vice President

Telephone: (07)788-7600

E-mail: jcheng@hopax.com.tw

Acting spokesperson: Wen-Hui Yu

Job title: Manager, Finance Department

Telephone: (07)788-7600

E-mail: whyu@hopax.com.tw

II. Addresses and phone numbers of the headquarters and branch offices:

Head office: No. 28, HuaDong Rd., Chaoliao Village, Daliao Dist., Kaohsiung City

Telephone: (07)788-7600

Taipei Office: Room B, 3F, No. 11, Sec. 1, Zhongshan N. Rd., Zhongshan Dist., Taipei City

Telephone: (02) 2567-8500

III. Name, address, website, and telephone number of stock transfer agent:

Name: Agency Dept., Chinatrust Commercial Bank

Address: 5F, No. 83, Sec. 1, Chongqing South Road, Zhongzheng Dist., Taipei City

Website: https://www.ctbcbank.com

Telephone: (02)6636-5566

IV. Name, firm name, address, website, and telephone number of the CPA who attested the most recent year's financial statements:

Name of CPAs who attested for the 2023 financial statements: CPAs Chiu-Yen Wu and Kai-Ning Hsu

CPA firm name: Deloitte Taiwan

Address: 3F, No. 88, Chenggong 2nd Rd., Kaohsiung City (China Steel Head Office Building)

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

Telephone: (07)530-1888

V. Stock exchange(s) on which the stock is traded overseas and ways to obtain relevant information: None

VI. Website: http://www.hopax.com/zh-tw

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A. Message to Shareholders

Dear Shareholders:

Thank you for your trust and support. Hopax has dedicated years of effort to achieve steady growth and sustainability. Guided by the core value of "innovation", we have enhanced our competitive advantages through diversified product sales and by following the Group's mid- and long-term strategic planning. The Company successfully completed a cash capital increase in September 2024. The capital raised will be invested in the construction of a new plant in Pingtung Science Park, focusing on the development of waste reduction and energy-saving related products and process technologies. This move is not only aligned with the global trend of ESG and sustainable development, but also helps ensure that the Company maintains its leading position in a volatile market environment.

Hopax Group is committed to corporate social responsibility, safeguards the rights and interests of stakeholders, and balances profit growth, social welfare, and environmental sustainability. With our excellent corporate management, we were recognized for excellence in disclosing occupational safety and health indicators in the corporate sustainability report by the Occupational Safety and Health Administration, Ministry of Labor, Excellent Group Award in the Workplace Employee Health Promotion Award Project of Kaohsiung City Government Department of Health, the "Taiwan Corporate Sustainability Report Award—Traditional Manufacturing Gold Award" from the Taiwan Institute for Sustainable Energy (TAISE), and obtained the international certification EXCiPACT GMP in 2024. The results of business operations in 2024 were as follows:

I. 2024 Business Report

(I) Implementation of the 2024 business plan

The Group's consolidated revenue was NT$4,745,793 thousand in 2024, consolidated profit margin was 30.6%, consolidated net income after tax was NT$489,909 thousand, and after-tax EPS (basic) was NT$2.71. In 2024, despite the impact of geopolitics, slowing customer demand, and growingly intense market competition, all employees of the Company continued to actively face the challenges by focusing on R&D and promoting green products that combine environmental benefits, carbon reduction advantages, and cost competitiveness. Refer to the table below for the 2024 and 2023 financial revenue and expenses (Unit: NT$ thousand):

Item \ Year	2024	2023	Increase (decrease) %
Operating income	4,745,793	4,521,236	5.0%
Operating costs	3,295,158	3,262,934	1.0%
Operating margin	1,450,635	1,258,302	15.3%
Operating expenses	791,058	717,503	10.3%
Operating profit	659,577	540,799	22.0%
Net non-operating revenues and expenses	15,559	(6,567)	(336.9%)
Pre-tax profit	675,136	534,232	26.4%
Income tax expenses	(185,227)	(104,242)	77.7%
Net profit after tax	489,909	429,990	13.9%
Earnings per share (NT$)	791,058	717,503	10.3%

(II) Profitability analysis (Unit: %)

Item \ Year	2024	2023
Return on assets	7.58	7.13
Return on equity	11.16	11.78
Net income before tax to paid-in capital ratio	33.84	30.79
Net interest rate	10.32	9.51

(III) Research and development

Research and development are one of the crucial elements for sustainable development. The Company's R&D track records and results are summarized below:

1. The Company invested NT$164,851 thousand in R&D in 2024 and obtained 7 patents. As of March 31, 2025, the Company has obtained 90 effective patents.
2. New product R&D and improvement results of business units in 2024:
   (1) 8 fine chemicals: New product development for biological buffers, process improvement for biological buffer products, new product development for electroplating additives, new product development for peptides, development of desalting technologies, new product development for biological cleaning agents, process improvement for biological waterborne polyurethane additives, and

development of crystalization technology.

(2) 6 specialty chemicals: High-end hollow resin used for thermal paper, cationic surface sizing agent for industrial paper, electronics-grade ceramic dispersant, new structure ceramic dispersant, masking hollow resin for coating and high value non-carbon copy paper color developers.

(3) 2 stationery supplies: FSC eco-friendly product series, and development of water-based coating process technology.

(4) 3 agricultural technology products: Agricultural development of biological agents, agricultural catalysts, and biological agents for farming.

(5) 4 products of Hopax Biomedical: HYGIENECARE dishwashing mousse, HYGIENECARE deodorizing spray, HYGIENECARE mousse cleanser, and HYGIENECARE paw care cream

3. The Company's future research and development will focus on: (1) Green process for fine chemicals, (2) Intermediates for the pharmaceutical industry, (3) Development and extension of applications of specialty chemicals, (4) Stick'N coating technology upgrade and development and design of diverse coating products, (5) Development of soil improvement agents, (6) Diversification of HYGIENECARE anti-bacterial products, (7) Development of multiple precision treatment drugs.

II. Competitive, regulatory, and overall business environment

Facing the severe challenges of global warming and extreme weather, energy conservation, carbon reduction, and net zero emissions have become a common goal of the world. Taiwan formally promulgated the Climate Change Response Act on February 15, 2023, incorporating net zero emissions by 2050 into the legal framework. The Taiwan Carbon Solution Exchange (TCX) was established on August 7 of the same year, and the "Regulations for Charging of Carbon Fees," "Regulations Governing Self-Determined Reduction Plans," and "Designated GHG Emissions Reduction Goals for Entities Subject to Carbon Fees" were promulgated on August 29 to further implement carbon reduction mechanisms. In addition, the Financial Supervisory Commission announced on October 17, 2024 that starting from 2025, all TWSE/TPEx-listed companies must prepare and submit sustainability reports to strengthen corporate sustainability management and information transparency.

Since its establishment, Hopax Group has been on a mission to "make the world a better place" and is committed to promoting sustainable development. We use eco-friendly water-based processes to reduce waste and energy consumption, and further introduced energy-saving equipment that also improves productivity. Moreover, in 2022, the parent company obtained ISO 14064-1:2018 Greenhouse Gas Inventory Certification, ISO 14067 Carbon Footprint Certification of key products, and ISO 50001:2018 Energy Management System Certification in advance to meet regulatory requirements. We also actively participate in the EcoVadis (global supply chain sustainability assessment) and CDP (global carbon disclosure project) questionnaire assessments. We further plan to join the Science-Based Targets Initiative (SBTi) in 2025, and will set a carbon reduction path using science-based methods. We will work with major customers around the world in carbon reduction actions, continue to improve our environmental, social, and governance (ESG) performance, and fulfill our corporate social responsibility.

Looking at the massive changes in the world in terms of environmental protection, carbon emissions, exchange rates, political and economic situations, and raw material prices, Hopax has demonstrated outstanding flexibility and rapid execution. We focused on high quality sales development strategies, planning complete product classification plans and management, taking the lead in ESG development, and achieving higher ratings in evaluations. Cross-plant production support within the group allows us to effectively respond to changes in the external environment, and we are contributing to global sustainable development with innovation and sustainable development at the core.

III. 2025 Business Plan summary and future development strategies

(I) Projected sales

We continue to pursue stable growth and the management team works tirelessly to maximize profits for the Group and shareholders.

(II) Business and sales strategy

Hopax Group is committed to strengthening its competitiveness and sustainable development based on the core concepts of innovation, sharing, and care. We not only pursue profit growth, but also attach importance to technology, R&R, and products and services. In terms of ESG, we are actively fulfilling our corporate social responsibility: We attach importance to environmental and ecological protection, pay attention to the health and well-being of employees, create a positive organizational culture and improve corporate governance to maintain steady growth in the volatile global situation.

We continued to grow on a solid foundation in 2024. Our fine chemicals business benefited from the growth of the pharmaceuticals market, and we implemented tiered management, expanded into high-end markets, flexibly allocated resources between the two plants, improved the efficiency of our supply chain, adopted new technologies to reduce pollution, save energy, and reduce consumption, and obtained the IPEC GMP certification to consolidate quality and competitiveness. We also established overseas warehouses to more agilely provide customer services, expand product applications, and accumulate brand value. In the field of specialty chemicals, we continue to optimize production processes and sales strategies, maintain our market share and actively expand into emerging markets in Asia, Africa, Europe and the United States, implement new dispersant processes, improve gross profit and quality, integrate the three major production bases in Taiwan, China and Indonesia, and lay the foundation for competitive advantages of NTR and dispersants by upgrading product functions. In terms of office stationery supplies, we have implemented automation and lean management to improve productivity, reduce costs, and optimize resource use. At the same time, we have developed eco-friendly products for differentiation in line with the trend of ESG, and focused on supply chain management with the goal of becoming the global leader in the manufacture of self-adhesive products. In the field of agricultural technology, we respond to climate change and the demand of green agriculture by developing pollution-free, eco-friendly products, and designed exclusive marketing strategies to expand the influence of our brand to promote the products in Southeast Asia and China through the Taiwan market. The products help agricultural producers increase production and improve product quality to achieve sustainable development. Hopax Biomedical focuses on high-quality consumer products, developing "GreenKey" for formaldehyde removal, and reshaping "HYGIENECARE" to become suitable for the general public. Hopax Biomedical has thus become an expert in solving antibacterial problems for the whole family, and also increased its market coverage to the pet healthcare market and physical channels, working closer with distributors in Hong Kong and Macao to increase brand exposure through exhibitions. SeeCure Taiwan focuses on developing precision treatments, conducting experiments and technology verification for

promising new drugs, applying for patents to ensure technological leadership, and creating higher value for new biopharmaceuticals development in Taiwan. Hopax Group's long-term development strategy is to meet the needs of customers with green process technologies and diversified and innovative development. We have always remained ambitious and we have set challenging targets to continue our stable development and create sustainable competitiveness for the Group.

I wish to thank you again for your support.

I would like to wish all our shareholders health and prosperity.

Chairman Tsung-Tien Kuo

B. Corporate Governance Report

I. Information Regarding the Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Subsidiaries

(I) Director

1.Directors' names, main academic records and experience, date elected and date of appointment, term, and shares held by Directors, spouse, and underage children

April 21, 2025

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Term (year)	Date of first election	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Chairman	Republic of China	Tsung-Tien Kuo	Male 71-80	2023/6/20	3 years	1990	6,630,031 (Note 1)	3.82	6,630,031 (Note 1)	3.32	706,936	0.35	0	0.00	Chairman, Taiwan Hopax Chems. Mfg. Co., Ltd. PhD in Chemical Engineering, University of Missouri	(Note 2)	Vice Chairman	Mei-Lin Kuo	First degree of kinship	(Note 9)
Vice Chairman	Republic of China	Mei-Lin Kuo	Female 41-50	2023/6/20	3 years	2008/6/27	1,745,335	1.01	3,745,335	1.88	0	0.00	0	0.00	Director, Taiwan Hopax Chems. Mfg. Co., Ltd. Dual EMBA from National Taiwan University and Fudan University	(Note 4)	Chairman	Tsung-Tien Kuo	First degree of kinship	-
Director	Republic of China	John-See Lee	Male 71-80	2023/6/20	3 years	2011/6/24	0	0.00	0	0.00	0	0.00	0	0.00	President, Industrial Technology Research Institute Director, Taiwan Semiconductor Manufacturing Company Limited PhD, Illinois Institute of Technology, USA	(Note 3)	None	None	None	-

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Term (year)	Date of first election	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Director	Republic of China	Joray Co., Ltd.	29	2023/6/20	3 years	2017/6/20	2,343,003	1.35	2,606,352	1.31	0	0.00	0	0.00	None	None	None	None	None	-
	Republic of China	Representative: Chi-Rong Huang	Female 41-50	2023/6/20		2015/6/26	0	0.00	0	0.00	0	0.00	0	0.00	Supervisor, Taiwan Hopax Chems. Mfg. Co., Ltd. Wharton School, University of Pennsylvania, Bachelor of Science in Economics	(Note 5)	None	None	None	-
Director	Republic of China	Chung-Sheng Cheng	Male 61-70	2023/6/20	3 years	2023/6/20	1,797	0.00	11,840	0.01	0	0.00	0	0.00	Executive Vice President, Taiwan Hopax Chems. Mfg. Co., Ltd. Master of Business Administration, National Sun Yat-sen University	(Note 6)	None	None	None	-

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Term (year)	Date of first election	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Independent Director	Republic of China	Li -Chiu Chang	Male 71-80	2023/6/20	3 years	2023/6/20	0	0.00	0	0.00	0	0.00	0	0.00	Chairman, Fiber Optic Communications, Inc. Chairman, Yuanta Securities Finance Co., Ltd. President, Yuanta Securities Co., Ltd. Chairman, Securities and Futures Commission, Ministry of Finance Auditor, Audit Section, National Taxation Bureau of Taipei, Ministry of Finance Masters in Insurance, National Chengchi University	(Note 7)	None	None	None	-
Independent Director	Republic of China	Jen-Chyuan Lee	Male 71-80	2023/6/20	3 years	2014/6/19	0	0.00	0	0.00	122	0.00	0	0.00	Deputy Minister, Council of Agriculture Secretory General, Council of Agriculture Director General, Department of Fisheries, Council of Agriculture PhD, Department of Fisheries and Allied Aquaculture, Auburn University, Alabama, USA	Adjunct Professor, National Taiwan University	None	None	None	-

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Term (year)	Date of first election	Shares held when elected		Shares currently held		Current shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Independent Director	Republic of China	Hsieng-Cheng Tseng	Male 71-80	2023/6/20	3 years	2008/6/27	0	0.00	0	0.00	0	0.00	0	0.00	President, National Hsinchu University of Education Commissioner, Education Bureau of Kaohsiung City Professor and Director of the Department of Chemical Engineering, University of Science and Technology PhD, Department of Chemical Engineering, University of Washington	Consultant, Yuan T.Lee Foundation Science Education for All	None	None	None	-
Independent Director	Republic of China	Guan-Hua Huang	Male 41-50	2023/6/20	3 years	2023/6/20	0	0.00	0	0.00	0	0.00	0	0.00	Co-founder of Smart Capital Dual EMBA from National Taiwan University and Fudan University	(Note 8)	None	None	None	-

Note 1: Including 2,500,000 retained decision-making trust shares.

Note 2: Director of PT. Hopax Indonesia, Director of Phoenix Worldwide Group Ltd., Director of Hopax Europe Ltd., Director of Hopax Worldwide Group Ltd., Director of Hopax Holding Ltd., Chairman of Hopax Bio-Medical Tech. Co., Ltd., and Chairman and President of SeeCure Taiwan Co., Ltd..

Note 3: Independent Director of BRIM Biotechnology, Inc., Chairman of Personal Genomics Taiwan, Inc., amd Chairman of Quark Biosciences Taiwan, Inc..

Note 4: Executive Director of Hopax International (Shanghai) Co., Ltd., Supervisor of Changshu Hopax Chemical Co., Ltd. and Kunshan Hopax Paper Products Co., Ltd., and Director of Puren Youth Care Foundation.

Note 5: Executive Director of Asiavest Capital Co., Ltd. and Director of Systex Corporation

Note 6: Chairman of Kunshan Hopax Paper Products Co., Ltd., Director of Hopax Europe Ltd., Director of Hopax Worldwide Group Ltd., Supervisor of Hopax International (Shanghai) Co., Ltd., Supervisor of Hopax Biomedical Tech. Co., Ltd., amd Supervisor of SeeCure Taiwan Co., Ltd..

Note 7: Chairman of Panion & BF Biotech Inc., Director of Fiber Optic Communications Inc., Chairman of Bowlin Bioteck Corp. (USA) (representative of Panion & BF Biotech Inc.), Independent Director of Compal Electronics, Inc., Chairman of T3EX Global Holdings Corporation (representative of Aidegree Investments Corporation), Chairman of Sun Ten Pharmaceutical Co., Ltd., Chairman of Herbiotek Co., Ltd. (representative of Shun Tian International Investment Consulting Co., Ltd.), Chairman of Shun Tian International Investment Consulting Co., Ltd., Chairman of Cheng Fong Chemical Co., Ltd., (representative of Panion & BF Biotech Inc.), Director of TriKnight Capital Corporation, Director of Ho Tung Chemical Corp., Director of Formosan Union Chemical Corp., Chairman of YH Bio Co., Ltd., Chairman of Viarich Biotechnology Co., Ltd., Supervisor of Tanvex Biologics Corporation., and Director of Anti-Microbial Savior BioteQ Co., Ltd..

Note 8: Executive director of New Wide Group, and Independent Director of Hsin Hsin Galaxy Co., Ltd..

Note 9:As the Company is in a period of active growth and development, the Chairman currently serves as the President to increase decision-making efficiency and increase business performance. To ensure sound corporate governance, the Company's response measures included: Voluntary establishment of the Audit Committee and increase of the number of Independent Directors to 3. All members of the Remuneration Committee are Independent Directors. The Independent Directors fully discuss matters in each functional committee and propose recommendations to the Board of Directors as reference. In addition, no more than half of the Directors serve concurrently as an employee or a managerial officer. These measures have been implemented to enhance the independence of the Board of Directors.

2.Major shareholders of institutional shareholders

April 21, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders	Shareholding ratio(%)
Joray Co., Ltd.	Tsung-Jen Huang	5.35
	Mei-Yu Ho	34.97
	Ting-Rong Huang	29.84
	Chi-Rong Huang	29.84

3. Disclosure of information on the professional qualifications of Directors and independence of Independent Directors

April 21, 2025

Qualifications / Name	Professional qualifications and experience (Note 1)	Fulfillment of independence criteria (Note 2)	Number of public companies in which the individual serves as an independent director
(Director) Tsung-Tien Kuo	➢ PhD in Chemical Engineering, University of Missouri. He has served as the Chairman of the Company and has more than 30 years of work experience necessary for the Company's business operations. He currently serves as the Chairman and President of the Company. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ Relative within the first degree of kinship with the Vice Chairman of the Company. ➢ The number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) is 12,559,794 shares with a shareholding ratio of approximately 6.30%. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
(Director) Mei-Lin Kuo	➢ Dual EMBA from National Taiwan University and Fudan University. She has served as the Director of the Company and has more than 10 years of work experience necessary for the Company's business operations. She currently serves as the Vice Chairman of the Company. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ Relative within the first degree of kinship with the Chairman of the Company. ➢ The number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) is 12,559,794 shares with a shareholding ratio of approximately 6.30%. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None

(Director) John-See Lee	➢ PhD, Illinois Institute of Technology. He served as the President of Industrial Technology Research Institute (ITRI) and has served as the Director of the Company and has the work experience necessary for the Company's business operations. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	1
(Director) Representative of Joray Co., Ltd.: Chi-Rong Huang	➢ Graduated from Wharton School, University of Pennsylvania, Bachelor of Science in Economics. He has served as the Company's Supervisor and has the work experience necessary for the Company's business operations. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) is 4,869,121 shares with a shareholding ratio of approximately 6.30%. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None

(Director) Chung-Sheng Cheng	➢ Has a Master of Business Administration from National Sun Yat-sen University with more than 20 years of practical experience in business management and financial accounting, and currently serves as the Company's executive vice president. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) is 11,840 shares with a shareholding ratio of approximately 0.01%. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
(Independent Director) Li -Chiu Chang	➢ Master in Insurance from National Chengchi University, former chairman of Yuanta Securities Finance Co., Ltd., current chairman of Panion & BF Biotech Inc., T3EX Global Holdings Corporation, and Ho Tung Chemical Corp., and current independent director of Compal Electronics, Inc. Holds positions in many listed companies and has an expertise in securities and finance. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	1

(Independent Director) Jen-Chyuan Lee	➢ PhD, Department of Fisheries and Allied Aquaculture, Auburn University, Alabama, USA. He served as the Deputy Minister of Council of Agriculture. He currently serves as the Chair Professor, National Taiwan University and has the work experience necessary for the Company's business operations. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) is 122 shares with a shareholding ratio of approximately 0.00%. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None
(Independent Director) Hsieng-Cheng Tseng	➢ PhD, Department of Chemical Engineering, University of Washington. He has served as a Professor of the Department of Chemical Engineering, University of Science and Technology and has the work experience necessary for the Company's business operations. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	None

(Independent Director) Guan-Hua Huang	➢ Dual EMBA from National Taiwan University and Fudan University, Co-founder of Smart Capital, currently the executive director of New Wide Group, and has more than 10 years of practical experience in business management. ➢ Does not meet any of the conditions stated in Article 30 of the Company Act	➢ The individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates. ➢ The individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) of the Company. ➢ Not a director, supervisor, or employee of a company that ha; special relations with the Company. ➢ Has not provided business, legal, financial, or accounting services to the Company or its affiliates in the last two years.	1

Note 1: Professional qualifications and experience: Explain the professional qualifications and experience of individual Directors and Supervisors. If a Director or Supervisor has accounting or financial expertise, explain the accounting or financial background and work experience and whether he/she meets any of the conditions stated in Article 30 of the Company Act.

Note 2: Describe the independence criteria of Independent Directors, including but not limited to stating that the individual, spouse, or relative within the second degree of kinship is not a director, supervisor, or employee of the Company or any of its affiliates; the number of shares of the Company held by the individual, spouse, or relative within the second degree of kinship do not hold shares (or have shares held in names of third parties) and the shareholding ratio; whether they serve as a director, supervisor, or employee of companies that have special relations with the Company (refer to the provisions in Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); Compensation for business, legal, financial, or accounting services provided for the Company or its affiliates in the last two years.

4. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors:

To implement the diversity policy, strengthen corporate governance, and ensure the sound development of the composition and structure of the Board of Directors, the candidate nomination system is used for director elections in accordance with the "Articles of Incorporation," and director elections are handled according to the "Regulations Governing the Election of Directors". The Board of Directors will review the nominees' education (experience), professional background, integrity, or relevant professional qualifications to ensure diversity and independence. After being approved by the Board of Directors, the candidates will be submitted to the shareholders' meeting for election. With regard to the composition of board members, Directors who are also managerial officers in the Company may not take up more than one-third of all seats. In addition, appropriate diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which shall include, without limitation, the following:

○ 1 Basic requirements and values: Gender, age, nationality, and culture.

○ 2 Professional knowledge and expertise: Business judgments, accounting and

financial analysis, business management, crisis management, knowledge of the industry, international market perspectives, leadership, and decision-making skills.
The Company completed the election of the 17th-term Board of Directors at the 2023 annual general meeting. All board members have the ability to respond to impacts on the organization, such as: abundant experience in business management, research and development, leadership, decision-making, and knowledge of the industry. Their education and experience spans the fields of finance and taxation, chemical engineering, agriculture and fisheries, economics, and business management. The Company's current Board of Directors consists of 9 Directors. The specific management targets and implementation status of the policy on diversification of board members are as follows:

Management target	Implementation status
The number of Independent Directors of the Company exceeds one third of the number of Directors	Achieved
Directors who serve concurrently as managerial officers should not exceed one third of the Board of Directors	Achieved
The Board of Directors include at least one of a different gender	The Company has achieved the management target of having two female directors (accounting for 22%), but the proportion of female directors is still less than one-third. It is not easy to find suitable candidates in a short period of time due to characteristics of the industry. We will continue to search for suitable candidates for future directors elections when the term of directors expires.
Adequate and diverse professional knowledge and expertise	Achieved

The implementation status of the diversity policy of the Board of Directors is as follows:

		Basic composition								Professional skills				
		Nationality	Gender	Concurrently an employee of the Company	Age		Term of Independent Director							
					Under 50	Over 50	1-3 years	3-6 years	6-9 years	More than 9 years	Business management	Leadership and decision making	Knowledge of the industry.	Finance and accounting	Marketing
Director	Tsung-Tien Kuo	Republic of China	Male	V		V					V	V	V		
	Mei-Lin Kuo		Female	V	V						V	V	V		V
	John-See Lee		Male			V					V	V	V		
	Joray Co., Ltd. Representative: Chi-Rong Huang		Female		V						V	V	V		
	Chung-Sheng Cheng		Male	V		V					V	V		V	
Independent Director	Li -Chiu Chang		Male			V	V				V	V	V	V	
	Jen-Chyuan Lee		Male			V				V	V	V	V		
	Hsieng-Cheng Tseng		Male			V			V		V	V	V		
	Guan-Hua Huang		Male		V		V				V	V	V		

(2) Independence of the Board of Directors:

The Company currently has 9 Directors, including 4 Independent Directors and 3 Directors who are also employees (44.44% and 33.33% of all members of the Board of Directors). As of the end of 2024, all Independent Directors met the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission regarding independent directors, and the terms in Article 26-3, Paragraphs 3 and 4 of the

Securities and Exchange Act do not apply to relationships between Directors and Independent Directors. The Company's Board of Directors is therefore independent (please refer to "Disclosure of information on the professional qualifications of Directors and independence of Independent Directors" on page 12-18 of the Annual Report). The information on the education and experience, gender, and work experience of the Directors is also provided (please refer to "Information of Directors" on page 7-11 of the Annual Report).

(II) Information Regarding President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Subsidiaries

April 21, 2025

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Shares currently held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within elsewhere	Spouse or relatives of second degree or closer acting as managers			Notes
					Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Chairman and President	Republic of China	Tsung-Tien Kuo	Male	1975/2	6,630,031 (Note 1)	3.32	706,936	0.35	0	0.00	Ph.D. in Chemical Engineering, University of Missouri	Director of PT.Hopax Indonesia, Phoenix Worldwide Group Ltd., Hopax Europe Ltd., Hopax Worldwide Group Ltd. and Hopax Holding Ltd., Chairman and President of Hopax Bio-Medical Tech. Co.,Ltd. and SeeCure Taiwan Co., Ltd.	Vice Chairman	Mei-Lin Kuo	First degree of kinship	(Note 2)
Executive Vice President	Republic of China	Chung-Sheng Cheng,	Male	2015/12	11,840	0.01	0	0.00	0	0.00	Master of Business Administration, National Sun Yat-sen University	Chairman of Kunshan Hopax Paper Products Co., Ltd. Director of Hopax Europe Ltd. and Hopax Worldwide Group Ltd., Supervisor of Hopax International (Shanghai) Co., Ltd., Hopax Bio-Medical Tech. Co., Ltd., and SeeCure Taiwan Co., Ltd.	None	None	None	-
Vice President, Fine Chemicals Division	Republic of China	Kuo-Hsiung Yang	Male	2015/8	14,644	0.01	0	0.00	0	0.00	Department of Chemistry, National Chung Hsing University	Director of Changshu Hopax Chemical Co., Ltd., and Supervisor of PT.Hopax Indonesia	None	None	None	-
Assistant Vice President, Specialty Chemicals Division	Republic of China	Hong-Ming Tsai	Male	2023/3	9,544	0	0	0.00	0	0.00	Department of Chemical Engineering, National Cheng Kung University	Director of Changshu Hopax Chemical Co., Ltd., and Director of PT.Hopax Indonesia	None	None	None	-
Manager, Safety, Health & Environment Office	Republic of China	Hsien-Shun Chien	Male	2016/12	13,124	0.01	5,907	0.00	0	0.00	Master of Business Administration, National Sun Yat-sen University	None	None	None	None	-
Assistant Vice President	Republic of China	Shun-Min Chiu	Male	2019/2	82,177	0.04	0	0.00	0	0.00	MBA, I-Shou University	Chairman and President, Changshu Hopax Chemical Co., Ltd.,	None	None	None	-

Job title	Nationality or place of registration	Name	Gender Age	Date elected	Shares currently held		Shares held by spouse and underage children		Shares held in names of third parties		Education and work experience	Other concurrent positions within elsewhere	Spouse or relatives of second degree or closer acting as managers			Notes
					Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)	Number of shares	Shareholding percentage (%)			Job title	Name	Relationship	
Head of Accounting and Corporate Governance Officer	Republic of China	Wen-Hui Yu	Female	2020/4	8,660	0.00	0	0.00	0	0.00	MBA, College of Management, National Kaohsiung University of Applied Sciences	None	None	None	None	-
Deputy Manager, President Office, Business Administration Division	Republic of China	Ming-Da Tsai	Male	2024/5	27,112	0.01	0	0.00	0	0.00	Master of International Economics, National Chung Cheng University	None	None	None	None	-

Note 1: Including 2,500,000 retained decision-making trust shares.

Note 2: As the Company is in a period of active growth and development, the Chairman currently serves as the President to increase decision-making efficiency and increase business performance. To ensure sound corporate governance, the Company's response measures included: Voluntary establishment of the Audit Committee and increase of the number of Independent Directors to 4. All members of the Remuneration Committee and Audit Committee are Independent Directors. The Independent Directors fully discuss matters in each functional committee and propose recommendations to the Board of Directors as reference. In addition, no more than half of the Directors serve concurrently as an employee or a managerial officer. These measures have been implemented to enhance the independence of the Board of Directors.

(III) Remunerations to Directors, President, and Vice Presidents in the most recent year

1. Remuneration for Directors (including Independent Directors)

December 31, 2024

Unit: NT$ thousand; shares; %

Job title	Name	Directors' remuneration								Ratio of total compensation (A+B+C+D) to net profit after tax		Remuneration for part-time employees								Ratio of total compensation (A+B+C+D+E+F+G) to net profit after tax		Compensation from investments other than subsidiaries or parent company
		Remuneration (A)		Severance pay and pension (B)		Director's remuneration (C) (Note 1)		Business expenses (D)				Salary, bonuses, and allowances (E)		Severance pay and pension (F) (Note 2)		Employee remuneration (G) (Note 1)						
																The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash value	Share value	Cash value	Share value	The Company	All companies in the financial report	
Chairman	Tsung-Tien Kuo	0	0	0	0	1,307	1,307	70	70	1,377 0.28%	1,377 0.28%	7,628	7,628	361	361	2,381	0	2,381	0	11,747 2.40%	11,747 2.40%	None
Vice Chairman	Mei-Lin Kuo	0	0	0	0	846	846	50	50	896 0.18%	896 0.18%	2,855	2,855	90	90	463	0	463	0	4,304 0.88%	4,304 0.88%	None
Director	John-See Lee	0	0	0	0	923	923	70	70	993 0.20%	993 0.20%	0	0	0	0	0	0	0	0	993 0.20%	993 0.20%	None
Director	Representative of Joray Co., Ltd.: Chi-Rong Huang	0	0	0	0	1,077	1,077	70	70	1,147 0.23%	1,147 0.23%	0	0	0	0	0	0	0	0	1,147 0.23%	1,147 0.23%	None
Director	Chung-Sheng Cheng	0	0	0	0	154	154	50	50	204 0.04%	204 0.04%	4,087	4,087	108	108	230	0	230	0	4,629 0.94%	4,629 0.94%	None
Independent Director	Li -Chiu Chang	840	840	0	0	0	0	130	130	970 0.20%	970 0.20%	0	0	0	0	0	0	0	0	970 0.20%	970 0.20%	None
Independent Director	Jen-Chyuan Lee	900	900	0	0	0	0	150	150	1,050 0.21%	1,050 0.21%	0	0	0	0	0	0	0	0	1,050 0.21%	1,050 0.21%	None
Independent Director	Hsieng-Cheng Tseng	900	900	0	0	0	0	150	150	1,050 0.21%	1,050 0.21%	0	0	0	0	0	0	0	0	1,050 0.21%	1,050 0.21%	None
Independent Director	Guan-Hua Huang	780	780	0	0	0	0	100	100	880 0.18%	880 0.18%	0	0	0	0	0	0	0	0	880 0.18%	880 0.18%	None

1. Please describe the policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:
The compensation for Independent Directors of the Company includes fixed remuneration and transportation expenses. The fixed remuneration is paid quarterly in accordance with the "Regulations Governing the Remuneration of Directors and Members of Functional Committees". The transportation expenses are paid each time Directors attend a meeting of the Board of Directors or functional committee in person. Please refer to other chapters of the Annual Report for more information.

1. Except as disclosed above, remuneration received by directors in the latest year for services (e.g., acting as a non-employee consultant of the parent company/any company in the financial statements/investee) provided by the directors: None.

Note 1: The distribution of remuneration for 2024 was passed in a resolution of the Board of Directors on March 13, 2025.

Note 2: The severance pay and pension for 2024 already included in expenses.

Note 3: Remuneration policy, system, standards, and structure for Independent Directors, and its correlation with responsibilities, risks, and time commitment: The remuneration of the Company's independent directors consists of fixed compensation and transportation allowances. Considering that independent directors also serve as members of the Audit Committee or Remuneration Committee, and are required to undertake responsibilities involving participation in discussions and decision-making during committee meetings, their fixed compensation is paid quarterly in accordance with the "Regulations for the Payment of Remuneration to Directors and Functional Committee Members", regardless of the Company's operating performance.

Note 4: Remuneration received by Directors for providing services other than those disclosed above (e.g., Acting as consultants to the Parent Company, entities included in the financial statements, or investee companies, not as employees) in the most recent fiscal year: None.

Range of remuneration chart

Range of remuneration paid to the Directors of the Company	Name of Director			
	Total of the first 4 remuneration items (A+B+C+D)		Total of the first 7 remuneration items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than NT$1,000,000	5 individuals (Mei-Lin Kuo, John-See Lee, Chung-Sheng Cheng, Li -Chiu Chang, Guan-Hua Huang)	5 individuals (Mei-Lin Kuo, John-See Lee, Chung-Sheng Cheng, Li -Chiu Chang, Guan-Hua Huang)	3 individuals (John-See Lee, Li -Chiu Chang, Guan-Hua Huang)	3 individuals (John-See Lee, Li -Chiu Chang, Guan-Hua Huang)
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	4 individuals (Tsung-Tien Kuo, Representative of Joray Co., Ltd.: Chi-Rong Huang, Jen-Chyuan Lee, Hsieng-Cheng Tseng)	4 individuals (Tsung-Tien Kuo, Representative of Joray Co., Ltd.: Chi-Rong Huang, Jen-Chyuan Lee, Hsieng-Cheng Tseng)	3 individuals (Representative of Joray Co., Ltd.: Chi-Rong Huang, Jen-Chyuan Lee, Hsieng-Cheng Tseng)	3 individuals (Representative of Joray Co., Ltd.: Chi-Rong Huang, Jen-Chyuan Lee, Hsieng-Cheng Tseng)
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	0 individuals	0 individuals	0 individuals	0 individuals
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	0 individuals	0 individuals	2 individual (Mei-Lin Kuo, Chung-Sheng Cheng,)	2 individual (Mei-Lin Kuo, Chung-Sheng Cheng,)
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	0 individuals	0 individuals	0 individuals	0 individuals
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	0 individuals	0 individuals	1 individual (Tsung-Tien Kuo)	1 individual (Tsung-Tien Kuo)
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	0 individuals	0 individuals	0 individuals	0 individuals
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	0 individuals	0 individuals	0 individuals	0 individuals
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	0 individuals	0 individuals	0 individuals	0 individuals
Over NT$100,000,000	0 individuals	0 individuals	0 individuals	0 individuals
Total	9 individuals	9 individuals	9 individuals	9 individuals

2. Remunerations to President and Vice Presidents

December 31, 2024

Unit: NT$ thousand; Shares; %

Job title	Name	Salary (A)		Severance pay and pension (B) (Note 2)		Bonuses, special allowances, etc. (C)		Employee remuneration (D) (Note 1)				Ratio of total compensation (A+B+C+D) to net profit after tax(%)		Exercisable employee stock options		Shares obtained through restricted stock award		Compensation from investments other than subsidiaries or parent company
								The Company		All companies in the financial report								
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash value	Share value	Cash value	Share value	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	
President	Tsung-Tien Kuo	4,733	4,733	361	361	2,895	2,895	2,381	0	2,381	0	10,370 2.12%	10,370 2.12%	0	0	0	0	None
Executive Vice President	Chung-Sheng Cheng	2,352	2,352	108	108	1,735	1,735	230	0	230	0	4,425 0.90%	4,425 0.90%	0	0	0	0	None
Vice President	Kuo-Hsiung Yang	2,177	2,177	108	108	1,443	1,443	531	0	531	0	4,259 0.87%	4,259 0.87%	0	0	0	0	None

Note 1: The distribution of remuneration for 2024 was passed in a resolution of the Board of Directors on March 13, 2025.

Note 2: The severance pay and pension for 2024 already included in expenses.

Range of remuneration chart

Remuneration scale applicable to each President and Vice President of the Company	Name of President and Vice Presidents	
	The Company	All companies in the financial report
Less than NT$1,000,000	0 individuals	0 individuals
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	0 individuals	0 individuals
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	0 individuals	0 individuals
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	2 individuals (Chung-Sheng Cheng, Kuo-Hsiung Yang)	2 individuals (Chung-Sheng Cheng, Kuo-Hsiung Yang)
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	0 individuals	0 individuals
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	1 individual (Tsung-Tien Kuo)	1 individual (Tsung-Tien Kuo)
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	0 individuals	0 individuals
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	0 individuals	0 individuals
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	0 individuals	0 individuals
Over NT$100,000,000	0 individuals	0 individuals
Total	3 individuals	3 individuals

3. Managerial officer's name and distribution of employee bonuses

December 31, 2024

(Unit: NT$ thousand)

	Job title	Name	Share value	Cash value (Note)	Total	Percentage of total bonuses to net profit after tax (%)
Managerial officer	Chairman and President	Tsung-Tien Kuo	0	4,778	4,778	0.98%
	Vice Chairman	Mei-Lin Kuo				
	Executive Vice President	Chung-Sheng Cheng				
	Assistant Vice President, Specialty Chemicals Division	Hong-Ming Tsai				
	Vice President, Fine Chemicals Division	Kuo-Hsiung Yang				
	Assistant Vice President, General Business Department, Stick'N Division (Note 2)	Chin-Chung Tsai				
	Manager of the Environmental Safety Office	Hsien-Shun Chien				
	Assistant Vice President	Shun-Min Chiu				
	Accounting Supervisor	Wen-Hui Yu				
	Plant Manager, Fine Chemicals Division, Da-Fa Chemical Plant(Note 3)	Hui-Chen Li				
	Deputy Manager, President Office, Business Administration Division	Ming- Da Tsai				

Note 1: The distribution of remuneration for 2024 was passed in a resolution of the Board of Directors on March 13, 2025.

Note 2: Dismissed on April 1, 2025.

Note 3: Dismissed on January 1, 2025.

(IV) Comparison and analysis of remuneration to Directors, President, and Vice Presidents as a percentage of net profit after tax from standalone financial reports within the last two

years, and description of the policy, standards, and packages of remuneration; the procedure for making such decisions; and relation to business performance and future risks.

1. Total remuneration paid to the Company's Directors, President, and Vice Presidents in the 2 most recent years as a percentage of net income after tax

Item / Job title	2023		2024	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Total remunerations to directors, president, and vice presidents	23,405	23,405	31,029	31,029
Total remunerations to directors, president, and vice presidents as a percentage of net profit after tax	5.44%	5.44%	6.33%	6.33%

2. The policy, standards and packages of remuneration, procedure for making such decision, and relation to business performance and future business risks

(1) The compensation for Directors determined by the level of their participation in the Company's operations and value of contribution. It is also adjusted based on actual business performance and evaluation of future risks. The compensation is reviewed by the Remuneration Committee and reported to the Board of Directors for resolution.

(2) The remuneration for Directors of the Company includes compensation, transportation expenses, and fixed remuneration. The remuneration is paid in accordance with the "Regulations Governing the Remuneration of Directors and Members of Functional Committees". The items in the board performance evaluation include the familiarity with the goals and missions of the Company, awareness of the duties of a Director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control. The results for the self-evaluation of Directors in 2024 exceeded standards. The distribution of Directors' remuneration is linked to the evaluation results.

(3) The remuneration paid to managerial officers include monthly salary, bonuses, employee compensation, pension, etc. The remuneration paid to managerial officers shall be based on the Company's remuneration policy, the remuneration level of the position in the industry market, and the scope of authority and responsibility of the position within the Company. The Company shall also reference the annual performance evaluation of individual managerial officers and

their contribution to the Company in terms of finance (e.g., indicators such as profitability and growth rate) and non-financial performance (e.g., indicators such as strategy development, leadership and management, talent cultivation, or special contributions) and provide related remuneration.

(4) The performance evaluation and the reasonableness of salary and remuneration for Directors and managerial officers shall be reviewed by the Remuneration Committee and the Board of Directors. The remuneration system shall also be reviewed constantly based on actual business operations and related laws to maintain a balance between sustainability and risk management.

II. Corporate Governance Practice

(I) Operation of the Board of Directors

A total of 5 (A) meetings of the Board of Directors were held in the most recent year (2024). The attendance of Directors was as follows:

Job title	Name	Actual attendance B	Attendance by proxy	Actual attendance rate(%) [B/A]	Notes
Chairman	Tsung-Tien Kuo	5	0	100	
Vice Chairman	Mei-Lin Kuo	5	0	100	
Director	John-See Lee	5	0	100	
Director	Representative of Joray Co., Ltd.: Chi-Rong Huang	5	0	100	
Director	Chung-Sheng Cheng	5	0	100	
Independent Director	Li -Chiu Chang	5	0	100	
Independent Director	Jen-Chyuan Lee	5	0	100	
Independent Director	Hsieng-Cheng Tseng	5	0	100	
Independent Director	Guan-Hua Huang	5	0	100	

Other disclosures:

I、 The date of the Board meeting, the term, contents of the proposals, opinions of all Independent Directors, and the Company's handling of opinions of Independent Directors shall be recorded under the following circumstances in the operations of the Board of Directors meeting:

a、 Items specified in Article 14-3 of the Securities and Exchange Act:
The Company has established the Audit Committee and it is exempted from Article 14-3 of the Securities and Exchange Act.

b、 With the exception of the aforementioned items, resolutions adopted by the Board of Directors, to which an Independent Director has a dissenting or qualified opinion that is on record or stated in a written statement: None.

II、 When there are recusals of directors due to conflicts of interests, names of the directors, contents of resolutions, reasons of recusal, and voting participation should be stated

a、 When the Board of Directors discussed the performance evaluation of managerial officers and the amount to be distributed for 2023 in the meeting on January 24, 2024, the Chairman Tsung-Tien Kuo , Vice Chairman Mei-Lin Kuo and Director Chung-Sheng Cheng did not participate in the discussions and voting as they both serve concurrently as managerial officers.

b、 When the Board of Directors discussed the distribution of remuneration for employees for 2023 in the meeting on March 14, 2024, the Chairman Tsung-Tien Kuo , Vice Chairman Mei-Lin Kuo and Director Chung-Sheng Cheng did not participate in the discussions and voting as they both serve concurrently as managerial officers.

c、 When the Board of Directors discussed proposal for the company to increase capital in cash for the stock option of managerial officers, adjustment of the salary structure and the 2024 salary adjustment proposal in the meeting on August 12, 2024, the Chairman Tsung-Tien Kuo, Vice Chairman Mei-Lin Kuo and Director Chung-Sheng Cheng did not participate in the discussions and voting as they both serve concurrently as managerial officers.

III、 Implementation status of the evaluation of the Board of Directors and functional committees

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	From January 1, 2024 to December 31, 2024	The Board of Directors, individual board members, and functional committees	Evaluations are conducted with the "Board of Directors Self-Evaluation Questionnaire", "Board Member Self-Evaluation Questionnaire", and "Functional Committee Self-Evaluation Questionnaire"	[Performance Evaluation Report of the Board of Directors, Functional Committees, and Board Members]

[Performance Evaluation Report of the Board of Directors, Functional Committees, and Board Members]

a、 The Company implements the performance evaluation of the Board of Directors, individual directors, and functional committees in 2024 in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors" amended in the board meeting on January 16, 2020 to implement corporate governance and improve the functions of the Board of Directors.

b、 The unit responsible for implementation of the performance evaluation of the Board of

Directors, individual Directors, and functional committees is the Financial Department of the Management Division.

c、 The evaluation is explained as follows:

1. The criteria for evaluating the performance of the Board of Directors included the following five aspects:

   (1) Participation in the operation of the company.

   (2) Improvement of the quality of the Board of Directors' decision making.

   (3) Composition and structure of the Board of Directors.

   (4) Election and continuing education of the Directors.

   (5) Internal control.

2. The criteria for evaluating the performance of the Directors included the following six aspects:

   (1) Familiarity with the goals and missions of the company.

   (2) Awareness of the duties of a Director.

   (3) Participation in the operation of the company.

   (4) Management of internal relationship and communication.

   (5) The Director's professionalism and continuing education.

   (6) Internal control.

3. The criteria for evaluating the performance of the functional committees included the following five aspects:

   (1) Participation in the operation of the company.

   (2) Awareness of the duties of members of the functional committee.

   (3) Improvement of the quality of functional committee's decisions.

   (4) Functional committee composition and election of members.

   (5) Internal control.

4. The evaluation results were divided into three ratings:

   Results of all criteria exceeded 90% (inclusive): Exceed standards.

   Results of all criteria exceeded 80% (inclusive) but are below 90%: Meet standards.

   Results of all criteria are below 80%: Improvements required.

d、 All results of the performance evaluation of the Board of Directors, individual Directors, and functional committees "exceeded standards", showing that the functions and overall operation of the Company's Board of Directors and functional committees are in good

condition, and they are able to fulfill their supervisory responsibilities. With regard to continuing education items, the Company will encourage all directors to attend continuing education in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" to provide them with the latest knowledge.

IV、 Programs this year and in the most recent year for strengthening the functionality of the Board (for example, setting up an auditing committee, improving transparency, etc.) and assessment of execution:

a、 The Company voluntarily established the Audit Committee and appointed three Independent Directors to serve as members to replace supervisors. Matters prescribed under Article 14-5 of the Securities and Exchange Act are submitted to the Audit Committee for discussion and resolution. The Chairman of each Committee periodically reports their activities and resolutions to the Board Directors.

b、 The Company has set up an "Investor Relations" section on the official website to disclose important resolutions of the Board of Directors in the section after board meetings. It also provides the contact information of the spokesperson for shareholders to inquire the Company's financial and business information and increase information transparency.

c、 The Company has purchased "liability insurance for the Company's Directors and key personnel" for Directors and key personnel to mitigate the liability risks of related personnel in business operations and improve corporate governance.

(II) Operation of the Audit Committee:

The Company established the Audit Committee which consists of 4 Independent Directors. It is responsible for supervising of the Company's financial statements, choosing the accountants for their independence and performance, effective implementation of internal controls, ensuring that the Company follows relevant laws and regulations, and assessing possible and potential risks to the Company. Please see page 7-11 for the professional qualifications and experience of Audit Committee members.

The Audit Committee met 5 times (A) in 2024. The attendance of Independent Directors was as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate (%) (B/A)	Notes
Independent Director	Li -Chiu Chang	5	0	100	
Independent Director	Jen-Chyuan Lee	5	0	100	
Independent Director	Hsieng-Cheng Tseng	5	0	100	
Independent Director	Guan-Hua Huang	5	0	100	

Other disclosures:

I. Key work items of 2024:

(I) Review the audit plan and its implementation status and the effectiveness of the Company's internal control system

(II) Review of the business report, financial statements, and earnings distribution statement

(III)Review of the Company's internal control system and related policies and procedures

(IV)Proposal to review major plant construction plan

(V) Proposal to review raising or issuance of securities

II. The date of the meeting of the Audit Committee, the term, contents of the proposals, objections, qualified opinions, and important recommendations of Independent Directors, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be specified under any of the following circumstances in the operations of the Audit Committee:

(I) Items specified in Article 14-5 of the Securities and Exchange Act.

Date of the Audit Committee meeting (Term)	Motion	Dissenting, qualified opinion, or major recommendation of Independent Director(s)	Results of Audit Committee resolutions	The Company's response to Audit Committee opinions
2024/1/24 (3rd term 3rd meeting)	1. Proposal for the Fine Chemicals Division Plant construction plan in Pingtung Science Park 2. Proposal for the Company to issue new shares for cash capital increase and issue the sixth domestic unsecured convertible corporate bonds in 2024	None	Passed unanimously by all members of the Committee in attendance.	Reported to the 4th meeting of the 17th Board of Directors for resolution and processed in accordance with the resolution of the board meeting
2024/3/14 (3rd term 4th meeting)	1. 2023 Financial Report 2. 2023 Business Report and Earnings Distribution Statement 3. Proposal for distribution of 2023 dividends for shareholders in cash 4. 2023 "Assessment of the effectiveness of the internal control system" and the "Statement of Internal Control System" 5. Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules" 6. Amendment to the "Audit Committee Charter" 7. Appointment and remuneration of the Company's CPA	None	Passed unanimously by all members of the Committee in attendance.	Reported to the 5th meeting of the 17th Board of Directors for resolution and processed in accordance with the resolution of the board meeting

	8. List of Pre-approved Services and Independence Assessment of the Company's CPA for 2024			
2024/5/9 (3rd term 5th meeting)	1. Consolidated financial statements for Q1 2024	None	Passed unanimously by all members of the Committee in attendance.	Reported to the 6th meeting of the 17th Board of Directors for resolution and processed in accordance with the resolution of the board meeting
2024/8/12 (3rd term 6th meeting)	1. Consolidated financial statements for Q2 2024 2. Amendment to the "Guidelines for the Adoption of Codes of Ethical Conduct"	None	Passed unanimously by all members of the Committee in attendance.	Reported to the 7th meeting of the 17th Board of Directors for resolution and processed in accordance with the resolution of the board meeting
2024/11/11 (3rd term 7th meeting)	1. Consolidated financial statements for Q3 2024 2. Proposal to the Company's "Management of Sustainable Information" 3. Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules"	None	Passed unanimously by all members of the Committee in attendance.	Reported to the 8th meeting of the 17th Board of Directors for resolution and processed in accordance with the resolution of the board meeting

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire board of directors: None.

III. Recusals of Independent Directors due to conflicts of interests: None.

IV. Independent directors' communication with the Chief Internal Auditor and CPAs (shall include major matters, methods, and results of communication regarding the Company's financial position and business operations).

(I) The Audit Office delivers the audit report to the Independent Directors via email or mail each month. The Independent Directors provides instructions or other recommendations for the

reports. Independent Directors also use the telephone and email from time to time to communicate with the Chief Internal Auditor regarding the contents of audits, other matters that require additional explanation, or methods for improving the value of audits.

(II) The Chief Internal Auditor shall report and explain audit matters, audit results, and follow-up conditions to Independent Directors in the regular quarterly meetings of the Audit Committee.

(III) The CPAs report the review of the accounting firm's quality management system, significant risks and key audit matters, annual review of the Company's financial statements and financial position, financial and overall operations of domestic and overseas subsidiaries, and internal control audits to Independent Directors before the Audit Committee meeting twice a year. The CPA shall also explain and communicate matters regarding whether major adjustments of entries or amendment of regulations affect the accounts.

(IV) The Chief Internal Auditor and CPA and Independent Directors directly communicate with each other whenever necessary and the communication channels are always open.

(V) The communication between Independent Directors and the Chief Internal Auditor in 2024 is summarized below:

Date	Communication method	Main points of communication	Communication summary and results	Response of the Company to the Independent Directors' opinions
2024/1/24	Preparation meeting for the board meeting	Internal audit report for October to December 2023.	Acknowledged by the Independent Directors	Independent Directors did not provide an opinion
2024/3/14	Audit Committee	1.Internal audit report for January to February 2024.	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion
		2.2023 "Aessment of the effectiveness of the internal control system" and the "Statement of Internal Control System"	Reviewed and passed by all members of the Audit Committee in attendance	Approved and submitted to the Board of Directors
2024/5/9	Audit Committee	Internal audit report for March 2024.	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion
2024/8/12	Audit Committee	Internal audit report for April to June 2024.	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion

Date	Communication method	Main points of communication	Communication summary and results	Response of the Company to the Independent Directors' opinions
2024/11/11	Audit Committee	1.Internal audit report for July to September 2024.	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion
		2.2025 Audit plan.	Reviewed and passed by all members of the Audit Committee in attendance.	Approved and submitted to the Board of Directors
		3.Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules"	Reviewed and passed by all members of the Audit Committee in attendance.	Approved and submitted to the Board of Directors

(VI) The communication between Independent Directors and the CPA in 2024 is summarized below:

Date	Communication method	Main points of communication	Communication summary and results	Response of the Company to the Independent Directors' opinions
2024/3/14	Preparation meeting for the meeting of the Audit Committee	1. Annual audit plan and key audit matter from the CPA's audit of the Company's 2023 consolidated financial reports 2.Independence of CPA 3. Key audit matters 4. Significant accounting policies, significant accounting estimates and material events or transactions 5. Adjustments to significant unrecorded items in the financial statements of 2023 6. Significant uncertainties which may raise doubts about the Company's ability to continue as a going concern 7. Inconsistency of opinions with the management 8. Audit results from the CPA's audit of the Company's 2023 consolidated financial reports	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion
2024/11/11	Preparation meeting for the meeting of the Audit Committee	1. Auditors responsibilities of financial statements review 2. Audit scope and matters(including the declaration of the independence of CPA) 3. Group audit	Approved and acknowledged by all members of the Audit Committee in attendance.	Independent Directors did not provide an opinion

		4. Significant accounting policies, significant accounting estimates and material events or transactions 5. Significant risks and key audit matters 6. Evaluations about the Company's ability to continue as a going concern 7. The findings of the internal control deficiencies from the auditing procedures		

(III) Corporate governance implementation and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reason for such deviations

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Has the company defined and disclosed its corporate governance code of practice in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?"	V		The Company has established the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". It was passed in a resolution of the Board of Directors on March 25, 2015. The latest amendment was passed in a resolution of the Board of Directors on March 22, 2022 and disclosed on the Company's official website and the Market Observation Post System (MOPS).	No material deviation
II. Shareholding structure & shareholders' equity				
(I) Has the company defined internal operating procedures for dealing with shaeholder proposals, doubts, disputes, and litigation as well as implemented those procedures?	V		(I) The Company has established a spokesperson and acting spokesperson system and a stakeholders' mailbox. The spokesperson or acting spokesperson and the shareholder service agency appointed by the Company process shareholders' recommendations, questions, and disputes.	No material deviation
(II)Does the company have a list of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders?	V		(II) The Company has appointed shareholder service personnel to process related matters and appointed the shareholder service agency "Transfer Agency Department, CTBC Bank Co., Ltd." to provide assistance and effectively maintain a list of major shareholders. In addition, the Company discloses the list of major shareholders and the list of ultimate owners of major shareholders in accordance with regulations.	No material deviation
(III)Has the company established and implemented risk management and firewall systems within its conglomerate structure?	V		(III) 1. The financial and business operations of the Company and affiliates are independent from each other. 2. The Company has established related regulations in the internal control system and the " Rules Governing Financial and Business Matters Between this Corporation and its Related Parties " and rigorously implemented the regulations to make	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			use of the risk management and firewall mechanisms.	
(IV) Does the company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	V		(IV) 1. The Company has established the "Code of Ethical Conduct" and "Corporate Governance Best Practice Principles" to prevent its internal staff from trading securities based on information yet to be public on the market. Internal training on ethical corporate management (anti-corruption) and insider trading prevention are irregularly organized every year to communicate related policies with employees and convey the importance of integrity and compliance with the law. We also upload training course video files on the Company's internal training platform, so that all employees can read and understand information related to ethical corporate management at any time. 2. When newly appointed Directors and managerial officers take office, the Company provides information on related regulations and remind them of the matters to pay attention to regarding insider trading.	No material deviation
III. Composition and responsibilities of the Board of Directors				

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(I) Has the board of directors devised and implemented a plan and specific management targets for a more diverse composition of the board?	V		(I) 1. The Company has established the "Corporate Governance Best Practice Principles" which specify the required knowledge, skills, and the competencies of members of the Company's Board of Directors. 2. The Company has 9 Directors (including representatives of institutional directors) of which 2 are female. Female Directors account for 22% of all Directors. The Company has four Independent Directors who account for 44% of all Directors. Three Directors also serve as employees and they account for 33% of all Directors. Two independent directors have served a term of 1-3 years, one served 6-9 years, and one served 9 years and above. In terms of the age of Directors, 6 Directors are more than 50 years old (67%) and 3 Directors are less than 50 years old (33%). The members of the Board of Directors have comprehensive extensive academic records and experience and their backgrounds include finance and taxation, economics, management, and chemical engineering. The Company has attained the specific targets "the number of Independent Directors of the Company exceeds one third of the number of Directors", "Directors who serve concurrently as managerial officers do not exceed one third of the Board of Directors", and "Board of Directors include at least one of a different gender", ensuring that the Company can make use of its decision-making and supervisory functions. Please refer to page 18 for the implementation status of diverse composition of members of the Board of Directors.	No material deviation
(II)In addition to establishing a Remuneration Committee and an Audit Committee, which are required by law, is the company willing to voluntarily establish other types of functional committees?	V		(II)The Company has established the Remuneration Committee in accordance with laws and voluntarily established the Audit Committee to provide the Company with guidance, strategies, and resources on the Company's technical development. The	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company also set up the Technology Development Committee under the jurisdiction of the Board of Directors.	
(III)Has the company established guidelines and methods for evaluating the performance of the board of directors, conducted performance evaluation annually, reported the results to the board, and used the results as a reference for the remuneration, nomination, and reelection of individual directors?	V		(III)The Company regularly reviews the performance of the Board of Directors to gradually enhance corporate governance. The Remuneration Committee establishes and conducts regular review of the policies, systems, standards, and structures for performance appraisal and remuneration of the Company's Directors and managerial officers. It also established the "Regulations Governing the Performance Evaluation of the Board of Directors". The results of the performance evaluation of the Board of Directors, functional committees, and members of the Board of Directors for 2024 were reported to the Board of Directors on January 22, 2025. The results of evaluations were placed on the Company's official website. The results of the performance evaluation of the Board of Directors each year shall be used as a reference for assessing the nomination and reelection of individual Directors.	No material deviation
(IV)Does the company regularly evaluate the independence of CPAs?	V		(IV) The Company evaluates the independence of the CPA at regular intervals each year in accordance with Article 29 of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" to strengthen corporate governance and risk management. The evaluation procedures include a review of whether the CPA is a Director or shareholder of the Company or receives salary from the Company. The CPA is required to recuse him/herself if his/her service or him/herself has a direct or material indirect relationship with or interest in a matter. In addition, the Audit Quality Indicators (AQI) report provided by the accounting firm serves as reference for appointing accountants. Please refer to	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Appendix A on page 46 or the independence evaluation criteria of the CPA. The Company also requested the CPA to provide in independence statement of the audit team. The evaluation of the independence of the CPA for 2025 was reported to the meeting of the Audit Committee and Board of Directors on March 13, 2025 and passed in a resolution.	
IV. For TWSE/TPEx-listed companies, are there suitable persons in an appropriate number and designated supervisors for corporate governance to take charge of related matters (including but not limited to providing directors and supervisors with materials required for them to carry out their tasks, helping directors and supervisors comply with the law, taking care of board of directors' meetings and shareholders' meetings as required by law, and preparing minutes of board of directors' meetings and shareholders' meetings)?	V		Thc Company has appointed Corporate Governance Officer on May 11, 2023 in accordance with the regulations. Are corporate governance related affairs handled in accordance with the law, including providing Directors with materials required for them to carry out their tasks, processing Board of Directors' meetings and shareholders' meetings as required by law, registering the company and changing registered information, preparing minutes of Board of Directors' meetings and shareholders' meetings, and arrange training programs for Directors. The Company has established the "Standard Operating Procedures for Processing Requests of Directors" to establish sound corporate governance for the Company, help the Directors carry out their duties, and improve the performance of the Board of Directors. Implementation status of operations in 2024 is as follows: 1. Summarize the contents of agenda items prepared by each proposing unit, provide sufficient meeting materials, and send them together with the meeting notice. Relevant personnel will also be notified to attend and provide explanations based on the contents of agenda items. (Five board meetings were held in 2024) 2. Every half-fiscal year, accountants are invited to report the contents of audits or communicate accounting-related issues during Audit Committee meetings and Board meetings. 3. Hold the shareholders’ meeting, prepare	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			meeting notices, handbooks, and meeting minutes, disclose relevant information, and provide English translations for global investors in accordance with the statutory deadline. 4. Handle matters related to performance evaluations of the Board of Directors and functional committees. 5. Evaluate and purchase appropriate liability insurance for directors, supervisors, and key staff members.	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?	V		The Company has appointed a spokesperson and acting spokesperson and uses the Market Observation Post System to provide shareholders and stakeholders with comprehensive information on the Company's finance and business and implement corporate governance. With regard to banks and other creditors, the Company provides them with the necessary financial and business information based on the principle of good faith to help them understand the Company's business conditions. The Company also set up the "Stakeholders" section on the official website to respond appropriately to issues of concern to stakeholders. The communication channels with stakeholders remain smooth. The Company has also set up the "ESG" section on its official website to disclose the Company's annual ESG Report.	No material deviation
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	V		The Company has appointed the professional shareholder service agency, Transfer Agency Department, CTBC Bank Co., Ltd., to process the Company's shareholder services.	No material deviation
VII. Information disclosure				
(I) Has the company established a corporate website to disclose information regarding the company's financial, business, and corporate governance status?	V		(I) The Company discloses financial and business information and corporate governance items on the Market Observation Post System in accordance with laws and discloses the information on the official website at the same time.	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?	V		(II) The Company has appointed designated personnel to take charge of the collection and disclosure of the Company's information. The Company also set up an English website to disclose the Company's material information on its finance, business, and corporate governance, and implements the spokesperson and acting spokesperson system. The information related to shareholders' meeting and investor conference is uploaded to the Market Observation Post System and disclosed on the official website at the same time.	No material deviation
(III)Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the Q1, Q2 and Q3 financial reports and operating status of each month within the prescribed deadline?	V		(III)The Company files financial reports and information on the operations of each month in accordance with the "Checklist of Items to be Performed by TPEx (Emerging Stock) Companies".	No material deviation
VIII.Is there any other important information to facilitate a better understanding of the company’s corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(I) Employee rights and interests The Company has always treated employees with honesty and protects the legal rights of employees in accordance with government regulations. (II) Employee care The Company has established a welfare system that provides stability for employees' lives and a sound training system to build good relations with employees based on mutual trust and reliance. Examples include: Subsidies for employees' club activities, provision of health examinations, appointment of specialist physicians of occupational diseases to provide onsite services, provision of medical and healthcare consultation and assistance for employees, and parking lots. (III) Investor relations The Company fully discloses information on the Market Observation Post System and the official website and sets up a spokesperson and acting	No material deviation

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			spokesperson system to take charge of processing shareholder recommendations. (IV) Supplier relations The Company establishes partnerships with suppliers based on the principles of equality and reciprocity, and conducts audits from time to time to verify the quality of supply. (V) Stakeholder rights and interests Stakeholders can communicate and make suggestions to the Company in order to protect their legal rights. (VI) Continuing education of Directors and Supervisors All Directors of the Company have professional backgrounds and actual experience. The Company provides related regulations to Directors at all times and regularly assigns Directors to participate in studies and obtain evidentiary documentation. Refer to Appendix B on page 47-48 for the status of continuing studies. (VII)Implementation of risk management policies and risk assessment standards The Company has established internal regulations and conducts risk management and assessment in accordance with regulations. The internal auditors also conduct regular or ad hoc audits on the implementation status. We also purchase insurance policies such as property insurance, product transportation insurance, and product liability insurance to mitigate risks. (VIII)Implementation status of customer policies The Company maintains a stable and positive relationship with customers in order to generate profits. (IX)Status of purchase of liability insurance by the Company for Directors The Company purchased liability insurance for all Directors and key	

Evaluation item	Operating status			Deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			personnel in 2024.	
IX. Explain improvements made according to Corporate Governance Evaluation results released in the most recent year by the Corporate Governance Center of Taiwan Stock Exchange and provide priorities to be reinforced and measures among those pending improvement. (Not required if the Company is not included as an evaluated company) The improvement status for items for which the Company failed to obtain a score in the 10th Corporate Governance Evaluation (evaluation for 2023) is specified in Appendix C on page 49.				

Appendix A: CPA independence evaluation criteria

Evaluation item	Evaluation results	Fulfillment of independence criteria
1. The CPA and family members do not hold direct or indirect material financial interests in the Company.	Yes	Yes
2. The CPA and family members do not have financing or endorsements with the Company.	Yes	Yes
3. The CPA or family members have no close business relations with the Company or its Directors, Supervisors, or managerial officers (e.g., joint investments in businesses, strategic alliances for profit, or product co-marketing).	Yes	Yes
4. The CPA has not served as the Company's Director, Supervisor, managerial officer, or other positions with significant influence on the audit work of the Company in the past 2 years or at present; the CPA has not committed himself/herself to taking on the aforementioned positions.	Yes	Yes
5. During the audit, the family members and close relatives of the CPA do not serve as directors, supervisors or managerial officers at the Company or do not assume positions that may directly and significantly affect the auditing process.	Yes	Yes
6. During the audit, the CPA does not have spouses, immediate family members or relatives within the second degree of kinship who serve as Directors, Supervisors or managerial officers of the Company.	Yes	Yes
7. The CPA has not received gifts or presents of significant value (where their values have not exceeded the general etiquette standards) from the Company or Directors, Supervisors, managerial officers or major shareholders of the Company.	Yes	Yes
8. The CPA and family members do not hold shares in the Company.	Yes	Yes
9. The CPA has not provided auditing services to the Company for a duration of more than seven consecutive years.	Yes	Yes
10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.	Yes	Yes
11. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or cause damage to the principle of independence.	Yes	Yes

Appendix B: Continuing education of the Directors and Supervisors in the most recent year and as of the date of the annual report

Job title	Name	Organizer	Course Name	Course Hours
Director	Tsung-Tien Kuo	Taiwan Investor Relations Institute	Corporate Governance Enhancement: Shaping a New Landscape of Talent Competitiveness: Global Industry Talent Trends and Strategic Responses	3
Director	Mei-Lin Kuo	Taiwan Institute of Directors	Enhancing Corporate Competitiveness through Strategic Planning beyond the Comfort Zone	3
		Taiwan Investor Relations Institute	Corporate Governance Enhancement: Shaping a New Landscape of Talent Competitiveness: Global Industry Talent Trends and Strategic Responses	3
Institutional Director	Representative of Joray Co., Ltd.: Chi-Rong Huang	Taiwan Corporate Governance Association	Introduction to Generative AI and its Applications Across Industries	3
		Taiwan Corporate Governance Association	Hostile Takeovers Strategies and Corporate Governance Issues	3
Director	John-See Lee	Taiwan Corporate Governance Association	Digital Transformation in the Post-Pandemic Era: Essential Innovation and Intellectual Property Risk Management for Enterprises	3
		Taiwan Corporate Governance Association	A Practical Guide to Joint Venture, Shareholders' Agreement and Shareholding Percentage	3
Independent Director	Li-Chiu Chang	Securities & Futures Institute	Carbon Trading Mechanisms and Carbon Management Applications	3
		Securities & Futures Institute	Global Economic Outlook for 2025	3
Independent Director	Kuan-Hua Huang	Securities & Futures Institute	Challenges and Responsibilities of the Board of Directors Under Corporate Governance Evaluation Indicators and Sustainable Action Plans	3
		Securities & Futures Institute	How the Board of Directors and Supervisors Oversee Effective Corporate Risk Management and Crisis Handling (Including Gender Equality)	3
Independent Director	Hsieng-Cheng Tseng	Taiwan Corporate Governance Association	How the board responded to the 12 ESG risk issues	3
		Taiwan Corporate Governance Association	The Miracle of Nvidias Three Trillion Empire: The Semiconductor Industry Revolution Behind Artificial Intelligence	3
		Taiwan Corporate Governance Association	The Company’s Crisis Management and Communication	3

		Taiwan Corporate Governance Association	How the Audit Committee interprets and uses the Audit Quality Indicators (AQI)	3
Independent Director	Jen-Chyuan Lee	Taipei Foundation of Finance	2025 ESG Sustainability Summit on Corporate Governance－Toward Net-Zero: Strategic Challenges and Opportunities in Making ESG Part of Corporate DNA	3
		Taipei Foundation of Finance	2025 ESG Sustainability Summit on Corporate Governance－The Key to Corporate Sustainable Development: Corporate Governance and Sustainability Disclosure	3

Appendix C: The improvement status for items for which the Company failed to obtain a score in the 10th Corporate Governance Evaluation (evaluation for 2023)

Indicator category	Indicator content	Improvement	Explanation if improvements are not yet implemented
Protection of shareholder rights and interests and equal treatment of shareholders	1.1 Does the company report the remuneration received by directors at annual shareholders' meetings, including the remuneration policy and content and amount of individual remuneration?	Yes	
	1.2 Has the company established written procedures for financial and business transactions with related parties, including management processes for purchases, sales, acquisition or disposal of assets, and stipulations that significant transactions must be approved by the board of directors and reported to or approved by the shareholders' meeting?"	No	The Company shall work toward this goal in the future.
	1.3 Does the company have more than half of its directors (including at least one independent director) and the convener of the Audit Committee (or at least one supervisor) in attendance in person at the general shareholders meeting and disclose the attendance roster in the meeting minutes?	No	The Company shall work toward this goal in the future.
	1.6 Does the company organize the general shareholders meeting before the end of May?	No	The Company shall evaluate and determine the implementation based on actual requirements.
	1.9 Does the company upload the English versions of the notification for the shareholders' meeting, agenda handbook, and supplemental meeting materials 30 days prior to the date of the meeting along with the Chinese version?	No	The Company does not yet have the internal or external resources for producing an English version of the meeting notification.
	1.15 Has the company established internal regulations that prohibit insiders from using undisclosed information in the market to trade stocks, including prohibiting directors from trading the company's stocks thirty days before the disclosure of annual financial statements and fifteen days before the disclosure of quarterly financial statements, and has the company disclosed the internal regulations on its company website?	No	The Company shall work toward this goal in the future.
Strengthen the structure and function of the Board of Directors	2.3 Is the company's chairman and president or other individual of equivalent rank (highest-ranking managerial officer) the same person or spouses or first-degree relatives?	No	The Company shall evaluate and determine the implementation based on actual business conditions.
	2.9 Has the company prepared succession plans for members of the board of directors and important managers, and disclosed the implementation status on the company's website or the annual report?	No	The Company shall work toward this goal in the future.
	2.14 Has the company established a nominating committee, risk management committee or sustainability committee, etc., functional committees in additional to legally required committees with at least three members, independent directors as more than half of the members, and at least one member with the professional skills necessary for the committees, and disclosed the composition, duties, and operations of the committees?	No	The Company shall work toward this goal in the future.
	2.21 Has the company appointed a corporate governance officer responsible for corporate governance related affairs, and is the corporate governance officer's scope of authority and continuing education described on the company website and annual report?	No	This indicator was removed in the 11th Corporate Governance Evaluation.
	2.22 Has the company established risk management policies and procedures passed by the board of directors, and disclosed the scope, organization, and operations of risk management, and reported results to the board of directors at least once every year?	No	The Company shall work toward this goal in the future.
	2.23 Have the Regulations Governing the Performance Evaluation of the Board of Directors established by the company been approved by the board of directors? Do the regulations specifically require an external evaluation at least once every three years? Do they stipulate that the evaluation situation and evaluation results must be disclosed on the company's website or annual report in the year of the evaluation or when evaluations were conducted in the past two years?	No	The Company shall evaluate and determine the implementation based on actual requirements.
	2.24 Has the company established an information security risk management framework, formulated an information security policy and concrete management plans, allocated resources for information security management, and disclosed such information on the company's website or in the annual report?	Yes	
	2.25 Have the Company's independent directors completed the minimum hours of continuing education as required by the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"?	No	The Company shall work toward this goal in the future.
	2.27 Does the company prepare intellectual property management plans connected to the business targets, disclose the implementation status on the company's website or annual report, and report results to the board of directors at least once every year?	No	The Company shall work toward this goal in the future.
	2.30 Do the company's internal auditors include at least one auditor with Certified Internal Auditor (CIA) Certification, Certified Information Systems Auditor (CISA), or credentials as a CPA?	No	The Company shall work toward this goal in the future.
Increase the transparency of information disclosure	3.4 Has the company published financial reports verified by accountants within two months of the end of the fiscal year?	No	The Company shall evaluate and determine the implementation based on actual requirements.
	3.6 Does the Company disclose the interim financial report in English within two months after the deadline for submitting the interim financial report in Chinese?	No	The Company shall evaluate and determine the implementation based on actual requirements.
	3.20Was the company invited to (or did it organize) at least two investor conferences? Were the two investor conferences at the beginning and end of the year at least three months apart?	No	The Company shall evaluate and determine the implementation based on actual requirements.
Fulfilling CSR	4.1 Has the Company established an exclusively (or concurrently) dedicated unit for promoting sustainable development, performed assessments of risks in environmental, social, and corporate governance issues relevant to its operations, established risk management policies and strategies based on the principle of materiality, and does the Board of Directors supervise the implementation of sustainable development and disclose it on the company website and annual report?	No	The Company shall work toward this goal in the future.
	4.2 Has the company established a full-time (part-time) unit responsible for implementing ethical corporate management to take charge of the preparation, supervision, and implementation of the Ethical Corporate Management Policy, explained the operations and implementation status of the unit on the company website and in the annual report, and reported to the board of directors at least once every year?	No	The Company shall work toward this goal in the future.
	4.7 Does the company upload the English version of the sustainability report to the Market Observation Post System and the company's website	Yes	
	4.16 Has the company set up a whistleblower system for reporting of illegal (including bribery) and unethical conducts carried out by the company's personnel inside and outside of the company and disclosed such system in detail on the company website?	Yes	
	4.18 Does the company disclose information on its governance of climate-related risks and opportunities, strategies, risk management, metrics and targets in accordance with the TCFD framework?	Yes	
	4.19 Has the company invested in energy-saving or environmentally sustainable machinery and equipment related to green energy, or in Taiwan's green energy industry (such as renewable energy power plants), or issued or invested funds in green or socially beneficial investment projects through sustainable financial products with tangible benefits, and disclosed the investment status and specific outcomes?	No	The Company shall evaluate and determine the implementation based on actual requirements.
	4.22 Has the company allocated resources to support domestic cultural development, and disclosed the methods of support and outcomes on its website, in the annual report, or in the sustainability report?	Yes	

(IV) If the company has a remuneration committee or Nominating Committee, the composition and operation of the committee shall be disclosed

1.The Company's Remuneration Committee consists of 3 members. Information on the members of the Remuneration Committee is provided below:

Qualifications / Identity type / Name		Professional qualifications and experience	Fulfillment of independence criteria	Number of other public companies in which the member also serves as a member of their remuneration committee
Independent Director	Li-Chiu Chang	Please refer to "Disclosure of information on the professional qualifications of Directors and independence of Independent Directors" on page 7-11 of the Annual Report.		1
Independent Director	Jen-Chyuan Lee			0
Independent Director	Hsieng-Cheng Tseng			0

2. Scope of the responsibilities of the Remuneration Committee:

(1) Regular review of the Remuneration Committee Charter and suggestions for revision.

(2) Establish and regularly review the performance evaluation standards, performance targets, and the policies, system, standards, and structure of remuneration for the Company's Directors and managerial officers, and disclose the contents of the performance evaluation standards in the Annual Report.

(3) Periodically assess the degree to which performance goals for the Directors and managerial officers of the Company have been achieved, and set the types and amounts of their individual remuneration based on the results of evaluations conducted in accordance with the performance evaluation standards.

3. Operation of the Remuneration Committee

(1) Term of current members: June 29, 2023 to June 19, 2026. The Remuneration Committee held 3 meetings (A) in the most recent year and as of the printing date of this annual report. The qualifications and attendance of the committee members are as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate (%) (B/A)	Notes
Convener	Li-Chiu Chang	3	0	100	

Job title	Name	Actual attendance (B)	Attendance by proxy	Attendance rate (%) (B/A)	Notes
Committee Member	Jen-Chyuan Lee	3	0	100	
Committee Member	Hsieng-Cheng Tseng	3	0	100	

(2) The discussions and results of resolutions of the Remuneration Committee and the Company's handling of opinions of the board members are described below:

Remuneration Committee	Details of the proposal and subsequent developments	Resolutions	The Company's response to opinions of the Remuneration Committee
5th term 2nd meeting 2024/1/24	1.Principle for the Company's distribution of the 2023 year-end bonus 2.Performance evaluation of managerial officers and the amount to be distributed 3.Standards for the distribution of the 2024 performance bonus	Proposal approved by all members of the Committee	Submitted to the Board of Directors' meeting and approved by all Directors in attendance
5th term 3rd meeting 2024/3/14	1. Amount of remuneration for Directors for 2023 2. Amount of remuneration for employees for 2023	Proposal approved by all members of the Committee	Submitted to the Board of Directors' meeting and approved by all Directors in attendance
5th term 4th meeting 2024/8/12	1.Salary structure adjustment and 2024 salary adjustment 2.Proposal for the Company to increase capital in cash for the stock option of employee in 2024 3.Proposal for the Company to increase capital in cash for the stock option of managerial officers in 2024	Proposal approved by all members of the Committee	Submitted to the Board of Directors' meeting and approved by all Directors in attendance

Other disclosures:

I. In the event that a Remuneration Committee recommendation is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, content of motion, the board's resolution, and the way the company handled the Remuneration Committee's opinions (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.

II. If a member voted against or had reservations on record or in writing regarding any resolution passed by the Remuneration Committee describe the date of committee meeting, term of the committee, agenda item, opinions of all members, and actions taken by the company in response to the opinion of members: None.

(V) Implementation status of sustainable development, deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Evaluation item	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company set up a governance structure for sustainable development, establish an exclusively (or concurrently) dedicated unit to implement sustainable development, and have management appointed by the Board of Directors to be in charge of sustainable development and to report the implementation status to the Board of Directors?	V		1. The Company's Safety, Health & Environment Office, Financial Department, HR Department, Purchasing Department, and President Office and Information Management Center jointly established the "Corporate Social Responsibility Work Group" which was renamed the "ESG Work Group" (hereinafter referred to as the ESG Work Group) at the end of 2021. The manager of the President Office and Information Management Center serves as the convener and the Work Group convenes at least 1 meeting each quarter to report the progress of each group. 2. The ESG Work Group operates based on the concept of Plan-Do-Check-Act (P-D-C-A) cycle, and compiles feedback from stakeholders at the beginning of the year to evaluate and review response measures and set project targets. The measures and targets are implemented with the approval of the convener. 3. The ESG Work Group reports the implementation results and the issues of concern to stakeholders to the Board of Directors each year. This will ensure that our sustainable development strategies are aligned with external demands. The main topics include: (1) Identify sustainability issues that require attention and formulate corresponding action plans; (2) Study and revise sustainable development-related goals and policies; (3) Monitor the implementation of sustainability matters and evaluate the effectiveness of implementation to ensure that all measures are in line with the Company's sustainable development direction. After the end of a full year, the ESG Task Force will compile relevant	No material deviation

Evaluation item	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			information and submit a written report to the Board of Directors. The Board of Directors is responsible for evaluating the feasibility and implementation progress of the strategies, and providing timely guidance and advice to ensure the achievement of sustainable development goals. The implementation status for 2024 was reported in the meeting of the Board of Directors on March 13, 2025.	
II. Does the company perform assessments of risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies accordingly?	V		The Company has established the "Sustainable Development Best Practice Principles", which was passed by the Board of Directors. The Company also appoints consultants to review the implementation status every year and requests the CPA to provide verification and assurance information.	No material deviation
III. Environmental issues				
(I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	V		The Company has established the Environmental Management System and obtained ISO 14001:2015 system certification (effective from December 31, 2024 to December 31, 2027). We also adopt appropriate systems based on the characteristics of the industry, and meet the requirements for continuous improvement of the system.	No material deviation
(II) Is the company committed to achieving efficient use of energy and using renewable materials that produce less impact on the environment?	V		The Company's Da-Fa Plant is a major electricity user regulated by the Bureau of Energy, Ministry of Economic Affairs. It is required by law to attain an energy conservation rate of at least 1% each year. The Plant has attained the target average energy conservation rate each year since 2015. The Company also set up an R&D Center dedicated to green design and continuously develop environmentally friendly solutions to reduce the impact of the environment.	No material deviation
(III) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		1.The Company activated the ESG Steering Group, The Green and Environmental Sustainability Group is responsible for identifying and evaluating risks and opportunities related to climate change and making management	No material deviation

Evaluation item	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			recommendations. It shall regularly analyze, identify, and register climate change-related hazards, and disclose the relevant identification results and response measures in the Corporate Responsibility Report and on the official website. 2.The Company takes the potential impact of climate change into its overall operational consideration, estimates the probability of risk occurrence and impact, and formulates plans for risk response and mitigation. Plus, by identifying physical and transformation risks and opportunities based on business type and risk strategy, and financial planning status, the Company formulates risk response measures, including: green product development, green manufacturing, energy management, greenhouse gas inventory, product carbon footprint inventory, and energy conservation and carbon reduction projects. 3. For a more detailed description of the Company's climate change risks and opportunities, please refer to the Company's Sustainability Report. (https://www.hopax.com/zh-tw/esg/report-download)	
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency, greenhouse gas reduction, water use reduction, or waste management?	V		The Company prepare the ESG Report each year to disclose the greenhouse gas inventory, water consumption, and waste volume. The scope covers the Company's production plants in Taiwan (Da-Fa Plant and Da-Fa Chemical Plant), which formulate short, medium, and long-term reduction targets in accordance with the "Environmental Safety Policy". 1. Greenhouse gas emissions The Company implements an independent greenhouse gas inventory each year and formulates short, medium, and long-term improvement targets. The greenhouse gas emissions in 2023 have obtained the ISO 14064:2019 Verification Statement, and the greenhouse gas inventory in 2024 is expecting to obtain the ISO 14064:2019 Verification Statement in 2025.	No material deviation

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>The information for the past two years (2023-2024) is shown in the table below. The main source of scope 1 emissions is the consumption of fuel for producing steam and the main source of scope 2 emissions is purchased electricity.
To continuously improve efficiency of energy use and reduce carbon emissions, the Company has established an energy management system at Da-Fa plant and obtained ISO 50001:2018 Certification (valid from December 23, 2022 to December 23, 2025), and implemented energy management and efficiency of energy use according to the system, and regularly report in the monthly meeting of ESG Work Group to review the effectiveness of each energy conservation and carbon reduction project.
<table>
<tr><th>Year</th><th>Scope</th><th>Total t-CO2e</th><th>Carbon emission intensity t-CO2e/NT$ million in revenue</th></tr>
<tr><td rowspan="3">2023</td><td>Scope 1</td><td>8,009.75</td><td>1.77</td></tr>
<tr><td>Scope 2</td><td>6,109.40</td><td>1.35</td></tr>
<tr><td>Total</td><td>14,119.15</td><td>3.12</td></tr>
<tr><td rowspan="3">2024</td><td>Scope 1</td><td>5,098.62</td><td>1.07</td></tr>
<tr><td>Scope 2</td><td>5,904.7</td><td>1.24</td></tr>
<tr><td>Total</td><td>11,003.32</td><td>2.31</td></tr>
</table>
2. Total water withdrawal
The sources of water of Da-Fa Plant mainly include surface runoff and tap water. Due to waste reduction and water conservation in processes, the total water consumption in 2024 slightly decreased compared with 2023.
<table>
<tr><th>Year</th><th>Total water withdrawal (million liters)</th></tr>
<tr><td>2023</td><td>226.746</td></tr>
<tr><td>2024</td><td>226.44</td></tr>
</table>
3. Total weight of waste
The waste in Da-Fa Plant is divided into hazardous waste and non-hazardous waste, continued efforts have been made to promote waste reduction.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Although the amount of non-hazardous waste slightly increased in 2024, the total volume of waste showed a declining trend. This reflects the plant's ongoing optimization of production processes and the effective implementation of source reduction strategies.
<table>
<tr><th rowspan="2">Year</th><th rowspan="2">Hazardous waste (tons)</th><th colspan="2">Non-hazardous waste (tons)</th><th rowspan="2">Total amount of waste (tons)</th><th rowspan="2">Waste recycling and reuse rate (%)</th></tr>
<tr><th>General business waste (tons)</th><th>Waste recycled and reused (tons)</th></tr>
<tr><td>2023</td><td>0.23</td><td>185.99</td><td>506.96</td><td>693.18</td><td>73.14</td></tr>
<tr><td>2024</td><td>0.42</td><td>208.66</td><td>459.74</td><td>668.82</td><td>68.74</td></tr>
</table></td><td></td></tr>
<tr><td>IV. Social issues
(I) Has the company developed its policies and procedures in accordance with laws and the International Bill of Human Rights?</td><td>V</td><td></td><td>The Company has established the Human Rights Policy in 2018 and published it on the official website. The Company also revised the Work Rules in 2019 and they were reviewed and approved by the Labor Affairs Bureau. The Company revised the Human Rights Policy in 2022 and formulated the FSC core labor requirements management procedures in accordance with the fundamental principles and rights defined in the 1998 ILO Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), and the revised Policy was also published on the official website.</td><td>No material deviation</td></tr>
<tr><td>(II) Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?</td><td>V</td><td></td><td>The Company has established and implemented reasonable employee benefits and ensured that business performance or results are reflected adequately in the employee salary adjustment, year-end bonus, employee remuneration, and performance bonus. For more information on employee welfare measures, please refer to page 142-156 of the 2023 Sustainability Report.</td><td>No material deviation</td></tr>
</table>

Evaluation item	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(III) Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	V		1. The Company has passed ISO 45001 Occupational Safety and Health Management System certification and conducted risk assessments of the employees' work environment. The Company continues to improve and provide employees with a safe and healthy work environment, and provide regular safety and health training. 2. In 2024, the Company did not experience any occupational injuries. 3. In 2024, the Company did not experience any fire incidents.	No material deviation
(IV) Has the company implemented an effective training program that helps employees develop skills over the course of their career?	V		The Company has implemented a training program that helps employees develop skills over the course of their career.	No material deviation
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and customer grievance procedure policies implemented?	V		1. The marketing and labeling of the Company's products and services comply with related regulations and international standards (such as: EU REACH, RoHS, and antitrust code of conduct). Customer privacy protection is also in compliance with the Personal Data Protection Act.. The Company also set up a customer service unit to process issues related to consumer grievances. 2. In 2024, the Company did not violate any laws and regulations related to customer health and safety, customer privacy, and marketing and labeling of products and services.	No material deviation

Evaluation item	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(VI) Does the company implement supplier management policies that require suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		1. The Company adopted targets and plans, continues to optimize supply chain management, and works with supply chain partners to grow and pursue sustainable management for the purpose of creating a high-quality and effective supply chain, increasing the proportion of green purchase, and implementing supplier evaluation mechanisms. 2. When the Company accepts a new supplier, it is required to submit and sign the "Basic Supplier Information Survey Form" and "Supplier Code of Conduct", thus submit relevant attachments such as "Quality Management System (ISO 9001)", "Environmental Management Standard (ISO 14001)", "Safety and Health Management System (ISO45001)", and "Social Accountability (SA 8000)" to the quality assurance units for evaluation as well as risk and compliance audits.	No material deviation
V. Has the company, following internationally recognized guidelines, prepared and published reports such as its Sustainability Report to disclose non-financial information of the company? Does the company obtain third-party assurance or guarantees for the reports above?	V		The Company prepares the Sustainability Report in accordance with the "Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies" and the GRI Standards published by the Global Report Initiative. The Report has been verified by Ernst & Young, Taiwan in accordance with TWSAW3000 for Assurance Engagements.	No material deviation
VI. If the company has established its own sustainable development best-practice principles by following the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies", please describe the implementation and any discrepancies with regard to the Best Practice Principles: The Company established the "Sustainable Development Best-Practice Principles" in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies". There is no material deviation between the operations and the Principles.				
VII. Other key information useful for explaining the status of sustainable development practices: Please refer to the ESG section on the official website http://www.hopax.com.tw/zh-tw/esg for more information regarding the state of the Company's promotion of sustainable development.				

Climate-related disclosures for TWSE/TPEx Listed Companies

1. Implementation status of climate-related information

<table>
<tr><td>Item</td><td>Implementation</td></tr>
<tr><td>(I) Describe supervision and governance of climate-related risks and opportunities by the board of directors and management.</td><td>The Board of Directors has authorized the Chairman to oversee climate-related risks and opportunities. In 2023, the ESG Task Force convened a total of 12 meetings, all chaired by the Chairman, who provided oversight and strategic guidance. These efforts aim to strengthen the Company’s climate risk management and foster a culture of climate governance.</td></tr>
<tr><td>(II) Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business.
(Short-term, medium-term and long- term)</td><td>
<table>
<tr><td></td><td>Risks and opportunities</td><td>Short-term (1-3 years)</td><td>Medium-term (3-5 years)</td><td>Long- term (more than 5 years)</td></tr>
<tr><td rowspan="2">Risks</td><td>Transition risks (market demand changes, raw material price hikes, regulations)</td><td>Changes in consumer preferences and new environment-related regulations</td><td>Carbon emission control, carbon fee, carbon tax</td><td>Global emissions trends</td></tr>
<tr><td>Physical risks (extreme weather events)</td><td>Climate change causes more disasters</td><td>Climate change causes more disasters</td><td>Global average temperature rise</td></tr>
<tr><td>Opportunities</td><td>Opportunities (energy sources, markets, resilience)</td><td>Invest in R&D of low-carbon products</td><td>Improve resource efficiency</td><td>Increase the Company's influence</td></tr>
</table>
</td></tr>
<tr><td>(III) Describe the impact of extreme weather events and transition actions on the Company's financial position.</td><td><u>Impact of extreme weather events on the Company's financial position</u>:
Extreme weather events have led to production suspensions, equipment damage, and supply chain disruptions, and increased energy and raw material costs, which in turn have affected revenue and competitiveness, increased the burden of operations, and increased insurance costs due to increased risks.
<u>Impact of transition actions on the Company's financial position:</u>
We need to face changes in policies and regulations, technological developments, and market demand in the transition process. These include carbon fees and limits on total GHG emissions, requirements of renewable energy regulations, and changes in consumer preferences, which in turn affect operating costs and sales.
The Company is actively implementing energy conservation and carbon reduction projects to effectively respond to transition risks, and is committed to reducing the impact of operations and its supply chain on the environment. The main measures include improving the efficiency of energy and water resource use, reducing waste generation, and strengthening the R&D and innovation of green products to meet market demand. However, these projects will increase capital investment and operating costs, which might impact our financial position in the short</td></tr>
</table>

	term, but from a long-term perspective, they will help enhance the Company's competitiveness and sustainable development.
(IV) Describe how the identification, assessment, and management process of climate risks is integrated in the overall risk management system.	The Company has incorporated climate risk into the overall risk management framework, and regularly identifies climate disasters and assesses risks and opportunities according to the "Overview of the Organization's Internal and External Situation" in the "EHS Manual." We assess the potential impact of extreme weather events on our operations, supply chain, and financial position based on international trends in climate change and regulations. The potential impacts are included in the scope of our annual risk assessment. For detailed information, please refer to "6-2 Climate Change Response" of the 2023 Sustainability Report(pages 108-116).
(V) If scenario analysis is carried out to evaluate resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.	Scenario analysis is an important tool for strategic planning, risk management, and assessing the flexibility of the Company's strategy. It gives companies a better understanding of how they are affected by climate change. Physical risk and transition risk scenarios are selected after referencing data from authoritative international organizations, including the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Company assesses and manages the impacts of both physical and transition risks, and has established corresponding management strategies. For more details, please refer to "6-2-3 Climate Risk Scenario Analysis" and "6-2-4 Climate Management Actions" of the 2023 Sustainability Report (pages 112–115).
(VI) If there is a transition plan in place in response to climate-related risks, describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.	We have formulated a low-carbon transition plan to achieve net zero emissions, and will reduce direct emissions from operating activities (Scope 1), indirect emissions from energy use (Scope 2), and indirect emissions of the supply chain (Scope 3). The contents of implementation include: 1. Continue to actively reduce carbon emissions: Develop advanced technologies, improve energy productivity and usage efficiency, and minimize carbon emissions during the manufacturing and product use stages. 2. Use renewable energy: Increase the proportion of renewable energy use and support the transition to low-carbon energy source through our action.
(VII) If internal carbon pricing is used as a planning tool, describe the basis for pricing.	All departments have been actively formulating strategies to ensure that they can effectively respond to future changes in carbon costs and carbon reduction targets. The Company will gradually implement an internal

	carbon pricing mechanism to strengthen environmental management performance and enhance the sustainable competitiveness of overall operations.
(VIII) If climate-related goals were set, describe the activities covered, scope of GHG emissions, schedule, and progress each year. If carbon offset or RECs are used to achieve goals, describe the source and amount of offset quota or the number of RECs.	The Company has dedicated years of effort to environmental protection, creating a win-win situation for the economy and the environment. Our long-term green actions improve energy saving, water saving, waste reduction, and GHG reduction performance through reduction from the source and improvement of usage efficiency, thereby contributing to environmental sustainability. We purchased renewable energy certificates in 2024, and used 2022 as the baseline year for GHG emissions at the Da-Fa Plant. We set the challenging targets of reducing carbon emissions by 30% in 2030, achieve carbon neutrality in 2040, and achieve net zero emissions in 2050. Implementation is supervised by the ESG Task Force on a quarterly basis. Please refer to 1-2 in Item 9 below for the GHG reduction schedule and progress achieved each year.
(IX) Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.	Although the Company's paid-in capital is below NT$5 billion and is therefore not yet required to disclose inventory verification status, reduction targets, strategies, or specific action plans under the ESG development roadmap for TWSE/TPEx-listed companies, the Company has proactively undertaken these initiatives ahead of schedule. Details regarding our carbon inventory and verification status, as well as reduction targets, strategies, and specific action plans, please refer to 1-1 and 1-2 below.

1-1 GHG inventory and assurance in the past two years

1-1-1 Information on GHG inventory

Description of GHG emissions (metric tons CO_2e), intensity (metric tons CO_2e/million NTD) and scope of information in the past two years:

The following GHG inventory covers the Company's production plants in Taiwan (Da-Fa Plant and Da-Fa Chemical Plant). The GHG inventory in 2023 has obtained the ISO 14064-3:2019 Verification Statement, and the GHG inventory in 2024 is expected to obtain the ISO 14064-3:2019 Verification Statement in 2025.

Year	Scope	Total t-CO2e	Carbon emission intensity t-CO2e/NT$ million in revenue
2023	Scope 1	8,009.75	1.77
	Scope 2	6,109.40	1.35
	Total	14,119.15	3.12
2024	Scope 1	5,098.62	1.07
	Scope 2	5,904.7	1.24
	Total	11,003.32	2.31

1-1-2 GHG Assurance Information

Describe the assurance situation in the last two years up to the date of report, including the scope of assurance, the certification body, the criteria for assurance, and assurance opinions:

Among the total GHG emissions disclosed in 1-1-1, the GHG emissions in 2023 have obtained the ISO 14064-3:2019 Verification Statement, and the GHG inventory in 2024 is expected to obtain the ISO 14064-3:2019 Verification Statement in 2025. Assurance has been carried out by the BSI in accordance with ISO 14064-3:2019 issued by the International Organization for Standardization (ISO).

1-2 GHG reduction targets, strategies, and action plans

The Company has set 2022 as the baseline year for its GHG emissions and is implementing a diverse range of carbon reduction strategies, including process optimization, energy transformation, and equipment upgrades. The goal is to reduce carbon emissions by 30% by 2030 compared to the baseline year, with a long-term target of achieving net-zero emissions by 2050. These efforts are part of the Company's active response to global climate risks and transformation trends, aimed at enhancing corporate resilience and long-term sustainable competitiveness.

(VI) Implementation of ethical corporate management and measures and deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches				
(I) Has the company implemented 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		(I) The Company has established the "Ethical Corporate Management Best Practice Principles", which was passed by the Board of Directors. Both the Board of Directors and the management fully understand and shall rigorously abide by the Principles.	No material deviation
(II) 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		(II) To ensure the implementation of ethical corporate management, the Company has established effective accounting and internal control systems. Internal auditors regularly audit compliance with the above systems. The Company also established the "Ethical Corporate Management Best Practice Principles" and specified that the Company and related personnel may not offer or accept improper benefits in the performance of their duties.	No material deviation
(III) 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		(III) The Company has established the "Ethical Corporate Management Best Practice Principles" and states in its work rules that employees may not accept entertainment, gifts, kickback, or other unlawful benefits through their actions in the performance of their duties or actions taken against their duties. The "Code of Ethical Conduct" also specifies a reporting system for illegal and unethical conduct for personnel inside and outside of the company. They have been disclosed on the Market Observation Post System and the	No material deviation

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company's website.	
II. Implementation of ethical corporate management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		(I) The Company evaluates the legality and Ethical Corporate Management Policy of transaction counterparties before establishing business relations to avoid transactions with unethical entities.	No material deviation
(II) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?	V		(II) The company performs business activities based on the principles of fairness, integrity, and transparency, and actively prevents unethical conduct. The Company established the "Corporate Management Best Practice Principles" and assigned the Audit Office to conduct regular internal audits, which is reported to the meetings of the Board of Directors.	No material deviation
(III) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	V		(III) The Company established the "Ethical Corporate Management Best Practice Principles" and requires Directors to maintain a high degree of self-discipline. Directors are required to recuse themselves from voting on agenda items in which he/she has a conflict of interest.	No material deviation
(IV) Does the company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise relevant audit plans to audit the systems accordingly and prevent unethical conduct, or hire outside accountants to perform the audits?	V		(IV) The Company has established effective accounting and internal control systems. Internal auditors regularly audit compliance with the above systems.	No material deviation
(V) Does the company organize internal and external education and training periodically to help enforce honest operations?	V		(V) The Company established the "Ethical Corporate Management Best Practice Principles", which specifies the matters of note to specific personnel in the performance of their duties. The related regulations are also communicated from time to time in training programs or meetings.	No material deviation

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
III. Implementation of the Company's whistleblowing system				
(I) Does the company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported malpractices?	V		(I) The Company established the "Code of Ethical Conduct" to specify reporting and reward systems. Employees of the Company can also file complaints to the HR unit or legal affairs personnel directly or through the unit manager.	No material deviation
(II) Does the company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		(II) The Company's "Code of Ethical Conduct" requires the Company to maintain the confidentiality of the identity of the whistleblower and the contents of the report.	No material deviation
(III) Has the company provided proper whistleblower protection?	V		(III) The Company's "Code of Ethical Conduct" requires the Company to maintain the confidentiality of the identity of the whistleblower and the contents of the report, and protect the whistleblower from penalties due to the whistleblowing.	No material deviation
IV. Information disclosure improvement Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	V		The Company has set up a website and disclosed information related to ethical corporate management such as the "Ethical Corporate Management Best Practice Principles" and "Code of Ethical Conduct".	No material deviation
V. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies": The Company has established the "Ethical Corporate Management Best Practice Principles" which specify the matters of note for personnel in the performance of their duties.				
VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management (such as review and amendment of ethical management rules): The Company complies with the Company Act, Securities and Exchange Act, TWSE/TPEx listing rules, and other related laws and regulations the basic principles for implementing ethical corporate management. 1. Customers and suppliers: The Company upholds its business philosophy of legality and integrity and actively establishes health relationships of mutual support and mutual trust with customers and suppliers. 2. Employees: The Company organizes training programs and awareness campaigns for employees to ensure that they understand the Company's ethical corporate management policies and the consequences of committing unethical conduct. 3. Investors: The Company has set up a Chinese and English "Investor Relations" section on the company website to disclose the Company's general information, basic information, and financial information. We also disclose company Information on the Market Observation Post System in a prompt, open, and transparent manner.				

(VII) Critical information that can enhance the understanding of the company's corporate governance practices shall be disclosed:

The Company's corporate governance operations are disclosed on the Market Observation Post System.

(VIII) Implementation of internal control system

1. Statement on Internal Control

Taiwan Hopax Chems. Mfg. Co., Ltd.
Statement of Internal Control System

Date: March 13, 2025

The Company hereby makes the following statement about its internal control system for the year 2023 based on the assessments it performed:

I. The Company takes recognizance of the fact that the establishment, execution, and maintenance of its internal control system are the responsibilities of the Company's Board of Directors and managers; such policies have been implemented throughout the Company. The purpose is to provide reasonable assurance to the effectiveness and efficiency of business operations (including profitability, performance and security of assets), reliability of reports and compliance with relevant regulatory requirements in reaching compliance targets.

II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the aforementioned goals. Moreover, the operating environment and situation may change, impacting the effectiveness of the internal control system. However, self-supervision measures were implemented within the Company's internal control system to facilitate immediate rectification once procedural flaws have been identified.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Governing Regulations for Public Company's Establishment of Internal Control System" (hereinafter called "Governing Regulations") that are related to the effectiveness of internal control systems. The measures based on which to evaluate the internal control system adopted under the Governing Regulations are its five underlying elements, namely: 1. control environment, 2. risk assessment and reaction, 3. control process, 4. information and communication, and 5. supervision. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.

IV. The Company has adopted the aforementioned measures for an evaluation of the effectiveness of the design and implementation of the internal control system.

V. Based on the findings of the aforementioned examination, the Company believes it can reasonably assure that the design and implementation of its internal control system as of December 31, 2024 (including supervision and management of subsidiaries), including the effectiveness and efficiency in operation, reliability, promptness and transparency of reports and compliance with relevant regulatory requirements, have achieved the aforementioned objectives.

VI. This statement constitutes part of the Company's annual report and prospectus, and shall be disclosed to the public. The Company shall be legally liable under Articles 20, 32, 171 and 174 of the Securities and Exchange Act with respect to any unlawful aspects such as falsehood or concealment of facts in relation to the aforesaid statement.

VII. This statement was approved unanimously by all 9 Directors present at the meeting of the Board on March 13, 2025.

Taiwan Hopax Chems. Mfg. Co., Ltd.

Chairman and President: Tsung-Tien Kuo Signature and seal

2. If the Company engages a CPA to examine its internal control system, disclose the CPA audit report: None.

(IX) Important resolutions made during shareholders' meetings and board of directors' meetings in the past year and up to the publication date of this annual report

Date of meeting	Resolutions of the shareholders' meeting	Implementation status
2024/6/26	1.Passed and acknowledged the Company's 2023 business report and financial statements.	Processed in accordance with the contents of the resolution.
	2.Passed and acknowledged the Company's proposed distribution of 2023 earnings.	The Company distributed cash dividends totaling NT$216,862,908 in accordance with the contents of the resolution, and the shareholders' meeting authorized the Chairman to set July 31, 2024 as the ex-dividend date. All cash dividends were distributed on August 21, 2024.

Date	Resolutions of the Board of Directors
2024/1/24	1. Amendment of the 2023 audit plan 2. Anticipated business operations in 2024 3. Bank loans 4. The Company's trading of derivatives 5. Sponsorship for the Hopax Culture and Arts Foundation in 2024 6. The Company's loans to subsidiaries 7. Proposal of the Fine Chemicals Division Plant Construction Plan in Pingtung Science Park 8. Proposal for the Company to issue new shares for cash capital increase and issue the sixth domestic unsecured convertible corporate bonds in 2024 9. Principle for the Company's distribution of the 2023 year-end bonus 10. Performance evaluation of managerial officers and the amount to be distributed 11. Standards for the distribution of the 2024 performance bonus
2024/3/14	1. 2023 Financial Report 2. 2023 Business Report and Earnings Distribution Statement 3. Proposal for distribution of 2023 dividends for shareholders in cash 4. 2023 "Assessment of the effectiveness of the internal control system" and the "Statement of Internal Control System" 5. Proposed amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules" 6. Proposed amendment to the "Rules of Procedure for Board of Directors' Meetings" 7. Proposed amendment to the "Audit Committee Charter" 8. Proposed amendment to the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" 9. Proposal for convening the 2024 general shareholders' meeting and related matters 10. The Company's trading of derivatives 11. Bank loans 12. Appointment and remuneration of the Company's CPA.

Date	Resolutions of the Board of Directors
	13. Distribution of remuneration for Directors for 2023 14. Distribution of remuneration for employees for 2023
2024/5/9	1. Consolidated financial statements for Q1 2024 2. Liability insurance for the Company's Directors and key personnel 3. The Company's trading of derivatives 4. Acquisition or disposal of machinery and equipment by the Company and subsidiaries 5. Bank loans
2024/8/12	1. Consolidated financial statements for Q2 2024 2. The Company's trading of derivatives 3. The Cash Capital Increase of subsidiary SeeCure Taiwan Co., Ltd. 4. The subsidiaries' earnings distribution statement to the parent company 5. Acquisition or disposal of machinery and equipment by the Company and subsidiaries 6. Bank loans 7. Amendment to the "Guidelines for the Adoption of Codes of Ethical Conduct" 8. Proposal for the Company to increase capital in cash for the stock option of employee in 2024 9. Proposal for the Company to increase capital in cash for the stock option of managerial officers in 2024 10. Salary structure adjustment and 2024 salary adjustment
2024/11/11	1. Consolidated financial statements for Q3 2024 2. The Company's trading of derivatives 3. Proposal to the Company's "Management of Sustainable Information" 4. Acquisition or disposal of machinery and equipment by the Company and subsidiaries 5. Bank loans 6. 2025 audit plan 7. Amendment to the Company's "Internal Control System" and "Internal Audit Implementation Rules"
2025/1/22	1. Anticipated business operations in 2025 2. The Company's trading of derivatives 3. Sponsorship for the Hopax Culture and Arts Foundation in 2025 4. Acquisition or disposal of machinery and equipment by the Company and subsidiaries 5. Bank loans 6. Amendment of the 2024 audit plan 7. Principle for the Company's distribution of the 2024 year-end bonus 8. Performance evaluation of managerial officers and the amount to be distributed 9. Standards for the distribution of the 2025 performance bonus

Date	Resolutions of the Board of Directors
2025/3/13	1. 2024 Financial Report 2. 2024 Business Report and Earnings Distribution Statement 3. Proposal for distribution of 2024 dividends for shareholders in cash 4. 2024 "Assessment of the effectiveness of the internal control system" and the "Statement of Internal Control System" 5. Proposed amendment to the Company's " Ethical Corporate Management Best Practice Principles" 6. Proposed amendment to the " Rules Governing Financial and Business Matters Between this Corporation and its Related Parties" 7. Proposel for defining the scope of entry-level employees of the Company 8. Proposed amendment to the " Articles of Incorporation " 9. Proposal for convening the 2025 general shareholders' meeting and related matters 10. The Company's trading of derivatives 11. Bank loans and the renewal proposal for the Company's trading of derivatives 12. Proposal to appoint Technology Development Committee members 13. Distribution of remuneration for Directors for 2024 14. Distribution of remuneration for employees for 2024
2025/4/11	1. Proposal for repurchase and cancellation of the 8th treasury shares

(X) Dissenting or qualified opinions of directors or supervisors against an important resolution passed by the board of directors that are on record or stated in a written statement in the past year and up to the printing date of this annual report: None.

III. Information on CPA audit fees

(I) Information on CPA audit fees

Unit: NT$ thousand

Name of CPA firm	Name of CPA	CPA's audit period	Audit fee	Non-audit fee (Note)	Total	Notes
Deloitte Taiwan	Chiu-Yen Wu	2024/1/1~ 2024/12/31	4,170	1,120	5,290	-
	Kai-Ning Hsu					

Note: Non-audit fees include tax certification, annual report review, transfer pricing reports, conduct cash capital increase, review the issuance of domestic unsecured convertible corporate bonds and other review services.

(II) If the accounting firm is changed and the audit fees paid for the fiscal year in which the change took place are lower than those paid for the fiscal year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: None.

(III) When the audit fees paid for the current fiscal year are lower than those paid for the immediately preceding fiscal year by 10% or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None.

IV. Information on change/replacement of CPA: None.

V. If the Company's Chairman, President, or Financial or Accounting Managerial Officer has worked for the CPA firm or its affiliate in the most recent year, their names, titles, and period of service in the CPA firm shall be disclosed: None.

VI. Equity Transfers and Changes of Equity Interests by Directors, Supervisors, Managerial Officers, and Major Shareholders Holding More than 10% of the Shares in Last Fiscal Year and up to the Print Date of this Annual Report

(I) Share transfers

Unit: shares

Job title	Name	2024		Current year as of April 21, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares
Chairman and President	Tsung-Tien Kuo	0	0	0	0
Vice Chairman	Mei-Lin Kuo	2,000,000	0	0	0
Director	John-See Lee	0	0	0	0
Director	Joray Co., Ltd. Representative: Chi-Rong Huang	263,349	0	0	0

Job title	Name	2024		Current year as of April 21, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares
Director concurrently serving as the executive vice president and chief financial officer	Chung-Sheng Cheng	10,043	0	0	0
Independent Director	Li-Chiu Chang	0	0	0	0
Independent Director	Jen-Chyuan Lee	0	0	0	0
Independent Director	Hsieng-Cheng Tseng	0	0	0	0
Independent Director	Kuan-Hua Huang	0	0	0	0
Vice president	Kuo-Hsiung Yang	14,644	0	0	0
Assistant Vice President (Dismissed on April 1, 2025)	Chin-Chung Tsai	8,000	0	0	0
Manager	Hsien-Shun Chien	8,019	0	0	0
Assistant Vice President (Dismissed on May 7, 2024)	Bang-Jyun Wang	0	0	0	0
Manager (Dismissed on February 29, 2024)	Hui-Ying Hsu	0	0	0	0
Assistant Vice President	Shun-Min Chiu	31,676	0	0	0
Assistant Vice President	Hong-Ming Tsai	9,544	0	0	0
Manager (Dismissed on August 5, 2024)	Yung-Li Chen	0	0	0	0
Plant Manager (Dismissed on January 1, 2025)	Hui-Chen Li	26,000	0	0	0
Head of Accounting and Corporate Governance Officer	Wen-Hui Yu	7,554	0	0	0
Deputy Manager (Appointed on August 5, 2024)	Ming- Da Tsai	6,112	0	20,000	0

(II) Information on transfer of shares: None.

(III) Pledged shares: None.

VII. Information on the Spouse, Kinship Within Second Degree, and Relationship between Any of the Top Ten Shareholders

April 21, 2025

Name	Shares held by the individual		Shares held by spouse and underage children		All shares held in names of third parties		Shareholders with the top 10 shareholding ratios who are related, spouses, and second-degree relatives, their names, and their respective relationships		Notes
	Number of shares	Shareholding ratio(%)	Number of shares	Shareholding ratio(%)	Number of shares	Shareholding ratio(%)	Name	Relationship	
Fu Shih Hsin Investment Co., Ltd.	8,738,178	4.38	0	0.00	0	0.00	-	-	
Fu Shih Hsin Investment Co., Ltd. Representative: Mei-Ling Kuo	0	0.00	0	0.00	0	0.00	-	-	
Tai Ho Investment Co., Ltd.	6,885,601	3.45	0	0.00	0	0.00	-	-	
Tai Ho Investment Co., Ltd. Representative: Hung-Yang Chiu	397,020	0.20	0	0.00	0	0.00	-	-	
Tsung-Tien Kuo	4,130,031	2.07	706,936	0.35	0	0.00	Mei-Lin Kuo Mei-Shan Kuo Tsung-Tien Kuo's trust account under the custody of Taishin International Bank	First degree of kinship First degree of kinship Tsung-Tien Kuo is the owner of this trust property account	
Asiavest Capital Co., Ltd.	4,000,000	2.01	0	0.00	0	0.00	-	-	
Asiavest Capital Co., Ltd. Representative: Tsung-Jen Huang	2,262,769	1.13	0	0.00	0	0.00	Joray Co., Ltd. Tsung-Jen Huang	Same person as the representative of the institutional shareholder	
Mei-Lin Kuo	3,745,335	1.88	0	0.00	0	0.00	Tsung-Tien Kuo Mei-Shan Kuo Tsung-Tien Kuo's trust account under the custody of Taishin International Bank	First degree of kinship Second degree of kinship The owner of this trust property account and Mei-Lin Kuo are relatives within the first degree of kinship	
Hung Hsin International Co., Ltd.	2,823,036	1.42	0	0.00	0	0.00	-	-	
Hung Hsin International Co., Ltd. Representative: I-Tsui Cho	0	0.00	0	0.00	0	0.00	-	-	
Joray Co., Ltd.	2,606,352	1.31	0	0.00	0	0.00	-	-	
Joray Co., Ltd. Representative: Tsung-Jen Huang	2,262,769	1.13	0	0.00	0	0.00	Asiavest Capital Co., Ltd. Tsung-Jen Huang	Same person as the representative of the institutional shareholder	
Tsung-Tien Kuo's trust account under the custody of Taishin International Bank	2,500,000	1.25	0	0.00	0	0.00	Tsung-Tien Kuo Mei-Lin Kuo Mei-Shan Kuo	Tsung-Tien Kuo is the owner of this trust property account The owner of this trust property account and Mei-Lin Kuo are relatives within the first degree of kinship The owner of this trust property account and Mei-Shan Kuo are relatives within the first degree of kinship	
Tsung-Jen Huang	2,262,769	1.13	0	0.00	0	0.00	Joray Co., Ltd. Asiavest Capital Co., Ltd.	Tsung-Jen Huang is the representative of Joray Co., Ltd. and Asiavest Capital Co., Ltd.	
Mei-Shan Kuo	1,477,492	0.74	0	0.00	0	0.00	Tsung-Tien Kuo Mei-Lin Kuo Tsung-Tien Kuo's trust account under the custody of Taishin International Bank	First degree of kinship Second degree of kinship The owner of this trust property account and Mei-Shan Kuo are relatives within the first degree of kinship	

VIII. Numbers of Shares Held in Invested Enterprises by the Company, the Company's Directors, Independent Directors, and Managerial Officers, and Enterprises Directly or Indirectly Controlled by the Company and the Consolidated Shareholding Ratio

December 31, 2024

Unit: shares

Investee	Investment by the Company		Investments of Directors, Supervisors, managerial officers and directly or indirectly controlled businesses		Combined investment	
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)
P.T.Hopax Indonesia	1,320,000	100	0	0	1,320,000	100
Phoenix Worldwide Group Ltd.	9,700,000	100	0	0	9,700,000	100
Hopax Worldwide Group Ltd.	35,000,000	100	0	0	35,000,000	100
Hopax Europe Ltd.	1,550,000	100	0	0	1,550,000	100
Hopax International (Shanghai) Co., Ltd.	The company is a limited liability company	100	0	0	The company is a limited liability company	100
Hopax Biomedical Tech. Co., Ltd.	5,000,000	100	0	0	5,000,000	100
SeeCure Taiwan Co., Ltd.	5,000,000	100	0	0	5,000,000	100

C. Fundraising

I. Capital and Shares

(I) Source of share capital

1. Capital formulation process

April 21, 2025

Unit: NT$ thousand; thousand shares

Year/ Month	Face Value Per Share	Authorized Share Capital		Capital Stock		Note		
		Shares	Amount	Shares	Amount	Source of share capital	Shares acquired by non-cash assets	Approval date and document number
2015/3	10	260,000	2,600,000	167,021	1,670,206	Retirement of treasury stock for capital reduction Employees' exercise of subscription right	None	Jing-Shou-Shang No. 10401028440 dated March 2, 2015
2015/6	10	260,000	2,600,000	167,306	1,673,056	Employees' exercise of subscription right	None	Jing-Shou-Shang No. 10401104410 dated June 1, 2015
2015/8	10	260,000	2,600,000	164,380	1,643,796	Retirement of treasury stock for capital reduction	None	Jing-Shou-Shang No. 10401182530 dated August 26, 2015
2015/12	10	260,000	2,600,000	164,539	1,645,386	Employees' exercise of subscription right	None	Jing-Shou-Shang No. 10401253870 dated December 1, 2015
2016/4	10	260,000	2,600,000	162,766	1,627,656	Retirement of treasury stock for capital reduction	None	Jing-Shou-Shang No. 10501068760 dated April 13, 2015
2017/9	10	260,000	2,600,000	160,524	1,605,236	Retirement of treasury stock for capital reduction	None	Jing-Shou-Shang No. 10601123950 dated September 8, 2017
2017/12	10	260,000	2,600,000	176,133	1,761,331	Conversion of convertible corporate bonds to shares	None	Jing-Shou-Shang No. 10601160870 dated December 5, 2017
2020/7	10	260,000	2,600,000	173,204	1,732,041	Retirement of treasury stock for capital reduction	None	Jing-Shou-Shang No. 10901139430 dated July 22, 2020
2022/4	10	260,000	2,600,000	173,490	1,734,903	Conversion of convertible corporate bonds to shares	None	Jing-Shou-Shang No. 11101055650 dated April 11, 2022
2024/10	10	260,000	2,600,000	199,490	1,994,903	Cash capital increase	None	Jing-Shou-Shang No. 11330179860 dated October 8, 2024

2. Shareholding type: The Company's shares are OTC-listed company shares

April 21, 2025

Shareholding type	Authorized capital (shares)			Notes
Common shares	Shares issued and outstanding	Unissued shares	Total	
	199,490,326	60,509,674	260,000,000	-

3. Shelf Registration in Taiwan: None.

(II) List of major shareholders

Names, shares, and percentage of shareholding of top ten shareholders or shareholders with more than 5% of equity

April 21, 2025

Shares / Name of major shareholder	Number of shares held	Shareholding ratio (%)
Fu Shih Hsin Investment Co., Ltd.	8,738,178	4.38%
Tai Ho Investment Co., Ltd.	6,885,601	3.45%
Tsung-Tien Kuo	4,130,031	2.07%
Asiavest Capital Co., Ltd.	4,000,000	2.01%
Mei-Lin Kuo	3,745,335	1.88%
Hung Hsin International Co., Ltd.	2,823,036	1.42%
Joray Co., Ltd.	2,606,352	1.31%
Tsung-Tien Kuo's trust account under the custody of Taishin International Bank	2,500,000	1.25%
Tsung-Jen Huang	2,262,769	1.13%
Mei-Shan Kuo	1,477,492	0.74%

(III) Company dividend policy and implementation

1. Dividend policy

If there is a surplus shown in the Company's final annual statements, the surplus shall be used to pay taxes in accordance with the law, and then used to compensate for deficits in previous years; 10% of the remaining amount shall then be allocated as legal reserve, but allocation to the reserve may not be required if the legal reserve has reached the Company's paid-in capital. The remaining earnings shall be apportioned to or reversed to the special reserve. If any balance remains, a proposal for distribution of the remainder together with the accumulated undistributed profits in the previous years shall be prepared by the Board of Directors and it shall be submitted to the shareholders' meeting for resolution.

The Company's industry is in a phase of stable growth. The Company considers the overall environment and its long-term financial plans to achieve sustainable and stable growth in its business development. The dividend policy is mainly based on an assessment of the annual funding requirements in the Company's future capital budget plans. The Company shall first retain required funding in earnings before distributing remaining earnings as cash dividends or stock dividends. As a principle, the percentage of cash dividends paid shall be no less than 10% of the total amount of cash dividends and stock dividends paid in the year. However, if the total amount of short-term loans and long-term liabilities due within one year in the financial statements of the fiscal year before the issuance of earnings is higher than the equivalent of the total cash and cash equivalents, or if the total liabilities are higher than half of the total assets, the cash dividends may be less than 10% of the total dividends paid.

The Company's business consists mainly of diverse developments based on the chemicals industry. The Company has adopted the residual dividend policy to pursue active growth in business operations. As the Company has demand for capital for the update of equipment, upgrade of production technologies, and plant expansion, the Company shall first retain required funding in earnings before distributing remaining earnings as cash dividends. As a principle, the dividends distribution rate shall be between 50% and 90%. However, the Company may adjust the aforementioned ratio based on actual requirements.

2. Dividend policy and implementation

The resolution of the Board of Directors (March 13, 2025) on the Company's 2024 earnings distribution proposal is as follows:

Item	Amount (NT$)
Opening undistributed earnings	688,538,653
Plus: Disposal of investments in equity instruments measured at fair value through other comprehensive gain and loss with accumulated profit or loss transferred directly to retained earnings	0
Plus : Remeasurement of defined benefit plan converted into retained earnings	15,331,616
Adjusted undistributed earnings	703,870,269
Plus: After-tax net profit of the current period	489,909,403
Minus: Provision for legal reserve	(50,524,102)
Plus: Reversion for special surplus reserve	70,670,490
Current year earnings available for distribution	1,213,926,060
Items for distribution: Cash dividends (NT$1.3 per share, calculated based on the 199,490,326 outstanding ordinary shares issued by the Company)	(259,337,424)
Ending undistributed earnings	954,588,636

(IV) Effect of stock grants proposed in the latest shareholders' meeting on the Company's business performance and earnings per share

Pursuant to regulations, the Company did not proposed any stock grants for 2023, and this item is not applicable.

(V) Remuneration of employees and Directors

1. Percentages or ranges of remuneration of employees and directors under the Articles of Incorporation

If the Company has generated profits in the current year, it shall allocate no less than 2% of the profits as employee remuneration, and the Board of Directors shall decide to distribute the remuneration as shares or cash, which can also be distributed to employees of parent companies or subsidiaries that meet certain criteria. The Company's Board of Directors may allocate no more than 2% of the aforementioned profits as remuneration for Directors. The allocation of remuneration for employees and Directors shall be reported to the shareholders' meeting. However, if there are still accumulated deficit, the Company shall reserve the amount to be covered in advance, and then allocate employee remuneration and Director remuneration in proportion as stipulated in the preceding paragraph.

2. Basis for estimating the amount of remuneration of employees and directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period

(1) Basis for estimating the amount of remuneration of employees and directors in current year:

According to the Company's Articles of Incorporation:

(2) Basis for calculating the number of shares to be distributed as employee remuneration for this period:

According to the Company's Articles of Incorporation, if the Company has generated profits in the current year, it shall allocate no less than 2% of the profits as employee remuneration, and the Board of Directors shall decide to distribute the remuneration as shares or cash.

(3) Accounting treatment for discrepancies between the actual and estimated amount of rewards to be distributed:

To be processed in accordance with changes in accounting estimates.

3. Remuneration proposals passed by the Board of Directors

(1) The Board of Directors passed the proposal to distribute NT$21,028,060 in remuneration for employees and NT$4,306,952 in remuneration for Directors in cash for the year 2024. There is no discrepancy between the aforementioned amounts and the estimates in 2024.

(2) The amount of remuneration to employees to be paid in shares and its percentage out of the standalone financial report for the current period in terms of the sum of net profit after tax and employee remuneration passed by the Board of Directors: None.

4. Any discrepancy between actual remuneration distribution of employees and Directors (including the number of shares, the amount and share price) and the recognized remuneration of employees and Directors, and disclosure of the differences, reasons, and responses

(1) The Company distributed NT$17,058,325 in remuneration for employees and NT$3,493,874 in remuneration for Directors in cash for the year 2023. There is no discrepancy between the aforementioned amounts and the remuneration for employees and Directors in the year in which the fees were recognized.

(2) Any discrepancy between the amount and the recognized remuneration of employees and Directors, and disclosure of the differences, reasons, and responses: None.

(VI) Company stock repurchase :

1. Completed: None.
2. Still in progress:

April 21, 2025

Tranche of the share repurchase	The eighth tranche
Purpose of the repurchase	To maintain the credit of the Company and the rights of stockholders
Type of shares for the repurchase	Common stock
Total amount of share repurchase	NT$ 2,601,846,075
Scheduled period of the repurchase	2025/4/14~2025/6/10
Scheduled number of shares for the repurchase	3,000,000 shares
Repurchase price range	NT$20.30~ 52.93
Type and shares of shares for the repurchase	Common stock, 219,000 shares
Amount of share repurchased	NT$6,668,900
Percentage of the number of shares repurchased to scheduled repurchase (%)	7.30 %

II. Issuance of Corporate Bonds

April 21, 2025

Type of corporate bond	Sixth issue of domestic unsecured convertible corporate bonds
Date	July 3, 2024
Face value	NT$100,000
Place of issuance and trading	Domestic issuance and listing on Taipei Exchange
Issue price	Issued at 115.46% of face value
Total amount	NT$500,000,000
Interest rate	Coupon rate: 0%
Duration	3 years (2024/7/3~2027/7/3)
Guarantee institution	None
Trustee	Taishin International Bank Co., Ltd.
Underwriting institution	KGI Securities Co., Ltd.
Certifying attorney	Yi-Cheng Peng, Attorney at Law
Certifying CPAs	Deloitte Taiwan CPAs Chiu-Yen Wu and Kai-Ning Hsu
Repayment method	Except for conversion or early redemption by the Company, early resale by the creditor, or cancellation by the Company, the bonds shall be repaid in cash at face value upon maturity.
Outstanding principal	NT$500,000,000

Terms of redemption or early repayment		(I) From the day after three months have elapsed from the issuance of convertible corporate bonds till the 40 days prior to the expiry of the issuance period, if the closing price of the Company's regular stocks has exceeded 30% (inclusive) of the convertible price for 30 consecutive business days, or if the total amount of outstanding corporate bonds is lower than 10% of the original face value at issuance, the Company may exercise its right to repurchase the convertible bonds. (II) Two years after the issuance of the convertible corporate bonds, the bond holder may sell the convertible corporate bonds before the expiry.
Restrictive clauses		None
The credit rating institution's name, date of rating, and corporate bond rating results		None
Other rights attached	Amount converted to ordinary (exchange or subscription) shares, global depository receipts, or other marketable securities as of the date of this annual report	Yet to be converted
	Issuance and conversion (exchange or subscription) method	Please refer to the corporate bond issuance information disclosed in the Bonds section in the Market Observation Post System
Issuance and conversion, exchange or subscription methods, and the condition of issuance that may dilute share equity and affect equity rights for the existing shareholders		Assuming that all the creditors of the convertible bonds request conversion at the current conversion price of NT$39.2, the cumulative conversion will create 12,755,102 common shares, which will result in a maximum dilution ratio of approximately 6.39% for the 199,490,326 shares held by the existing shareholders. The dilution effect would remain limited.
Name of the commissioned custodian institution for the exchange bid		None

Convertible bond data

Type of corporate bond		Sixth issue of domestic unsecured domestic convertible corporate bonds	
Item \ Year		2024	Current year as of March 31, 2025
Convertible corporate bonds	Highest	122.10	116.50
	Lowest	107.00	103.80

	Average	118.02	104.03
Conversion price (NT$)		39.2 (Note 1)	39.2
Issuance (processing) date and conversion price during issuance (NT$)		July 3, 2024 41.5	
Method of conversion		Payment by issuance of new shares	

Note 1: The convertible price was started from August 27, 2024.

III. Issuance of preferred stocks: None.

IV. Issuance of Global Depositary Receipts (GDR): None.

V. Exercise of Employee Stock Option Plan (ESOP): None.

VI. Restricted Stock Awards: None.

VII. Mergers, Acquisitions or Issuance of New Shares for Acquisition of Shares of Other Companies: None.

VIII. Implementation of Capital Allocation Plans:

The Company issued 26,000 thousand common shares in 2024 for cash capital increase, raising a total of NT$260,000 thousand to repay loans, build a plant, and purchase machinery and equipment. The cash capital increase was approved in Letter Jin-Guan-Zheng-Fa-Zi No. 1130342579 dated May 23, 2024, and extension of the offering period by three months was approved in Letter Jin-Guan-Zheng-Fa-Zi No. 1130352509 dated August 12, 2024. All payments for the shares were received on September 16, 2024. Implementation of capital allocation plans is described below:

(I) Contents:

1. The total amount of funding required for this plan: NT$4,051,166 thousand.
2. Source of funds:
   (1) The sixth domestic issue of 5,000 unsecured convertible corporate bonds. Each convertible corporate bond has a face value of NT$100 thousand, an issuance period of 3 years, and a coupon rate of 0%. The bonds are publicly sold through an auction, and the minimum bid may not be lower than 100% of the face value. The actual total issuance amount will be determined by the auction results.
   (2) Issue 26,000 thousand common shares for cash capital increase, with a par value of NT$10 per share and issue price of NT$32 per share, raising a total of NT$832,000 thousand.
   (3) Own funds or bank financing: NT$2,719,166 thousand.

3. Project items and expected progress

Unit: NT$ thousand

Project item	Expected completion date	Total amount of funding required	Expected fund utilization progress									
			2024		2025				2026			
			Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
Loan repayment	2024 Q3	500,000	500,000	-	-	-	-	-	-	-	-	-
Buildings of Pingtung Science Park Plant	2025 Q3	1,483,963	37,099	44,519	192,915	222,594	-	-	178,076	148,396	-	222,594
Machinery and equipment of Pingtung Science Park Plant	2028 Q2	2,067,203	10,000	-	10,000	-	190,634	241,191	136,337	214,307	403,819	10,000
Total		4,051,166	547,099	44,519	202,915	222,594	190,634	241,191	314,413	362,703	403,819	232,594

Unit: NT$ thousand

Project item	Expected completion date	Total amount of funding required	Expected fund utilization progress					
			2027				2028	
			First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter
Loan repayment	2024 Q3	500,000	-	-	-	-	-	-
Buildings of Pingtung Science Park Plant	2025 Q3	1,483,963	215,175	-	222,595	-	-	-
Machinery and equipment of Pingtung Science Park Plant	2028 Q2	2,067,203	214,312	293,368	33,072	109,237	146,130	54,796
Total		4,051,166	429,487	293,368	255,667	109,237	146,130	54,796

4. Expected benefits

(1) Repayment of bank loans

In this plan, NT$500,000 thousand will be used to repay bank loans, which is expected to reduce the burden of interest accruing on bank loans for working capital. due to operational turnover needs. Based on the interest rates of the bank loans of 1.833%, 1.85%, and 2.0526%, the proposed repayment is expected to save approximately NT$4,697 thousand in interest expenses in 2024, and further save approximately NT$9,395 thousand in interest expenses in 2025 and each year thereafter. This will moderately reduce the financial burden of the Company and strengthen its financial structure, which will benefit the overall development of the Company's operations.

(2) Build a plant in Pingtung Science Park and purchase related machinery and equipment

This plan will mainly use funds to build a plant in Pingtung Science Park and purchase related machinery and equipment. The expansion plan is in response to the growing demand of European and American customers for biological buffers, to meet the growing demand of existing customers, and to pursue more orders from well-known biopharmaceutical customers around the world. The Company plans to start mass production in 2028, and the cumulative operating income, gross profit, operating profit, and cash flow in 2028-2031 is estimated at NT$12,459,909 thousand, NT$4,551,887 thousand, NT$3,409,375 thousand, and NT$4,350,467 thousand, respectively. The payback period is estimated at 3.19 years.

(II) Implementation status

Pursuant to Article 9, Paragraph 1, Subparagraph 7 of the "Regulations Governing The Offering and Issuance of Securities by Securities Issuers," the Company requests the underwriter, KGI Securities Co., Ltd., to provide an evaluation opinion on the progress of the plan, the reasonableness of the purpose for the funds not yet used, and whether there are any changes to the plan on a quarterly basis. The implementation status as of 2025 Q1 is as follows:

Unit: NT$ thousand

Project Item Implementation	Project Item Implementation		As of the first quarter of 2025	Reason and Improvement plan while ahead of / behind the schedule
Loan repayment	Amount disbursed	Expected	500,000	The plan was completed in 2024 Q4 as planned.
		Actual	500,000	
	Implementation progress(%)	Expected	100	
		Actual	100	
Build Pingtung Science Park Plant and purchase related machinery and equipment	Amount disbursed	Expected	294,533	As of 2025 Q1, the actual amount of funds used is NT$2,189 thousand, mainly due to the delay in land preparation progress at the Pingtung Science Park. The land handover time is expected to be postponed to 2025 Q4, resulting in the postponement of expenses related to the plant. After the land handover is completed in coordination with the science park, we will actively adjust the progress of plant construction.
		Actual	2,189	
	Implementation progress(%)	Expected	8.29	
		Actual	0.06	

D. Business Overview

I. Business Scope

(I) Business scope

1. The company's main business activities

(1) Production, processing, trading, and agency of chemical materials.

(2) Production, processing, trading, and agency of chemical materials for use in drugs.

(3) Production, processing, trading, and agency of chemical materials for industrial use.

(4) Production, processing, trading, and agency of chemical products for paper making.

(5) Production, processing, trading, and agency of self-adhesive notes, tapes, and products.

(6) Environmental inspection businesses and the planning, design, production, and trading of instruments and equipment for such use.

(7) Production, trading, and technical services for chemical materials for water treatment.

(8) R&D and production of medical products and biotechnology.

2. Revenue breakdown

The breakdown of The company's operating revenue by major product categories is as follows:

Specialty Chemicals：31%

Fine Chemicals：40%

Office Supplies：27%

Others：2%

3.Current products (services) of The company

Product		Name of Main Products
Specialty chemicals	Paper making chemicals	Hollow resin, dispersant, lubricants, anionic (cationic) surface sizing agent, ultra-fine dispersant for wet-grinding calcium carbonate, medium alkaline sizing agent, anion neutralizing agent, cohesion enhancer, retention and drainage aid, titanium dioxide dispersant, etc.
	Chemical materials for water treatment	Polymers, COD removal agent, fly ash curing agent, metal capturing agent, polyaluminum chloride, sedimentation control agent, geotechnical stabilizer, chelating agent, dispersant, etc.

Product		Name of Main Products
	NCR chemicals	NTR, color developers, microcapsules, spacer, wall materials, and emulsifiers.
Fine chemicals		Biological cleaning agents, biological buffers, waterborne polyurethane, sulfonate chain modifiers, amino acid series, additives for electroplating, additives for lithium-ion batteries, aldehyde removal additives, etc.
Office supplies		Repositionable self-adhesive products (Stick'N), self-adhesive markers and tapes, sticky products for education purposes, customized sticky products, etc.
Others		GreenKey de-formaldehyde removal products,GreenKey comprehensive de-formaldehyde removal services, HYGIENECARE anti-bacterial products, HYGIENECARE home cleaning products, HYGIENECARE pet care series and NBC mesh.

4.New products (services) under development

(1) Specialty chemicals: Development of new sizing agents for industrial paper applications, hollow resin for high-end thermal paper, high-end electronic ceramic dispersant, precision structural ceramic dispersant, specialty chemicals for textile printing, eco-friendly dioxide dispersant, hollow resin for high-end coatings, and eco-friendly water-proof and oil-proof heat-seal coating for food packaging paper.

(2) Fine chemicals: Development of additives for lithium-ion batteries, biological cleaning agents, peptides, and electroplating additives.

(3) Stationery supplies: Development of various innovative and customized re-stickable products and semi-finished products, new full-width coating products, eco-friendly sticky notes (FSC, Recycled, de-plasticized packaging and water-based processes), and expansion of new film products.

(4) Agricultural technology products: Biological agents are used in integrated crop management (ICM) and aquaculture to reduce the use of chemical agents and increase the yield and quality of agricultural crops and aquaculture products. Agricultural spreader products reduce surface tension and increase permeability,

making pesticides and fertilizers more effective.

(5) Hopax Biomedical products: GreenKey and HYGIENECARE series.

(II) Industry Overview

1. Current trends and outlook of the industry

(1) Specialty chemicals

① Paper making chemicals

The paper making industry has a long history and the entire paper manufacturing process has become very sophisticated. The industry has established solid foundations for development in the upstream production of raw paper and downstream printing and processing. In terms of paper types, the demand for paper in the forms of coated white paperboard, coated printing, writing paper, non-carbon lithography, and thermal paper has declined in recent years due to the widespread use of electronic products by the public. In Asian countries, medium and large paper mills are demanding higher quality, cost reduction, and solutions for environmental issues, which have become increasingly important. They are also actively transforming their production of specialty papers, which has driven the demand for paper manufacturing chemicals in thermal paper, greaseproof paper, and non-carbon copy paper for courier services. In terms of production technology and cost competitiveness, the company's years of investment and development has enhanced its technology to levels comparable to that of major manufacturers in Europe, the United States, and Japan. We are also committed to product development, process improvement, and cost reduction, and we have actively invested in the industrial paper market. As a result, we retain advantages in global competition.

② Chemical materials for water treatment

Environmental protection is an issue of global concern. Proper disposal of wastewater and other waste by-products is a basic requirement of the government and the people for manufacturers and major construction projects. As environmental protection requirements become more stringent and standards become higher, companies are paying more attention to the treatment of wastewater and they have made considerable investments to strengthen wastewater treatment facilities. The use of chemicals will increase after the completion and commissioning of water treatment facilities. The fly ash curing agent for refuse incinerators has been adopted by many enterprises and refuse incinerators. We have recently developed the ion chelating agent for water used in front-end textile dyeing to expand the applications of our

products.

③ NCR chemicals

The rapid development and adoption of office automation is now occurring in the current economic, medical, aviation, and other business activities, as well as in the law enforcement authorities that deal with traffic accidents, various types of cases, and other work. Due to the rapid development of rapid imaging and supporting equipment, thermal paper has replaced non-carbon copy paper and has become widely used in many types of technical paper in daily use. After the development of online shopping, the use of non-carbon copy paper in barcode printing courier triplicates has increased significantly. The Company has achieved a breakthrough in improving the quality of hollow resin used for thermal paper, and our market share in major paper manufacturers in China has increased significantly in recent years.

(2) Fine chemicals

Fine chemicals include many products that can be used for electronics, medicine, and biotechnology industries. The electronics industry has made rapid advancements in recent years, but the medical and biotechnology industries are gradually gaining attention. They will undoubtedly become the next wave of high-growth industries after the rapid development in the information and computer industries. In response to this fast-growing market with unlimited business opportunities, the company will focus on the following core items: Biological buffers and cleaning agents, amino acid series, waterborne polyurethane, biomedical materials, personal care products, electroplating additives, additives for copper foil, additives for lithium-ion batteries, feed additives, and home formaldehyde removal. Any one of these fields will offer business opportunities worth at least hundreds of millions to billions of dollars. To meet the future trends for products with high purity and low residue, the company has already met standards for ultra-pure quality and has established a production base for additives for lithium-ion batteries in China to meet the growing demand in the market.

(3) Office supplies

Stick'N has become a common product for daily use in developed countries. Although the popularity of smart electronic products do indirectly affected consumers' habits of using traditional stationery in recent years, we

continued to gain new business in the global market, which means that there is still room for further growth.In addition to the expected growth of standard products, we cannot ignore the potential for the development of specialty products. The Company will target these trends and opportunities. To clearly differentiate our products from the current market leader, 3M, and to make the most use of the immense business opportunities, we actively invest in the development of emerging markets and product design innovation. Using proprietary production and adhesive technology, combined with the flexible use of marketing strategies, we strengthen alliances with major stationery brands or distributor alliances in various markets, and implement the cooperation strategy of commissioned design, development, and production of repositionable innovative stationery products.With the popularity of e-commerce and online shopping, Stick'N has assisted customers in recent years with sales on large global e-commerce platforms, developing products and adjust specifications according to channel attributes. We still achieved outstanding sales performance after the pandemic.

2. Relationships with upstream, mid-stream, and downstream companies

(1) Fine and specialty chemicals

Upstream	Midstream	Downstream
Manufacturers and suppliers of petrochemical materials Manufacturers and suppliers of organic chemical materials Manufacturers and suppliers of equipment	Manufacturers of fine chemicals Manufacturers of specialty chemicals	Biotechnology pharmaceutical companies and laboratories Manufacturers of cosmetics Manufacturers of buffer solutions Manufacturers of electroplating solutions Manufacturers of lithium-ion battery electrolyte formulas Manufacturers of copper foils Resin manufacturing plants Starch manufacturing plants Paper plant and paper processing plants Mineral powder milling plants Coating manufacturing plants Cleaning agent manufacturing plants Technical service companies Incinerators Wastewater treatment facilities Textile and dyeing plants Water company plants Environmental protection companies

(2) Office supplies

Upstream	Midstream	Downstream
Manufacturers of specialty chemicals	Manufacturers of stationery supplies	Stationery supplies companies
Manufacturers of raw paper	Manufacturers of education and general products	Gift companies
Manufacturers of films		Niche product companies
Manufacturers of films packaging materials		General department stores
		Personalized and customized products
		Education supplies companies

3. Product development trends

(1) R&D and services

The key to the success of fine and specialty chemicals is to fully understand the quality and function requirements of downstream customers, and provide timely and satisfactory products and technologies to build a close relationship of trust with customers. We must implement continuous R&D, quality improvement, performance enhancement, or joint development of new products to maintain our competitive advantage in quality, cost, and technologies, and win together with customers.

(2) Development of the global market

The rising standard of living, economic development, and rapid growth of industries in Taiwan have led to a steady growth in demand for chemicals in the domestic market. However, it is important for domestic manufacturers to develop the global market. The specialty chemicals for paper manufacturing and non-carbon copy paper, NCR chemicals, milling and dispersant applications, fine chemicals, and stationery supplies produced by the company have reached global competitiveness in terms of quality, cost, and technologies. In the future, we will focus on improving our production capacity and integrating our global marketing efforts to increase our revenue and profitability.

(3) Focus on environmental protection

With rising environmental awareness across the globe, industrialized countries now consider the protection of the "Green Earth" as an important issue in their economic development. The chemical industry is also responding to this trend. We must strengthen the implementation of environmental protection concepts in the production process of products, introduce environmentally friendly manufacturing process, minimize the use of hazardous substances, reduce the creation of waste gas and wastewater, and enhance the disposal of waste materials. We must also develop the right products to meet customers' demand for environmental protection and create a positive environmental protection cycle.

4. Product competition

(1) Specialty chemicals

The field is wide with numerous foreign competitors such as Solenis, Dow, Kemira, BASF, Ecolab (Nalco), Lamberti, and SNF. Domestic

competitors consist of approximately 10 companies including Chang Chun Plastics, Yongsen, Taiwan Arakawa Chemical Industries, and Amazon. Competitors in Mainland China include Xinxiang in Henan, SNF China, Dongsheng, and Humo. The company has the most comprehensive product line in Taiwan (it maintains a portfolio of approximately 50 products at all times). By adopting a strategy of product diversification, it provides the most comprehensive product and technical services to our customers, which also forms an advantage for the company's continuous development of the competitive market environment.

(2) Fine chemicals

The company does not have similar competitors in Taiwan in terms of its fine chemicals, but it faces competition from foreign companies such as Raschig and Merck in Germany, Sigma Aldrich in the United States, and XZL in China. However, we have been able to maintain a leading market share by gaining customers' trust in high-precision applications and advantages in quality and price.

(3) Office supplies

The Company has successfully marketed the full series of stationery supplies to more than 100 countries across the world, in which products are sold under the our own brand, Stick'N, in more than 70 countries. Our global market share is second only to 3M and we have surpassed our competitor to become the market leader in certain regions. The variety of patented and innovative products and flexible production conditions has improved our competitive advantage and market development strength. Hopax has invested in new process development and introduced automated equipment in recent years. They will improve product quality, production capacity, and process efficiency, reduce production cost, and strengthen our competitiveness.

(III) Overview of Technology and R&D

R&D expenses and successfully developed technologies or products in the most recent year, up to the printing of this Annual Report

Unit: NT$ thousand

Year	R&D expenses	R&D results
2024	168,451	Specialty chemicals 1. High-end hollow resin used for thermal paper 2. High value non-carbon copy paper color developers 3. Electronics-grade ceramic dispersant 4. New structure ceramic dispersant 5. Masking hollow resin for coating 6. Cationic surface sizing agent for industrial paper Fine chemicals 1. New product development for biological buffers 2. Process improvement for biological buffer products 3. New product development for electroplating additives 4. New product development for peptide 5. Development of desalting technologies 6. New product development for biological cleaning agents 7. Process improvement for biological waterborne polyurethane additives 8. Development of crystalization technology Office supplies 1. FSC eco-friendly products 2. Development of water-based coating process technology Agricultural technology products 1. Agricultural biological agents 2. Agricultural catalysts 3. Biological agents for farming Hopax Biomedical 1. HYGIENECARE dishwashing mousse 2. HYGIENECARE deodorizing spray 3. HYGIENECARE mousse cleanser 4. HYGIENECARE paw care cream

2025Q1	36,068	Specialty chemicals 1. High-end hollow resin used for thermal paper 2. Low-odor eco-friendly non-carbon copy paper color developers 3. New structure ceramic dispersant 4. Masking hollow resin for high whiteness coating 5. High value cationic surface sizing agent for industrial paper 6. Eco-friendly water-proof and oil-proof heat-seal coating for food packaging paper Fine chemicals 1. New product development for biological buffers 2. Process improvement for biological buffer products 3. New product development for biological cleaning agents 4. New product development for electroplating additives 5. New product development for peptides 6. Development of new reaction technology 7. Development for new purification technology Office supplies 1. Rolled-up eco-friendly self-adhesive note with water-based process 2. Water-based ultra-sticky eco-friendly self-adhesive notes Agricultural technology products 1. Agricultural nutrient solution 2. Biological agents for farming 3. Agricultural biological agents 4. Agricultural spreader

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

1. Short-term business development plans

(1) Implement customer satisfaction services and develop business strategies for high quality and superior services

We shall improve our product portfolio, actively participate in exhibitions for related products, enhance our visibility, develop strategies for high-quality products, strengthen customer satisfaction services, and increase customers' willingness to purchase products to increase our market share.

(2) Improve production process and reduce production costs

We shall strengthen the development of product application technologies, seek and develop alternative raw materials to reduce costs, and improve product quality and manufacturing processes to enhance production efficiency and increase product efficiency and functionality and compete with major international manufacturers.

(3) Stable growth in business objectives

The Company shall expand the scale of production based on the

implementation of the business strategy to support the continuous growth of business objectives.

(4) Focus on both sales and profitability objectives

To achieve sustainability objectives, the Company focuses on both the continuous growth in revenue and the profitability of products as objectives for growth.

2. Long-term business development plans

(1) Establish an international market image with reasonable prices, high quality, and a professional technical team

We shall continue to expand our market share in the fine chemicals market to consolidate our advantages in the specialty chemicals market. We shall enhance our international market image with reduced costs and a high-quality and high-tech technical service team.

(2) Establish technological cooperation partnerships with international companies

Seek opportunities to cooperate with European and American manufacturers to form strategic alliances and cooperative production to achieve internationalization.

(3) Product differentiation and brand internationalization

Use product innovation and differentiation from competitors to achieve market differentiation and establish an international brand to increase product awareness.

II. Market Outlook

(I) Business Scope

1. Sales region of major product

Sales region of major product in 2024

Unit: NT$ thousand

Product Amount Region		Specialty Chemicals	Fine Chemicals	Office Supplies	Others	Total
Domestic		163,230	131,321	26,296	74,685	395,532
Export	Asia	1,316,984	563,507	404,662	-	2,285,153
	Europe	-	630,233	455,691	-	1,085,924
	America	-	587,343	338,742	-	926,085
	Others	153	336	52,610	-	53,099
	Minor Total	1,317,137	1,781,419	1,251,705	-	4,350,261
Total		1,423,149	1,912,740	1,278,001	74,685	4,745,793

2. Market share

The company is a professional manufacturer of chemical products. Its main products are paper making chemicals, chemical materials for water treatment, fine chemicals for medical and biotechnology, and stationery supplies derived from pressure-sensitive adhesives.

The main customers of paper making chemicals are major paper companies in Taiwan and foreign countries. Products are mainly sold to Mainland China, Indonesia, Thailand, India, Korea, and the Middle East. Chemical materials for water treatment consist mainly of chemicals for boiler water for production, cooling water treatment agents, coagulants, polymer coagulants, metal chelating agents, and biological agents. All companies and factories with boilers, cooling systems, and raw water and wastewater treatment facilities are potential customers. The Company also sells fly ash curing agents to refuse incineration plants, and its water treatment products are mainly sold domestically, supplemented by export sales. We have expanded sales of products in fields such as offshore oil spill treatment and detergent additives. The company's fine chemicals are mainly sold to overseas markets, which mainly include the United States, Europe, Japan, and Korea. Stationery supplies are mainly exported to more than 100 countries worldwide. We are the second largest supplier of professional repositionable self-adhesive products in the world after 3M. We have attained market leadership in markets such as Northern Europe , New Zealand and Australia, and hold a market share of nearly 30% in the domestic market in China and Taiwan. In addition to the global marketing of our own brand, we have established strategic alliances with major leading brands in main global markets (Europe/Japan/Americas). In the past three years, he company has succeeded in winning the most important channel for OEM production from major competitors in the four main markets including the United States, Europe, Japan, and China. In terms of increasing market share and new product sales, we will have more influence in the market.

In terms of the market share, our overall market share in the paper making chemicals market in Taiwan is approximately 40% to 50%. The company's market share in chemical materials for water treatment is approximately 15% while its share of the domestic market for certain special products such as chemicals for non-carbon copy paper is over 90%. The company has become a main global supplier of products such as biological buffers, and electroplating additives used for

fine chemicals. As the Company has obtained advantages in sulfonate chain modifiers and synthesis technologies for derivatives, we have developed a series of sulfonate products with comprehensive product lines. The excellent quality has received wide acclaim from major international companies and pharmaceutical companies. Our main competitor in stationery supplies is 3M. After implementing an sales strategy to expand into the domestic market, we are now ranked among the top two suppliers in the domestic markets in Taiwan with 3M. We have achieved rapid growth in the China market after becoming the main supplier to the largest stationery company in China. In terms of export sales, we continue to strengthen our global market expansion. Besides cooperating with major customers of office stationary supplies in the European market, we have seen significant growth in North American retail chains and Japanese office channels, which makes us confident that there will be another wave of growth in the next few years.

3. Future market supply and demand and future growth

In terms of paper making chemicals, the growth rates of the papermaking markets in various regions around the world are different. Due the fierce competition in the Chinese market, the cumulative production of paper and paperboard was 116.33 million tons, up 11.39% YoY. Cumulative production of virgin pulp reached 13.86 million tons, up 17.4% YoY. Cumulative production of paper products was 47.9 million tons, down 10.8% YoY. From January to September 2024, 25.64 million tons of pulp was imported, down 4.4% YoY; 210,000 tons of pulp was exported, up 40,000 tons compared with the same period last year. The total production of paper and paperboard is estimated at approximately 136 million tons for the year, up 4.9% YoY. The apparent consumption of paper and paperboard was approximately 136.5 million tons, up 3.7% YoY. Overall, despite the challenges of fierce market competition and production difficulties of some companies, China's papermaking industry still showed strong growth momentum and market adaptability in 2024.

In terms of the Indian market, per capita paper consumption in India is just over 13 kg, well below the global average of 57 kg.This means India’s paper and paperboard industry still has huge potential for growth, India's domestic paper consumption is expected to increase to 23.5 million tons/year and output to 22 million tons/year by 2024-25. India needs to create approximately 1 million tons of general pulp, paper, and paperboard production capacity per year on top of existing

capacity to meet growing demand.

The fine chemicals produced by the company are mainly used in biotechnology industries such as the pharmaceutical industry, diagnostic reagents, lithium-ion battery industry, cosmetics, and electroplating industry. The biotechnology industry benefits from the rising demand for biopharmaceuticals, rapid testing devices, and biochips, which are growing at an annual rate of nearly 5%. As many of our products have been certified by well-known pharmaceutical companies, the average sales growth rate of our main products has increased in the past two years. Our additives for copper foils also benefited from increased demand in the electric vehicle and energy storage industries in China, and we have increased our market share to 25% in China in 2021.

Stick'N is already well known in Europe and the United States. It has also become increasingly popular in emerging markets and is widely adopted for business use. The self-adhesive notes produced by the company has its own brand and global marketing value, and its quality has reached world-class standards. We expect rapid growth in the Domestic sales and export market based on our innovative product development, differentiated competitive strategies, and product development partnerships with key customers in Europe and the United States.

4. Competitive niches, favorable and unfavorable factors for future development, countermeasures

(1) Favorable factors

① Solid foundations for technical services

The Company has passed EXCiPACT GMP and ISO9001 certification, and the quality of our products has reached international standards. We have a comprehensive product line and we can provide effective and fast services to meet the different needs of our customers. We have the capacity to compete with renowned domestic and foreign manufacturers, which helps consolidate the Company's international reputation and market expansion.

② Research and development capabilities

Paper chemicals is an industry with advanced technologies, high added value, and diversity. The Company has set up a research and development unit dedicated to the development of new products, formula improvements, cost reduction, and quality enhancement. We improve our products to meet the needs of our customers, and use our application technology to teach our

customers how to use the agents and provide excellent after-sales service, which greatly improve our competitiveness.

Fine chemicals are high-tech and high value-added products. We can develop chemicals for raw materials to meet the needs of individual customers for their products or processes. This capability has received recognition in pharmaceuticals, biotechnology, cosmetics, and waterborne polyurethane market.

③ Immense market potential

In terms of paper making chemicals, the continuous increase of paper making capacity in emerging countries in Asia helps support the sales of the products. In terms of water treatment chemicals, the rising environmental protection awareness has encouraged companies to make considerable investments in wastewater treatment to improve the environment. The market therefore has great potential.

As the demand for fine chemicals in the pharmaceuticals, copper foil, and electric vehicle markets grows, we will continue to improve product quality and actively develop export markets to consolidate and increase market share, and thereby achieve sales growth in biological buffers, copper foil, and electroplating additives.

As our main competitors are shifting their efforts away from the OEM market for office stationery supplies, coupled with our quality and technological breakthroughs, we will be able to increase sales in OEM markets for office stationery supplies in various regions and countries.

④ Patent protection create entry barriers for competitors

The Company's products are mostly developed by the Company and we have applied for patents and trademarks. In an era with strong protection for intellectual property rights, the protection helps us create entry barriers for competitors.

⑤ Diverse production and marketing strategies

The Company's production and marketing strategies of stationery supplies can be adjusted with flexibility in production based on customers' diverse demands. We also innovate and develop different new products for different channels for different markets such as gifts, students, and office applications with a complete range of products. We also work with

world-class stationery distributors to develop innovative products and expand business opportunities.

(2) Unfavorable factors

① Some of the company's raw materials are petrochemicals and are susceptible to fluctuations in international crude oil prices, which affect the cost of goods sold.

Countermeasures:

In terms of the acquisition of raw materials, we will actively develop alternative raw materials and increase the number of sources of supply in response. In terms of internal production management measures, we will endeavor to make timely adjustments of material inventories and reduce waste. In terms of sales, we will create and maintain profits from sales of high value-added items by adjusting our sales product portfolio. We have established measures for R&D, production, and sales to mitigate the impact of fluctuating raw material prices.

② Competition in the market may affect the prices of our products.

Countermeasures:

We offer products with quality that meets customers' needs, and maintain a reasonable product value and profitability through strategies and changes such as allocation of production resources, improvement in production efficiency, and process optimization.

③ Overall market demand may affect our revenue.

Countermeasures:

"Innovation" is one of the three management philosophies of the company, and we have designed the organization and related systems in a manner suitable for adhering to this philosophy. The benefits of "innovation" include: launch of new products, development of new markets, and creation of new sales models, which can all be used to create and enhance the revenue.

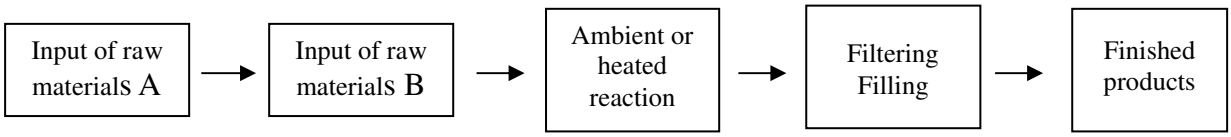
(II) Application and production process of main products

1. Important applications of main products

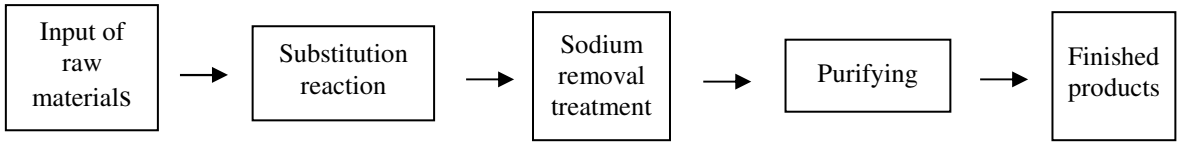
Product		Applications of main product
Specialty chemicals	Paper making chemicals	Additives used in the production and processing of paper are used to adjust the physical and chemical properties of paper such as the strength, printing attributes, writing attributes, and appearance to increase the added value of the paper product.
	Chemical materials for water treatment	Industrial water treatment additives are used to improve water quality, prevent corrosion and scale formation in equipment, and extend the life of machinery and equipment. Wastewater treatment agents are used to treat tap water and wastewater to increase the water quality to levels that meet environmental standards for use or discharge. Ionized chelation removal in preliminary dyeing.
	NCR chemicals	Applications for non-carbon copy paper and heat-sensitive paper.
	Cleaning chemicals	Additive used in the production of cleaning and detergent chemicals for preventing the formation of soap stains, dispersion of dust, and improvement of the effectiveness of phosphate-free detergents.
	Milling chemicals	Applications for pigments, ceramics, metal grinding, and dispersing agents.
Fine chemicals		Precision chemicals consist mostly of the development of intermediates and additives. They are used in various industries such as pharmaceuticals, biochemistry, special plating, lithium battery additives, copper foil process, aqueous resin, feed additives, and home formaldehyde removal.
Office supplies		Products such as self-adhesive notes, tapes, and other products can be used for filing, messages, and labeling purposes. In addition to the traditional office and stationery markets, we also developed new sticky products for education purposes and customized such products to expand product development and reach to education, children, games, general use, and creative industries.

2. Production process

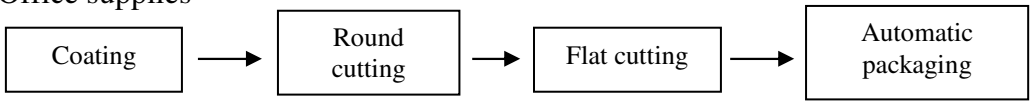
(1) Specialty chemicals



(2) Fine chemicals



(3) Office supplies



(III) Supply of main raw materials

The main raw materials used in the production of chemicals for papermaking and fine chemicals are petrochemicals or general organic compounds derived from petrochemicals. The Company and the subsidiary company in Indonesia purchase raw materials developed, produced, or imported as intermediate products for reprocessing by domestic petrochemical manufacturers, and import other raw materials from foreign countries. The materials used by the subsidiary in China are mainly supplied by local manufacturers and a small number of materials are imported from foreign countries. As the company adopts planned production, the procurement of materials is also planned. There is therefore no shortage in the supply.

The main raw materials used in the production of office stationery products are pressure-sensitive adhesives and raw paper. The pressure-sensitive adhesives are developed and produced by the Company. For raw paper, the Company implements ESG localization to support domestic industries, purchasing a portion from domestic paper mills and the rest from foreign paper mills. The subsidiary Kunshan Hopax purchases materials from paper mills in Mainland China and foreign countries to mitigate supply risk.

(IV) List of key suppliers and customers

1. Information on main suppliers accounting for 10% or more of the Company's total purchases in either of the 2 most recent years

Unit: NT$ thousand; %

	2023				2024				2025 up to the end of the previous quarter			
Item	Name	Amount	Percentage of annual net purchases(%)	Relationship with issuer	Name	Amount	Percentage of annual net purchases(%)	Relationship with issuer	Name	Amount	Net purchase ratio from the end of the year to the previous quarter(%)	Relationship with issuer
1	Company A	213,685	14.75	Non-related party	Company A	184,637	11.23	Non-related party	Company B	53,046	12.87	Non-related party
	Others	1,234,714	85.25		Others	1,458,893	88.77		Others	359,171	87.13	
	Net amount for purchases	1,448,399	100		Net amount for purchases	1,643,530	100		Net amount for purchases	412,217	100	

Reasons for changes: The Company's purchase amount from Company A in 2024 was less than that in 2023. This is mainly due to the slowdown in sales of its main products compared with last year. The amount of purchases from Company B in 2025 Q1 increased mainly due to changes in the product profolio.

2. Information on main customers accounting for 10% or more of the Company's sales purchases in either of the 2 most recent years: No customer accounted for more than 10% of the total sales of the company.

III. Employee Information

Overview of employees in the most recent year and as of the printing date of the annual report

Year		2023	2024	As of March 31, 2025
Number of employees	R&D personnel	56	56	55
	Management personnel	421	431	426
	Operators	496	484	494
	Total	973	971	975
Average age		39.55	39.75	39.71
Average years of service		10.13	9.97	10.03
Education background distribution %	PhD	0.92	0.92	0.91
	MA	10.29	10.92	10.88
	University/college	47.15	47.04	47.02
	High school	30.65	30.36	30.56
	Below high school	10.99	10.76	10.63

IV. Environmental Protection Expenditure Information

(I) Losses incurred as a result of environmental pollution (including compensation and environmental protection audit results that violate environmental laws and regulations; the date of punishment, the number of the punishment, the provisions of the statute violated, the content of the statute violation, and the content of the punishment should be listed) in the most recent year and up to the date this annual report was printed, and estimations for possible losses in the future and response measures: None.

V. Employer-Employee Relations

(I) Employee welfare measures, pension system, important labor-management agreements, and implementation status thereof

1. Employee welfare measures

The Company pays close attention to employee welfare because employees are the most valuable assets of the Company. In addition to the labor and health insurance schemes required by government regulations, the Company also implemented the following measures:

(1)Establishment of the "Employee Welfare Committee", distribution of gift money for employee birthdays, gift money or gift coupons for holidays, scholarships for

employees each year, and employee travel activities.

(2)The Company organizes "Hopax Family Day" events to connect employees and families, and allow employees and family members to enjoy the benefits provided by the Company.

(3)Periodically employee medical examinations.

(4)The Company enrolls all employees under the NT$1 million accident insurance policy, NT$200,000 life insurance policy, and hospitalization insurance policy.

(5)Art and cultural activities, seminars with celebrities, family seminars, and happiness lectures.

(6)The Company encourages employees to set up clubs and established regulations for club subsidies.

(7)The Company established the "Children Summer Camp - Young Chemists" event for free participation by employees' children. It incorporates simple, safe, and fun experiments for children to explore the wonders of chemistry.

(8)The Company provides every Hopax baby with a "HYGIENECARE Newborn Gift Box" to protect the health of employees' children.

(9)The Company organizes "Hopax year-end dinner party" events to connect employees and increase the sense of happiness in the Company.

(10)The Company provides free tickets for art and cultural activities to employees from time to time.

(11)Employee shareholding trust: The Company has implemented the employee shareholding trust system starting from January 2022 to increase employees' support for the Company, develop an awareness for treating employees as shareholders and business partners, enhance the harmonious employee and employer relations, connect employees' work performance to the Company's growth, and provide better support for their life in retirement. Participating employees can freely choose their contribution plan based on their rank. The Company shall make contributions equal to the employees' monthly contributions as incentives. All funds appropriated will be deposited into a dedicated account in the financial institution for purchasing shares of the Company and their implementation and management. Participating personnel shall receive the shares from the trust when they resign or retire from the Company.

(12)We organized "Hopax Charity Points Collection GO" to encourage Hopax employees and their family and friends to do charity together to show care for society.

(13)In 2024, we established the Hopax Regulations for don500 Voucher Subsidies to encourage employees to participate in internal and external sports events, thereby improving the health and energy of all employees.

2. Training system

The Company has established a foreign language training program to encourage employees to continue their education and strengthen their foreign language skills to improve the skills of employees and support business development. Employees who attend the courses in the schools approved by the Company will receive a subsidy of 75% of the tuition. Where the employee attends the course due to business requirements or where the President approves the attendance, all costs shall be borne by the Company.

3. Training system

The Company has set up the Employee Training Regulations in order to provide appropriate training for the Company's employees to improve their skills and knowledge, and maximize their potential and intelligence to enhance their work efficiency and thereby attain the Company's business targets and increase effectiveness.

The Company's training programs include:

(1)Orientation: It trains new employees to increase their familiarity with the Company's environment and work skills as soon as possible.

(2)Professional competency training: The Company's supervisors organize a series of training courses each year to enhance the professional competencies of employees.

(3)Management competency training: The HR Department of the Management Division plans management courses for supervisors at all levels to enhance their management competencies.

(4)Talent nurturing: The Company analyzes the competencies required for key positions for planning training programs.

(5)Book club activities: The Company holds EMBA book club activities for supervisors ranked Group Leaders and above.

(6)Online learning platform: To retain the Company's important knowledge and pass on experience, we planned a dedicated online learning platform, digitalized courses, and officially launched the platform at the end of 2023.

4. Pension system

The Company established the Supervisory Committee of Workers' Retirement

Reserve Fund to manage the use of the pension fund. The Company also established a pension system in accordance with government regulations.

(1)Employees may apply for voluntary retirement under any of the following circumstances:

a. Employees who are over 55 years old and have provided services at the Company for 15 years or more.

b. Employees who have provided services at the Company for 25 years or more.

c. Employees who are over 60 years old and have provided services at the Company for 10 years or more.

(2)The Company may not force employees to retire unless they meet one of the following circumstances:

d. Where the employee is over 65 years old.

e. Where the employee has disabilities that prevents him/her from working.

(3)The calculation and payment of employees' pension shall be based on the following standards:

a. Where the employee's service period started before July 1, 2005 and the employee opted for the pension system under the "Labor Standards Act", the pension shall be calculated as follows:

a-1. Employees who have provided services for less than 15 years are given 2 base points for every full year of service.

a-2. Employees who have provided services for more than 15 years are given 1 base point for every full year of service.

a-3. Employees' pension shall be capped at 45 base points.

b. Where the employee's service period started before July 1, 2005 and the employee opted for the pension system under the "Labor Pension Act", the pension shall be calculated as follows:

b-1. The pension for the number of years of service prior to July 1, 2005 shall be processed in accordance with the standards set forth in Item a above.

b-2. The pension for the number of years of service after July 1, 2005 shall be processed by the Company in accordance with the salary classification table, and the labor pension of 6% of the monthly salary shall be appropriated each month.

c. The pension payment for all employees who reported for duty after July 1, 2005 shall be processed by the Company in accordance with the salary classification table, and the labor pension of 6% of the monthly salary shall be appropriated each month.

The Company also encourages employees to explore diverse development, and the existing years of service of employees transferred to an affiliate or to overseas assignments are retained to protect the rights of employees. The Company also presents retiring employees with special gifts to express the Company's gratitude for employees' years of services.

5. Employee safety and health

The Company exceeds requirements in regulations by providing one employee health examination each year and organizing health promotion activities. We also received the ISO 45001 Occupational Safety and Health Management System certification (effective period: December 18, 2024 to December 18, 2027). We have obtained the Healthy Workplace Certification Health Promotion Mark (valid period: January 1, 2024 to December 31, 2026).

The Company's results in 2024 are as follows:

(1)The Company appoints specialist physicians of occupational diseases to provide onsite services each month to provide medical and healthcare consultation and assistance for employees.

(2)The Company actively promotes occupational health promotion and plan a diverse range of health promotion activities based on the results of health examinations. The Company organizes health examinations (including oral cancer and colorectal cancer screening by the Health Promotion Administration) at regular intervals each year to examine employees' health. The Company also organizes pap tests, breast ultrasound, and other examinations for women and promotes flu vaccination provided by the Health Promotion Administration. We also established a health club, organize health seminars and family day events to improve employees' self-health awareness and actions to maintain a healthy work environment for employees.

(3)The Company organizes special health examinations for workers who engage in special hazardous work in plants. We established a health management database and implement tiered management in accordance with regulations.

(4)The Company has established a comprehensive safety and health program (including maternal health protection, prevention of cerebral and cardiovascular diseases caused by work, and ergonomic hazard assessments), and uses the health examination results and health management system to compare and analyze the questionnaires as well as the detailed items and results before and after the health examination. We implement comprehensive health management mechanisms based on the type and degree of anomalies such as classification/tracking/medical

consultation to ensure effective, systematic, and continuous management.

6.Other important agreements: None.

The Company has always been committed to improving employee welfare and the work environment. We organize regular labor-management meetings to maintain smooth communication channels between labor and management.

(II) Losses sustained due to labor disputes in the most recent year and up to the date of report, and disclose current and future estimated amount and response measures: There were no losses due to labor disputes. However, the Company was found in violation of Article 38 of the Labor Standards Act during labor inspections, and was imposed the following fines: <Letter Gao-Shi-Lao-Tiao-Zi No. 11432498900 dated April 14, 2025>, and was fined NT$20,000. The Company will immediately make improvements to comply with regulatory requirements.

VI. Information security management

(I) Information security management framework

1.The unit responsible for information security management at the Company is the President Office and Information Management Center, which is responsible for planning and implementing the information security management policies, ensuring the security of our information systems and data and preventing unauthorized access..

2.The Company implements related safety audit tasks in accordance with information security requirements for internal and external audit and continuously improves the information security protection capacity of the Company.

(II) Information Security Policy

1.Ensure the attainment of three major information security requirements (confidentiality/integrity/availability).

2.Implement data authorization management.

3.Ensure the normal operations of the information system.

4.Implement actions in response to information security vulnerabilities: Information security training on internal controls for the information cycle and information security inspections are organized every year. The training makes employees aware of the importance of maintaining information system security, strengthens their concepts of information and password protection, and makes units attach greater importance to information security issues: More than 50 new employees completed the training in 2024.

(III) Specific management plans

1.Introduction of various information security protection tools (anti-virus software / VPN / VDI / two-factor authentication / DDI / SPAM / BigFix / SOC / firewall).

2.Establish emergency response procedures and implement collective defense for information security.

3.System recovery exercise: A total of 12 recovery drills were held in 2024, all of which were successful.

4.OA/OT network segmentation.

5. One social engineering drill was conducted in 2024.

6. Security operation center (SOC) services were introduced in 2024.

(IV) Information security management resources

Information security has become an important issue in company operations. The corresponding information security management matters and resource investment plans are as follows:

1. Sign information security equipment maintenance contracts to ensure the updates of related protection tools.
2. Anti-virus software / firewall / two-factor authentication / access control tool (X-FORT) / DDI / SOC / vulnerability fixes (BigFix) / E-mail Audit(MSE)/ Sensitive documents related to innovative R&D use TrustView VDP.
3. Taiwan Hopax Chems. Mfg., SeeCure Taiwan, and Hopax Biomedical e-mails use the Exchange Online version.
4. Information security announcements: Information security announcements are issued through internal letters, and irregularly communicate important information security regulations and precautions with employees of the Group.

(V) Losses arising as a result of major cyber security incidents in the most recent year up until the publication date of the annual report, potential impact, and response measures: None.

VII. Material Contracts

Nature of contract	Contracting party	Contract commencement/ expiration date	Main contents	Restrictive clauses
Long-term loan contract (Taiwan Plant)	Taipei Fubon Bank, Kaohsiung Branch	2024/9/19~2026/9/19	Credit loan: NT$120 million	None
Long-erm loan contract (Changshu Plant)	Shanghai Pudong Development Bank	2024/2/28~2029/2/28	Secured loan: RMB 36 million	Used for the acquisition of equipment
Sales contract (Indonesia Plant)	Company A	2024/6/24~2029/6/23	Sales agency activities	NDA

E.Financial Position, Financial Performance and Risk Analysis

I. Financial Status

Unit: NT$ thousand

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	3,014,668	4,210,592	1,195,924	39.67
Property, plant and equipment	2,666,512	2,696,384	29,872	1.12
Other assets	397,971	420,294	22,323	5.61
Total assets	6,079,151	7,327,270	1,248,119	20.53
Current liabilities	1,960,614	1,588,596	(372,018)	(18.97)
Non-current liabilities	208,333	53,718	(154,615)	(74.22)
Other liabilities	178,994	639,968	460,974	257.54
Total liabilities	2,347,941	2,282,282	(65,659)	(2.80)
Capital	1,734,903	1,994,903	260,000	14.99
Capital surplus	627,972	1,322,701	694,729	110.63
Retained earnings	1,720,478	2,008,856	288,378	16.76
Other equity	(352,143)	(281,472)	70,671	20.07
Total equity	3,731,210	5,044,988	1,331,778	35.21

Analysis description for items with increase and decrease ratio: (for changes exceeding 20%)

(1) The increase in current assets and total assets was mainly due to the increase in cash and cash equivalents resulting from the cash capital increase and the increase in accounts receivable and inventory.

(2) The increase in other liabilities and the decrease in long-term liabilities were mainly due to the issuance of convertible bonds to repay loans.

(3) The increase in capital reserve was mainly due to shares issued at a premium for the cash capital increase.

(4) The increase in other items of shareholders' equity was mainly due to the exchange differences arising from the net assets of foreign operations during the current period.

• Significant effect of changes in financial position in the recent two years:

No significant effect on financial position.

• Future contingency plan: N/A.

II. Financial performance

(I) Comparative analysis of financial performance

Unit: NT$ thousand

Item \ Year	2023	2024	Difference	%
Operating revenues	4,521,236	4,745,793	224,557	4.97
Operating costs	3,262,934	3,295,158	32,224	0.99
Gross profit	1,258,302	1,450,635	192,333	15.29
Operating expenses	717,503	791,058	73,555	10.25
Operating income	540,799	659,577	118,778	21.96
Non-operating income and expenses	(6,567)	15,559	22,126	(336.93)
Profit from continuing operations before tax	534,232	675,136	140,904	26.38
Income tax expenses	(104,242)	(185,227)	(80,985)	77.69
Profit from continuing operations after tax	429,990	489,909	59,919	13.93

Analysis description for items with increase and decrease ratio: (for changes exceeding 20%)

(1) The increase in net operating profit by NT$118,778 thousand was mainly due to the effect of adjustments to product sales price and product portfolio, which resulted in an increase in gross profit.

(2) The increase in non-operating income and expenses by NT$22,126 thousand was mainly due to the increase in exchange gains by NT$21,088 thousand compared with last year.

(3) The increase in pre-tax profit from the continuing operations by NT$140,904 thousand and increase in income tax expense by NT$80,985 thousand was mainly due to the increase in net operating profit.

(II) Expected sales and its basis, and the possible impact on the Company's future financial operations and response plans

The company estimates that the product sales quantity will reach 79,860 tons and 92,306 thousand square meters in 2025 due to the launch of new products, improvement in process technology, and expansion of new customers and new markets in 2025 based

on the past data in previous years, track records in 2024, market supply and demand conditions, and sales strategy.

III. Cash Flow

(I) Analysis of Cash Flow

Unit: NT$ thousand

Cash, Beginning of Year ①	Net Cash Provided by Operating Activities ②	Cash Inflow/ (Outflow) ③	Cash Surplus (Deficit) Balance ①＋②＋③	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
641,038	546,061	424,398	1,611,497	-	-

1. Analysis of the changes in cash flow this year:
   (1) The net cash inflow from operating activities of NT$546,061 thousand was mainly due to the decrease in operating profit, accounts receivable, and inventory for the current period.
   (2) The net cash outflow from investing activities of NT$284,736 thousand was mainly due to the purchase of plant, machinery, and equipment.
   (3) The net cash inflow from financing activities of NT$657,941 thousand was mainly due to the cash capital increase and issuance of convertible bonds and the repayment of a portion of long-term loans and convertible bonds that have matured.
   (4) The exchange rate effects on cash and cash equivalents resulted in a net cash inflow of NT$51,193 thousand.
2. Improvement plan for insufficient liquidity:
   The Company's net cash balance in the most recent year was NT$1,611,497 thousand, which was sufficient for the operations of the Company. This item is therefore not applicable.

(II) Cash Flow Projection For Next Year

Unit: NT$ thousand

Cash, Beginning of Year ①	Net Cash Provided by Operating Activities ②	Cash Inflow/ (Outflow) ③	Cash Surplus (Deficit) Balance ①＋②＋③	Remedy for Liquidity Shortfall	
				Investment Plan	Financing Plan
1,611,497	929,304	(1,585,230)	955,571	-	-

1. Analysis of the changes in cash flow this year:
   (1) The net cash inflow from operating activities was NT$929,304 thousand and was mainly due to the increase in net profit for this period.
   (2) The net cash outflow from investing activities of NT$1,481,617 thousand was

mainly due to the purchase of plant, machinery, and equipment.

(3) The net cash outflow from financing activities of NT$103,613 thousand was mainly due to the borrowing long-term and short-term loans and distributing cash dividends.

2. Improvement plan for insufficient liquidity:

The Company's estimated net cash balance for next year was NT$955,571 thousand, which was sufficient for the operations of the Company. This item is therefore not applicable.

IV. Impact of Significant Capital Expenditures on Financial Operations in the Past Year:

(I) Use and source of funds of major capital expenditures:

Unit: NT$ thousand

Project item	Actual or expected source of capital	Actual or expected completion date	Funding required Total amount	Actual or expected capital expenditures				
				2024	2025	2026	2027	2028
Pingtung Science Park Branch Expansion Project	Cash capital increase, bank financing, and own funds	Scheduled for 2028	3,551,166	-	948,953	1,313,529	1,087,758	200,926
Production and plant equipment	Own funds and bank financing	Scheduled for 2025	62,988	26,109	36,879	-	-	-

(II) Anticipated benefits

In addition to the Pingtung Science Park Branch, which is scheduled to begin mass production in 2028, the production volume of fine chemicals and specialty chemicals will increase by approximately 18,570 tons in 2025.

V. Reinvestment Policy, Reasons for Profit or Loss, Improvement Plans, Investment Plans for Next Year, and Investment Analysis Table

Unit: NT$ thousand(unless otherwise specified)

Explanation / Item	Initial investment amount	Investment policy	Recognized investment income (loss) of the investee for the most recent year (2022)	Main reason for profit or loss	Improvement plan	Investment plan for the next year
P.T.Hopax Indonesia	USD 13,200 thousand	The Company set up a plant in Indonesia based on its business expansion and global expansion plans	96,861	Sound management of product margins and expenses maintained profitability	None	Add automation equipment and replace storage tanks for finished products to improve operating efficiency and shipment control
Phoenix Worldwide Group Ltd.	USD 9,700 thousand	Development of overseas investment holding company	75,658	Recognized return on investment of the investee Kunshan Hopax Paper Products Co., Ltd.	None	None
Hopax Worldwide Group Ltd.	USD 35,000 thousand	Development of overseas investment holding company	39,295	Recognized return on investment of the indirect investee Changshu Hopax Chemical Co., Ltd.	None	None
Hopax Europe Limited	GBP1, 550 thousand	The Company set up a service location in the United Kingdom to provide services to customers in the area and expand business development	9,320	We aim to increase selling prices and generate profits with orders from high-margin customers	None	None
Hopax Biomedical Tech. Co.,Ltd.	NTD 50,000 thousand	Production and sales of general cleaning products	19,206	Profits from sales revenue and stable gross margin along with proper and cost-effective expense control	None	None

Explanation Item	Initial investment amount	Investment policy	Recognized investment income (loss) of the investee for the most recent year (2022)	Main reason for profit or loss	Improvement plan	Investment plan for the next year
SeeCure TAIWAN CO.,LTD	NTD 50,000 thousand	R&D and production of medical products and biotechnology	(39,978)	Losses due to continuous investment in R&D without generating profit	Development of new drugs for precision therapy	None
Hopax Holding Ltd.	USD 35,000 thousand	Development of overseas investment holding company	42,428	Recognized return on investment of the direct investee Changshu Hopax Chemical Co., Ltd.	None	None
Kunshan Hopax Paper Products Co., Ltd.	USD 9,300 thousand	Production, processing, and sales of stationery supplies	82,164	Continue to increase selling prices, improve operational efficiency through automation, and maintain product gross margin and profitability	None	Warehouse construction and factory renovation, add new process equipment, and replace important machine parts
Hopax International(Shanghai) Co., Ltd.	USD 1,200 thousand	Sales of chemicals and general cleaning products	3,223	Enhanced organizational structure maintained profitability	None	None
Changshu Hopax Chemical Co.,Ltd	USD 35,000 thousand	Production and sales of chemical products for pharmaceuticals, industrial applications, and paper-making chemicals	42,428	Continue to deploy sales strategies to maintain profitability	None	Factory revamp and add new process equipment to expand production items and improve operating efficiency

Note: The amounts were converted into NTD at the exchange rate of 32.785 for USD as of December 31, 2024.

VI. Risk Assessment: The following items in the most recent year and as of the publication date of the annual report

(I) The effects that interest rates, exchange rate fluctuations, and inflation have on earnings and losses of the Company as well as response measures

1. Impact on the profit and loss of the company

Item	2024		
	Amount (NT$ thousand)	As a Percentage of Operating Revenues(%)	As a Percentage of Profit Before Tax (%)
Interest expenses	23,151	0.49	3.43
Foreign Exchange Gains	44,135	0.93	6.54

In terms of the domestic financial environment, the demand from emerging technology applications have driven an export boom and better-than-expected economic growth in 2024. Although the rise of American unilateralism and the challenges of China's economic recovery are major uncertainties, the increase in demand for commodities is expected to continue to drive economic growth with existing advantages. The Directorate-General of Budget, Accounting and Statistics, Executive Yuan predicts that Taiwan's consumer price index will increase by 1.94% in 2025, which is a minimal risk. However, the U.S. tariff policy and supply chain restructuring may impact the global economy and cause greater fluctuations in domestic interest rates and exchange rates, so we still need to respond with caution. In general, the Company's response measures to the risk of interest rate and exchange rate changes are as follows:

1. Interest rate changes

The Company's capital plans are focused on stability. Short-term capital requirements are met by short-term loans and long-term capital requirements are met by long-term loans. In addition to closely monitoring fluctuations in domestic and international market interest rates and maintaining good relationships with financial institutions, we also regularly and flexibly evaluate various debt positions and financing policies to effectively manage interest rate risks by maintaining an appropriate combination of fixed and floating interest rates. We then choose the most favorable way of using funds to effectively reduce the Company's interest expenses.

2. Exchange rate changes

The company mainly focuses on exports and products are mainly quoted in USD and EUR. As most materials are imported, the procurement can be offset with recurring foreign currency assets and liabilities to produce a natural hedging effect. The Company adopts the following measures to respond to foreign currency risk exposure:

a. The Company maintains close contact with major partner banks and collects real-time information on exchange rate changes to determine exchange rate fluctuations and the expected changes. We also manage foreign currency positions based on the Company's capital conditions and international financial conditions to reduce the risk of exchange rate fluctuations.

b. We collect information on foreign currency exchange rates and select appropriate hedging instruments (e.g., forward exchange or adjustment of loans in foreign currencies) and maintain certain hedging ratios based on financial conditions to actively address the negative effects of exchange rate fluctuations.

Therefore, exchange rate fluctuations have limited impact on the overall operations of the company.

3. Inflation

According to the statistics of the National Statistics, R.O.C. (Taiwan), if 2021 is adopted as the baseline period, the Consumer Price Index (CPI) in 2024 would be 107.81, the annual growth rate of the domestic CPI in 2024 was 2.18%. Therefore, the Company shall cautiously monitor the impact of inflation and adjust sales prices reasonably when necessary.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and derivatives transactions, profit/loss analysis, and future response measures

1. High-risk or high-leverage investments: None.

2. Financing Provided to Others :

December 31, 2024 Unit: NT$ thousand

Lender	Financial Statement Account	Borrower	Financing Limit for Each Borrower	Highest Balance for the Period	Ending Balance		Reason for Short-term Financing	Aggregate Financing Limit
					Ending Balance	Actual Amount Borrowed		
Taiwan Hopax	Other receivables - related parties	Hopax Europe Ltd.	1,008,998 (Note 1)	7,080	6,828	-	Operating purpose	2,017,995 (Note 1)

Note 1: Under the Company's: Operational Procedures for Loaning Funds to Others", if short-term financing is needed, the individual financing shall not exceed 20% of the Company's stockholders' equity, and the total amount of these financings shall not exceed 40%of the Company's stockholders' equity.

Note 2: It was eliminated on consolidation.

3. Endorsements/Guarantees Provided

December 31, 2024 Unit: NT$ thousand

Endorser/ Guarantor	Endorsee/ Guarantee	Relationship	Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)
Taiwan Hopax	Changshu Hopax	100% owned subsidiary	2,508,785	44,640	-	-	-	5,017,570
	Kunshan Hopax	100% owned subsidiary	2,508,785	44,640	-	-	-	5,017,570

Note 1: Under the Company's "Operational Procedures for Endorsement/Guarantee Provided", for investee companies that hold more than 50% of the total shares of the Company and the subsidiaries, the total amount of these financings shall not exceed 50% of the Company's stockholders' equity.

Note 2: Under the Company's "Operational Procedures for Endorsement/Guarantee Provided", the total amount of endorsement/guarantee provided shall not exceed 100% of the Company's stockholders' equity.

4. Derivative Transaction

The Company mainly engages in FX options and swaps to avoid the risk of exchange rate fluctuations of foreign currency-denominated assets and liabilities. FX swaps that have not matured as of December 31, 2024 are as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
Foreign exchange (FX)	USD to NTD	2025.01-2025.03	USD5,315／NTD172,054
Foreign exchange (FX)	EUR to NTD	2025.01-2025.05	EUR2,980／NTD101,557
Foreign exchange (FX)	GBP to NTD	2025.01-2025.05	GBP379 ／NTD15,502
Foreign exchange (FX)	USD to RMB	2025.02-2025.05	USD7,000／RMB49,808

(II) Future R&D Plans and Expected R&D Investment

Since its establishment, The company has focused on investment in R&D personnel and related equipment. We have built the R&D team through internal training, sharing of experience, and cooperation with research institutes. In

recent years, we have consolidated our R&D resources to set up a R&D center and actively recruited experienced R&D talents in the industry to strengthen our raw material development, product planning, and R&D innovation capabilities.

All new product development projects in recent years have been completed. The company will continue to invest in research and development, and the research and development expenditures will grow along with the increase in revenue.

The key factors affecting the success of research and development are the quality of R&D personnel and the use of software and hardware technologies. We believe that with the extensive experience of The company's R&D team, we will be able to develop competitive products for the market.

For more information on the main R&D focus of The company as of the date of publication of the annual report, please refer to (III) Overview of Technology and R&D in C. Business Overview in page 95 to 96. In 2025, the Company plans to invest approximately NT$175,983 thousand in R&D expenditures. However, the amount will be adjusted based on global market conditions and the Company's actual operating conditions. The Company's main R&D projects are summarized below:

R&D Project Name	Project Description	Current Progress	Estimated Mass Production Time
High-end hollow resin used for thermal paper	Continuous development of hollow resin suitable for the high-end thermal paper market to enhance the functionality and stability of the product.	Under development	2025
High value cationic surface sizing agent for industrial paper	The surface sizing agent for enhancing the water resistance of paper was developed with a fully synthetic process. It can greatly improve product functionality and coating stability, and increase the value of industrial paper products.	Under development	2025
Low-odor eco-friendly non-carbon copy paper color developers	Development of color developers with more rapid color development speed and higher saturation in all temperature ranges, while significantly reducing odors and enhancing environmental	Development completed	Already in mass production

R&D Project Name	Project Description	Current Progress	Estimated Mass Production Time
	sustainability.		
New structure ceramic dispersant	Continuous development of dispersant with high dispersing properties and purity that meet requirements for 5G, structural ceramic, and the electronics industry.	Under development	2025
Masking hollow resin for high whiteness coating	The development of masking hollow resin that can be used in industrial coatings can help customers improve the whiteness and glossiness of coatings at a lower cost, thereby improving coating performance.	Development completed	Already in mass production
Eco-friendly water-proof and oil-proof heat-seal coating for food packaging paper	In response to the issue of environmental protection and plastic reduction, we developed a water-proof and oil-proof heat-seal coating that can replace plastic lamination in food packaging paper. It is a new high-performance, eco-friendly product that is recyclable.	Under development	2025
New product development for biological buffers	New product development for CHES and BTP	Under development	2025
Process improvement for biological buffer products	Development of green processes for main products based on the environmental protection policy. The preliminary plan is to reduce the use of solvents and the ultimate goal is to create a fully aqueous process for the products.	Under development	2025
New product development for biological cleaning agents	New products development for biological cleaning agents: P-188.	Development completed	Already in mass production
New product development for electroplating additives	New product development for electroplating additives: T90R4 and	Under development	2025

R&D Project Name	Project Description	Current Progress	Estimated Mass Production Time
	XW247.		
New product development for short-chain peptides	New product development for short-chain peptides: Cys2HCl, Cys2Na, and Tyr2Na.	Development completed	2025
Process improvement for biological waterborne polyurethane additives	EES-200L process improvement makes it safer for personnel during production, improves operability, and enhances the competitiveness of products.	Development completed	2025
Rolled-up eco-friendly self-adhesive note with water-based process	We developed a water-based chemical process for rolled-up eco-friendly sticky notes using precision coating technology, providing excellent unrolling function and adhesive quality, and expanding the full-coated rolled-up product series.	Under development	2025
Water-based ultra-sticky eco-friendly self-adhesive notes	Development of water-based chemical process for ultra-sticky eco-friendly self-adhesive notes to become eco-friendly and promote green sustainability. The ultra-sticky feature provides better adhesion.	Under development	2025
Biological agents for aquaculture feed	Enhance the immunity of aquatic organisms and help intestinal digestion and metabolism.	Under development	2025

(IV) Major changes in government policies and laws at home and broad and the impact on finance and business of the Company and response measures:

The Company closely monitors any domestic and international policies and laws that may affect the Company's finance and business. As of the date of report, there have been no major changes in domestic and international policies and laws that have a significant impact on the Company's finance and business.

(V) Impact of recent technological changes (including information security risks) and market changes on finance and business of the Company, and response measures

The Fine Chemicals Division currently has the two main axes of bioassay/pharmaceuticals industry biological buffers, and electric vehicle batteries and 5G industry lithium battery copper foil additives and high-end electroplating additives (for example: PPS series) products. The products are widely used in biopharmaceuticals, bioassay, cosmetics, electric vehicle lithium battery negative electrode copper foil, and PCB. The Specialty Chemicals Division continues to launch high-value papermaking chemicals, and is gradually expanding market applications and sales to higher-end industries, such as electronic materials, industrial coatings, and general chemical products, which have contributed to sales and boosted growth momentum. Besides focusing on our core business, we are also actively looking into the possibility of applying our core technologies in stationery supplies to other product categories. The technologies have been expanded to children's education products and continuously innovated and achieved breakthroughs in the sales model, and hope to work even closer with existing customers and explore new market opportunities. We also successfully won purchase orders from major customers in Europe, the Americas, and Japan. As people's health awareness increased in recent years, they now pay more attention to personal health. The health care products developed by the company such as formaldehyde removal and lasting antibacterial and mold and stain removal products have gained a foothold in the market. Recently, the HYGIENECARE product series has been extended to home cleaning products and pet cleaning and care products, hoping to become a good helper for customers to live a safe and healthy life. We have focused on the development of biological agents for improving water quality and feed additives in the field of aquaculture. SeeCure Taiwan continues to advance promising new drugs to the cell experiment and animal trial stages, and actively applies for and obtains new drug patents to create higher output value for Taiwan's biopharmaceutical development. We hope to further enhance the Hopax Group's competitiveness and create new momentum for future growth through the strategy of diversified R&D.

To become aligned with the development trend of Industry 4.0, we continue to implement smart production and real-time monitoring and management of equipment, and gradually integrated our traditional closed production system with external networks, strengthening the synergy between

information technology (IT) and operational technology (OT) to make our production processes more efficient and quickly respond to market demand. However, as the system becomes more interconnected, threats from external networks also increase. Therefore, the Company will also strengthen its information security infrastructure to ensure system stability and the security of the production environment.

The company has taken the following measures to reduce the occurrence of information system anomalies and information security risks:

Potential risks	Control mechanisms
Information system anomaly	1.Standardized operating procedures. 2. Enhance disaster prevention, monitoring and control, reporting mechanisms, anomaly management, and backup. 3.Organize training and regular exercises.
Information security protection	1.Regularly implement information security training and increase employees' information security awareness. 2.Implement network monitoring and ad hoc audits for information security. 3. Establish necessary defense mechanisms.

The company has not suffered major cyber attacks or information security incidents in the most recent year and as of the publication date of the annual report.

(VI) Impact of change in corporate image on risk management and response measures

The company operates a suitable organization system and has maintained a good corporate image. There have been no crises due to major changes in the corporate image.

(VII) Expected benefits and potential risks of mergers and acquisitions, and response measures

The company has not undergone merger and acquisition. The Company prepares the consolidated financial statements for subsidiaries under its control in accordance with the financial and accounting standards.

(VIII) Expected benefits and potential risks of capacity expansion, and response measures

In response to the growth of market and customer demand and product process technology that is in line with ESG trends, the Company's Fine

Chemicals Division plans to build a new factory and expand production lines in Pingtung Science Park, Southern Taiwan Science Park, National Science and Technology Council (NSTC) to achieve medium- and long-term strategic development. The main sources of funds are cash capital increase, bank borrowings, and self-owned funds. The Company successfully completed a cash capital increase in September 2024. The funds are used to make payments according to the progress of factory expansion, and there are no concerns about not being able to make payments or late payments..

(IX) Risks associated with over-concentration in purchases or sales, and response measures

There has been no over-concentration in purchases or sales in the most recent year and as of the publication date of the annual report.

(X) The effects and risks of large-scale share transfers or conversions by directors, supervisors, or major shareholders holding more than 10% of the Company's shares, and response measures

The number of shares held by the Company's Directors meets the regulations of the competent authority for the required shareholding ratio, and there has been no large transactions or conversion as of the publication date of the annual report.

(XI) The impact and risk of a change in ownership on the Company, and response measures

There has been no major change in the Company's Directors or risks of a change in ownership.

(XII) Response to litigation or non-litigation events: None.

(XIII) Other significant risks and response measures: None.

VII. Other Important Matters: None.

F. Special Disclosures

I. Information about affiliates

Please refer to the Chinese version of Market Observation Post System (MOPS): https://mopsov.twse.com.tw/mops/web/t57sb01_q10 ; the access path is as follows: Market Observation Post System→Single Company→Electronic Document Download→Related Party Transactions Section.

II. Progress of Private Placement of Securities During the Last Year and Up to the Print Date of the Annual Report: None.

III. Other Supplemental Information: None.

G. Any Incidents with Material Impact on Shareholder Equity or Security Price as Described Under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the Last Year and Up to the Print Date for the Annual Report shall be specified separately below: None.