

Stock Code  
**1312**



國喬石油化學股份有限公司  
GRAND PACIFIC PETROCHEMICAL CORPORATION

# ANNUAL REPORT 2024

Enquiry Website: <http://mops.twse.com.tw>  
Company Website: <http://www.gppc.com.tw>

Published on April 22, 2025

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**5. Name of stock exchange place for overseas listed securities and method for enquiry of overseas securities information: Nil**

**6. Company website: <http://www.gppc.com.tw>**

— Policy of Quality of  
Grand Pacific —

All are united as one.  
Match our words with deeds.  
Your satisfaction is the only  
measure of my success.

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# 1. Report to Shareholders

## 1.1 2024 Business Report:

### 1.1.1 Implementation Results of Operating Plan

In retrospect, 2024 was a year marked by significant global economic volatility and uncertainties. Amid persistent interest rate hikes, inflation, geopolitical tensions, and supply chain realignments, the world faced continued macroeconomic challenges. Additionally, the ongoing trade tensions between the U.S. and Mainland China, coupled with a slower-than-expected economic recovery in Mainland China following its post-pandemic reopening, further weakened overall economic momentum. The petrochemical industry faced unprecedented headwinds, as peers aggressively expanded capacity, resulting in severe market oversupply. This, combined with declining demand and intensified price competition, led to falling product prices and narrowing margins. Consequently, the industry faced an historic downturn, and the Company continued to incur losses in 2024. Consolidated revenue for the year amounted to NT\$16.42 billion, representing an increase of NT\$700 million compared to 2023. The consolidated net loss before tax stood at NT\$2.06 billion, an increase of NT\$310 million compared to 2023. The consolidated net loss after tax was NT\$1.7 billion, with a net loss attributable to owners of the Company amounting to NT\$1.56 billion.

The operational performance of the Company's major products—Styrene Monomer (SM), ABS, and Nylon 66—during 2024 is summarized below:

Styrene Monomer (SM) faced continued oversupply in 2024 as new production capacities in Mainland China gradually came online, reaching a peak of approximately 21 million tons by the end of 2024. However, overall market demand remained sluggish, with persistent contractions from key downstream sectors such as ABS, PS, and EPS. Aside from modest inventory replenishment by distributors in early Q3, demand showed no significant rebound, even during the traditionally strong Q4, resulting in a severe supply-demand imbalance. This situation led to a globally low operating rate for styrene plants, especially in Northeast Asia. In addition to the overcapacity issue, benzene, the primary feedstock for SM, mirrored the previous year's pattern. Strong demand for blending components kept benzene prices elevated in Europe and the U.S. during the first half of the year, driving up prices in Asia. Faced with the dual pressure of rising costs and an inability to raise selling prices due to oversupply, styrene margins remained under strain throughout the year. The Company's third styrene plant underwent its biennial maintenance shutdown in mid-February for approximately one month, while the second styrene plant extended its originally scheduled turnaround to mid-November due to weak market conditions. Furthermore, styrene production was affected between mid-January and April due to reduced ethylene supply following a maintenance shutdown at CPC Corporation's No.3 Olefins plant, and an unexpected shutdown occurred at the third styrene plant in late September. Total styrene production for the year amounted to 258,409 metric tons, representing an 11.42% decrease from 291,710 metric tons in 2023. Sales volume was 229,748 metric tons, down 12.29% from 261,934 metric tons in the previous year. Annual sales revenue was NT\$8,266.372 million, a 3.35% decrease from NT\$8,552.465 million in 2023.

Acrylonitrile-Butadiene-Styrene Copolymer Resin (ABS) experienced a contraction in market demand during the first quarter of 2024. Weak domestic consumption in Mainland China and an overflow of excess capacity made it difficult to lift product prices, leading to compressed margins and a decline in revenue. In the second quarter, a rebound in petrochemical market sentiment, driven by rising crude oil and feedstock prices, provided some support to product

pricing, helping to narrow losses compared to the previous quarter. The third quarter saw improved performance amid interest rate cuts in the U.S. and the introduction of stimulative fiscal and financial policies in Mainland China, which boosted consumer spending and investment and, in turn, increased demand for petrochemical products. This led to a simultaneous rise in both price and volume for ABS and PS, contributing to better revenue and margin performance. However, in the fourth quarter, heightened geopolitical uncertainty in the Middle East caused volatility in crude oil prices, while Mainland China's stimulus efforts fell short of market expectations. In addition, the return of Trump to office brought renewed unpredictability to trade tensions, making it difficult for petrochemical product prices to recover. As a result, major product prices weakened, and revenue and profitability came under renewed pressure. For 2024, ABS production totaled 56,959 metric tons, representing a decrease of 0.79% from 57,415 metric tons in 2023. Sales volume rose by 5.90% to 58,099 metric tons, up from 54,863 metric tons in the previous year. Total sales revenue reached NT\$2,903.822 million, a 14.12% increase from NT\$2,544.531 million in 2023.

Nylon 66 (PA66) saw an upward price trend in the first quarter of 2024, driven by seasonal demand and a rise in the cost of hexamethylenediamine. The elevated pricing carried into early Q2; however, weak market demand made it difficult to sustain the uptrend. Later in the quarter, the launch of new production capacities in Mainland China led to increased supply and a notable drop in prices. In Q3, declines in upstream raw materials—hexamethylenediamine and adipic acid—further dampened market confidence, with downstream customers adopting a wait-and-see attitude. Prices stabilized in Q4 as the raw material supply remained sufficient, while market demand remained subdued, with customers maintaining only essential procurement levels. Although fluctuations were observed throughout the year due to the impact of new capacity in Mainland China, Grand Pacific Petrochemical Corporation maintained stable production of Nylon 66. The product continued to receive strong support from core customers, owing to advantages such as consistent quality, local supply chain capabilities, fast delivery, and attentive service. In 2024, Nylon 66 production reached 18,602 metric tons, representing a 31.73% increase from 14,121 metric tons in 2023. Sales volume was 17,106 metric tons, up 17.87% from 14,512 metric tons in the previous year. Sales revenue for the year totaled NT\$1,176.180 million, reflecting a 4.78% increase from NT\$1,122.528 million in 2023.

In 2024, the Company recorded standalone revenue of NT\$13,020 million, accounting for 79.3% of consolidated revenue. This represented a 1.91% increase compared to NT\$12,775.86 million in 2023. Operating loss for the year amounted to NT\$715.658 million, reflecting a 21.05% reduction from the 2023 operating loss of NT\$906.523 million. However, the net loss from investments in subsidiaries and affiliates widened to NT\$926.122 million, a 41.91% increase from NT\$652.615 million in 2023. The Company reported a net loss after tax of NT\$1.559897 billion for the year.

## **1.2 2025 Business Plan and Future Development Strategies**

### **Management Policies:**

- (1) Strengthen Crisis Awareness: Achieve zero occupational safety incidents and zero regulatory violations.
- (2) Safeguard Survival Niches:

- Introduce Application Engineering (AE) to broaden colleagues' global outlook and enhance business technical service capabilities, thereby capturing customer needs and trust while actively expanding into overseas markets and acquiring high-end core clients.
  - Provide full support for the mass production and operation of QuanZhou Grand Pacific Chemical Co., Ltd., and assist in the operations of invested affiliates.
  - Implement a job rotation and succession program to foster comprehensive talent development.
- (3) Initiate Transformation: Promote transformation initiatives, identify investment targets, use external resources, develop products resilient to economic cycles, and strengthen sustainability.
- (4) Pursue Sustainable Development:
- Align with global carbon neutrality goals, carbon fee policies, and the Kaohsiung City Government's coal phase-out policy by formulating response strategies and setting short-, medium-, and long-term targets for energy conservation, emissions reduction, impact mitigation, and competitiveness enhancement.
  - Enhance ESG governance with transparent information disclosure and maintain effective communication with shareholders. In response to the rezoning of the Dashe Industrial Park, actively defend core employment rights.
  - Promote the integration and sharing of resources and talent across Taiwan, Mainland China, and Hong Kong in the areas of business, purchase, and technology to maximize synergy.
  - Introduce artificial intelligence (AI) to enhance corporate efficiency and factory management.
  - Improve the quality of corporate governance evaluations, reinforce governance practices, implement the TIPS system for intellectual property management, and obtain third-party certification.

### **Expected Sales Volume**

Styrene Monomer (SM): Despite a market already burdened by significant overcapacity, additional production facilities are still expected to come online in Mainland China during 2025 and 2026, including Chambroad Petrochemicals Co., Ltd. (600,000 metric tons/year), CNPC Guangxi Petrochemical (600,000 metric tons/year), Fujian Haiquan Chemical (450,000 metric tons/year), along with several smaller-scale projects. The positive outlook, however, is that the pace of new styrene capacity expansion in Mainland China has generally slowed. Market forecasts suggest that from 2025 onward, Mainland China's import and export volumes will undergo further structural shifts, and this trend may persist in the long term. As such, continued monitoring of the trade dynamics and logistics flows of the styrene market will be essential. For 2025, no maintenance shutdowns are scheduled for the Company's second and third styrene plants. Annual production and sales volume is expected to reach approximately 288,000 metric tons.

Acrylonitrile-Butadiene-Styrene Copolymer Resin (ABS): In response to the continued oversupply of ABS capacity in Mainland China, the Company will adopt a strategy of differentiation and transformational upgrading. With a gradual recovery in the global economy



anticipated, the Company has set a sales target of 61,320 metric tons for ABS in 2025. It will continue to promote product differentiation combined with high-value-added strategies, actively expanding into new markets outside of Mainland China to create additional profit opportunities.

Hydrogen (H<sub>2</sub>): For 2025, pipeline customers are expected to maintain stable demand. The sales target is set at 10.7 million cubic meters.

Steam and Electricity: The cogeneration plant produces both steam and electricity, supplying internal operations while also selling excess output externally. In line with the Company's autonomous carbon reduction plan, external sales of steam and electricity are projected to decrease in 2025. Planned production includes 807,273 metric tons of primary steam and 29,220 metric tons of steam for external sales. Electricity generation is expected to total 232,116,000 kWh, of which 81,970,963 kWh will be sold to Taiwan Power Company.

Nylon 66 (PA66): Although competition remains intense due to the commissioning of new production capacities in Mainland China, market demand is expected to gradually recover in line with the anticipated economic rebound. The Company will continue to actively explore new regional markets, focusing on emerging economies such as India and Southeast Asia. For 2025, the annual sales target for PA66 is set at 16,000 metric tons. In addition, the Company will proactively expand into specialized application markets, including electric vehicles, automotive electronic components, bio-based materials, and high-grade engineering composites, aiming to enhance the added value of its nylon product portfolio, drive innovation, and generate sustainable profitability.

Amid the dual challenges of global supply chain shifts and sustainable development, the Company has adopted “Green Sustainability and High-Value Innovation” as its core strategy. We continue to enhance our key products—including Styrene Monomer (SM), Acrylonitrile-Butadiene-Styrene Copolymer Resin (ABS), Hydrogen, and Nylon 66—to ensure competitiveness in the market. The Company is actively developing a low-carbon C3 industrial chain in response to global decarbonization trends, leveraging innovation to drive business transformation and unlocking new growth momentum toward a sustainable future. Our large-scale projects at the Quangang Chemical Industrial Park in Quanzhou, Fujian, including a 660,000-ton/year propane dehydrogenation (PDH) unit and a 450,000-ton/year polypropylene (PP) plant, have commenced commercial operations. The high value-added PP products from these facilities are targeted at the automotive, consumer goods, electronics, and packaging sectors in the Asia-Pacific region. Our R&D center remains focused on the diverse development of high-performance nylon fibers, functional polyamide materials, bio-based nylons, and PP engineering plastics. We are proactively expanding our global footprint through cross-border technical collaborations to develop more sophisticated, higher-quality, and higher-specification nylon materials, thereby establishing a “Global Nylon Industry Chain.” By partnering with leading research institutions and benchmarking international industry leaders, we aim to enhance our global competitiveness and lay the foundation for the Company's next phase of promising growth.

In response to the complex and evolving external environment—including overcapacity in Mainland China, trade barriers, and carbon pricing regulations—the Company remains committed to achieving its strategic objectives. We uphold high standards in safety, to achieve safety production, carbon self-reduction, and corporate governance. In recent years, we have allocated significant capital expenditures to optimize processes through the best available control technologies for energy savings, emissions reduction, and pollution control. Through

these initiatives, we continue to hold ourselves to high expectations in building an environmentally friendly, advanced manufacturing image that fulfills our role as a model corporate citizen.

Looking ahead, the Company's management team will work hand in hand with colleagues to drive continuous improvements across both software and hardware infrastructure, maximizing operational synergies and forging a new and elevated industrial landscape. In doing so, we strive to repay the trust and support of our valued shareholders. Lastly, we extend our heartfelt wishes to all shareholders for good health and every success in the year ahead.

Chairman    Teh Hsin Chiu

President   Chia Hsiung Tseng

## 2. Report on Corporate Governance

### 2.1 Information on directors, president, senior vice presidents, vice presidents and managers of each department and branch

#### 2.1.1 Information on Directors (1)

April 22, 2025

Title	Nationality or venues of registration	Name	Sex Age	Date when elected or to the position	Term	Date of on Board for the First Time	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/ Experience	Concurrent Positions in this Group and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor			Remark
							Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate	Number of Shares	Shareholding Rate			Title	Name	Relation	
Chairman	Republic of China	Chung Kwan Investment Co., Ltd. Representative: Teh Hsin Chiu	Female 51 ~ 60 years old	June 28, 2023 ~ June 28, 2023	June 28, 2023 ~ June 27, 2026	June 27, 2005	28,262,722 0	3.05% 0	33,142,860 1,086,335	2.94% 0.1%	0 0	0 0	0 0	0 0	Master, Weatherhead School of Management, Case Western Reserve University	Note 2	Nil	Nil	Nil	Nil
Director	Republic of China	Jing Kwan Investment Co., Ltd. Representative: Pin Cheng Yang	Male 61 ~ 70 years old	June 28, 2023 ~ June 28, 2023	June 28, 2023 ~ June 27, 2026	June 24, 2011	20,280,000 0	2.19% 0	26,981,757 0	2.39% 0	0 0	0 0	0 0	0 0	Master, Institute of Chemical Engineering, National Cheng Kung University	Note 3	Nil	Nil	Nil	Nil
Director	Republic of China	Chao Feng Investment Co., Ltd. Representative: Chen Ling Chang (Note 1)	Male 51 ~ 60 years old	June 28, 2023 ~ June 28, 2023	June 28, 2023 ~ June 27, 2026	June 28, 2023	9,819,000 0	1.06% 0	10,603,000 20,737,000	0.94% 1.84%	0 550,000	0 0.05%	0 10,603,000	0 0.94%	Master of Business Administration, University of Liège, Belgium	Note 4	Nil	Nil	Nil	Nil
Director	Republic of China	Chao Feng Investment Co., Ltd. Representative: Cheng Kai Chou (Note 1)	Male 51 ~ 60 years old	June 28, 2023 ~ March 22, 2024	June 28, 2023 ~ June 27, 2026	June 28, 2023	9,819,000 0	1.06% 0	10,603,000 0	0.94% 0	0 6,000	0 0	0 0	0 0	Master in Finance, Golden Gate University, San Francisco, U.S.A.	Note 5	Nil	Nil	Nil	Nil
Director	Republic of China	Hung Wan Investment Co., Ltd. Representative: Chen Ching Ting	Male 61 ~ 70 years old	June 28, 2023 ~ June 28, 2023	June 28, 2023 ~ June 27, 2026	June 12, 2020	200,000 0	0.02% 0	234,534 0	0.02% 0	0 0	0 0	0 0	0 0	Department of Law, Fu Jen Catholic University	Note 6	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Mu Hsien Chen	Male 51 ~ 60 years old	June 28, 2023 ~ June 27, 2026	June 28, 2023 ~ June 27, 2026	June 12, 2020	0	0	0	0	0	0	0	0	Master in Accounting, California State University	Note 7	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Chih Hung Hsieh	Male 61 ~ 70 years old	June 28, 2023 ~ June 27, 2026	June 28, 2023 ~ June 27, 2026	June 12, 2020	0	0	0	0	0	0	0	0	Juris Doctor, National Chengchi University Master of Laws, Waseda University	Note 8	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Chung Hsin Wu	Male 51 ~ 60 years old	June 07, 2024 ~ June 27, 2026	June 28, 2023 ~ June 27, 2026	June 07, 2024	0	0	0	0	0	0	0	0	PhD in Environmental Engineering, National Taiwan University	Nil	Nil	Nil	Nil	Nil

Note 1: Effective from March 22, 2024, the legal representative of Chao Feng Investment Co., Ltd. will be Mr. Cheng Kai Chou to replace Mr. Chen Ling Chang.

Note 2: Chairman, GPPC Development Co., Ltd.; Chairman, CDIB Capital Management Corporation.

Note 3: Chairman, QuanZhou Grand Pacific Chemical Co., Ltd.; Chairman, GPPC Chemical Corporation; Director, Land & Sea Capital Corp.; Director, GPPC Investment Corp.; Director, Goldenpacific Equities Ltd.; Director, Videoland Inc.; Director, Zhenjiang Chimei Chemical Co., Ltd.

Note 4: Chairman of Study123 Technology Co., Ltd. and responsible person of Chao Feng Investment Co., Ltd.

Note 5: Secretary to the Principal of Chia Hwa Senior High School, Chiayi City, and Independent Director of Study123 Technology Co., Ltd.

Note 6: Independent director, Allied Industrial Corp., Ltd.; Director, First Financial Holding Co., Ltd.

Note 7: CPA, Diwan & Company

Note 8: Independent Director, Sanyang Motor Co., Ltd.

## Major shareholders of juristic person shareholders

April 22, 2025

Name of juristic person shareholder (Note 1)	Major shareholders of the juristic person shareholder (Note 2)	Shareholding ratio (%)
Hung Wan Investment Co., Ltd.	Shu Min Lin	100.00
Jing Kwan Investment Co., Ltd.	Yu Ming Investment Co., Ltd.	96.62
	Chun Tai Wu	3.35
	Yi Ying Huang	0.03
Chung Kwan Investment Co., Ltd.	Kuan He Development Co., Ltd.	99.03
	Jui Hui Lin	0.25
	Wen Lung Yen	0.25
	Wen Tzu Yen	0.175
	Wen Hsi Yen	0.175
	Ming Chi Tsai	0.075
	Hsueh E Chang	0.05
Chao Feng Investment Co., Ltd.	Chen Ling Chang	90.00
	Wei Chieh Chang	10.00

Note 1: Where the directors and supervisors are representatives of juristic person shareholders, please enter the name/title of the juristic person shareholder.

Note 2: Fill up the names of major shareholders of the juristic person shareholders (among the top ten in terms of shareholding ratios) and shareholding ratio thereof. Where the major shareholder is a juristic person, please fill up Table II below.

## Major shareholders Where the Major shareholders Are Juristic Persons

April 22, 2025

Names of juristic persons (Note 1)	Major shareholders of the juristic person shareholder (Note 2)	Shareholding ratio (%)
Yu Ming Investment Co., Ltd.	Wei Hung Investment Co., Ltd.	100.00
Kuan He Development Co., Ltd.	Jui Hui Lin	25.01
	Chin Li Investment Co., Ltd.	24.93
	Chuan Wei Investment Co., Ltd.	24.93
	Chung Chun Investment Co., Ltd.	19.93
	Chung Cheng Investment Co., Ltd.	5.00
	Wen Lung Yen	0.09
	Wen Hsi Yen	0.03
	Wen Tzu Yen	0.03
	Ming Chi Tsai	0.03
	Wen Hui Yen	0.03
	Ya Ju Wu	0.00001

Note 1: Where the major shareholder in Table I above is a juristic person, please enter the name of that juristic person.

Note 2: Fill up the names of major shareholders of the juristic person shareholders (among the top ten in terms of shareholding ratios) and shareholding ratios thereof.

# I. Professional qualifications of directors and supervisors and independence of independent directors

Terms Name (Note)	Qualification Requirements and Work Experience	Independence Information	Number of the Other Public Companies in Which the Concerned Director Acts Concurrently as an Independent Director
Teh Hsin Chiu	<p>Ms. Teh Hsin Chiu holds a master's degree in accounting from Case Western Reserve University, with professional experience in business, finance, and corporate management relevant to the Company's operations.</p> <p>Previously served as Vice Chairman of the Company, and is currently the Chairman of the Company, Chairman of GPPC Development Co., Ltd., and Chairman of CDIB Capital Management Corporation.</p> <p>Ms. Teh Hsin Chiu is well-versed in risk management, including overseeing commercial terms risks with counterparties, ensuring compliance with regulatory authorities and supervision, and assessing various operational risks to support the Company's sustainable development.</p> <p>She possesses extensive professional expertise and experience in leadership and decision-making, corporate management, operational judgment, business development, and commercial strategy.</p>	<p>Ms. Chiu serves as the representative of Chung Kwan Investment Co., Ltd., a juristic person director of the Company, and concurrently holds directorships in the Company's subsidiaries. She is not an independent director. In all other respects, she meets the independence criteria set forth in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p>	0
Pin Cheng Yang	<p>Mr. Pin Cheng Yang holds a master's degree in chemical engineering from National Cheng Kung University and has over forty years of experience in the petrochemical industry. He joined the Company in 1983, was appointed President in 2011, promoted to Chairman in 2018, and retired in 2023. Mr. Yang currently serves as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and GPPC Chemical Corporation, and as Director of GPPC Investment Corp., Videoland Inc., Zhenjiang Chimei Chemical Co., Ltd., Goldenpacific Equities Ltd., and Land &amp; Sea Capital Corp.</p> <p>He brings extensive professional experience in leadership and decision-making, corporate management, operational judgment, and commercial and business operations.</p>	<p>Mr. Yang serves as the representative of Jing Kwan Investment Co., Ltd., a juristic person director of the Company, and concurrently holds directorships in the Company's subsidiaries. He is not an independent director. In all other respects, he meets the independence criteria set forth in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the Financial Supervisory Commission.</p>	0
Chen Ching Ting	<p>Mr. Chen Ching Ting holds a master's degree in law from Fu Jen Catholic University. He possesses</p>	<p>Mr. Chen serves as the representative of Hung Wan Investment Co., Ltd., a juristic person</p>	1

	<p>professional legal expertise and practical experience and is qualified to serve as a lecturer or higher in legal departments at public and private universities. He currently practices as an attorney at T.Y.T. Law Offices, serves as an Independent Director of Allied Industrial Corp., Ltd. and Director of First Financial Holding Co. Ltd.</p> <p>Mr. Chen brings professional experience in legal affairs, technology industry management, ESG, and corporate governance.</p>	<p>director of the Company, and is not an independent director. In all other respects, he meets the independence criteria set forth in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</p>	
Cheng Kai Chou	<p>Mr. Cheng Kai Chou holds a master’s degree in finance from Golden Gate University, San Francisco. He is qualified to serve as a lecturer or higher in related academic fields at public and private universities. He currently serves as Secretary to the Principal of Chia Hwa Senior High School in Chiayi City and as an Independent Director of Study123 Technology Co., Ltd.</p> <p>Mr. Cheng brings professional expertise in business, finance, and corporate management.</p>	<p>Mr. Cheng serves as the representative of Chao Feng Investment Co., Ltd., a juristic person director of the Company, and is not an independent director. In all other respects, he meets the independence criteria set forth in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission.</p>	1
Mu Hsien Chen	<p>Mr. Mu Hsien Chen holds a master’s degree in accounting from California State University. He is currently a practicing CPA at Diwan &amp; Company and serves as Executive Director of CDIB Partners Investment Holding Corp.</p> <p>Independent Director Chen possesses expertise in the field of finance, leveraging financial analysis and management to enhance operational efficiency, optimize resource allocation, and achieve strategic objectives.</p> <p>Mr. Chen, as an independent director, possesses professional expertise and experience in accounting and auditing, corporate governance, and business operations.</p>	<p>The three (left column) independent directors were elected through a candidate nomination system in accordance with the Company’s Articles of Incorporation and the “Corporate Governance Best Practice Principles.” During the nomination and selection process, the Company obtained written declarations, employment histories, current employment certificates, and family relationship disclosures from each director to verify their independence with respect to the Company, their spouses, and relatives within the third degree of kinship. The Company has also confirmed that, both during the two years prior to their appointment and throughout their tenure, all three independent directors fully comply with the qualifications stipulated in Article 14-2 of the Securities and Exchange Act and the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission. Moreover, pursuant to Article 14-3 of the Securities and Exchange Act, the independent directors are vested with sufficient authority to participate in decision-making and express opinions, thereby independently exercising their duties.</p>	0
Chih Hung Hsieh	<p>Dr. Chih Hung Hsieh holds a Doctor of Law degree from National Chengchi University and a Master of Law degree from Waseda University in Japan. He has extensive legal expertise and practical experience and has previously served as an Associate Professor in the Department of Law at Fu Jen Catholic University and as an Independent Director of Hitachi-Yungtay Elevator Co., Ltd.</p> <p>He is currently an Adjunct Associate Professor at Fu Jen Catholic University’s Department of Law, an Independent Director of Sanyang Motor Co., Ltd., and a Review</p>	<p>director of the Company, and is not an independent director. In all other respects, he meets the independence criteria set forth in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” issued by the Financial Supervisory Commission. Morevoer, pursuant to Article 14-3 of the Securities and Exchange Act, the independent directors are vested with sufficient authority to participate in decision-making and express opinions, thereby independently exercising their duties.</p>	1

	<p>Committee Member of the Criminal Compensation Commission of the New Taipei District Court.</p> <p>Dr. Hsieh brings professional expertise in legal affairs, ESG, and corporate governance.</p>		
Chung Hsin Wu	<p>Dr. Chung Hsin Wu holds a Ph.D. from the Graduate Institute of Environmental Engineering, National Taiwan University. Currently serves as Distinguished Professor and vice president as well as director of R&amp;D at the Department of Chemical and Materials Engineering, National Kaohsiung University of Science and Technology; Chairman of the Chinese Society of Environmental Safety and Health Technology; and Instructor for the Class A Waste Treatment Technician Training Program at the National Environmental Research Academy, Environmental Protection Administration.</p> <p>Dr. Wu has received numerous honors, including the ASE Chair Professorship, the Engineering Professor Award (Chemical Engineering Category) from the Kaohsiung Chapter of the Chinese Institute of Engineers, and the Engineering Medal (Academic Research Category) from the Taiwan Association of Environmental Engineering.</p> <p>As an independent director, Dr. Wu brings professional expertise in environmental engineering and corporate sustainability. Moreover, his academic background in materials engineering is highly relevant to the petrochemical industry, and is well-acquainted with industry development trends and business prospects.</p>		0

Note: All current directors of the Company have been verified to have no disqualifying conditions as specified under any provisions of Article 30 of the Company Act.

## Board diversity and independence:

### 1. Board Diversity:

In accordance with Article 23 of the Company’s “Corporate Governance Best Practice Principles,” members of the Board of Directors are required to possess the knowledge, skills, and integrity necessary to fulfill their duties. The Board of Directors as a whole should demonstrate capabilities in operational judgment, accounting and financial analysis, corporate management, crisis management, industry knowledge, international market insight, leadership, and decision-making. The composition of the Board of Directors should take diversity into account and formulate a diversity policy based on the Company’s operations, business model, and future development needs. This includes both fundamental attributes and values (such as gender, age, nationality, and culture) and professional knowledge and skills (such as law, accounting, industry expertise, finance, and marketing). In 2024, the Company implemented its Board of Directors diversity policy as outlined below:

Title	Chairman	Director			Independent Director		
Name	Teh Hsin Chiu	Pin Cheng Yang	Chen Ching Ting	Cheng Kai Chou	Mu Hsien Chen	Chih Hung Hsieh	Chung Hsin Wu
Gender	F	M	M	M	M	M	M
Age	51-60	61-70	61-70	51-60	51-60	61-70	51-60
Nationality	Republic of China						
Concurrently as an employee of the Company	Nil						
Years of Service as Independent Director					4-6 years	4-6 years	1-3 years
Professional Background							
Industry Experience	✓	✓	✓	✓	✓	✓	✓
Petrochemical	✓	✓					✓
Financial	✓			✓	✓		
Law			✓			✓	
Technology				✓			
Professional Knowledge and Skills							
Operational Judgment	✓	✓	✓	✓	✓	✓	✓
Management Capability	✓	✓	✓	✓	✓	✓	✓
Crisis Management	✓	✓	✓	✓	✓	✓	✓
International Market Insight	✓	✓	✓	✓	✓	✓	✓
Leadership and Decision-Making Ability	✓	✓	✓	✓	✓	✓	✓

Note 1: The current Board of Directors is composed of seven members, including three independent directors. All members are distinguished professionals with extensive practical experience and possess capabilities in leadership and decision-making, corporate management, operational judgment, crisis management, industry knowledge, and international market insight. The three independent directors bring specialized expertise in law, accounting and auditing, and environmental engineering, respectively. The remaining four directors have backgrounds in finance, legal affairs, and the petrochemical industry. This composition effectively reflects the Company’s Board of Directors diversity policy and contributes to enhancing the effectiveness of corporate governance and overall management performance.

Note 2: Tenure of Independent Directors: Mr. Mu Hsien Chen and Dr. Chih Hung Hsieh were appointed on June 12, 2020, and have each served for five years. Dr. Chung Hsin Wu was appointed on June 7, 2024, and has served for one year. None of the independent directors has served more than three consecutive terms. All members of the Board of Directors are of ROC nationality. The Board of Directors consists of three independent directors, representing 43% of the total Board of Directors composition, and one female director, accounting for 14%, which does not meet the one-third threshold. As of the end of 2024, three directors are aged between 61 and 70, while the remaining four are aged between 51 and 60. All independent directors comply with the relevant requirements for independence as stipulated by the Financial Supervisory Commission. For details on each director’s academic background, gender, professional qualifications, and work experience, please refer to Section 2.1.1 of the Corporate Governance Report.

Note 3: If the number of directors of either gender on the Board of Directors does not reach one-third, the reasons and planned measures to enhance gender diversity shall be disclosed:



- (1) Reason: The Company has established seven directors in accordance with its Articles of Incorporation. The current directors were elected at the annual meeting of shareholders on June 28, 2023, with only one female director. Although this complies with legal requirements, it does not meet the one-third threshold. Due to the nature of the industry, it is challenging to find suitable candidates within a short period.
- (2) Measures: The Company values gender equality in the composition of the Board of Directors and aims to increase the number of female directors to one-third or more. Moving forward, the Company will actively seek talent recommendations through multiple channels to increase female Board of Directors representation, thereby enhancing corporate governance effectiveness and implementing the Board of Directors diversity policy.

## 2. Board of Directors Independence:

- (1) All members of the Board of Directors have been confirmed to have no disqualifying conditions as specified under Article 30 of the Company Act. Furthermore, there are no circumstances under Article 26-3, Paragraph 3 of the Securities and Exchange Act, in which more than half of the directors are spouses or relatives within the second degree of kinship, nor any violations of Paragraph 4 of the same article concerning relationships between supervisors or between supervisors and directors.
- (2) All independent directors fully comply with the independence requirements set forth by the Financial Supervisory Commission. Details regarding their independence status are as follows:

Name	Whether the director, the director's spouse or relative within two degrees of kinship serves as a director, supervisor or employee of the Company or its affiliate	Number and ratio of the Company's shares owned by the director, the director's spouse or relative within two degrees of kinship serves (or under other's names)	Whether serving as a director, supervisor, or employee of any affiliate with a specific relationship to the Company	Remuneration obtained by providing business, legal, financial or accounting services to the Company or its affiliates during the past two years
Mu Hsien Chen	No	No such circumstance	No	No such circumstance
Chih Hung Hsieh	No	No such circumstance	No	No such circumstance
Chung Hsin Wu	No	No such circumstance	No	No such circumstance

## Succession Planning for Board of Directors Members and Key Management Personnel:

### Succession Planning and Operation of Board Members:

The Company has a "Succession Plan for Board Members and Key Management Personnel", which states that the Company's Articles of Incorporation provide that the election of directors shall be by means of a candidate nomination system, and the "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors shall be diversified, and that a diversified approach shall be formulated with respect to the Company's own operations, business model and development needs, including but not limited to two major criteria, i.e., basic qualifications and values, and professional knowledge and skills.

The Company's ongoing director succession plan makes reference to the following criteria to build a database of director candidates:

- Integrity, responsibility, innovation, and decision-making ability, consistent with the Company's core values, and professional knowledge and skills conducive to the Company's operation and management.
- Industry experience relevant to the Company's business
- Ability to provide the Company with a Board that is effective, collaborative, diverse and responsive to the needs of the Company on an ongoing basis.
- Ms. Teh Hsin Chiu, the current Chairman of the Board of the Company, joined the Board in 2020 and took over the role of Chairman in 2023. Female directors currently account for 14% of the total members

of the Board, which does not meet the one-third threshold. However, the Company plans to increase the nomination of female director candidates in the future to enhance gender diversity on the Board.

- The expertise of the Board as a whole shall include Corporate Strategy, Accounting and Taxation, Finance and Legal.
- The Company shall establish the selection process of the list of director candidates in compliance with the qualification examination and relevant regulations to ensure that when there is a vacancy or planned increase in the number of director positions, the new director candidates can be effectively identified and selected.

The Company shall also follow the "Regulations Governing the Performance Evaluation of the Board of Directors" to conduct regular performance evaluation of the Board of Directors and its members every year. Through the performance evaluation items, the Company recognizes the effectiveness of the Board of Directors' operation and evaluates the performance of the directors, which serves as a reference for the selection of directors in the future.

The Company also trains senior managers to serve on the Boards of Directors of its subsidiaries and investee companies to familiarize them with the operation of the Boards and the business of the respective business groups so as to deepen their industrial experience. The current participation of the Company's senior management in the Board of subsidiaries or investee companies is as follows:

President Chia Hsiung Tseng	Subsidiary: Director, GPPC Chemical Corporation; Director, QuanZhou Grand Pacific Chemical Co., Ltd.; Director, KK Enterprise Co., Ltd.  Investee Company: Director, Zhenjiang Chimei Chemical Co., Ltd.; Director, Zhangzhou Chimei Chemical Co., Ltd.
Senior Vice President Ching Fu Chen	Subsidiary: Supervisor, GPPC Chemical Corporation; Supervisor, GPPC Investment Corp.; Director, QuanZhou Grand Pacific Chemical Co., Ltd.; Supervisor, GPPC Hospitality And Leisure Inc.; Director, GPPC Development Co., Ltd.  Investee Company: Supervisor, Zhenjiang Chimei Chemical Co., Ltd.; Supervisor, Zhangzhou Chimei Chemical Co., Ltd.
Vice President Wen Hui Lin	Subsidiary: Director and President, GPPC Chemical Corporation  Investee Company: Director, Zhangzhou Chimei Chemical Co., Ltd.

#### Succession planning and operation of key management personnel:

The training mechanism is designed to cultivate diversified working abilities and perspectives and to accumulate practical experience through cross-functional or cross-departmental (plant) job rotations, project planning and execution, concurrent positions, and job substitutes. Currently, more than 6 personnel have been rotated to domestic and overseas subsidiaries to serve as President, Chief General Manager, General Manager of each unit, or business heads. For example, Tsung Ming Chang, the current President of QuanZhou Grand Pacific Chemical Co., Ltd. joined the Company in 1992 and served as the head of the R&D and purchasing units and as the General Manager of GPPC Chemical Corporation, a subsidiary of the Company so far, and was transferred to the position of President of QuanZhou Grand Pacific Chemical Co., Ltd. in 2021. In 2023, the Board of Directors approved the appointment of Hung Min Hsueh as the Vice President and concurrently the Chief Information Security Officer.

We conduct employee performance evaluation every year. Through daily observation and performance evaluation, we understand the areas to be enhanced, personal development needs, and company expectations, and use the results of the evaluation as a reference for future succession planning. We encourage middle- and high-level talents to give full play to their creativity to learn on their own, and propose further studies and research on their own initiative, with the Company providing resource support or adjusting the design of their duties, in order to facilitate the diversity and resilience of the Company's total human resources. In 2024, 39 senior executives received training, with an average of 25 hours of training per person.

## 2.1.2 Information on President, Senior Vice Presidents, Vice Presidents and the Mangers of Each Department and Branch

April 22, 2025

Position Title	Nationality	Name	Sex	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/ Educational Background	Concurrent Positions in Other Companies at Present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person			Remark
					Number of Shares	Shareholdin g Ratio	Number of Shares	Shareholdin g Ratio	Number of Shares	Shareholdin g Ratio			Title	Name	Relation	
President	Republic of China	Chia Hsiung Tseng	M	05/11/2018	300,000	0.0027%	0	0	0	0	Master, Chemical Engineering, National Taiwan University	1. Director, QuanZhou Grand Pacific Chemical Co., Ltd. 2. Director, GPPC Chemical Corporation 3. Director, Zhangzhou Chimei Chemical Co., Ltd. 4. Director, Zhenjiang Chimei Chemical Co., Ltd. 5. Director, KK Enterprise Co., Ltd.	Nil	Nil	Nil	Nil
Senior Vice President (Retired)	Republic of China	Chen Ming Chou	M	03/01/2011 to 04/21/2024	0	0	0	0	0	0	Master, Chemical Engineering, National Taiwan University	1. Director, GPPC Investment Corp. 2. Director, Goldenpacific Equities Ltd.	Nil	Nil	Nil	Nil
Senior Vice Corporate Governance Officer	Republic of China	Ching Fu Chen	M	01/01/2021	250,000	0.0022%	0	0	0	0	Bachelor, Department of Accounting, Soochow University	1. Director, QuanZhou Grand Pacific Chemical Co., Ltd. 2. Supervisor, GPPC Investment Corp. 3. Supervisor, GPPC Hospitality And Leisure Inc. 4. Supervisor, Zhangzhou Chimei Chemical Co., Ltd. 5. Supervisor, Zhenjiang Chimei Chemical Co., Ltd. 6. Supervisor, GPPC Chemical Corporation 7. Supervisor, GPPC Development Co., Ltd.	Nil	Nil	Nil	Nil
Senior Vice President	Republic of China	Tsung Ming Chang	M	07/01/2024	70,000	0.0006%	0	0	0	0	Master, Institute of Chemical Engineering, National Cheng Kung University	1. President, QuanZhou Grand Pacific Chemical Co., Ltd.	Nil	Nil	Nil	Nil
General Manager	Republic of China	Wen Hui Lin	M	04/20/2021	50,000	0.0004%	3,000	0	0	0	Master, Department of Safety, Health and Environmental Engineering, National Kaohsiung University of Science and Technology	1. Director, Zhangzhou Chimei Chemical Co., Ltd. 2. Director and President, GPPC Chemical Corporation 3. President, GPPC Chemical Corporation	Nil	Nil	Nil	Nil
Vice President level, Deputy General Manager	Republic of China	Hung Min Hsueh	M	01/01/2021	50,000	0.0004%	0	0	0	0	Master, Graduate Institute of Environmental Engineering, National Cheng Kung University	Nil	Nil	Nil	Nil	Nil
Accounting Head	Republic of China	Ling Chu Chen	F	01/01/2009	20,000	0.0002%	0	0	0	0	Bachelor, Accounting Section, Dept. of Commerce, Providence University	1. Director, GPPC Hospitality And Leisure Inc. 2. Supervisor, QuanZhou Grand Pacific Chemical Co., Ltd. 3. Supervisor, Perfect Meat Co., Ltd.	Nil	Nil	Nil	Nil

## 2.2 Remuneration to directors (including independent directors), president and senior vice presidents in the latest year

### 2.2.1 Remuneration to general directors and independent directors (with individual disclosure of the names and means for remuneration):

Position Title	Name	Remuneration to Directors								A + B + C + D in total and as % of net income		Remuneration Received by Concurrent Employees								A + B + C +D + E + F + G in total and as % of net income		Whether Receiving Remuneration from any Investees or parent company other Than the Subsidiaries of the Company	
		Compensation (A)		Pension (B)		Remuneration to Directors (C)		Fees for Performance of Business (D)				Wages, Bonus and Special Disbursement, etc. (E)		Pension (F)		Compensation to employee (G)							
		This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	Cash Bonus	Share Bonus	Cash Bonus	Share Bonus	This Company	All Companies Specified in the Financial Statements		
Director	Chairman	Chung Kwan Investment Co., Ltd. Representative: Teh Hsin Chiu (Note 1)	6,045,343	6,045,343	150,000	150,000	0	0	349,751	391,751	6,545,094 / -0.4196%	6,587,094 / -0.4223%	0	0	0	0	0	0	0	0	6,545,094 / -0.4196%	6,587,094 / -0.4223%	0
	Director	Jing Kwan Investment Co., Ltd. Representative: Pin Cheng Yang	11,840,000	17,910,769	0	0	0	0	48,695	90,695	11,888,695/-0.7621%	18,001,464/-1.154%	0	0	0	0	0	0	0	0	11,888,695/-0.7621%	18,001,464 / -1.154%	0
	Director	Hung Wan Investment Co., Ltd. Representative: Chen Ching Ting	20,000	20,000	0	0	0	0	120,000	120,000	140,000 / -0.009%	140,000 / -0.009%	0	0	0	0	0	0	0	0	140,000 / -0.009%	140,000 / -0.009%	0
	Director	Chao Feng Investment Co., Ltd. Representative: Chen Ling Chang (Note 2)	20,000	20,000	0	0	0	0	30,000	30,000	50,000 / -0.0032%	50,000 / -0.0032%	0	0	0	0	0	0	0	0	50,000 / -0.0032%	50,000 / -0.0032%	0
	Director	Chao Feng Investment Co., Ltd. Representative: Cheng Kai Chou (Note 2)	0	0	0	0	0	0	90,000	90,000	90,000 / -0.0058%	90,000 / -0.0058%	0	0	0	0	0	0	0	0	90,000 / -0.0058%	90,000 / -0.0058%	0

	Director	Chung Kwan Investment Co., Ltd.	0	0	0	0	0	162,790	0	0	0 / 0%	162,790 / -0.0104%	0	0	0	0	0	0	0	0	0 / 0%	162,790 / -0.0104%	0
	Director	Hung Wan Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 / 0%	0 / 0%	0	0	0	0	0	0	0	0	0 / 0%	0 / 0%	0
	Director	Chao Feng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0 / 0%	0 / 0%	0	0	0	0	0	0	0	0	0 / 0%	0 / 0%	0
Independent Director	Independent Director	Mu Hsien Chen	1,420,000	1,420,000	0	0	0	0	210,000	210,000	1,630,000 / -0.1045%	1,630,000 / -0.1045%	0	0	0	0	0	0	0	0	1,630,000 / -0.1045%	1,630,000 / -0.1045%	0
	Independent Director	Chih Hung Hsieh	1,420,000	1,420,000	0	0	0	0	200,000	200,000	1,620,000 / -0.1039%	1,620,000 / -0.1039%	0	0	0	0	0	0	0	0	1,620,000 / -0.1039%	1,620,000 / -0.1039%	0
	Independent Director	Chung Hsin Wu (Note 3)	682,000	682,000	0	0	0	0	112,000	112,000	794,000 / -0.0509%	794,000 / -0.0509%	0	0	0	0	0	0	0	0	794,000 / -0.0509%	794,000 / -0.0509%	0
<p>1. Please elaborate on the remuneration policy, system, standards and structure for independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: In order to ensure that the independent directors perform their functions with respect to the Board of Directors and the Company's operations and to maintain their independence, the independent directors of the Company are remunerated according to the Company's "Regulations Governing the Payment of Fees and Compensation to Directors and Committee Members," and are entitled to a fixed remuneration regardless of the Company's operating profit or loss and are not eligible to participate in the distribution of the remuneration to the directors and the allocation of various other incentives as provided for in Article 29 of the Articles of Incorporation of the Company.</p> <p>2. Except for the disclosure in the table above, the remuneration received by the Company's directors for services rendered during the most recent year (e.g., as a consultant not in the capacity as an employee for the parent company, any company or equity investee in the financial statement): Nil</p>																							

## Remuneration Scale Table

Scale of the Remuneration Paid to this Company's Directors	Name of Directors			
	Aggregate Amount of A, B, C and D		Aggregate Amount of A, B, C, D, E, F and G	
	This Company	All companies specified in the financial statements H	This Company	All companies specified in the financial statements I
Below \$1,000,000	Chen Ching Ting, Chen Ling Chang, Cheng Kai Chou, Chung Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd., Chao Feng Investment Co., Ltd., Chung Hsin Wu	Chen Ching Ting, Chen Ling Chang, Cheng Kai Chou, Chung Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd., Chao Feng Investment Co., Ltd., Chung Hsin Wu	Chen Ching Ting, Chen Ling Chang, Cheng Kai Chou, Chung Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd., Chao Feng Investment Co., Ltd., Chung Hsin Wu	Chen Ching Ting, Chen Ling Chang, Cheng Kai Chou, Chung Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd., Chao Feng Investment Co., Ltd., Chung Hsin Wu
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	Mu Hsien Chen, Chih Hung Hsieh	Mu Hsien Chen, Chih Hung Hsieh	Mu Hsien Chen, Chih Hung Hsieh	Mu Hsien Chen, Chih Hung Hsieh
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)				
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)				
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Teh Hsin Chiu	Teh Hsin Chiu	Teh Hsin Chiu	Teh Hsin Chiu
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	Pin Cheng Yang		Pin Cheng Yang	
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)		Pin Cheng Yang		Pin Cheng Yang
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)				
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)				
Above \$100,000,000				
Total	11	11	11	11

Note 1: Chairman Ms. Teh Hsin Chiu is provided with a chauffeur. The related expense totaled NT\$1,018,430 in 2024 and is not included in her remuneration.

Note 2: Chao Feng Investment Co., Ltd. became a new Juristic Person Director and appointed Mr. Chen Ling Chang as its representative after re-election at the Annual Meeting of Shareholders on June 28, 2023 and re-appointed Mr. Cheng Kai Chou as its representative on March 22, 2024.

Note 3: Mr. Chung Hsin Wu was elected as a new independent director at the Annual Meeting of Shareholders held on June 7, 2024.

Remuneration payable to the President and Senior Vice Presidents (Individual disclosure of names and method for remuneration):

Position Title	Name	Wages (A)		Pension (B)		Bonus and Special Disbursement, etc. (C)		Employee's Remuneration (D)				A + B + C + D in total and as % of net income		Whether Receiving Remuneration from any Investees or Parent Company Other Than the Subsidiaries of the Company
		This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company		All Companies Specified in the Financial Statements		This Company	All Companies Specified in the Financial Statements	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chia Hsiung Tseng	3,749,014	3,845,014	1,498,602	1,498,602	2,876,298	2,918,298	0	0	0	0	8,123,914 / -0.5208%	8,261,914 / -0.5296%	
Senior Vice President (Retired)	Chen Ming Chou -04/21/2024	1,126,636	1,222,636	319,551	319,551	551,141	551,141	0	0	0	0	1,997,328 / -0.128%	2,093,328 / -0.1342%	
Senior Vice President (Corporate Governance Officer)	Ching Fu Chen	2,528,508	2,632,508	75,858	75,858	2,402,593	2,402,593	0	0	0	0	5,006,959 / -0.321%	5,110,959 / -0.3276%	
Senior Vice President	Tsung Ming Chang	1,159,891	2,098,113	91,038	91,038	184,652	184,652	0	0	0	0	1,435,581 / -0.092%	2,373,803 / -0.1522%	

### Remuneration Scale Table

Scale of the Remuneration Paid to Each Respective President and Senior Vice Presidents of this Company	Name of President and Senior Vice Presidents	
	This Company	All companies specified in the financial statements
Below \$1,000,000		
\$1,000,000 (inclusive)~\$2,000,000 (exclusive)	Chen Ming Chou, Tsung Ming Chang	
\$2,000,000 (inclusive)~\$3,500,000 (exclusive)		Chen Ming Chou, Tsung Ming Chang
\$3,500,000 (inclusive)~\$5,000,000 (exclusive)		
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Chia Hsiung Tseng, Ching Fu Chen	Chia Hsiung Tseng, Ching Fu Chen
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)		
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)		
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)		
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)		
Above \$100,000,000		
Total	4	4

\* Where the contents disclosed under this Table differ from the concept of income under Income Tax Act. This Table, therefore, only functions for disclosure of information instead of taxation.



Remunerations of Heads Receiving Top Five Remunerations in TWSE/TPEX Listed Companies (Individual disclosure of names and method for remuneration)

Remunerations of Heads Receiving Top Five Remunerations in TWSE/TFEX Listed Companies (Individual disclosure of names and method for remuneration)														
Position Title	Name	Wages (A)		Pension (B)		Bonus and Special Disbursement, etc. (C)		Employee's Remuneration (D)				Amount and Percentage of Total Remuneration of A, B, C and D in Net Income after Tax		Whether Receiving Remuneration from any Investees or Parent Company Other Than the Subsidiaries of the Company
		This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements	This Company		All Companies Specified in the Financial Statements		This Company	All Companies Specified in the Financial Statements	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chia Hsiung Tseng	3,749,014	3,845,014	1,498,602	1,498,602	2,876,298	2,918,298	0	0	0	0	8,123,914 / -0.5208%	8,261,914 / -0.5296%	0
Senior Vice President (Corporate Governance Officer)	Ching Fu Chen	2,528,508	2,632,508	75,858	75,858	2,402,593	2,402,593	0	0	0	0	5,006,959 / -0.321%	5,110,959 / -0.3276%	0
Vice President	Tsung Ming Chang	2,215,818	3,154,040	175,488	175,488	2,608,552	2,608,552	0	0	0	0	4,999,858 / -0.3205%	5,938,080 / -0.3807%	0
General Manager	Wen Hui Lin	2,227,503	2,323,503	172,859	172,859	773,570	773,570	0	0	0	0	3,173,932 / -0.2035%	3,269,932 / -0.2096%	0
Vice President level, Deputy General Manager	Hung Min Hsueh	2,033,538	2,033,538	61,006	61,006	576,560	576,560	0	0	0	0	2,671,104 / -0.1712%	2,671,104 / -0.1712%	0

\* Where the contents disclosed under this Table differ from the concept of income under Income Tax Act. This Table, therefore, only functions for disclosure of information instead of taxation.

2.2.2 Names of the managers distributed with bonus to employees and the facts in distribution:

April 22, 2025

	Position Title	Name	Share Bonus	Cash Bonus	Total	Total Amount as a Percentage in the Net Income After Tax (%)
Managers	President	Chia Hsiung Tseng	0	0	0	0%
	Senior Vice President (Retired)	Chen Ming Chou -04/21/2024				
	Senior Vice President (Corporate Governance Officer)	Ching Fu Chen				
	Vice President	Tsung Ming Chang				
	General Manager	Wen Hui Lin				
	Vice President level, Deputy General Manager	Hung Min Hsueh				
	Director, Accounting Dept.	Ling Chu Chen				

2.2.3 The respective comparison and explanation for analyses of the percentages of the aggregate total compensations paid to the Company's directors, President and Senior Vice Presidents of this Company to the net income after taxes over the past two years in the Company and all companies covered in the consolidated financial statements and explain the policies, criteria, portfolio of remuneration payment, procedures to fix remuneration, business performance and interrelationship to the future risks:

1. An analysis of the proportion of total compensation paid to the Company's Directors, President, and Senior Vice President by the Company and all entities included in the consolidated financial statements over the past two years, relative to the net income after tax reported in the parent company only or individual financial statements, is as follows:

Analyses into the ratios in the past two years

Position Title	Total amount as a ratio in the net income after tax in 2023		Total amount as a ratio in the net income after tax in 2024		Descriptions
	This Company	All Companies Specified in the Consolidated Statements	This Company	All Companies Specified in the Consolidated Statements	
Director	(2.46%)	(2.84%)	(1.46%)	(1.86%)	Here at the Company, the remuneration to directors and supervisors and remuneration to employees have been duly granted exactly in accordance with the Articles of Incorporation
President and Senior Vice President	(1.23%)	(1.25%)	(1.06%)	(1.14%)	

2. The interrelationship among the remuneration payment policies, standards/criteria and portfolio, the procedures to fix the remunerations, business performance and future risks:

(1) Policy, Standards/Criteria and Portfolio for Payment of Remuneration

- 1) The Company's director compensation, including remuneration for duties performed, is granted in accordance with the "Regulations Governing the Payment of Fees and Compensation to Directors and Committee Members" as approved by the Board of Directors, covering items such as transportation expenses and holiday bonuses. Additionally, if the Company records a profit for the year, directors' remuneration may be allocated at a rate not exceeding 2% of the annual profit, pursuant to Article 29 of the Company's Articles of Incorporation. In turn, the independent directors shall not participate in the distribution of such remuneration. Directors who concurrently serve as Company managers are not eligible to receive compensation for their Board of Directors' roles as well. The Company regularly evaluates director compensation in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors." The key evaluation items and their respective weightings for director compensation are reviewed by the Compensation Committee and the Board of Directors and as follows: business performance, sustainability performance, sustainability commitment targets, and external evaluations, each accounting for 25% of the overall assessment. As the Company recorded operating losses in both 2023 and 2024, no directors' remuneration was distributed during those years.
- 2) Compensation for the Company's managers consists of salaries and bonuses. Salaries are based on the Company's internal salary structure and market conditions, and are considered by the Compensation Committee and submitted to the Board of Directors for resolution, taking into account the managers' ranks, academic qualifications, professional abilities, and responsibilities. Managerial bonuses include employee year-end bonuses and performance-based bonuses for managers, both of which are granted based on the Company's annual operating results and individual performance evaluations. The employee year-end bonus is allocated at a fixed percentage of annual operating profits, as agreed between the Company and the labor union. Performance evaluations are conducted in accordance with the "Employee Performance Evaluation Regulations" and serve as the basis for determining the year-end bonus for all employees, including managers, as a means to encourage employees and share in the Company's achievements. Managerial performance bonuses are issued in accordance with the "Managerial Bonus Payment Regulations," and are allocated based on a fixed percentage of the Company's annual operating profits. No performance bonus will be granted if there is no operating profit for the year. The performance evaluation for managerial bonuses comprises 60% Company performance indicators (profitability), 20% strategic priorities (e.g., departmental goals), and 20% ESG indicators. ESG indicators cover two major aspects: fulfillment of the Company's core values and contributions to operational management and sustainable development. For top management (including the President and Vice President), ESG performance evaluation indicators include: 100% completion of GHG inventory and assurance for subsidiaries, 1% energy savings compared to the previous year, and the promotion of zero occupational safety incidents in the workplace. The compensation system is reviewed from time to time based on actual operating conditions and relevant regulatory requirements. No employee year-end bonuses, or managerial performance bonuses were granted in 2023 and 2024 due to the Company's operating losses.

- 3) In addition, if the Company makes a profit in the current year, the Company shall distribute 1% of the current year's profit to employees in accordance with Article 29 of the Company's Articles of Incorporation. In 2023 and 2024, the Company suffered operating losses and did not pay any performance bonuses to the employees.
- 4) The Company's remuneration portfolio shall include cash compensation, stock options, stock dividends, retirement or termination benefits, allowances, and other substantial incentives as determined by the Compensation Committee's Organizational Procedures, and shall be consistent with the provisions of the Regulations Governing Information to be Published in Annual Reports of Public Companies relating to the remuneration of directors and managers.

## (2) Procedures for Determining Remuneration

- 1) For the purpose of periodically evaluating the remuneration of directors and managers, the evaluation results shall be based on the assessments conducted under the Company's "Regulations Governing the Performance Evaluation of the Board of Directors" and the "Employee Performance Evaluation Regulations" applicable to managers and employees, respectively. There are eight assessment items for managers, namely, work safety management, corporate organization, professional knowledge, problem solving, communication and coordination, leadership, goal management and budget execution, each of which carries a different weighting depending on the duties and responsibilities of the managers.
- 2) The results of the self-assessment of the performance of the Company's Board of Directors, board members and functional committees' members for the year of 2024 ranged from 5 "Strongly Agree" to 4 "Agree," which indicates that the overall operation of the Company's Board of Directors and functional committees is sound and in compliance with the Company's corporate governance. In addition, the performance of the Company's managers for the year 2024 was good, and the goals and objectives set for the year were accomplished. The remuneration of directors and managers has fully accounted for their professional competence and the Company's operating and financial conditions, and has been linked to the Company's overall operating performance, individual performance goal management and evaluation results.
- 3) The reasonableness of the performance evaluation and remuneration of the directors and managers has been regularly evaluated and reviewed by the Compensation Committee and the Board of Directors on an annual basis. In addition to making reference to the individual's performance achievement rate and contribution to the Company, they also consider the Company's overall operating performance, the future risks and development trends of the industry, and review the remuneration system in a timely manner in light of the actual operating conditions and relevant laws and regulations. Moreover, they take into account the current trend of corporate governance before granting a reasonable remuneration to balance between the Company's sustainable operation and risk control. The actual amounts of directors' and managers' remuneration are reviewed by the Compensation Committee and approved at the Board of Directors' meeting. In 2024, the Company suffered an operating loss and did not pay any performance bonuses to managers or employees.

(3) Relationship to Operating Performance and Future Risks

- 1) The review of the Company's remuneration policy and related payment standards and system is primarily based on the Company's overall operating conditions, and the payment standards are determined based on the rate of achievement and contribution, in order to enhance the effectiveness of the Board of Directors and the management team as a whole. In addition, the Company also makes reference to the industry's remuneration standards to ensure that the remuneration of the Company's management is competitive in the industry in order to retain outstanding management personnel.
- 2) The Company's managers' performance goals are combined with “risk management” to ensure that possible risks within the scope of responsibilities can be managed and prevented. Based on the results of the actual performance evaluation, the Company links the relevant human resources and the relevant salary and compensation policies. Important decisions of the Company's management are made after balancing different risk factors, and the performance of the relevant decisions is reflected in the Company's profitability, which in turn makes the remuneration of the management related to the performance of risk management.
- 3) The managers' remuneration policy and remuneration payment shall take into account the needs of the corporate sustainability and operational performance goals, and the performance goals are set to cover short- and medium-term profitability targets, financial, non-financial, and risk balanced operational indicators. The performance evaluation and remuneration reasonableness of managers are reviewed by the Compensation Committee and the Board of Directors, and the compensation system is reviewed from time to time in light of the operating conditions and relevant laws and regulations. Directors and managers shall not be engaged in behavior that exceeds the Company's risk appetite in pursuit of remuneration.

## 2.3. Overview on performance of corporate governance:

### 2.3.1 Performance of Board of Directors

In the most recent year (2024), the session 14 Board of Directors (Term of office from June 28, 2023 to June 27, 2026) of this Company convened a total of 8(A) meetings where the directors showed attendance in the following status:

Position Title	Name	Times of Actual Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A)	Remarks
Chairman	Chung Kwan Investment Co., Ltd. Representative: Teh Hsin Chiu	8	0	100%	Re-elected on June 28, 2023
Director	Jing Kwan Investment Co., Ltd. Representative: Pin Cheng Yang	8	0	100%	Re-elected on June 28, 2023
Director	Hung Wan Investment Co., Ltd. Representative: Chen Ching Ting	8	0	100%	Re-elected on June 28, 2023
Director	Chao Feng Investment Co., Ltd. Representative: Chen Ling Chang	2	0	100%	Newly elected on June 28, 2023 Terminated on March 22, 2024 (Note)
Director	Chao Feng Investment Co., Ltd. Representative: Cheng Kai Chou	6	0	100%	Newly elected on March 22, 2024 (Note)
Independent Director	Mu Hsien Chen	8	0	100%	Re-elected on June 28, 2023
Independent Director	Chih Hung Hsieh	7	1	87.5%	Re-elected on June 28, 2023
Independent Director	Chung Hsin Wu	4	0	100%	Newly elected on June 7, 2024

Note: Effective from March 22, 2024, the legal representative of Chao Feng Investment Co., Ltd. will be Mr. Cheng Kai Chou to replace Mr. Chen Ling Chang.

### Other entries as required:

- Where the operations by the Board of Directors meet any one among those circumstances enumerated below, the date, term, contents of the agenda, opinions of all independent directors and the handling of the independent directors' opinions shall be expressly remarked:

- Issues to be enumerated under Article 14-3 of the Securities and Exchange Act

Board Sessions and Date	Contents of the motions and the subsequent measures	Issues enumerated under Securities and Exchange Act §14-3	The Independent Directors hold objections or reserved opinions
The 6 <sup>th</sup> of Session 14 01/18/2024	1. Adjustment of the Certified Public Accountants from Crowe (TW) CPAs.	V	Nil
	2. Engagement of Crowe (TW) CPAs to conduct the audit and independence assessment of the Company's 2024 financial statements.	V	Nil
	The Company's handling of independent directors' opinions: None.		
	Board of Directors' resolution: Unanimously resolved by all directors.		
The 7 <sup>th</sup> of Session 14 03/12/2024	1. Establish the "Regulations Governing the Prevention of Insider Trading."	V	Nil
	2. Proposal to amend the "Procedures for Lending of Funds to Others" of the Company's investee, Land & Sea Capital Corp.	V	Nil
	3. Proposal for the Company's subsidiary, QuanZhou Grand Pacific	V	Nil

	Chemical Co., Ltd., to borrow RMB 300 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.		
	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang recused themselves and did not participate in the discussion or voting in accordance with applicable regulations, due to their concurrent directorships at Land & Sea Capital Corp.		
	The Company's handling of independent directors' opinions: None.		
	Board of Directors' resolution: Unanimously resolved by all directors.		
The 8 <sup>th</sup> of Session 14 04/25/2024	1. 2023 Compensation Plan for Employees and Directors	V	Nil
	2. Proposal to waive non-competition restrictions for directors and newly elected independent directors.	V	Nil
	Director Mr. Cheng Kai Chou recused himself and did not participate in the discussion or voting due to a conflict of interest.		
	3. Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.	V	Nil
	Director Mr. Pin Cheng Yang recused himself and did not participate in the discussion or voting due to a conflict of interest related to his bonus distribution.		
	The Company's handling of independent directors' opinions: None.		
	Board of Directors' resolution: Unanimously resolved by all directors.		
The 9 <sup>th</sup> of Session 14 05/10/2024	There were no discussion items as listed in Article 14-3 of the Securities and Exchange Act.		
The 10 <sup>th</sup> of Session 14 08/12/2024	1. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit line application with Taishin International Bank.	V	Nil
	Director Mr. Pin Cheng Yang, serving concurrently as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd., recused himself and did not participate in the discussion or voting, as the case involves a guarantee for a bank credit line application by Quanzhou Grand Pacific Chemical Co., Ltd.		
	2. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land & Sea Capital Corp., to repay the first installment of a syndicated loan originally obtained in 2021.	V	Nil
	Chairman Ms. Teh Hsin Chiu, concurrently a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, serving as both Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and a director of Land & Sea Capital Corp., recused themselves and did not participate in the discussion or voting, as the case involves a loan of Land & Sea Capital Corp.		
	3. Proposal for the Company's investee, Land & Sea Capital Corp., to increase its indirect investment in mainland China.	V	Nil
	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang, both concurrently serving as directors of Land & Sea Capital Corp., recused themselves and did not participate in the discussion or voting, as the investment of Land & Sea Capital Corp.		
	4. Proposal for a cash capital increase for the subsidiary, GPPC Development Co., Ltd.	V	Nil
	Chairman Ms. Teh Hsin Chiu, concurrently serving as Chairman of GPPC Development Co., Ltd., recused herself and did not participate in the discussion or voting, as the case involves the cash capital increase of GPPC Development Co., Ltd.		
	5. To enable the Company to promptly evaluate potential domestic and international merger and acquisition opportunities, a proposal to authorize the Chairman, for one year from the date of approval, to designate management teams and engage external consultants as necessary for preliminary assessments. The Chairman is also authorized to execute non-disclosure agreements, and non-binding documents such as letters of intent, memoranda of understanding, term sheets, or other related documents not involving confirmed transaction terms.	V	Nil
	Chairman Ms. Teh Hsin Chiu recused herself and did not participate in the discussion or voting due to a conflict of interest.		
The 11 <sup>th</sup> of Session 14	The Company's handling of independent directors' opinions: None.		
	Board of Directors' resolution: Unanimously resolved by all directors.		
	1. The Company provided a guarantee on behalf of its subsidiary, GPPC Development Co., Ltd., for a NT\$400 million credit facility	V	Nil

09/05/2024	application with Taishin International Bank.			
	Chairman Ms. Teh Hsin Chiu, concurrently serving as Chairman of GPPC Development Co., Ltd., recused herself from discussion and voting due to a conflict of interest.			
	2. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 400 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.		V	Nil
	Chairman Ms. Teh Hsin Chiu, concurrently a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, serving as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and a director of Land & Sea Capital Corp., recused themselves from discussion and voting, as the case involves a loan from QuanZhou Grand Pacific Chemical Co., Ltd. to Land & Sea Capital Corp.			
	3. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for an RMB 1.8 billion syndicated loan application.			
	Director Mr. Pin Cheng Yang, concurrently serving as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd., recused himself from discussion and voting due to a conflict of interest.			
	The Company's handling of independent directors' opinions: None.			
The 12 <sup>th</sup> of Session 14	Board of Directors' resolution: Unanimously resolved by all directors.			
	There were no discussion items as listed in Article 14-3 of the Securities and Exchange Act.			
11/11/2024				
The 13 <sup>th</sup> of Session 14	Establish the Company's written internal control system and internal audit implementation guidelines for the "Management of Sustainability Information."		V	Nil
12/17/2024	The Company's handling of independent directors' opinions: None.			
	Board of Directors' resolution: Unanimously resolved by all directors.			

- Issues other than the aforementioned ones where the independent directors voice objection or reserved opinions as backed up with records or written declarations in the minutes of the Board of Directors meeting: Nil.

2. Performance of withdrawal from conflict involvement (recusal) by a director in a motion involving their interests where, please state the name of director, contents of the motion, cause of avoidance from presence (recuse) and facts in participation in the voting process:

Board Session and Date	Name of Director	Contents of Motion	Reason for avoiding conflict of interest	Participation in voting
The 7 <sup>th</sup> of Session 14 03/12/2024	Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 300 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang have conflicts of interest due to their concurrent positions as directors of Land & Sea Capital Corp.	Do not participate in voting
The 8 <sup>th</sup> of Session 14 04/25/2024	Cheng Kai Chou	Proposal to waive non-competition restrictions for directors and newly elected independent directors.	Director's self-interest	Does not participate in voting
	Pin Cheng Yang	Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.	Director's self-interest	Does not participate in voting
The 10 <sup>th</sup> of Session 14 08/12/2024	Pin Cheng Yang	The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit facility application with Taishin International Bank.	Director Mr. Pin Cheng Yang has conflicts of interest due to his concurrent position as directors of QuanZhou Grand Pacific Chemical Co., Ltd.	Does not participate in voting
	Teh Hsin Chiu	Proposal for the Company's	Chairman Ms. Teh Hsin	Do not participate



	Pin Cheng Yang	subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land & Sea Capital Corp., to repay the first installment of a syndicated loan originally obtained in 2021.	Chiu, due to her concurrent role as a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, due to his concurrent roles as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and director of Land & Sea Capital Corp., are deemed to have conflicts of interest in the matter.	in voting
	Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's investee, Land & Sea Capital Corp., to increase its indirect investment in mainland China.	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang have conflicts of interest due to their concurrent positions as directors of Land & Sea Capital Corp.	Do not participate in voting
	Teh Hsin Chiu	Proposal for a cash capital increase for the subsidiary, GPPC Development Co., Ltd.	Chairman Ms. Teh Hsin Chiu has conflicts of interest due to her concurrent position as directors of GPPC Development Co., Ltd.	Does not participate in voting
	Teh Hsin Chiu	To enable the Company to promptly evaluate potential domestic and international merger and acquisition opportunities, a proposal to authorize the Chairman, for one year from the date of approval, to designate management teams and engage external consultants as necessary for preliminary assessments. The Chairman is also authorized to execute non-disclosure agreements, and non-binding documents such as letters of intent, memoranda of understanding, term sheets, or other related documents not involving confirmed transaction terms.	Involves a conflict of interest.	Does not participate in voting
The 11 <sup>th</sup> of Session 14 09/05/2024	Teh Hsin Chiu	The Company provided a guarantee on behalf of its subsidiary, GPPC Development Co., Ltd., for a NT\$400 million credit facility application with Taishin International Bank.	Chairman Ms. Teh Hsin Chiu has conflicts of interest due to her concurrent position as directors of GPPC Development Co., Ltd.	Does not participate in voting
	Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 400 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.	Chairman Ms. Teh Hsin Chiu, due to her concurrent role as a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, due to his concurrent roles as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and director of Land & Sea Capital Corp., are deemed to have conflicts of interest in the matter.	Do not participate in voting
	Pin Cheng Yang	The Company provided a	Chairman Mr. Pin Cheng	Does not

		guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for an RMB 1.8 billion syndicated loan application.	Yang has conflicts of interest due to his concurrent position as directors of QuanZhou Grand Pacific Chemical Co., Ltd.	participate in voting
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3. The TWSE/TPEX listed companies should disclose information on the evaluation cycle and period of the Board's self (or peers) evaluation, the scope, method and content of the evaluation

**Implementation of the Board of Directors Evaluation:**

Evaluation interval	Period of evaluation	Scope of evaluation	Method of evaluation	Contents of evaluation
Once every three years	January 1, 2022 to December 31, 2022	Evaluation of performance by the Board of Directors and members of the Board of Directors	Independent professional institution appointed – KPMG	Evaluation of performance by the Board of Directors include nine major aspects: building an efficient Board of Directors; effective operation of the Board; professional development and continued education; business prospect; execution of duties; governance of management level personnel; creation of corporate culture; communication with stakeholders; evaluation of performance. Evaluation of performance by the members of the Board of Directors includes six major aspects: grasp of company goals and missions; understanding of directors' duties; professional development and continued education; execution of duties; participation level of company operation; and management and communication of internal relationships. After the evaluation, it is believed that the Company's Board of Directors has followed relevant laws and regulations and Taiwan's corporate governance index to set forth related policies and procedures. Members of the Board are also equipped with relevant professionalism and capabilities; they proceed with appropriate task distributions per their experiences in order to effectively operate related occupational competencies of the Board. The overall evaluation showed superior results.
On an annual basis	January 1, 2024 to December 31, 2024	Performance Evaluation of the Board of Directors as a Whole	Self-evaluation inside the Board of Directors	<ol style="list-style-type: none"> <li>1. Participation level of company operation</li> <li>2. Enhancing the quality of board decisions</li> <li>3. Board composition and structure</li> <li>4. Election of directors and their continuing education</li> <li>5. Internal control</li> </ol>
		Performance Evaluation of Individual Board Members	Self-evaluation of Board Members	<ol style="list-style-type: none"> <li>1. Grasp of company goals and missions</li> <li>2. Understanding of directors' duties</li> <li>3. Participation level of company operation</li> <li>4. Management and communication of internal relationships</li> <li>5. Professional of directors and their continuing education</li> <li>6. Internal control</li> </ol>
		Performance	Self-	Performance Evaluation of the Audit

		Evaluation of Functional Committees	evaluation of Members of Functional Committees	Committee 1. Participation level of company operation 2. Understanding of the duties of Audit Committee 3. Enhancing the quality of decisions of Audit Committee 4. Composition and selection of members of Audit Committee 5. Internal control Performance Evaluation of the Compensation Committee 1. Participation level of company operation 2. Understanding of the duties of Compensation Committee 3. Enhancing the quality of decisions of Compensation Committee 4. Composition and selection of members of Compensation Committee Performance Evaluation of the ESG Steering Committee 1. Participation level of company operation 2. Understanding of the duties of ESG Steering Committee 3. Enhancing the quality of decisions of ESG Steering Committee 4. Composition and selection of members of ESG Steering Committee
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\* The results of the 2024 performance evaluation have been reported on January 16, 2025 to the Board of Directors of the Company.

\*\*Evaluation results: The performance evaluation results of the Company's Board of Directors as a whole, individual Board members, Audit Committee, Compensation Committee, and ESG Steering Committee all achieved a score of 4.5 or higher (out of a total score of 5), indicating that the overall operation of the Company's Board of Directors and functional committees is sound and in consistent with the Company's corporate governance.

**Evaluation of the goals (e.g., establishment of Audit Committee, enhancement of information transparency, etc.) and the implementation of such goals for the current year and the most recent year in order to strengthen the functions of the Board of Directors:**

1. The Company's Board of Directors exercises its powers and functions in accordance with the laws and regulations, the Company's Articles of Incorporation, and the resolutions of the shareholders' meeting. In addition to possessing the professional knowledge, skills, and qualities necessary for the performance of their duties, all directors act in accordance with the principle of loyalty and integrity, as well as with the duty of care, to maximize the interests of all shareholders. The directors also keep abreast of changes in laws and regulations by the competent authorities, review the "Rules and Procedures for Board of Directors' Meetings" and evaluate the "Organizational Procedures of the Audit Committee" and the "Organizational Procedures of the Compensation Committee" in a timely manner. The Board of Directors ensures compliance with the amended rules and regulations, and strives to enhance the transparency of information, which is being implemented in a satisfactory manner.
2. The Company has taken out directors' and key employees' liability insurance, currently amounting to NT\$300 million, in order to diversify the risk of directors' and key managers' legal liabilities and to enhance the Company's corporate governance capability.
3. In order to implement corporate governance, safeguard shareholders' rights and enhance the functions of the Board of Directors, the Company has established a Corporate Governance Officer on May 13, 2021, as approved by the Board of Directors, to support the operation of the

Board of Directors.

4. The Company has formed functional committees such as the Compensation Committee, Audit Committee, and ESG Steering Committee in 2011, 2017, and 2023, and continuously improves their effectiveness.
5. The Company's website and Market Observation Post System (MOPS) shall disclose information on the Company's internal rules, major resolutions of the Board of Directors, etc. to facilitate shareholders' understanding of the Company's developments and to enhance the transparency of the Company's information.
6. The Company assists directors in attending internal and external corporate governance related courses every year. The status of the Company's directors' further education for the year 2024 is as follows:

Position titles	Names	Titles of the program courses	Unit in charge	Date of program	Hours
Chairman	Teh Hsin Chiu	Director, Supervisor, and Corporate Governance Officer Training Series – Discussion on Employee and Director Compensation: Starting from the Amendments to Article 14 of the Securities and Exchange Act.	Securities & Futures Institute (SFI)	11/12/2024	3
		Enterprise Risk Management and Crisis Response from the Perspective of Directors and Supervisors	Securities & Futures Institute (SFI)	09/10/2024	3
		Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
Independent Director	Chih Hung Hsieh	Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
		The Inevitable Trend of ESG and Sustainable Governance	Taiwan Corporate Governance Association	07/08/2024	3
		Insider Trading Regulations and Case Study Seminar	Taiwan Corporate Governance Association	05/14/2024	3
Independent Director	Mu Hsien Chen	Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
		Corporate Mergers and Acquisitions and Due Diligence	CPA Associations R.O.C.(Taiwan)	06/21/2024	3
		International Trends and Practices in Anti-Money Laundering	CPA Associations R.O.C.(Taiwan)	06/18/2024	3
		Anti-Money Laundering Trends and Case Analysis	CPA Associations R.O.C.(Taiwan)	04/09/2024	3
		Case Studies and Legal Analysis of Corporate Control Disputes	CPA Associations R.O.C.(Taiwan)	03/28/2024	3
		Practical Implementation of Greenhouse Gas Inventory	CPA Associations R.O.C.(Taiwan)	03/06/2024	6
Independent Director	Chung Hsin Wu	Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
		Balancing Smart Security Risks in Corporate Digital Transformation for a Win-Win Outcome	Taiwan Corporate Governance Association	08/13/2024	3
		Green Energy, Certificates, and Sustainable Development — The Path to Net-Zero for Enterprises	Taiwan Corporate Governance Association	08/09/2024	3
		Latest Regulations and Trends in Corporate Governance	Taiwan Corporate Governance Association	08/06/2024	3
		Technology Risk Trends in the Cloud Era	Taiwan Corporate Governance Association	07/23/2024	3
Director	Pin Cheng Yang	Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
		Common Deficiencies in “Financial Report Review” and Practical Analysis of Key Internal Control Regulations	Accounting Research and Development Foundation in Taiwan	02/26/2024	6
Director		Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1

	Chen Ching Ting	Understanding Financial Statements — A Course for Directors and Supervisors without a Finance Background	Taiwan Corporate Governance Association	04/26/2024	3
		Initiating a Succession Plan — Employee Incentive Programs and Equity Succession	Taiwan Corporate Governance Association	03/05/2024	3
Director	Cheng Kai Chou	Corporate Governance Seminar — Practical Analysis of Trade Secret Protection	Taiwan Academy of Banking and Finance	11/20/2024	3
		Insider Trading Prevention Awareness Training Course	Human Resources Section	09/05/2024	1
		The Impact of the Internal Ratings-Based (IRB) Approach for Credit Risk	Taiwan Academy of Banking and Finance	08/27/2024	3

Details of Mr. Ching Fu Chen's continuing education, the Corporate Governance Officer of the Company for the year 2024 are as follows:

Date of program	Unit in charge	Titles of the program courses	Hours
Strategic Considerations in Corporate Group Restructuring	Taiwan Corporate Governance Association	09/06/2024	3
Practical Case Studies on Shareholders' Meeting Disputes	Institute of Financial Law and Crime Prevention	08/14/2024	3
Regulations and Practical Controversies Related to the Board of Directors	Corporate Operating and Sustainable Development Association	08/01/2024	3
Global Geopolitical and Economic Trends: Opportunities, Challenges, and Responses for Taiwan's Industries	Chung-Hua Institution for Economic Research	07/18/2024	3
Analysis of Amendments to the Act of Gender Equality in Employment	Human Resources Section	03/15/2024	1
Seminar on the Latest Amendments and Impacts of the Controlled Foreign Corporation (CFC) Legislation	Ernst & Young Cultural and Educational Foundation, Taipei City (Taipei-based Foundation)	01/23/2024	2

### 2.3.2 Performance of Audit Committee

In the most recent year (2024), the 4th (Term of Office from June 28, 2023 to June 27, 2026) Audit Committee of this Company convened a total of 8 meetings (A) where the independent directors showed attendance in the following status:

Position Title	Name	Times of Actual Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A)	Remarks
Convener Independent Director	Mu Hsien Chen	8	0	100%	Re-elected on June 28, 2023
Independent Director	Chih Hung Hsieh	8	0	100%	Re-elected on June 28, 2023
Independent Director	Chung Hsin Wu	4	0	100%	Newly elected on June 27, 2024

#### Annual activity highlights

Audit Committee serves to assist the Board of Directors in the implementation of accounting, audit, and financial reporting workflows to ensure quality and integrity of financial control.

The list of items reviewed by Audit Committee includes the following:

- Financial statements
- Audit and accounting policies and procedures
- Internal control system, relevant policies, and procedures
- Major asset or derivatives instrument transactions
- Major lending funds, endorsements or guarantees
- Placement or issuance of marketable securities
- Investment in derivatives and cash instruments
- Legal compliance
- Related party transactions and potential conflict of interest for managers and directors
- Complaints and reports
- Fraud prevention plans and fraud investigations and reports
- Information security
- Corporate risk management
- CPA qualifications, independence and performance review
- CPA appointment, dismissal or remuneration
- Appointment and dismissal of finance, accounting or internal audit managers
- Implementation of Audit Committee's duties and responsibilities
- Self-evaluation questionnaire on Audit Committee's performance review

#### \*Evaluation of the internal control system's effectiveness

Audit Committee assesses the effectiveness of the policies and procedures (including control measures in finance, operation, risk management, information security, outsourcing and legal compliance) of the internal control system and reviews the periodical reports (such as in risk management and legal compliance) by internal auditors, CPAs and management. In reference to the Internal Control — Integrated Framework published for internal control systems in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), Audit Committee believes that the Company's risk management and internal control systems are effective and the Company has adopted necessary control mechanisms to monitor and rectify the breach of rules.

#### \*Review of financial reports

The Board of Directors has prepared the Company's 2023 business report, financial statements and proposal for earnings distribution. Under the commission from the board, the financial statements were audited and issued with independent auditor's reports by Crowe (TW) CPAs. The aforesaid business report, financial statements and proposal for earnings distribution were reviewed by Audit Committee and no incompliance was found.

## Other entries as required:

- I. In case of any of the following circumstances with the functioning of the Audit Committee, it is necessary to describe the meeting date; session; agenda; independent directors' opposition, reservation or major suggestion; the Audit Committee's resolution; and the Company's handling of opinions from the Audit Committee.

- Matters as set forth under Article 14-5 of Securities and Exchange Act:

Audit Committee	Contents of the motions and the subsequent measures	Issues enumerated under Securities and Exchange Act §14-5	Not duly passed in the Audit Committee, the key motions resolved in the Board of Directors through two-thirds majority of all directors.
The 4 <sup>th</sup> of Session 4 01/18/2024	1. Adjustment of the Certified Public Accountants from Crowe (TW) CPAs.	V	Nil
	2. Engagement of Crowe (TW) CPAs to conduct the audit and independence assessment of the Company's 2024 financial statements.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 5 <sup>th</sup> of Session 4 03/12/2024	1. Report on the self-evaluation upon the internal control system 2023.2.	V	Nil
	2. The Company's Declaration in Internal Control System 2023.	V	Nil
	3. The Company's parent company only financial statement and consolidated financial statement, 2023	V	Nil
	4. Establish the "Regulations Governing the Prevention of Insider Trading."	V	Nil
	5. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 300 million from its subsidiary, Land & Sea Capital Corp.	V	Nil
	6. Proposal to amend the "Procedures for Lending of Funds to Others" of the Company's investee, Land & Sea Capital Corp.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 6 <sup>th</sup> of Session 4 04/25/2024	There were no discussion items as listed in Article 14-5 of the Securities and Exchange Act.		
The 7 <sup>th</sup> of Session 4 05/10/2024	1. The Company's financial statements of the first quarter (January to March), 2024.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 8 <sup>th</sup> of Session 4 08/12/2024	1. The Company's financial statements of the second quarter (April to June), 2024.	V	Nil
	2. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit facility application with Taishin International Bank.	V	Nil
	3. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land & Sea Capital Corp., to repay the first	V	Nil

	installment of a syndicated loan originally obtained in 2021.		
	4. Proposal for the Company's investee, Land & Sea Capital Corp., to increase its indirect investment in mainland China.	V	Nil
	5. Proposal for a cash capital increase for the subsidiary, GPPC Development Co., Ltd.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 9 <sup>th</sup> of Session 4 09/05/2024	1. The Company provided a guarantee on behalf of its subsidiary, GPPC Development Co., Ltd., for a NT\$400 million credit facility application with Taishin International Bank.	V	Nil
	2. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 400 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.	V	Nil
	3. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for an RMB 1.8 billion syndicated loan application.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 10 <sup>th</sup> of Session 4 11/11/2024	1. The Company's Audit Plan for the year 2025.	V	Nil
	2. The Company's financial statements of the third quarter (July to September), 2024.	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 11 <sup>th</sup> of Session 4 12/17/2024	1. Establish the Company's written internal control system and internal audit implementation guidelines for the "Management of Sustainability Information."	V	Nil
	Result of resolution by the Audit Committee: Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		

- Issues other than the aforementioned one, not duly passed in the Audit Committee, the key motions resolved in the Board of Directors through two-thirds majority of all directors: Nil.

II. Avoidance from presence (recuse) by independent directors from involvement in interests, with the name(s) of the independent director(s), contents of the motion(s), cause of avoidance from presence (recuse) and facts of participation voting process: Nil

III. Performance by independent directors with internal audit head and Certified Public Accountant(s) (including communications with them all regarding the Company's financial conditions, business performance, the method and outcome thereof):

- Where at the Company, the internal audit head, independent directors and Audit Committee members meet on a quarterly basis at least and would report to the Audit Committee members immediately in case of an extraordinary event. As of the publication date of the Annual Report, there had been no such special situation. The communication by and between the Audit Committee and the internal audit head have been in an excellent performance.

Date	Key points of communications	Proposals by Independent Directors
01/18/2024	Descriptions on implementation of audit conducted in Q4 2023,	No opinion was



	along with the tracking report thereof.	expressed in the present meeting
03/12/2024	1. Report on the self-evaluation upon the internal control system 2023. 2. The Company's Declaration in Internal Control System 2023.	No opinion was expressed in the present meeting
05/10/2024	Descriptions on implementation of audit conducted in Q1 2024, along with the tracking report thereof.	No opinion was expressed in the present meeting
08/12/2024	Descriptions on implementation of audit conducted in Q2 2024, along with the tracking report thereof.2.	No opinion was expressed in the present meeting
11/11/2024	1. Descriptions on implementation of audit conducted in Q3 2024, along with the tracking report thereof. 2. The Company's Audit Plan for the year 2025.	No opinion was expressed in the present meeting
12/17/2024	Establish the Company's written internal control system and internal audit implementation guidelines for the "Management of Sustainability Information."	No opinion was expressed in the present meeting

- The independent directors and certified public accountants meet on an annual basis at least. As of the publication date of the Annual Report, the aforementioned matters had been virtually nonexistent. The communication by and between the Audit Committee and the CPA have been in an excellent performance.

Date	Key points of communications	Proposals by Independent Directors
03/12/2024	The CPAs rendered communications report aiming at the Company's key issues in 2023, notably Materiality in financial statement, key audit items, summary of overall audit results, audit opinions, internal control audit results, etc. toward the independent directors and Audit Committee members.	No opinion was expressed in the present meeting

2.3.3 The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

**The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies**

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
I. Does the company specify and disclose the corporate governance best practice principles in accordance with the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has formulated the “Corporate Governance Best Practice Principles” to implement the corporate governance system and to strengthen the functions of the Board of Directors, which is also disclosed on the Company's website and on the Market Observation Post System.	No major discrepancy
II. Corporate Equity Structure and Shareholders' Equity				
(I) Does the company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures?	V		The Company has designated Spokesperson and Deputy Spokesperson. Our shareholder service unit has dedicated personnel receiving suggestions or handling disputes from shareholders.	No major discrepancy
(II) Does the company master the major shareholders in actual control of the company and the name list of the final controllers of such major shareholders?	V		We keep track by using the list of shareholders maintained by a shareholder service agent.	No major discrepancy
(III) Does the company establish and execute the risk control and firewall mechanism with the affiliates?	V		We adhere to relevant laws and regulations and disclose information accordingly in our dealing with affiliates. All our member companies have set up internal control systems and internal audit guidelines and follow these frameworks in practice. We have also established monitoring rules on our subsidiaries and implemented these rules accordingly.	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
(IV) Does the company establish internal specifications to prohibit the internal parties of the company from trading securities by taking advantage of the non-opened information in market?	V		The Company has set up internal control systems such as the Code of Conduct and the Regulations Governing the Prevention of Insider Trading. The purpose is to ensure our personnel not to use company assets or information or take advantage of their jobs for persona gains. If any of our directors, managers, or employees has acquired inside and significant information, they should avoid trading the Company's shares or other marketable securities of equity nature within a certain period of time, pursuant to Article 157-1 of the Securities and Exchange Act. On September 5, 2024, a one-hour Insider Trading Prevention Awareness Training Course was conducted for directors and employees, with a total of 58 participants.	No major discrepancy
III. Organization and Functions of Board of Directors (I) Has the Board of Directors established a diversity policy, specific management objectives, and ensured its implementation?	V		1. The Company's Board of Directors has established the "Corporate Governance Best Practice Principles", which stipulates the policy of diversity in the Board of Directors in Chapter 3, Article 23, Paragraph 2. In accordance with the Company's Articles of Incorporation, the Company adopts a candidate nomination system for the nomination and selection of Board members. In addition to evaluating the academic qualifications of each candidate, the Company also takes into account the opinions of stakeholders and complies with the Procedures for Election of Directors and Corporate Governance Best Practice Principles in order to ensure the diversity and independence of its Board members.	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
			<p>2. The current Board of Directors consists of 7 directors: Teh Hsin Chiu, the Chairman of the Board of Directors (a female), and Pin Cheng Yang, a director, have knowledge of the petrochemical industry, financial expertise, operational judgment and crisis management experience and capability, and have experience in management practices of listed companies. Mu Hsien Chen, an independent director, is a certified public accountant of a CPA firm and specializes in financial accounting; Chung Hsin Wu, an independent director, possesses professional expertise and experience in environmental engineering; Chih Hung Hsieh, an independent director, and Chen Ching Ting, a director, specialize in law; and Cheng Kai Chou, a director, has experience in serving as an independent director of an emerging stock company, among other important positions.</p> <p>3. No director is an employee of the Company. 3 of independent directors account for 43% of the Board of Directors and 1 of female director for 14% of the Board of Directors. 2 of the independent directors have been in office for a term of 4 to 6 years and 1 of the independent director has been in office for a term of 1 to 3 years. 4 of the directors are between the ages of 51 and 60, and 3 of the directors are between the ages of 61 and 70. The Company emphasizes gender equality in the composition of its Board of Directors and keeps at least one female director, with the goal of increasing the percentage of female directors in the future.</p> <p>4. For the implementation of the Company's diversity policy, please refer to page 11 of this annual report.</p>	

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
(II) Does the company, besides establishing Compensation Committee and Audit Committee in accordance with laws, also voluntarily establish other committees with similar functions?	V		The Company has established the Compensation Committee and the Audit Committee, which exercise their powers and functions in accordance with the Organizational Procedures of the Compensation Committee and the Organizational Procedures of the Audit Committee, respectively, and have been operating smoothly. The Company also voluntarily set up the ESG Steering Committee to exercise its powers and functions in accordance with the “Organizational Procedures for the ESG Steering Committee”, which has been operating smoothly.	No major discrepancy
(III) Does the company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year? Besides, does the company submit the outcome of performance evaluation to the board of directors to be used as the handy reference in salary remuneration of respective directors and their salaries?	V		1. On August 8, 2019, the Company's Board of Directors approved the “Regulations Governing the Performance Evaluation of the Board of Directors”, which stipulates that the Company shall conduct at least one Board of Directors' performance evaluation per year and shall perform an external evaluation at least once every three years. In accordance with the regulations, the Company conducted a self-assessment of its performance for the year 2024 by means of a questionnaire, which was administered by the General Administration Department, and the assessment period was the whole year of 2024, and the scope of the assessment included the "Board of Directors", "Individual Board Members", and the "Functional Committees". The performance self-assessment results of the “Board of Directors” and “Functional Committees” of the Company for the year 2024 have all reached a score of 4.5 or above (out of a total score of 5), which indicates that the Board of Directors and the Functional Committees have operated well. Based on the results of the performance assessment, the Company shall continuously enhance the functions of the Board of Directors in order to improve the effectiveness of corporate governance. The results of the evaluation have been submitted to the Board of Directors'	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
			<p>meeting of January 16, 2025 and the filing process has been completed. The results of the evaluation have been included as a reference for the nomination of directors for reappointment. For the contents and results of the evaluation, please refer to pages 29-30 of this annual report.</p> <p>2. In accordance with the Company's Regulations Governing the Performance Evaluation of the Board of Directors, the performance of the Board of Directors shall be evaluated at least once every three years by an outside professional organization. The most recent external performance evaluation was conducted in 2022 by KPMG Advisory Services Co., Ltd. on the performance of the Company's Board of Directors and members of the Board of Directors. KPMG Advisory Services Co., Ltd. and the consultants had no business dealings with the Company and were independent. KPMG Advisory Services Co., Ltd. has issued a report on the Board of Director's performance evaluation on December 31, 2022. The results of the aforementioned external evaluation were presented and reported to the Board of Directors of the Company on January 12, 2023. For the contents and results of the evaluation, please refer to pages 29-30 of this annual report.</p>	
(IV) Does the company periodically evaluate the independence of the certified public accountant?	V		The Company's Accounting Department assesses the independence of external auditors once a year. The Assessment Form for Independence of External Auditors is designed according to Article 47 of the Certified Public Accountant Act and No. 10 Gazette for Professional Ethics for Certified Public Accountant of the Republic of China. Meanwhile, Statements of Auditor Independence and Audit Quality Indicators ("AQIs") have been obtained. It has been confirmed that the certified	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
			<p>public accountants have no other financial interests or business relationships with the Company except for the fees for attestation and tax cases, and the accountants' family members have not violated the independence requirements, and that the accountants and the firm, with reference to the information of the AQI indicators, are better than the average of their peers in terms of the auditing experience and the number of hours they have been trained. All the findings were submitted to the 4th Audit Committee's 12th meeting and the 14th Board's 14th meeting on January 16, 2025. The Company's Accounting Department determined that CPA Chih-Lung Lin and CPA Wu-Chang Wang of Crowe (TW) CPAs meet the independence and suitability assessment criteria set by the Company.</p> <ol style="list-style-type: none"> <li>1. Statement from the external auditors regarding their independence;</li> <li>2. No direct or material financial interest between the external auditors and the client;</li> <li>3. No improper interest between the external auditors and the client;</li> <li>4. The audit service team practicing in an honest, fair and independent manner;</li> <li>5. No reviewing or auditing of the financial statements issued by the organization the external auditor worked for within the past two years;</li> <li>6. No use of the external auditor's name by any other party;</li> <li>7. No member of the accounting firm or the audit service team owning the client's shares;</li> <li>8. No borrowing/lending relationship between external auditors and the client, except normal dealings in the financial industry;</li> <li>9. No common investments or gains sharing between external auditors and the client;</li> </ol>	

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
			10. No commissioning of regular work by the client and regular compensations to external auditors; 11. No involvement of external auditors in the management function and decision-making for the client; 12. No side job taken by external auditors that may compromise their independence; 13. No spousal, direct relative by blood or by marriage, or relative by blood within four degrees of relationship between external auditors and the client; 14. No receiving of commissions by external auditors related to businesses; 15. No tenure by external auditors for more than seven consecutive years (returning only possible after two years of internal rotation within the accounting firm)	
IV. Have TWSE/TPEX listed companies been equipped with eligible and appropriate corporate governance personnel, and designated Head of Corporate Governance for corporate governance-related affairs (including but not limited to providing directors, supervisors with the information needed to perform business, assisting directors, supervisors in complying with laws to handle matters related to meetings of the board of directors and shareholders 'meetings in accordance with the law, with production of minutes of board of directors meetings and shareholders' meetings)?	V		In order to secure shareholders' rights and to reinforce the professional capabilities of the Board of the Directors, the Company has appointed via final resolution and approval of the Board on May 13, 2021 Vice President Ching Fu Chen as the Corporate Governance Officer, serving as the highest level of supervisor responsible for affairs related to corporate governance. Vice President Ching Fu Chen possessed a CIA and a CPA and has had more than three years of experiences serving as the head of finance department in a public company. His main responsibilities include convening the Board of Directors and shareholders meetings and handling related matters, compiling Board of Directors and shareholders meetings minutes, assisting the directors with position assuming matters and continued education, providing directors necessary information to execute business affairs, and assisting directors to comply with laws and regulations. The key tasks to be performed by the Corporate Governance Officer in 2024 are as follows:	No major discrepancy



Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
			<p>1. Assisting directors in the execution of their duties, providing them with necessary information, arranging for their further education and arranging for liability insurance:</p> <p>(1) Providing occasional briefings to the Board of Directors on the latest laws and regulations related to the Company's business areas and corporate governance. The “Regulations Governing the Prevention of Insider Trading” approved by the Board of Directors in March 2024 stipulate that directors, managers, and employees of the Company and its subsidiaries are prohibited from trading the Company’s shares during the blackout period—30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of each quarterly financial statement.</p> <p>(2) Providing directors with the corporate information they need and assisting them in communicating and interacting with business executives.</p> <p>(3) If the independent directors need to meet with the head of internal audit or the certified public accountant to understand the Company's financial and business affairs, it shall assist them in arranging the relevant meetings. During the current year, on March 12, a meeting was arranged between the certified public accountants and the independent directors for discussion and explanation.</p> <p>(4) To assist members of the Board of Directors in fulfilling the required annual training hours, newly appointed directors completed 13 hours of training during the year, while successors each completed between 7 and 19 hours.</p> <p>(5) Ensuring that the Company has “Directors’ and</p>	

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
			<p>Supervisors' and Key Employees' Liability Insurance" for the Board members and reporting it to the Board of Directors. (Insurance Renewal completed on June 30)</p> <p>2. Handling the procedures of the Board of Directors' and shareholders' meetings and confirming the resolutions in compliance with the laws and regulations:</p> <p>(1) Confirming that the convening of the Board of Directors' and Shareholders' Meetings, the resolution procedures and the minutes of the meetings comply with the relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>(2) A total of 8 Board of Directors meetings were held during the year, with prior reminders provided whenever directors were required to recuse themselves due to conflicts of interest.</p> <p>(3) The 2024 Annual Meeting of Shareholders was held on June 7. In compliance with regulations, the meeting date was pre-registered, and meeting documents—including the notice of meeting, agenda handbook, annual report, and meeting minutes—were prepared and uploaded within the statutory deadlines.</p> <p>3. Maintaining investor relations:</p> <p>(1) Updating information on the Company's website from time to time to enable investors to understand relevant information on the Company's finances, business and corporate governance in order to safeguard shareholders' interests.</p> <p>(2) The Company was invited to participate in two online investor conferences, held on June 18 and November 27, respectively.</p>	
V. Does the company establish communication	V		1. Under the "Investors' Section" of the Company's website,	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
channel of the stakeholders (including but not limited, shareholders, employees, customers and suppliers, etc.), and establish an exclusive zone of the stakeholders in the company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?			<p>the "Stakeholders" section is set up to list the organizer, contact person, telephone number, email address, and other detailed contact information, so that stakeholders can choose the channels of communication with the Company according to different situations.</p> <p>2. The Company has set up a Spokesperson and a Deputy Spokesperson to serve as an external communication channel to appropriately respond to important corporate social responsibility issues of interest to stakeholders and to identify their needs and reasonable expectations.</p> <p>3. The Company may establish communication channels with stakeholders through the Company's website, telephone and fax, etc., including safeguarding the interests of shareholders, the rights and interests of employees, and the integrity of operations with customers, etc. The Company has set up dedicated contact persons to be responsible for communication and coordination with different parties, such as employees, government, communities, customers, suppliers and shareholders.</p> <p>4. Please refer to "Stakeholders" on the Company's website for more information on related issues and communication channels for stakeholders.</p>	
VI. Does the company appoint a professional stock affair handling agency to process the affairs of general meeting?	V		The Company has assigned KGI Securities to provide registrar services.	No major discrepancy
VII. Information Opening				
(I) Does the company set up a website to disclose the financial business and the corporate governance information?	V		Company website at <a href="http://www.gppc.com.tw">http://www.gppc.com.tw</a>	No major discrepancy
(II) Does the company adopt other information disclosure methods (such as setting up an English website, designating dedicated personnel	V		The Company adheres to regulations governing information disclosure by providing information to shareholders via Market Observation Post System regarding financials, business, insider	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
<p>to be in charge of the corporate information collection and disclosure, actualizing the spokesperson system, the juristic person conference process placement in the company's website, etc.)?</p> <p>(III) Did the company announce and declare its annual financial statements within two months after the end of the fiscal year, and announce and declare the financial statements of the first, second and third quarters and operating performance of each month ahead of schedule as required?</p>		V	<p>holdings and corporate governance. The Company's website also discloses information collected by dedicated personnel according to nature of information.</p> <p>The Company has one spokesperson and one deputy spokesperson.</p> <p>The Company is reporting annual and quarterly financial reports and monthly operational status in accordance with the designated date in "Agenda Items for Public Negotiable Securities Issuer".</p>	No major discrepancy
VIII. Does the company have other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee concern, investor relationship, supplier relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the company for its directors and supervisors, etc.)?	V		<ol style="list-style-type: none"> <li>1. Emphasis on Employee Rights and Interests: The Company focuses on the physical and mental health and safety of its employees, and provides annual employee health checkups, and has on-site doctors and nurses to assist in health care. We have set up a welfare committee to promote employee welfare, and scheduled relevant education and training to enhance the quality of work. We comply with relevant labor laws and regulations to protect the legitimate rights and interests of our employees. A fixed percentage of the year-end bonus is provided annually based on the operating results of the business and the Company's Articles of Incorporation stipulate that the Company shall distribute one percent of the current year's profit to employees.</li> <li>2. Investor Relations: The Company has a spokesperson and a deputy spokesperson who are responsible for the external communication of the Company. Financial, business, and material information are announced real time on the Company's website and on the Market Observation Post System (MOPS), so that investors are fully informed of the Company's relevant activities to maximize the interests of</li> </ol>	No major discrepancy

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Descriptions in summary	
			<p>shareholders.</p> <p>3. Stakeholders' rights: The Company's website has established a variety of communication and complaint channels to effectively respond to the questions and suggestions raised by stakeholders in order to protect their legitimate rights and interests.</p> <p>4. The Company has purchased directors' and supervisors' liability insurance for its directors.</p>	
<p>IX. Please explain the performance in improvement of the Company's corporate governance in response to the evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and the proposed preferential measures of improvement for those which call for further improvement.</p> <p>1. Improvements made (summarized below according to the assessment indicators)</p> <p>(3.20) The Company was invited to attend two online investor conferences on June 18 and November 27, 2024.</p> <p>(4.2) The Corporate Sustainability Governance Task Force, under the ESG Steering Committee, is responsible for promoting ethical business practices. It continues to advance the formulation and implementation of the Company's ethical business policy and preventive measures. A report on the performance and annual implementation status of ethical business practices was presented to the Board of Directors on November 11, 2024.</p> <p>2. Continuous Improvement</p> <p>(3.18) Disclosure of quarterly financial reports in English.</p>				

Note: Brief explanations required whether Yes or No is ticked for the facts of performance.

### 2.3.4 Composition, responsibilities and powers of Compensation Committee and the facts of performance:

#### Information on Compensation Committee members:

Position	Name	Term	Qualification Requirements and Work Experience	Independence Information	Number of Other Public Companies Concurrently Serving as a Member of Compensation Committee
(Convener) Independent Director	Mu Hsien Chen		Mr. Mu Hsien Chen holds a master's degree in accounting from California State University. He is currently a practicing CPA at Diwan & Company and serves as Executive Director of CDIB Partners Investment Holding Corp. Mr. Chen possesses professional expertise and experience in accounting and auditing, corporate governance, and business operations.	In accordance with the Company's Articles of Incorporation and the "Corporate Governance Best Practice Principles," directors are elected through a candidate nomination system. During the nomination and selection process, the Company obtained each director's written declaration, employment history, current employment certificate, and family relationship disclosure to verify the independence of the director, their spouse, and relatives within the third degree of kinship in relation to the Company.	0
Independent Director	Chih Hung Hsieh		Dr. Chih Hung Hsieh holds a Doctor of Law degree from National Chengchi University and a Master of Law degree from Waseda University in Japan. He has legal expertise and practical experience, and has previously served as an Associate Professor in the Department of Law at Fu Jen Catholic University and as an Independent Director of Yungtay Elevator Co., Ltd. He currently serves as an Adjunct Associate Professor in the Department of Law at Fu Jen Catholic University, an Independent Director of Sanyang Motor Co., Ltd., and a Review Committee Member of the Criminal Compensation Commission of the New Taipei District Court. Mr. Hsieh possesses professional expertise and experience in legal affairs, ESG, and corporate governance.	Furthermore, the Company has confirmed that the three independent directors listed on the left column met the qualifications stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act during the two years prior to their appointment and throughout their tenure. In accordance with Article 14-3 of the Securities and Exchange Act, each independent director has been vested with full authority to participate in decision-making and express opinions, thereby independently exercising their duties.	1
Independent Director	Chung Hsin Wu		Dr. Chung Hsin Wu holds a Ph.D. from the Graduate Institute of Environmental Engineering at National Taiwan University. He currently serves as Distinguished Professor and Vice President of National Kaohsiung University of Science and Technology, as well as Director of R&D. He is also the President of the Chinese Society of Environmental, Safety and Health Technology, and instructor for the Class A Waste Treatment Technician Training Program at the National Environmental Research Academy. He has received several honors, including the ASE Chair		0

		<p>Professorship, the Engineering Professor Award (Chemical Engineering Category) from the Kaohsiung Chapter of the Chinese Institute of Engineers, and the Engineering Medal (Academic Research Category) from the Taiwan Association of Environmental Engineering.</p> <p>Mr. Wu possesses professional expertise and experience in environmental engineering and corporate sustainability development.</p>		
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### Information of the performance by the Compensation Committee:

The Compensation Committee establishes a performance-based compensation system for the Company from an independent and transcendent perspective. The Committee faithfully performs the duties and responsibilities entrusted to it by the Board of Directors, and it regularly proposes compensation system plans or recommendations to the Board of Directors for discussion and resolution. The main duties of the Committee are as follows:

- Formulating and periodically reviewing policies, systems, standards and structures for performance evaluation and compensation of directors and managers
- Regularly evaluating and determining the compensation of directors and managers

Pursuant to the Company's Organizational Procedures for the Compensation Committee, the number of members of the Committee shall be three, and the members shall be appointed by resolution of the Board of Directors. The Committee shall have at least one independent director as a member, and all members shall elect one independent director as the convener. The Compensation Committee shall meet at least twice a year and conduct internal performance evaluation of the Compensation Committee on a regular basis every year. Information on the meetings of the Compensation Committee and the attendance facts of each member are as follows:

The Company's Compensation Committee consists of three members. Tenure of office of Compensation Committee members of the 5th session: June 28, 2023~June 27, 2026. In the most recent year, the Compensation Committee convened 5 meetings (A). The qualifications and attendance facts of the Compensation Committee members are enumerated below:

Position Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A)	Remarks
Convener	Mu Hsien Chen	5	0	100%	Re-elected on June 28, 2023
Commission member	Chih Hung Hsieh	5	0	100%	Re-elected on June 28, 2023
Commission member	Chung Hsin Wu	3	0	100%	Newly elected on April 25, 2024

Compensation Committee Meetings for the most recent year:

Meeting session / Date	Important Review Matters	Resolutions
The 3 <sup>rd</sup> of Session 5 03/12/2024	Approval of the 2024 Business Plan.	Reviewed and approved by all members present and submitted to the Board of Directors for discussion.
The 4 <sup>th</sup> of Session 5 04/25/2024	1. 2023 Compensation Plan for Employees and Directors 2. Proposal for the appointment of the Company's Sustainability Manager. 3. Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd. 4. Proposal for the payment of retirement benefits to Senior Vice President Mr. Chen Ming Chou. 5. Proposal for the appointment of an Industry Development Consultant.	Reviewed and approved by all members present and submitted to the Board of Directors for discussion.
The 5 <sup>th</sup> of Session 5 08/12/2024	Summary Report on the Company's Current Compensation Packages	Reviewed and approved by all members present and submitted to the



		Board of Directors for discussion.
The 6 <sup>th</sup> of Session 5 09/05/2024	1. Proposal for the salary adjustment of the Company's managers for the year 2024. 2. Proposal for the promotion of managers of the Company and its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.	Reviewed and approved by all members present and submitted to the Board of Directors for discussion.
The 7 <sup>th</sup> of Session 5 12/17/2024	Proposal for the appointment of the President of the Company's subsidiary, GPPC Development Co., Ltd.	Reviewed and approved by all members present and submitted to the Board of Directors for discussion.
The above items have been reviewed and approved by the Compensation Committee, and all members present had no objections or reserved opinions.		

Other items to be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee: There is no such case for the Company in 2024.
2. If the members of the Compensation Committee have any objections or reserved opinions on the resolutions of the Compensation Committee, and if such objections or reserved opinions are documented or stated in writing, the date, session, contents of the motion, opinions of all members, and the handling of the opinions of the members shall be stated: There is no such case for the Company in 2024.

2.3.5. Information on the membership and operation of the Nomination Committee: The Company has established a Nomination Committee, which has not yet been in operation.

2.3.6. Composition, responsibilities, and operation of the ESG Steering Committee

The Company's Corporate Social Responsibility Committee was established in April 2011 and was renamed on March 29, 2022 as the "ESG Steering Committee". Subsequently, in order to better implement the corporate governance function of sustainable management, to strengthen the Board of Directors in fulfilling the sustainability responsibilities of ESG, and to enhance its role in overseeing and guiding the sustainability management strategy, the Board of Directors approved on May 11, 2023 the replacement of the "ESG Steering Committee" by the "ESG Steering Committee", which has a total of five members, with a majority of them being independent directors.

Responsibilities:

1. Formulating the Company's sustainable development policy
2. Developing objectives, strategies, and implementation plans for the Company's sustainable development in terms of ethical management, environmental and social aspects.
3. Reporting to the Board of Directors on a regular basis on performance and effectiveness reviews, tracking, and revisions.
4. Finalizing the sustainability report.
5. Other matters as directed by the resolutions of the Board of Directors to be conducted by the Committee.

List of Members and Term of Office for the 2nd Session (August 11, 2023 to June 27, 2026)

Title Position	Name	Professional competence and experience
Director (Convener)	Pin Cheng Yang	Professional competence and experience in chemical industry, finance, business management, etc.
Independent Director	Mu Hsien Chen	Professional experience in finance
Independent Director	Chih Hung Hsieh	Professional experience in legal affairs
Independent Director	Chung Hsin Wu	Professional experience in environmental engineering.
Director	Chen Ching Ting	Professional competence and experience in legal affairs, corporate governance and ESG

In the most recent year (2024), the ESG Steering Committee convened a total of 3 meetings (A) where the members showed attendance in the following status:

Position Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A)	Remarks
Convener	Pin Cheng Yang	3	0	100%	
Commission member	Mu Hsien Chen	3	0	100%	
Commission member	Chih Hung Hsieh	3	0	100%	
Commission member	Chung Hsin Wu	2	0	100%	Newly elected on June 7, 2024
Commission member	Chen Ching Ting	3	0	100%	

The meetings of the ESG Steering Committee in 2024:

Meeting session/Date	Important Reports or Review Matters
The 2 <sup>nd</sup> of Session 2 01/18/2024	<p>Reports:</p> <ol style="list-style-type: none"> <li>1. Work Planning schedule for the sustainability report of the year 2023.</li> <li>2. Work Planning schedule for the greenhouse gas inventory Report for the year 2023.</li> <li>3. Greenhouse gas inventory report of subsidiaries.</li> </ol>
The 3 <sup>rd</sup> of Session 2 04/25/2024	<p>Reports:</p> <ol style="list-style-type: none"> <li>1. Progress update on the preparation of the Sustainability Report for the year 2023.</li> <li>2. Progress update on the greenhouse gas inventory of the year 2023.</li> <li>3. 2023 greenhouse gas inventory status of subsidiaries.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Proposal on the Company's sustainability vision and policy.</li> <li>2. Proposal to amend the organizational regulations of the ESG Steering Committee.</li> <li>3. Proposal for the appointment of the Company's Sustainability Manager.</li> </ol>
The 4 <sup>th</sup> of Session 2 08/12/2024	<p>Reports:</p> <ol style="list-style-type: none"> <li>1. Progress update on the greenhouse gas inventory of the year 2023.</li> <li>2. Report on stakeholder engagement in 2023.</li> </ol> <p>Discussion:</p> <ol style="list-style-type: none"> <li>1. Proposal for the Company's Sustainability Report of the year 2023.</li> </ol>

Report on the Sustainable Committee of the year 2024 to the Board of Directors:

- January 18, 2024
  - (1) Work Planning schedule for the sustainability report of the year 2023.
  - (2) Work Planning schedule for the greenhouse gas inventory Report for the year 2023.
  - (3) Greenhouse gas inventory report of subsidiaries.
- April 25, 2024
  - (1) Progress on the Implementation of Sustainable Development Initiatives.
- August 12, 2024
  - (1) Progress update on the greenhouse gas inventory of the year 2023.
  - (2) Report on stakeholder engagement in 2023.
- September 5, 2024
  - (1) Report on the Current Status of Information Security Management.
- November 11, 2024
  - (1) Closure Report on the Greenhouse Gas Inventory and Explanation of Carbon Fee Implementation of the year 2023.

2.3.7 Implementation Status of Sustainable Development Initiatives and implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
I. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the Board? (TWSE/TPEX Listed Companies shall fill out and report implementation status, and it is not considered “comply or explain”.)	V		<p>In alignment with the vision and mission of the consolidated group’s ESG policy, the Board of Directors serves as the highest decision-making body for sustainability-related matters. To further enhance the governance function for sustainable operations and to strengthen the Board’s responsibility in fulfilling ESG-related duties, the Board approved the establishment of the functional “ESG Steering Committee” on May 11, 2023. A majority of the Committee members are independent directors. On April 15, 2024, the Board approved the appointment of Mr. Chia Hsiung Tseng, President, as the Company’s Sustainability Manager. The “ESG Steering Committee” functions as a vertical and horizontal cross-departmental communication platform and comprises five working groups: “Sustainability Governance,” “Employee Care,” “Climate Change Response and Green Ecological Sustainability Management,” “Partner Management,” and “Social Inclusion.” To coordinate the Committee’s activities and integrate the work of each functional group, one Executive Secretary is appointed to compile the annual implementation plan and results report. These reports must be reviewed by the Committee and regularly presented to the Board. Details of the report for the year 2024 which were reported to the Board are provided on page 54.</p> <p>Responsibilities of the ESG Steering Committee: (1) Formulating the Company’s sustainable development policies; (2) Formulating the goals, strategies and implementation schemes for the Company’s sustainable development, including environmental and social aspects of ethical management; (3) Reviewing, tracking and revising the implementation status and effectiveness, and reporting to the Board of Directors regularly; (4) Reviewing and approving the Company’s sustainability report; and (5) Handling other matters as instructed and assigned by the resolutions of the Board of Directors.</p> <p>The Executive Secretary of the ESG Steering Committee reported to the Board of Directors on the implementation results and work plans related to sustainability initiatives. In 2024, a total of three committee meetings were held to review the effectiveness of the annual sustainability efforts. These meetings served to continuously strengthen and enhance the Company’s sustainable operations, ensuring</p>	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			the concrete implementation of its sustainability policies and strategies.	
<p>II. Does the company conduct environmental, social and governance risk assessments according to the principle of materiality, and formulate relevant risk management policies or strategies accordingly? (Note 2)</p> <p>(TWSE/TPEX Listed Companies shall fill out and report implementation status, and it is not considered “comply or explain”.)</p>	V		<p>The ESG Steering Committee conducted a materiality analysis based on the principles outlined in the Sustainability Report. It engaged in communication with internal and external stakeholders, reviewed domestic and international research reports and literature, integrated evaluation data from various departments and subsidiaries, then the Committee assessed material ESG issues, and established effective risk management policies and actionable strategies to identify, assess, monitor, and control relevant risks. These efforts aim to mitigate the impact of such risks. Then based on the results of the risk assessment, the Committee formulated the following risk management policies and strategies:</p> <p>Environmental Issue – Environmental Impact and Management Approach:</p> <p>(1) Product design for energy saving and improved usage efficiency: (a) Persistently promoting energy management systems to produce products in a more energy-efficient manner, and reduce energy intensity rates; (b) Aiming for an average annual energy saving rate of over 1% and pushing the product carbon footprint.</p> <p>(2) Emissions: Persistently implementing greenhouse gas management and emission reduction by following the national greenhouse gas reduction policy that achieves net-zero greenhouse gas emissions by 2050 in line with government policies.</p> <p>(3) Fulfilling the ideas of "Making good use of resources, preventing pollution, and contiguously improving": Adhering to the spirit of corporate sustainable development, the Company has long been committed to improving environmental pollution problems such as waste water, air, noise, solid waste, soil and groundwater. With the aforesaid ideas in mind, the Company not only continuously establishes environmental protection facilities, but also actively has been promoting carbon dioxide inventory, and striving to implement industrial waste reduction (emission and energy management guidelines). Besides, the Company further implements its greenhouse gas inventory plan in accordance with the ISO-14064-1. Our cogeneration plant has adopted the Best Available Techniques (BACT) and equipment to minimize the pollution generated during the production, delivery and storage processes, and has been actively upgrading its equipment operation experience and skills thereby</p>	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>meeting the environmental protection goals.</p> <p>Social Issue: (Occupational Safety and Health) The Company has successfully implemented the ISO 45001 Occupational Health and Safety Management System (with the latest certificate valid from May 31, 2025, to May 31, 2028). Fire drills and occupational safety training sessions are held regularly each year to cultivate employees' emergency response capabilities and personal safety management awareness, reducing exposure to potential hazards that could cause injury or illness (such as chemicals, radiation, high pressure, noise, fire, and explosives).</p> <p>Corporate Governance Issues: (Socioeconomic Compliance and Legal Adherence): Through the establishment of governance structures and the implementation of internal control mechanisms, the Company ensures that all personnel and operations within the consolidated group comply with relevant laws and regulations. Products developed by the consolidated group are protected under patent law to safeguard corporate interests.</p> <p>(Enhancement of Board of Directors Functions): The Company plans continuing education topics for directors annually, providing them with updates on the latest laws, regulatory developments, and policy changes. Directors are also covered by directors' liability insurance to protect them against lawsuits or compensation claims.</p> <p>(Stakeholder Communication): To prevent misunderstandings or potential legal risks arising from differing perspectives between stakeholders and the consolidated group, the consolidated group conducts annual analyses of key stakeholders and issues of concern to them. A variety of communication channels are established to promote active engagement and reduce conflict or miscommunication. An investor relations email is maintained, with the spokesperson responsible for managing and responding to inquiries.</p>	
III. Environmental Issues (I) Does the Company establish a proper	V		As a member of petrochemical industry, the Company strives to comply with the laws and regulations of various production bases (including Taiwan and Mainland China)	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy												
	Yes	No	Description in Summary													
environmental management system in response to its industry characteristics?			and regard it as our most essential requirements. Furthermore, in terms of internal management and control, the Company not only sets management goals per the Company's associated industry characteristics, but also formulates its environmental policies according to the spirit of the provisions of ISO-14001, with which to establish a comprehensive environmental management system, and regularly reviews the implementation status. The Company’s obtaining the ISO 14001 certification can be traced back to as early as 1997. Ever since then, the Company has persistently been operating under the P.D.C.A. principles to comply with the ISO 14001 requirements. Apart from obtaining the ISO14001 environmental management system certification, the Company has also obtained other environmental management certifications such as Sony GP (Green Partner) as well as Asus green environmental management system. Not satisfied with existing achievements, the Company is also striving to achieve net zero transition from adopting green energy. As a result, the Company has also obtained the ISO-14064-1:2018 Greenhouse Gas Inventory Certification. The Company's latest ISO 14001 certificate is valid from July 2, 2023 to July 2, 2026.													
(II) Does the company endeavor to upgrade the energy utilization efficiency and use the regenerated materials with a low environmental impact?	V		<div>1. For sustainable development and fulfilling social responsibility, the Company has been actively responding to the international trend of net zero carbon emissions by not only conducting greenhouse gas inventories in accordance with the ISO-14064-1:2018 standard, but also setting an annual target of saving 1% of energy to actively promote various energy-saving measures and improve energy efficiency. All these measures intend to reduce the Company’s short-, medium- and long-term carbon emissions (Scopes 1 and 2). Details on major energy-saving schemes for 2024 are listed in the table below.</div> <div>2024 Energy Saving Scheme</div> <table><tr><th>2024</th><th>Energy-saving measures implemented</th><th>Implementati on period (months)</th><th>Annual power saving quantity (KWH)</th><th>Annual Energy Savings (measured in megajoules, MJ)</th><th>Investment Amount (NTD thousand)</th></tr><tr><td>Individual plants</td><td>1. Phase 3 AC Renewal: Replacing old AC units with new ones (4 units) in Kaohsiung Plant, Grand Pacific</td><td>Jan. to Jun.</td><td>2,750</td><td>9,900</td><td>240</td></tr></table>	2024	Energy-saving measures implemented	Implementati on period (months)	Annual power saving quantity (KWH)	Annual Energy Savings (measured in megajoules, MJ)	Investment Amount (NTD thousand)	Individual plants	1. Phase 3 AC Renewal: Replacing old AC units with new ones (4 units) in Kaohsiung Plant, Grand Pacific	Jan. to Jun.	2,750	9,900	240	
2024	Energy-saving measures implemented	Implementati on period (months)	Annual power saving quantity (KWH)	Annual Energy Savings (measured in megajoules, MJ)	Investment Amount (NTD thousand)											
Individual plants	1. Phase 3 AC Renewal: Replacing old AC units with new ones (4 units) in Kaohsiung Plant, Grand Pacific	Jan. to Jun.	2,750	9,900	240											

Item	Implementation status (Note 1)							Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy	
	Yes	No	Description in Summary						
				Petrochemical Corporation (GPPC)					
			Cogeneration plant	2. Conversion of the fixed-speed box-type air conditioner on the north side of the cogeneration control room to variable-speed operation	Oct. to Dec.	4,549	16,376	218	
			Polymer plant	3. Renewal of the air compressor K-802H	Jan. to Sept.	338,400	1,218,240	2,500	
				4. Installation of heated dryer K-803J for SAN to replace the non-heated adsorption-type dryer K-803F	Sept. to Dec.	155,603	560,170	3,500	
				5. Modification of the thermal medium system for Nylon Line 1 flash evaporator; deactivation of secondary thermal medium pumps PP-6226A/S	Apr. to Dec.	33,000	118,800	350	
			Monomer plant	6. Putting the turbines of PP-312A and PP-313A into service, decommissioning the electric motors PP-312S and PP-313S, and thereby feeding SM3 2.8K steam to SM2	Jan. to Mar.	430,815	1,550,934	0	
				7. Replacement of pump casing for SM3 oil-water separator pump PP-203A	Jan. to Feb.	2,789	10,040	818	
				8. Replacement of pump casing for SM3 oil-water separator pump PP-203S	Aug. to Dec.	6,972	25,099	880	
			Total			974,878 KWH	3,509,559 MJ	8,506 NTD thousand	
			2. Our products are raw materials for petrochemical plastic products, treated as bulk raw materials. As a result, it is not feasible to produce them with recycled raw materials.						
(III)	Does the company assess existing and potential risks and opportunities associated with climate change and adopt the corresponding responses	V		The Company is concerned about climate risk and has constructed a "Climate Risk Management Procedure" with reference to the "Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)" issued by the Financial Stability Board (FSB) in June 2017. The "Climate Risk Management Procedure" identifies and manages transitional risks and physical risks arising from climate change in accordance with the TCFD framework, conducts a financial impact assessment of					No major discrepancy



Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy																		
	Yes	No	Description in Summary																			
and measures?			<p>high-risk factors, and include the consideration of climate change risks into the Company's existing risk management framework to facilitate long-term tracking and assurance of climate change governance outcomes. The Company adopts the ESG sustainable organization structure as its climate governance organization and discloses information on the impacts of climate change in accordance with the aforesaid "Climate Risk Management Procedures". It is through the identification of climate-related risks and opportunities, carbon reduction target setting and other measures to help the Company improve the management of climate risks and opportunities, thereby persistently responding to the concerns and expectations of various stakeholders (including governments at all levels) over the Company's climate governance. Taking 2015 as the base year, the Company expects a 40% reduction in carbon emissions by 2040 compared to the base year. In the future, the Company plans to link ESG performance with reward mechanisms, allowing the Committee to report the Company’s climate issue governance performance to the Board of Directors, which oversees, decides and manages all those climate-related issues.</p> <p>In line with the context of climate risk identification, the Company describes the risk implications and financial impacts on the Company against the climate factors identified as high priority and the countermeasures taken as follows:</p> <table> <tr> <th>Climate Factor</th> <th>Type</th> <th>Impacts on GPPC</th> <th>Occurrence Period</th> <th>Countermeasures</th> <th>Target indicator/TCFD scope</th> </tr> <tr> <td>Taiwan's Pathway to Net-Zero Emissions in 2050</td> <td>Transitional Risks – Low Carbon Trend</td> <td>Project assessment of replacing steam-electric coal-fired boilers with natural gas-fired boilers</td> <td>Long</td> <td>Coal reduction scheme (using natural gas as an alternative) for cogeneration plant</td> <td>All coal-fired boilers will be converted to natural gas by 2040, expecting to reduce 280,000 metric tons of CO2-eq GHG emissions (Scope 1)</td> </tr> <tr> <td>Protecting the Company's reputation</td> <td>Opportunity</td> <td>Compliant with the Department of</td> <td>Medium</td> <td>Solar panels have been installed at the</td> <td>Greenhouse gas emissions by approximately 900</td> </tr> </table>	Climate Factor	Type	Impacts on GPPC	Occurrence Period	Countermeasures	Target indicator/TCFD scope	Taiwan's Pathway to Net-Zero Emissions in 2050	Transitional Risks – Low Carbon Trend	Project assessment of replacing steam-electric coal-fired boilers with natural gas-fired boilers	Long	Coal reduction scheme (using natural gas as an alternative) for cogeneration plant	All coal-fired boilers will be converted to natural gas by 2040, expecting to reduce 280,000 metric tons of CO2-eq GHG emissions (Scope 1)	Protecting the Company's reputation	Opportunity	Compliant with the Department of	Medium	Solar panels have been installed at the	Greenhouse gas emissions by approximately 900	
Climate Factor	Type	Impacts on GPPC	Occurrence Period	Countermeasures	Target indicator/TCFD scope																	
Taiwan's Pathway to Net-Zero Emissions in 2050	Transitional Risks – Low Carbon Trend	Project assessment of replacing steam-electric coal-fired boilers with natural gas-fired boilers	Long	Coal reduction scheme (using natural gas as an alternative) for cogeneration plant	All coal-fired boilers will be converted to natural gas by 2040, expecting to reduce 280,000 metric tons of CO2-eq GHG emissions (Scope 1)																	
Protecting the Company's reputation	Opportunity	Compliant with the Department of	Medium	Solar panels have been installed at the	Greenhouse gas emissions by approximately 900																	

Item	Implementation status (Note 1)								Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy	
	Yes	No	Description in Summary							
					Environment's Voluntary Reduction Program Management Regulations		plant site	metric tons of CO <sup>2</sup> -eq/year (Scope 1)		
(IV) Does the company calculate the GHG emissions, water consumption and total wastes during the past two years, and formulate policies to achieve reduction of carbon emissions, GHS emissions, water consumption or manage wastes?	V		1. The Company keeps annual statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years as a reference for subsequent management measures. 2. In order to continuously achieve the international trend toward reduction, the Company conducts reduction tracking through the Committee, currently aiming to persistently save 1% energy each year. 3. In recent years, the Company has been transforming from a traditional petrochemical business into a low-carbon circular economy, and reducing coal dependency has become a key strategy in line with government policies. In response to the government's planning towards green transitions of the society as a whole, the Company has launched 62 projects since 2017, achieving a total electricity saving of 13 million kWh within 5 years, and an average electricity saving rate of 1.5%. At the same time, the Company has established a smart grid to ensure stable power supply for manufacturing, and has improved energy management efficiency through digitalization. In the future, the Company will join hands with major green energy manufacturers at home and abroad to install rooftop solar panels, enhance the self-generation capacity of green power in the plant area, improve land use efficiency, and move towards self-sufficiency in green power. 4. All of our plants and subsidiaries have completed the inventory and third-party verification of ISO 14064-1 Scope 1, Scope 2, and Scope 3 in 2022 and 2023. The inventory in 2024 has been completed, against which the verification will be conducted in July 2025.							No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy																																											
	Yes	No	Description in Summary																																												
			<p>Statistics of the seven major greenhouse gas emissions from the Company's Kaohsiung Plant in 2024 (The statistics are specifically for Scope 1 and Scope 2 of the Company's Kaohsiung Plant.)</p> <table><tr><th>Item</th><th>Emission Equivalent</th><th>Percentage (%)</th></tr><tr><td>CO2</td><td>497,367</td><td>99.53</td></tr><tr><td>CH4</td><td>181</td><td>0.07</td></tr><tr><td>N2O</td><td>1,910</td><td>0.36</td></tr><tr><td>HFCs</td><td>25</td><td>0.04</td></tr><tr><td>PFCs</td><td>0</td><td>0</td></tr><tr><td>SF6</td><td>0</td><td>0</td></tr><tr><td>NF3</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>499,483</td><td>100</td></tr></table> <p>Total greenhouse gas emissions in the past three years (The statistics are specifically for Scope 1 and Scope 2 of the Company's Kaohsiung Plant.)</p> <table><tr><th>Year</th><th>2022</th><th>2023</th><th>2024 (Not yet assured)</th></tr><tr><td>Scope 1 (unit: metric tons of carbon equivalent)</td><td>318,972</td><td>416,998</td><td>496,230</td></tr><tr><td>Scope 2 (unit: metric tons of carbon equivalent)</td><td>36,900</td><td>20,354</td><td>3,253</td></tr><tr><td>Total (unit: metric tons carbon equivalent)</td><td>355,872</td><td>437,352</td><td>499,483</td></tr></table> <p>Given the rapid changes in the water environment caused by climate change in recent years and the increasing frequency of droughts and floods, external stakeholders have become increasingly concerned about water resources issues. To address complex water resource issues as early as possible, and effectively incorporate management concepts such as prevention and conservation, the Company has completed water risk factor identification and response, and has implemented water recycling in accordance with its water resource management policies and commitments. The</p>	Item	Emission Equivalent	Percentage (%)	CO2	497,367	99.53	CH4	181	0.07	N2O	1,910	0.36	HFCs	25	0.04	PFCs	0	0	SF6	0	0	NF3	0	0	Total	499,483	100	Year	2022	2023	2024 (Not yet assured)	Scope 1 (unit: metric tons of carbon equivalent)	318,972	416,998	496,230	Scope 2 (unit: metric tons of carbon equivalent)	36,900	20,354	3,253	Total (unit: metric tons carbon equivalent)	355,872	437,352	499,483	
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	Yes	No	Description in Summary																															
			<p>Company's water source is surface water from the Gaoping River, which is not a sensitive area of water volume.</p> <p>Total Water Consumption (The statistics are specifically for the Company’s Kaohsiung Plant.)</p> <table> <tr> <th>Year</th> <th>Total Water Consumption</th> </tr> <tr> <td>2022</td> <td>2,004 (thousand metric tons)</td> </tr> <tr> <td>2023</td> <td>1,973 (thousand metric tons)</td> </tr> <tr> <td>2024</td> <td>2,215 (thousand metric tons)</td> </tr> </table> <p>In order to minimize the environmental impact due to the waste generated in the production process, and to promote industrial waste reduction, the Company strives to promote industrial waste reduction. The Company has formulated the "Industrial Waste Reduction Promotion Implementation Procedure" as the waste reduction implementation policy. In addition, to recycle heat energy and reduce the amount of waste, a sludge incinerator with an hourly capacity of 390Kg has been constructed to significantly reduce the weight of waste and pollution, while other waste that cannot be treated is all handed over to qualified disposal plants for cleaning, against which the control is implemented through a triplicate slip issued according to the Company’s regulations.</p> <table> <tr> <th colspan="2">Weight of various types of waste in 2023 (unit: metric tons)</th> </tr> <tr> <td>Total weight of general industrial waste</td> <td>2401.16</td> </tr> <tr> <td>Total weight of general garbage waste</td> <td>69.9</td> </tr> <tr> <td>Total weight of recycled waste</td> <td>16274.45</td> </tr> <tr> <td>Total weight of hazardous industrial waste</td> <td>0</td> </tr> <tr> <td>Percentage of hazardous industrial waste recycled</td> <td>0 %</td> </tr> </table> <p>(The statistics are specifically for the Company’s Kaohsiung Plant.)</p> <table> <tr> <th colspan="2">Weight of various types of waste in 2024 (unit: metric tons)</th> </tr> <tr> <td>Total weight of general industrial waste</td> <td>3,107.89</td> </tr> <tr> <td>Total weight of general garbage waste</td> <td>74.13</td> </tr> <tr> <td>Total weight of recycled waste</td> <td>21,715.41</td> </tr> <tr> <td>Total weight of hazardous industrial waste</td> <td>0</td> </tr> </table>	Year	Total Water Consumption	2022	2,004 (thousand metric tons)	2023	1,973 (thousand metric tons)	2024	2,215 (thousand metric tons)	Weight of various types of waste in 2023 (unit: metric tons)		Total weight of general industrial waste	2401.16	Total weight of general garbage waste	69.9	Total weight of recycled waste	16274.45	Total weight of hazardous industrial waste	0	Percentage of hazardous industrial waste recycled	0 %	Weight of various types of waste in 2024 (unit: metric tons)		Total weight of general industrial waste	3,107.89	Total weight of general garbage waste	74.13	Total weight of recycled waste	21,715.41	Total weight of hazardous industrial waste	0	
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	Yes	No	Description in Summary	
			<div>Percentage of hazardous industrial waste recycled</div> <div>0 %</div> <div>(The statistics are specifically for the Company's Kaohsiung Plant.)</div>	
IV. Maintenance of Community Public Welfare (I) Does the company establish related management policies and procedures in accordance with related laws and international covenants on human right?	V		<ol style="list-style-type: none"> <li>1. In order to implement human rights protection and fulfill corporate sustainability responsibilities, the Company strictly abides by local laws and regulations at each business location, and acknowledges and voluntarily supports various internationally recognized human rights standards required in the "Universal Declaration of Human Rights," the "United Nations Global Compact," the "United Nations Guiding Principles on Business and Human Rights," the "International Labor Organization," and the like. Additionally, the endorsed Company's Human Rights Policy is posted on the Company's website.</li> <li>2. Emphasizing diversity and gender equality in the workplace, the Company is committed to providing employees with a dignified and safe work environment. We practice diversity in employment and fairness in compensation and advancement opportunities to ensure that employees are not subjected to discrimination, harassment, or unequal treatment on the basis of race, gender, sexual orientation, religious beliefs, age, political affiliation, as well as any other status protected by applicable regulations. Due to the demanding physical nature of the factory work, there are more male employees. However, when it comes to administrative positions, females account for 40%. Valuing harmonious and sound labor relations and efficient employee communication channels, the Company has specially established a Complaint Handling Committee and Investigation Team in accordance with the Gender Equality in Employment Act, and has formulated a "Prevention and Control Procedures for Sexual Harassment" as well as other relevant measures and procedures for handling employee complaints. There were no incidents of discrimination, sexual harassment or infringement of labor rights in 2024, and we will continue to control emerging issues such as psychosocial hazards in the workplace and forced labor through the ISO 45001 Occupational Safety and Health Management System and the relevant requirements of the International Labor Organization (ILO), thereby promoting collective bargaining for the protection</li> </ol>	No major discrepancy  No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>of labor rights.</p> <p>3. The primary objectives of our human rights management policy are to prohibit forced labor, comply with local labor laws and regulations, implement employee leave system, provide safe and healthy work environment, assist employees to balance work and life style and maintain physical and mental health, and enforce at least 1-hour lunch break to give colleagues sufficient lunch time. For details, please refer to “Measures to Protect the Work Environment and Employees’ Personal Safety” as stated in the Annual Report on pages 127-128.</p> <p>4. In 2024, the Company held educational training courses related to gender equality, such as “Analysis of Amendments to the Act of Gender Equality in Employment” and “Interpretation of the Amendments to the Act of Gender Equality in Employment and the Sexual Harassment Prevention Act, and Response Strategies”, where the number of participants was 236, and the total training hours were 236. Fully respecting and protecting human rights, eliminates infringement and violations of human rights, the Company treats all employees, contract workers, and temporary workers with respect, and strives to continue to improve management of human rights issues.</p>	
(II) Does the company formulate and implemented an employee welfare scheme (including wages, holidays and other benefits) and reflected appropriately the business performance onto employee remunerations?	V		<p><u>Employee Compensation</u></p> <p>1. The Company’s year-end bonus system is established through an agreement with the labor union, based on a fixed percentage of operating profit. Bonuses are distributed to all employees after considering annual performance evaluations, in order to incentivize collective efforts toward achieving the Company’s objectives.</p> <p>2. Pursuant to Article 29 of the Company’s Articles of Incorporation, 1% of the annual profit shall be allocated as employee compensation.</p> <p><u>Employee Welfare Measures</u></p> <p>1. In addition to labor insurance and health insurance, the Company also provides group insurance for our employees, including spousal and children's medical benefits and cancer insurance; moreover, the Company provides travel insurance for our employees on business trips, which fully protects them from all kinds of insurance needs. Furthermore, the Company regularly arranges annual health examinations for employees, including their families. In 2024 the total cost of health examinations for the entire company was NT\$943,000. Meanwhile, the</p>	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>plants are staffed by qualified nurses and provide medical consultation assistance, such as physician consultation.</p> <p>2. The Company has established an Employee Welfare Committee, which sets aside a fixed percentage of monthly sales revenue and the proceeds from the sale of scraps as welfare funds. In 2024, the welfare fund allocation exceeded NT\$20 million, providing employees with a variety of high-quality benefits. In addition to providing bonuses for the three major festivals (Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival) and birthday gifts, this committee is also responsible for promoting employee travel, education subsidies for employees' children, wedding and funeral subsidies, emergency assistance, community activities, meal subsidies, and other welfare activities, as well as providing free annual health examinations for employees.</p> <p>3. Following the provisions stipulated in the "Labor Standards Act," the "Labor Pension Act" and its enforcement rules, the Employers' Accounting for Pensions and the like, the Company contributes 3% of employees' gross salaries or wages to the Bank of Taiwan on a monthly basis and 6% of the employees' average monthly salaries or wages to the employees' personal accounts in the Bureau of Labor Insurance. Besides, it is through the mechanism of "Supervisory Committee of Labor Retirement Reserve" that the Company holds regular meetings to review the use of retirement reserve funds, thereby protecting employees' retirement rights. In 2024, the Company's "Supervisory Committee of Labor Retirement Reserve" held four meetings. In total. As of December 31, 2024, the balance of the Company's labor retirement reserve account was NT\$553,464 thousand. The total amount of new retirement fund contributions in 2024 was NT\$11,071 thousand.</p> <p><u>Workplace Diversity and Equality</u>  Due to the nature of the industry, the Company's workforce is predominantly male, with male employees accounting for 90% and female employees 10%. However, women hold 30% of managerial positions and 67% of general administrative roles, indicating that hiring and promotion decisions are based on merit rather than gender. The Company's Board of Directors also includes female members. In recent years, the Company has adopted a diversity-oriented hiring policy as part of its sustainability strategy, emphasizing gender equality and continually increasing the proportion of</p>	

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>female managers.</p> <p><u>Business Performance Reflected in Employee Compensation</u></p> <p>In accordance with Article 29 of the Company's Articles of Incorporation, 1% of annual profit shall be allocated to employee compensation. The Company participates in annual industry salary surveys and adjusts compensation based on market trends, economic conditions, and individual performance to maintain competitiveness. In 2024, the average salary adjustment was 3% for both managerial and non-managerial employees.</p>	
(III) Does the company provide employees with a safe and healthy working environment, and implement safety and health education to employees on a periodical basis?	V		<p><b>【Occupational Safety and Health】</b></p> <ol style="list-style-type: none"> <li>1. The Company establishes its policies in compliance with the Occupational Safety and Health Act, as well as the requirements of clients and relevant organizations, while respecting the expectations of stakeholders regarding occupational safety and health, in order to create a healthy and fulfilling workplace.</li> <li>2. Centered on the principles of disaster prevention and hazard mitigation, the Company employs appropriate management tools, mature technologies, and available resources to address occupational safety and health issues at operational sites. Effective countermeasures are implemented to continuously promote a strong safety culture. Additional efforts are made to strengthen the protective management of operational personnel and to allocate resources toward the prevention of occupational diseases, with the goal of achieving a zero-incident environment. The consolidated group has also established quantitative indicators and extended occupational health and safety initiatives to encompass products and related services, thereby enhancing overall safety performance and effectively managing risks.</li> <li>3. Besides enhancing the employees' concept of occupational safety and health through education and training, the Company has established an Occupational Safety and Health Committee in accordance with the law, with one Chairman, 13 employer representatives, and 7 labor representatives, accounting for one-third of the total number of employees, in accordance with Article 11, Paragraph 6 of the Regulations Governing the Management of Labor Safety and Health Organizations and Self-inspections,</li> </ol>	No major discrepancy



Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>4. In 2024, our Kaohsiung plant reported one occupational injury case to the Labor Standards Inspection Office of the Kaohsiung City Government's Labor Affairs Bureau. The injury occurred when an employee was in a car accident during commuting time.</p> <p><b>【Workplace Environment Monitoring for Labor】</b> To protect workers from exposure to hazardous substances in the workplace and to provide a healthy and comfortable working environment, the Company conduct operational environment monitoring twice annually. These assessments help to progressively understand employees' actual exposure conditions.</p> <p><b>【Equipment Safety Management】</b> Conducting regular occupational safety and health self-inspections to protect the personal safety of workers, and conducting monthly self-inspections of forklifts, pressure vessels, specific high-pressure gas equipment, elevators, fixed cranes, fire equipment, and the like.</p> <p>All departments within the Company strictly adhere to internal procedures and conduct regular self-inspections of motor vehicles, hazardous equipment, and machinery. Through a structured audit system, the Company ensures that inspections are thoroughly and consistently executed, thereby safeguarding personnel and equipment safety.</p> <p><b>【Occupational Safety Audits】</b></p> <p>1、Fire prevention and protection plans are established in accordance with regulations. Prior to construction, a construction-phase protection plan is submitted to the local fire authority, and the Company appoints fire prevention managers and security supervisors as required by law. In 2024, the Company submitted its fire prevention and protection plans to local fire departments in May and November and completed the appointments accordingly.</p> <p>2、Regular fire drills are conducted in accordance with Article 13 of the Fire Services Act and Article 15 of its Enforcement Rules. Semiannual fire safety education and training are carried out to enhance disaster awareness and prevent incidents. The Company held full-site fire drills in April and October 2024, with reports filed for reference by the local fire department.</p> <p>3、In accordance with the Occupational Safety and Health Act and its Enforcement Rules, the Company has established the “Workplace Safety and Health Guidelines” to define safety and health management protocols for employees to</p>	

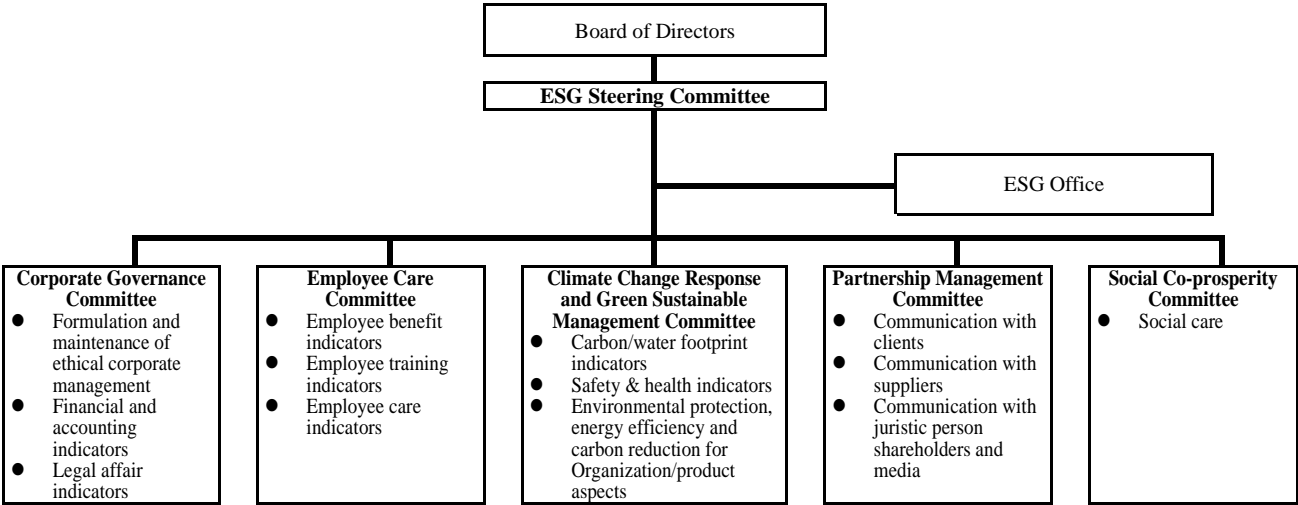
Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			<p>follow. These guidelines are regularly reviewed and updated to ensure alignment with current practices, thereby ensuring a safe working environment.</p> <p><b>【Occupational Safety and Health Education, Training, and Awareness Campaigns Conducted by the Company Over the Past Two Years】</b></p> <p>The Company not only regularly hold education and training of emergency contingency, fire drills, and industrial safety every year, it also requests that the first-line supervisors of each unit in the plant take turns in conducting weekly night patrols. Emphasizing education and training for on-site production units, the Company accumulated a total of 3,423 hours and 3,592 hours of occupational safety and health training in 2024 and 2023, respectively. Through continuous learning, the Company aims to make ongoing progress, demonstrating its commitment to prioritizing safety and environmental protection, and striving to cultivate a high-quality culture of safety, health, and environmental sustainability.</p> <p><b>【Company Certification】</b></p> <p>The Company has obtained ISO 45001 certification (with the latest certificate valid from May 31, 2025, to May 31, 2028).</p>	
(IV) Does the company establish effective career competency development and training plans for employees?	V		<ol style="list-style-type: none"> <li>1. The Company has set up a procedure to regulate internal training, external training, English proficiency/computer testing, EHS certificates, and the like, thereby passing on experience, improving management and professional expertise. Meanwhile, the Company also encourages employees to study for a degree or to be dispatched to study abroad on special projects. The training contents offered include: professional on-the-job training courses organized by various units, legal certificates and professional courses of outsourcing training, external lecturers' internal training courses, environmental safety and hygiene professional courses taught by internal and external lecturers and drills, ISO training courses, and technical training courses by foreign technical consultants, and the like. At present, the operating procedures related to employee further education and training have been formulated, titled as: "Regulations Governing Education and Training," and "Education and Training Procedure for Kaohsiung Plant, GPPC."</li> <li>2. In 2024, the Company's education and training expenses reached NT\$1,101,725, and 216 education and training sessions were held, with a total of 2,494 participants and a total of 5,642 training hours.</li> </ol>	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
(V) Does the company observe the relevant laws, regulations and international standards regarding the health, safety, customer privacy, marketing and labeling of products/services, etc., and has formulated relevant policies and complaint procedures to protect the right of consumers or customers?	V		<ol style="list-style-type: none"> <li>Our internal and external business operations comply with the Code of Ethical Conduct and related regulations, and we have established operating procedures such as the "Regulations Governing Protection of Trade Secrets/Personal Data," "Customer Complaint Handling Instructions," "Customer Specification Instructions," and "Customer Visit Instructions" for compliance. Meanwhile, the Company routinely conducts customer satisfaction surveys every year on four major topics, including product quality, delivery capability, service quality, and technical service, and the Company is always ready to accept and handle complaints in order to strengthen and ensure long-term and stable customer relationships through proactive communication.</li> <li>In 2024, there were no complaints about infringement of customer privacy or loss of customer data.</li> </ol>	No major discrepancy
(VI) Does the company set up supplier management policies by requesting suppliers to adhere to relevant standards in environmental protection, occupational health & safety or labor & human rights and reporting their implementations accordingly?	V		<ol style="list-style-type: none"> <li>The Company has been promoting its concepts and requests to all suppliers in the following ways: in the aspect of environmental management of suppliers, the Company not only strictly incorporates environmental and corporate social principles into the supplier management mechanism but also formulate a "Partner Code of Conduct" in accordance with the spirit of ESG, which requires our partners to comply with local laws and regulations on no forced labor exploitation, legal working hours, and disclosure of remuneration and benefits.</li> <li>The Company's supplier selection criteria management includes important metrics such as RoHS, ISO 14001, ISO 45001 and corporate social responsibility. Suppliers are required to comply with regulations on freedom of association, prohibition of child labor and elimination of forced labor so as to protect basic human rights and to ensure that suppliers comply with the principle of equality according to the International Labor Organization's "Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy." The aforementioned criteria are included in the "New Supplier Evaluation Form" as part of the audit requirements for new suppliers. Implementing relevant management on suppliers and contractors (including security companies) through the purchasing unit and general affairs unit, the Company vows to gradually increase the proportion of suppliers that meet the relevant requirements of corporate social responsibility in the future.</li> </ol>	No major discrepancy

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			3. The Company regularly conducts annual evaluations of its suppliers to ensure that their actual performance meets the Company's stringent standards. 4. As a result of the evaluation and investigation in 2024, no supplier violated the above-mentioned items. 5. The Company's latest certificate of ISO 14001 is valid from July 2, 2023 to July 2, 2026, while the latest certificate of ISO 45001 is valid from May 31, 2025 to May 31, 2028.	
V. Does the company refer to internationally acceptable standards or guidelines for the compilation of Corporate Sustainability Report (CSR) to disclose non-financial information? Are these reports confirmed or endorsed by third-party evaluation organizations?	V		The compilation of the Company's sustainability report is based on the Global Reporting Initiative (GRI) framework and supplemented in accordance with the index of Sustainability Accounting Standards Board (SASB) —Chemicals as well as the Sustainability Disclosure Indicators - Chemical Industry required by TWSE, where the reference options thereof are taken as the disclosure principle. To provide the readers with reliable public information, this report is AA1000 compliant. For the principles of report compilation and information on the third party verification agency, please refer to the Company's Sustainability Report.	No major discrepancy
VI. In case a company establishes its own Sustainable Development Code in accordance with “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe its operation and the deviation from the established Best Practice Principles: The Company's “Code of Sustainable Development Best Practice Principles” is formulated in accordance with the "Code of Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.” There is no significant difference between its implementation and the prescribed code.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: Please refer to the information about “Policy of ESG” section on our website.				

### 2.3.8. Climate-Related Information of TWSE/TPEX Listed Company

#### Implementation of Climate-Related Information:

Item	Implementation status
<ol style="list-style-type: none"> <li>Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</li> <li>Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).</li> <li>Describe the financial impact of extreme weather events and transformative actions.</li> <li>Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</li> <li>If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</li> <li>If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transitional risks.</li> <li>If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</li> <li>If climate-related goals have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of carbon credits or RECs to be offset should be specified.</li> <li>Greenhouse gas inventory and assurance status and reduction goals, strategy, and concrete action plan (separately fill out in points I, II and III).</li> </ol>	<p>Concerning about climate risk, the Company has constructed a "Climate Risk Management Procedure" referring to the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) in June 2017. The Company identifies and manages the transitional risks and physical risks of climate change, conducts a financial impact assessment on high-risk factors, and integrates climate change risk into the Company's existing risk management framework for long-term tracking and ensuring the results of the governance of the climate issue.</p> <p>The Company has adopted a sustainable development organizational structure as its climate governance organization and discloses information on the impacts of climate change in accordance with the "Climate Risk Management Procedure" framework, which helps the Company to improve its management of climate risks and opportunities through the identification of climate-related risks and opportunities, and the setting of carbon reduction goals, etc., so as to continue to respond to the concerns and expectations of the government and other stakeholders on the Company's climate governance.</p> <p>The Company will propose voluntary carbon reduction measures in 2025, aiming to reduce carbon emissions by 4.5% by 2030 compared to the average levels from 2018 to 2022, and to achieve a 40% reduction in carbon emissions by 2040 compared to 2015 levels. The Company plans to link ESG performance to the remuneration mechanism in the future, allows the Committee to report to the Board of Directors on climate issue governance performance, and authorize the Board of Directors to oversee, decide, and govern climate-related issues.</p> <p>Description of related implementation status as follows</p>  <pre> graph TD     Board[Board of Directors] --- ESG[ESG Steering Committee]     Board --- ESGOffice[ESG Office]     ESG --- CGC[Corporate Governance Committee]     ESG --- ECC[Employee Care Committee]     ESG --- CCRGSM[Climate Change Response and Green Sustainable Management Committee]     ESG --- PMC[Partnership Management Committee]     ESG --- SCC[Social Co-prosperity Committee]     </pre> <p><b>Corporate Governance Committee</b></p> <ul style="list-style-type: none"> <li>Formulation and maintenance of ethical corporate management</li> <li>Financial and accounting indicators</li> <li>Legal affair indicators</li> </ul> <p><b>Employee Care Committee</b></p> <ul style="list-style-type: none"> <li>Employee benefit indicators</li> <li>Employee training indicators</li> <li>Employee care indicators</li> </ul> <p><b>Climate Change Response and Green Sustainable Management Committee</b></p> <ul style="list-style-type: none"> <li>Carbon/water footprint indicators</li> <li>Safety &amp; health indicators</li> <li>Environmental protection, energy efficiency and carbon reduction for Organization/product aspects</li> </ul> <p><b>Partnership Management Committee</b></p> <ul style="list-style-type: none"> <li>Communication with clients</li> <li>Communication with suppliers</li> <li>Communication with juristic person shareholders and media</li> </ul> <p><b>Social Co-prosperity Committee</b></p> <ul style="list-style-type: none"> <li>Social care</li> </ul>

The authority and responsibility of the Company's climate governance organization are as follows, with the Climate Change Response and Green Ecological Sustainability Management Group as the dedicated unit for promoting TCFD.

Organizational structure	Work content
Board of Directors	<p>The Board of Directors, as the highest climate governance decision-making body of the Company, is also responsible for overseeing the Company's governance performance and achievement of goals on climate-related issues, as well as reviewing the performance of the Company's corporate sustainability governance through regular annual reviews, which include the current status of governance and achievement of goals on climate-related issues.</p> <p>In 2024, an annual review of the Company's climate-related energy, carbon and water conservation goals was conducted, and climate-related issues were incorporated into the review of the Company's significant capital expenditures, risk management, annual budgets and business plans.</p>
ESG Steering Committee	<p>Established under the Board of Directors, the ESG Steering Committee acts as the highest steering unit for the promotion and implementation of sustainability, and regularly reports to the Board of Directors annually on the performance of the governance of climate-related risks and opportunities. The committee members thereof are composed of the heads of the first-level departments, where the Climate Change Response and Ecological Sustainability Management Group is responsible for collecting and compiling domestic and international climate trends, regularly implementing and formulating the Company's policies and strategies for the management of overall climate risks and opportunities, and ensuring that the direction of the Company's climate management is appropriate to its practices.</p> <p>Starting from 2024, the ESG Steering Committee will report to the Board of Directors the annual implementation results on climate issues and the net-zero emission reduction action plan.</p>
Promotion Office under the ESG Steering Committee	<p>A dedicated unit for promoting ESG. The promotion office is responsible for convening and implementing the identification and assessment of climate-related risks and opportunities, conducting monthly comprehensive analysis of climate-related indicators and goals such as energy resource usage and carbon emissions, and assisting in adjusting and formulating climate governance strategies.</p> <p>In 2024, the Company primarily reported to the ESG Steering Committee on the progress of carbon fee implementation by the Department of Environment, as well as the Company's voluntary carbon reduction plan and its climate risk and opportunity response measures. The outcomes of these sustainability initiatives were also disclosed to stakeholders through appropriate communication channels.</p>

The Company's climate commitments and short-, medium-, and long-term climate goals are as follows:

Climate Commitments	Goal Type	Description of GPPC's Climate Goals
Shaping Low Carbon Values to Progress Towards Net Zero	Short-term	<ol style="list-style-type: none"> <li>1. Instead of burning natural gas, the plant's heating furnaces are fired with dehydrogenated air escape.</li> <li>2. The procurement of office/ factory household electrical equipment should give priority to energy-saving labels/ eco-labels.</li> </ol>
	Mid-term	<ol style="list-style-type: none"> <li>1. Including equipment energy consumption in the technical assessment when requesting major capital expenditure for facilities/equipment</li> <li>2. Requiring key suppliers with high relevance and high emissions (such as benzene/ethylene) to implement carbon reduction goals such as carbon neutrality through graded supplier management</li> <li>3. A voluntary carbon reduction plan has been proposed, targeting a 4.5% reduction in carbon emissions by 2030 compared to the average emission levels from 2018 to 2022, in alignment with national goals.</li> </ol>
	Long-term	Purchasing green power and introducing negative emissions technologies that are in line with the Taiwan's Pathway to Net-Zero Emissions in 2050, with 2015 as the base year

The different climate risk scenarios and their impacts on the Company are as follows: The risks hereby assess the impacts of the Company's Kaohsiung Plant located at Sannai Village, Dashe District on the neighboring communities of Sannai Village, Dashe District, Houan Village, Renwu District, and Wuchang Village, Nanzi District, Kaohsiung City.

The different climate risk scenarios and their impacts on GPPC are as follows:

Risk	Corresponding Climate Scenario / Temperature Rise by 2040	Derivative Impact	Financial Impact	Corresponding Action
Transitional Risk	IPCC AR6 SSP1-1.9 (1.2-1.7°C of warming by 2040)	The Company is required to implement a transformation in response to the 1.7°C warming trend. Failure to adapt to the transformation may hinder the achievement of the 2030 voluntary carbon reduction target and the 2050 net-zero emissions goal, potentially resulting in issues related to carbon fee liabilities.	*Future carbon fee of at least USD5.3 million/year	Evaluating the increase of cogeneration energy or installing green power equipment
Physical Risk	IPCC AR6 SSP5-8.5(1.3-1.9°C of warming by 2040)	Climate anomalies can affect the quality of styrenic raw material storage, as well as production disruptions due to heavy rainfall and drought.	Heavy rainfall or drought can cause on-site operation output to decrease by at least 70%.	Implementing emergency contingency, strengthening disaster prevention facilities and taking out property insurance

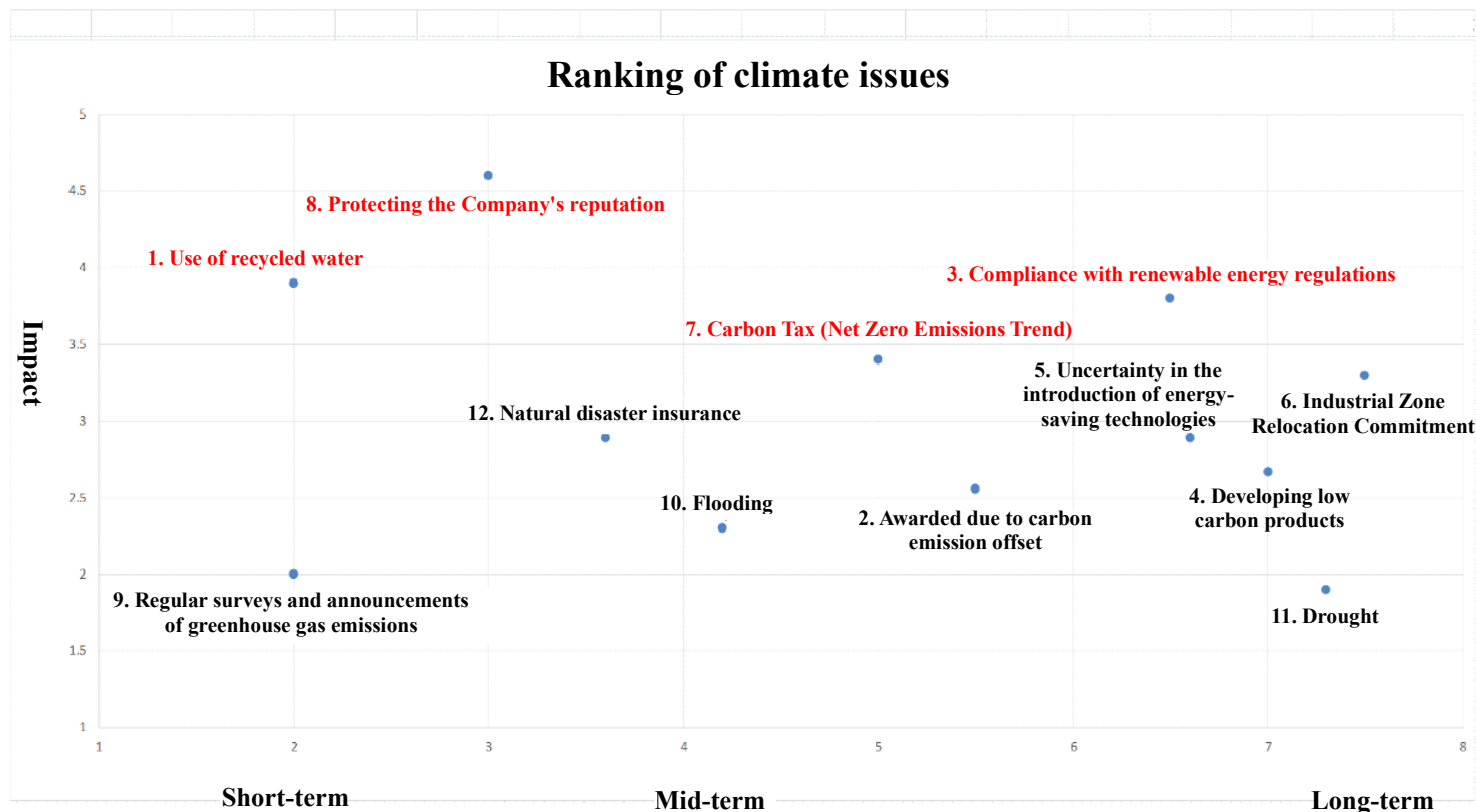
\*Analysis based on carbon fee of USD10/tonne CO<sub>2</sub>e

The Company's process for identifying climate risk opportunities is described below:



Based on the climate risk opportunity factors identified by the ESG Steering Committee, the Company will further converge them into 14 risk opportunity factors according to their risk characteristics and the impacts on the Company's chemical industry, supply chain, and functions related to research and development; moreover, by identifying the materiality through internal experts and comparing it against that of benchmark enterprises, the impacts on the supply chain are reviewed and confirmed, thereby facilitating adjustment of materiality. According to the identification results, the Company has a total of four climate factors with high priority levels, out of which 1 is distributed in the short term (2023 to 2025), 1 is distributed in the medium term (2023 to 2030), and 2 are distributed in the long term (2030 to 2050). Their distribution is described in detail in the climate risk matrix diagram below.





In response to climate issues, the Company performed a resilience analysis considering the risks and tolerance the Company is facing. After assessing the Company's capacities (including supply chain and research and development related functions), 14 climate risk opportunity factors have been listed as follows, and a risk management scheme against more vulnerable high-risk issues will be initiated:

NO	GPPC's risk factor	Type	Time period	Listed as priority
1	Uncertainty in the introduction of energy-saving technologies	Transitional risk-Policies and Regulations / Low Carbon Trends	Long-term	
2	Industrial Zone Relocation Commitment	Transitional risk-Policies and Regulations / Low Carbon Trends	Long-term	
3	Taiwan's Pathway to Net-Zero Emissions in 2050	Transitional risk-Policies and Regulations / Low Carbon Trends	Long-term	Y

4	Protecting the Company's reputation	Opportunity	Mid-term	Y
5	Regular surveys and announcements of greenhouse gas emissions	Transitional risk-Policies and Regulations / Low Carbon Trends	Short-term	
6	GPPC flooding (severity of short-term extreme weather events)	Physical risks - extreme climate shocks (acute)	Mid-term	
	Supplier flooding (severity of short-term extreme weather events)-	Physical risks - extreme climate shocks (acute)	Mid-term	
7	GPPC drought (extreme changes in long-term climate patterns)	Physical risks - extreme climate shocks (acute)	Long-term	
	Supplier drought (severity of short-term extreme weather events)	Physical risks - extreme climate shocks (acute)	Long-term	
8	Natural disaster insurance	Transitional risk – based on customer expectations	Mid-term	
9	Sea level rise	Physical risk - extreme climate shocks (chronic)	Long-term	
10	Water resources recycling	Transitional risk – policy-based	Short-term	Y
11	Awarded by public sector due to carbon offset cooperation	Opportunities - technology-based	Long-term	
12	Awarded by public sector due to complying with relevant specifications for renewable energy	Opportunities - technology-based	Long-term	Y
13	Developing low-carbon products in line with the trend of green consumption	Opportunities - technology-based	Mid-term	
14	Suppliers suffering supply disruptions due to climate issues	Physical risk - extreme climate shocks (chronic)	Long-term	

Physical risk: risk of floods or droughts due to severe weather events

Transitional risk: financial risks arising from the implementation of operational transformations that do not comply with policies, laws or customer expectations that affect the Company's investment and profitability

Based on the above identification of climate risks, the Company further describes the risk implications and financial impacts of the climate factors identified as high-priority, as well as the countermeasures taken by the Company, as follows:

Climate Factor	Type	Impacts on the Company	Occurrence Period	Countermeasures	Goal Indicator/TCFD Scope
Complying with Taiwan's energy laws and regulations and Taiwan's Pathway to Net-Zero Emissions in 2050	Transitional risk – policy-based	Comply with the requirements of Taiwan's energy laws and regulations for energy-heavy industries to save 1% of energy consumption on average from 2015 to 2024	Short	Complying with laws and regulations to implement energy audit and declarations and achieving the annual energy saving rate requirement of 1%	Accumulated savings of 779.90 tons of CO <sub>2</sub> per ton based on the 8 energy-saving schemes in 2024
	Transitional Risks – Low Carbon Trend	Project assessment of replacing steam-electric coal-fired boilers with natural gas-fired boilers	Long	Coal reduction scheme (using natural gas as an alternative) for cogeneration plant	All coal-fired boilers will be converted to natural gas by 2040, expecting to reduce 280,000 metric tons of CO <sub>2</sub> -eq GHG emissions (Scope 1).
Protecting the	Opportunity	Developing hydrogen	Short	Instead of burning natural	Expecting to reduce the

Company's reputation		economy and other green energy initiatives		gas, the plant's heating furnaces are fired with dehydrogenated air escape.	consumption of natural gas by about 12,000 cubic meters and lower greenhouse gas emissions by 24,715 tons of CO <sup>2</sup> -eq/year (Scope 1)
	Opportunity	Compliant with the Department of Environment's Voluntary Reduction Program Management Regulations	Medium	Solar panels have been installed at the plant site	Greenhouse gas emissions by approximately 900 metric tons of CO <sup>2</sup> -eq/year (Scope 2)
Awarded by public sector due to complying with relevant specifications for renewable energy	Opportunity	Maintaining the operation of the existing cogeneration and facilitating the construction of renewable energy equipment without being subject to the "Regulations for the Management of Setting up Renewable Energy Power Generation Equipment of Power Users above a Certain Contract Capacity"	Long	Scheme for monitoring and continuously improving cogeneration operation	Keeping being waived in installing renewable energy generation equipment by operating cogeneration equipment (Scope 2)

In order to assess the potential impact of climate risk factors on the Company in a more systematic manner, the Company analyzes the potential impact scale on the Company under different climate risk factors against the high-priority climate impact factors above. The following is a description of the results of the analysis.

Climate Factor	Type	Financial impact on the Company
Net Zero Emissions by 2050	Transitional risk - low carbon trends	Reduced direct costs by NT\$200 million in 2022
Protecting the Company's reputation	Transitional risk - policies and regulations	1. Investment costs accounting for less than 1% of total operating income 2. Saving NT\$6 million/year in natural gas costs complying with laws and regulations
Awarded by public sector due to complying with relevant specifications for renewable energy	Opportunity	By operating cogeneration equipment, the cost of solar renewable equipment is saved by a total of NT\$65 million.

The Company conducts greenhouse gas reduction management based on the Scope 1, Scope 2 and Scope 3 reduction goals of ISO14064-1, and promotes climate issue management performance with reference to GRI and SASB related indicators, including energy resource use, as a management indicator to measure the extent of climate risk impacts: in order to effectively manage climate indicators and goals, the Company plans to include the management performance of the above climate-related indicators as one of the measurement indicators for the Company's compensation incentive policy. The Company plans to further develop the risk management concept into supply chain management in the future by authorizing the ESG Office to conduct surveys on the supply chains' ability to take stock of carbon issues,

greenhouse gas emissions and carbon footprint inventory, and collect data on energy saving and carbon reduction and the current status of ESG implementation, thereby optimizing supply chain management practices and formulating the Company's standards for sustainable procurement.

In recent years, the Company has transformed from a traditional petrochemical industry to a low-carbon circular economy, and acted in concert with the government's policy to gradually reduce coal reliance as a key emission reduction strategy. To echo the government's plan for the overall green energy transformation of society, the Company has launched 62 projects since 2017, with a total energy saving of 13 million kWh in 5 years, an average energy saving rate of 1.5%. At the same time, a smart grid has been established to ensure stable power supply for manufacturing, and energy management efficiency has been improved through digitization. In the future, we will also work with major green energy manufacturers at home and abroad to plan the installation of rooftop solar panels, enhance the plant's self-generated green power capacity, improve land use efficiency, and move towards green power self-sufficiency.

# I. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

## Greenhouse Gas Inventory Information

Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and
data coverage of greenhouse gases in the most recent 2 fiscal years.
Detailed description is as follows.

In recent years, the Company has transformed from a traditional petrochemical industry to a low-carbon circular economy, and acted in concert with the government's policy to gradually reduce coal reliance as a key emission reduction strategy. To echo the government's plan for the overall green energy transformation of society, the Company has launched 62 projects since 2017, with a total energy saving of 13 million kWh in 5 years, an average energy saving rate of 1.5%. At the same time, a smart grid has been established to ensure stable power supply for manufacturing, and energy management efficiency has been improved through digitization. In the future, we will also work with major green energy manufacturers at home and abroad to plan the installation of rooftop solar panels, enhance the plant's self-generated green power capacity, improve land use efficiency, and move towards green power self-sufficiency.

2024	
Power capacity (in thousands of kWh) generated from the cogeneration in the plant	49,895.679
1. In-plant power consumption (in thousands of kWh) of the power capacity generated from the in-plant cogeneration in the plant*	142,144.400
2. Purchased power consumption (in thousands of kWh)*	6,864.000
Total energy consumption <sup>1,2</sup> (MJ)	536,430,240
Number of employees in Kaohsiung Plant	330
Indirect energy intensity per capita (MJ/employee)	1,625,546
Energy consumption per unit of output [(total energy consumption of in-plant consumption + purchased energy consumption)/output value] (GJ/NTD million)	41,200
Grid power percentage	100%
Renewable energy consumption	0%

\* Note

1. The Company's Kaohsiung Plant as the survey subject

2. 1 degree = 1 kilowatt hour (KW/H) 1W = 1 joule per second (J/S) 1 = 1,000W\*3,600S/H = 3,600,000 joules = 3.6 megajoules
3. 1,000 degrees = 3,600 megajoules
4. Calculated based on The Company's FY2024 revenue of NT\$13,020 million

To leverage the strength of the local petrochemical industry in assisting Kaohsiung's 2050 net zero goal, the Company joined the "Industrial Net Zero Alliance" last year, with plans to also integrate its upstream and downstream supply chains to develop green petrochemical symbiosis. In the R&D aspect, the Company focuses on the key performance of carbon reduction, developing high-quality, standardized and large-scale products. The Company is expected to conduct practical discussions on five major aspects, including "renewable energy," "low carbon energy," "carbon capture and reuse," "biomass raw materials" and "plastic recycling," and at the same time initiates carbon footprint inventory and related industry experience sharing.

#### Total greenhouse gas emissions

Year	2022	2023	2024 (Not yet assured)
Scope 1 (unit: metric tons of carbon equivalent)	318,972	416,998	496,230
Scope 2 (unit: metric tons of carbon equivalent)	36,900	20,354	3,253
Total (unit: metric tons carbon equivalent)	355,872	437,352	499,483

#### Greenhouse Gas Emission Intensity (by turnover)

Year	2023	2024 (Not yet assured)
Turnover (NTD million)	12,775	13,020
Total GHG (carbon equivalent)	437,352	499,483
GHG Emissions Intensity (by turnover) (unit: metric ton / NT\$ million)	34.235	38.363

- \* 1. The Company's Kaohsiung Plant as the survey subject  
 2. Calculated based on GPPC's FY2024 revenue of NT\$13,020 million

In addition, those measures such as replacing air compressors pump with poor efficiency, renewing chillers, partially replacing the old light bulbs with high efficient ones, and improving process by discontinuing use of circulating pumps and process improvement to stop circulating pumps, are expected to save 1,700,000 kWh of electricity; from 2015~2024, a total of 21,491,000 kWh of electricity were saved, with an average annual energy saving rate of 1.45%.

Energy-saving performance in 2024	
Targeted electricity consumption reduction ratio %	Actual electricity consumption reduction ratio %
1.00%	0.67%

## 2024 energy saving scheme

2024	Energy-saving measures implemented	Implementation period (months)	Annual power saving quantity (KWH)	Annual Energy Savings (measured in megajoules, MJ)	Investment Amount (NTD thousand)
Individual plants	1. Phase 3 AC Renewal: Replacing old AC units with new ones (4 units) in Kaohsiung Plant, Grand Pacific Petrochemical Corporation (GPPC)	Jan. to Jun.	2,750	9,900	240
Cogeneration plant	2. Conversion of the fixed-speed box-type air conditioner on the north side of the cogeneration control room to variable-speed operation	Oct. to Dec.	4,549	16,376	218
Polymer plant	3. Renewal of the air compressor K-802H	Jan. to Sept.	338,400	1,218,240	2,500
	4. Installation of heated dryer K-803J for SAN to replace the non-heated adsorption-type dryer K-803F	Sept. to Dec.	155,603	560,170	3,500
	5. Modification of the thermal medium system for Nylon Line 1 flash evaporator; deactivation of secondary thermal medium pumps PP-6226A/S	Apr. to Dec.	33,000	118,800	350
Monomer plant	6. Putting the turbines of PP-312A and PP-313A into service, decommissioning the electric motors PP-312S and PP-313S, and thereby feeding SM3 2.8K steam to SM2	Jan. to Mar.	430,815	1,550,934	0
	7. Replacement of pump casing for SM3 oil-water separator pump PP-203A	Jan. to Feb.	2,789	10,040	818
	8. Replacement of pump casing for SM3 oil-water separator pump PP-203S	Aug. to Dec.	6,972	25,099	880
Total			974,878 KWH	3,509,559 MJ	8,506 NTD thousand

According to the aforementioned countermeasures, 3,374 metric tons of CO<sup>2</sup>/metric ton were saved. The calculation method is as follows:

(1) 1,525,771 KWH/year X 0.784979554984886 kgCO<sup>2</sup>e/degree = 1,197.699 metric tons of CO<sup>2</sup>e carbon emissions

(2) 175,050 NM<sup>3</sup>/year X 0.0020875 metric tons of CO<sup>2</sup>e/NM<sup>3</sup> = 156.667 metric tons of CO<sup>2</sup>e carbon emissions

(3) 7,540 metric tons of steam/year X 0.2678902466 metric tons of CO<sup>2</sup>e/metric ton = 2,019.892 metric tons of CO<sup>2</sup>e carbon emissions

The aforementioned countermeasures saved a total of 3,374.258 metric tons of CO<sup>2</sup>e/year (referring to the emission factors of the 2021 Carbon Footprint Database)

## II. Greenhouse Gas Assurance Information

Description of assurance status for the most recent two years as of the date of the annual report publication, including the scope of assurance, assurance provider, assurance standards, and assurance opinion.

The Company's greenhouse gas inventory assurance implementation for the most recent two years is summarized as follows:

Scope of Assurance Implementation		2023 Emissions (metric tons/CO <sub>2</sub> e)	2024 Emissions (metric tons/CO <sub>2</sub> e)
The Company	(Scope 1) Direct greenhouse gas emissions	416,998	Complete assurance information will be disclosed in the 2024 Sustainability Report.
	(Scope 2) Indirect greenhouse gas emissions	20,354	
	Total	437,352	
	Percentage of the disclosed inventory data mentioned in Item 1 above	100	
All subsidiaries included in the consolidated financial statements	(Scope 1) Direct greenhouse gas emissions	6,635	Not yet assured
	(Scope 2) Indirect greenhouse gas emissions	162,946	
	Total	169,581	
Assurance Provider		SGS Taiwan Ltd.	Not yet assured
Assurance Status Description		ISO14064-3	
Assurance Opinion/Conclusion		Unqualified opinion	

In 2023, GPPC's Kaohsiung plant was classified as a regulated emission source under the Ministry of Environment. Accordingly, the assurance provider adopted the data from the verification statement issued by the Ministry of Environment as the basis for its shared audit opinion. This approach is in accordance with the Taiwan Stock Exchange's "FAQs on the Guidelines for the Management of Assurance Providers" Q1-1, which states that an assurance provider may issue an integrated greenhouse gas opinion statement using verification statements obtained in compliance with the Ministry of Environment's regulations as shared audit opinion.

### 3. Greenhouse Gas Reduction Goals, Strategies, and Concrete Action Plans

#### Greenhouse Gas Reduction Baseline Year and Target:

In 2021, the Grand Pacific Petrochemical Corporation (GPPC) set its 2030 carbon reduction target as a 30% reduction in carbon emissions compared to 2015 levels. The Company further committed to achieving carbon neutrality by 2050, covering its Kaohsiung plant, and Scope 1 and Scope 2 greenhouse gas emissions.

#### Greenhouse Gas Reduction Strategies and Concrete Action Plans:

Continue implementing ISO 14064-1 greenhouse gas inventory and assurance, consistently promote self-directed reduction planning, and propose actionable carbon reduction initiatives. At GPPC's Kaohsiung plant, the carbon reduction initiatives include equipment upgrades, replacement of chillers with high-efficiency models, renewal of air compressors, and the installation of solar photovoltaic systems within the plant.

The Company is committed to continuing to make an effort to face the challenges of climate change with a forward-thinking approach and actively advancing its carbon reduction goals and sustainability strategies. Based on the carbon reduction results achieved in 2023 and future strategic planning,

GPPC aims to achieve a 30% reduction in carbon emissions by 2030 and reach carbon neutrality by 2050.

In the short term (through 2025), GPPC will focus on upgrading equipment and improving energy efficiency. At the same time, the Company will continue to promote process energy-saving and carbon reduction improvement projects by integrating process optimization with equipment renewal to enhance energy utilization efficiency and reduce carbon emissions lower, thereby further reducing reliance on gray energy.

In the medium term (2025–2030), GPPC will promote low-carbon energy transition by actively installing solar photovoltaic systems and replacing coal with cleaner natural gas to reduce coal consumption. The Company will also encourage participation from all employees and supply chain partners to jointly participate in carbon reduction initiatives to ensure a year-over-year reduction in greenhouse gas emissions and achieve the target of 30% reduction in carbon emissions compared to 2015 levels.

Over the long term, GPPC is committed to achieving carbon neutrality by 2050. To this end, the Company will continue to sustain attention carbon capture, utilization, and storage (CCUS) technologies, as well as negative emission technologies, integrating these innovations into existing production and business operations.

In addition, GPPC will continuously strengthen its climate risk management by conducting different scenario-based risk analyses and formulating responsive strategies to ensure operational resilience. The Company will regularly review and update its carbon reduction goals and strategies, and disclose its progress and performance to stakeholders through its publicly available sustainability reports.

#### Achievement of Reduction Goals:

Based on GPPC Kaohsiung plant's 2024 greenhouse gas inventory results, Scope 1 emissions totaled 496,230 metric tons CO<sub>2</sub>e, and Scope 2 emissions totaled 3,253 metric tons CO<sub>2</sub>e, for a combined total of 499,483 metric tons CO<sub>2</sub>e. This represents a 23% reduction compared to the baseline year (2015), in which total emissions were 650,000 metric tons CO<sub>2</sub>e.



2.3.9 Facts about the Company's implementation in ethical corporate management and the measures so adopted:

**Fulfillment of ethical corporate management and implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy**

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
I. Establishment of policy and measures of ethical management.				
(I) Does the company establish business ethics code and have it approved by the Board of Directors? Does the Company specify in external documents its policy, practice of operation in good faith in its corporate statutes and bylaws and the commitment from the Board of Directors and senior management to its operation policy?	V		(I) The Company's Board of Directors has approved the "Ethical Corporate Management Best Practice Principles" and the "Code of Conduct" to ensure that the Company's directors, managers and employees comply with the concepts and principles of ethical corporate management in the execution of its business operations.	In compliance with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the company put in place an assessment mechanism for the risks associated with unethical conduct, and regularly analyzed and assessed the operating activities exposed to higher risks of unethical conduct, and formulated preventive measures accordingly and covering at least the preventive measures specified in the paragraph 2 of Article 7, the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		(II) The Company's Board of Directors has approved the "Ethical Corporate Management Best Practice Principles", which establishes a mechanism for evaluating the risk of unethical conduct. The Company regularly analyzes and evaluates business activities within its scope of business that pose higher risks of unethical conduct. Based on this, it formulates preventive plans and periodically reviews the appropriateness and effectiveness of such plans, and strengthens the relevant preventive measures. The Company's preventive plans cover the prevention of the following conducts: 1. bribery and acceptance of bribes; 2. illegal political contributions; 3. improper charitable donations or sponsorships; and 4. offering or accepting unreasonable gifts, services, hospitality or other improper benefits.	

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
(III) Does the company specify a scheme to prevent unethical conduct, and expressly describe in operation procedures, conduct guidelines, punitive measures and complaint channels accordingly, in order to properly implement and periodically review the abovementioned scheme?	V		(III) The Company has established the “Code of Conduct” and “Ethical Corporate Management Best Practice Principles” as well as the “Regulations Governing the Prevention of Insider Trading” and “Regulations on Whistleblowing Cases of Illegal, Unethical, or Dishonest Behavior”, and related procedures such as the “Corporate Code of Conduct”, and the “Ethical Corporate Management Best Practice Procedures and Guidelines”, etc., in order to set forth a plan for the prevention of unethical conduct. The Company also complies with relevant laws and regulations such as the Company Act, Securities and Exchange Act, Business Entity Accounting Act, and regulations related to TWSE/TPEX Listed Companies, etc., in order to implement a disciplinary and complaint system for non-compliance with the law, to fulfill the fundamental regulations of ethical management, and to review and revise the aforementioned plans as appropriate. All employees and outsiders are free to report cases of illegal, unethical, or dishonest behavior by accessing the Company's website, business locations, or the report box located in the Internal Audit Office. No reports of illegal behavior were received by any of our units in the year 2024. In order to comply with the relevant regulations, we shall continuously organize educational trainings and conduct awareness-raising programs.	
II. Thorough implementation of ethical corporate management				
(I) Does the company evaluate the record of ethics of the transaction parties, and expressly specify clauses dealing with behaviors of ethics in the signed contracts of the transaction parties?	V		(I) The Company’s procurement procedures as part of internal control require the assessment of customers and contractors. The contracts also specify the rights and obligations of both parties.	In compliance with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the company established a unit under the Board of Directors to promote corporate operation in good faith, and regularly report to the Board of Directors (at least once per year) its execution and oversight of the business ethics policy and prevention of unethical conduct?	V		(II) The Sustainability Governance Team is responsible for formulating and supervising the implementation of policies and preventive plans for ethical management, and the Corporate Governance Officer shall report to the Board of Directors on a regular basis (at least once a year): The Corporate Governance Officer has reported to the Board of Directors on January 16, 2025. Also, the Company’s internal auditors regularly inspect compliance status and produces audit reports for the review by the Board of Directors.	

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy																												
	Yes	No	Description in Summary																													
(III) Does the company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution?	V		<p>(III) The Ethical Corporate Management Best Practice Principles require directors to avoid discussions and voting on behalf of themselves or other directors for the issues reviewed by the Board if the directors or the legal entities they represent are stakeholders, and the conflict of interests may detriment the interest of the Company. They may, however, express opinions and answer questions.</p> <table border="1"> <thead> <tr> <th>Board Sessions and Date</th><th>Name of Director</th><th>Contents of Motion</th><th>Reason for avoiding conflict of interest</th><th>Participation in voting</th></tr> </thead> <tbody> <tr> <td>The 7<sup>th</sup> of Session 14 03/12/2024</td><td>Teh Hsin Chiu Pin Cheng Yang</td><td>Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 300 million from its subsidiary, Land &amp; Sea Capital Corp., for operational working capital needs.</td><td>Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang have conflicts of interest due to their concurrent positions as directors of Land &amp; Sea Capital Corp.</td><td>Do not participate in voting</td></tr> <tr> <td rowspan="2">The 8<sup>th</sup> of Session 14 04/25/2024</td><td>Cheng Kai Chou</td><td>Proposal to waive non-competition restrictions for directors and newly elected independent directors.</td><td>Director's self-interest</td><td>Does not participate in voting</td></tr> <tr> <td>Pin Cheng Yang</td><td>Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.</td><td>Director's self-interest</td><td>Does not participate in voting</td></tr> <tr> <td rowspan="2">The 10<sup>th</sup> of Session 14 08/12/2024</td><td>Pin Cheng Yang</td><td>The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit facility application with Taishin International Bank.</td><td>Chairman Mr. Pin Cheng Yang has conflicts of interest due to his concurrent position as directors of QuanZhou Grand Pacific Chemical Co., Ltd.</td><td>Does not participate in voting</td></tr> <tr> <td>Teh Hsin Chiu Pin Cheng Yang</td><td>Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land &amp; Sea Capital Corp., to repay the first installment of a syndicated loan originally obtained in 2021.</td><td>Chairman Ms. Teh Hsin Chiu, due to her concurrent role as a director of Land &amp; Sea Capital Corp., and Director Mr. Pin Cheng Yang, due to</td><td>Do not participate in voting</td></tr> </tbody> </table>	Board Sessions and Date	Name of Director	Contents of Motion	Reason for avoiding conflict of interest	Participation in voting	The 7 <sup>th</sup> of Session 14 03/12/2024	Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 300 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang have conflicts of interest due to their concurrent positions as directors of Land & Sea Capital Corp.	Do not participate in voting	The 8 <sup>th</sup> of Session 14 04/25/2024	Cheng Kai Chou	Proposal to waive non-competition restrictions for directors and newly elected independent directors.	Director's self-interest	Does not participate in voting	Pin Cheng Yang	Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.	Director's self-interest	Does not participate in voting	The 10 <sup>th</sup> of Session 14 08/12/2024	Pin Cheng Yang	The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit facility application with Taishin International Bank.	Chairman Mr. Pin Cheng Yang has conflicts of interest due to his concurrent position as directors of QuanZhou Grand Pacific Chemical Co., Ltd.	Does not participate in voting	Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land & Sea Capital Corp., to repay the first installment of a syndicated loan originally obtained in 2021.	Chairman Ms. Teh Hsin Chiu, due to her concurrent role as a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, due to	Do not participate in voting	
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Evaluation Items	Facts of performance (Note)						Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy	
	Yes	No	Description in Summary					
						his concurrent roles as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and director of Land & Sea Capital Corp., are deemed to have conflicts of interest in the matter.		
				Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company’s investee, Land & Sea Capital Corp., to increase its indirect investment in mainland China.	Chairman Ms. Teh Hsin Chiu and Director Mr. Pin Cheng Yang have conflicts of interest due to their concurrent positions as directors of Land & Sea Capital Corp.	Do not participate in voting	
				Teh Hsin Chiu	Proposal for a cash capital increase for the subsidiary, GPPC Development Co., Ltd.	Chairman Ms. Teh Hsin Chiu has conflicts of interest due to her concurrent position as directors of GPPC Development Co., Ltd.	Does not participate in voting	
				Teh Hsin Chiu	To enable the Company to promptly evaluate potential domestic and international merger and acquisition opportunities, a proposal to authorize the Chairman, for one year from the date of approval, to designate management teams and engage external consultants as necessary for preliminary assessments. The Chairman is also authorized to execute non-disclosure agreements, and non-binding documents such as letters of intent, memoranda of understanding, term sheets, or other related documents not involving confirmed transaction terms.	Involves a conflict of interest.	Does not participate in voting	

Evaluation Items	Facts of performance (Note)						Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary				
(IV) Has the company established an effective accounting system and an internal control system to implement operation in good faith, designated internal auditors or commissioned external auditors accordingly to formulate audit plans based on the assessment of risks associated with unethical conduct as the basis for the audit of	V		The 11 <sup>th</sup> of Session 14 09/05/2024	Teh Hsin Chiu	The Company provided a guarantee on behalf of its subsidiary, GPPC Development Co., Ltd., for a NT\$400 million credit facility application with Taishin International Bank.	Chairman Ms. Teh Hsin Chiu has conflicts of interest due to her concurrent position as directors of GPPC Development Co., Ltd.	Does not participate in voting
				Teh Hsin Chiu Pin Cheng Yang	Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 400 million from its subsidiary, Land & Sea Capital Corp., for operational working capital needs.	Chairman Ms. Teh Hsin Chiu, due to her concurrent role as a director of Land & Sea Capital Corp., and Director Mr. Pin Cheng Yang, due to his concurrent roles as Chairman of QuanZhou Grand Pacific Chemical Co., Ltd. and director of Land & Sea Capital Corp., are deemed to have conflicts of interest in the matter.	Do not participate in voting
				Pin Cheng Yang	The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for an RMB 1.8 billion syndicated loan application.	Chairman Mr. Pin Cheng Yang has conflicts of interest due to his concurrent position as directors of QuanZhou Grand Pacific Chemical Co., Ltd.	Does not participate in voting
				(IV) The Company's accounting system and internal control system are formulated according to relevant laws and regulations stipulated by the government and based on our own practical requirements. Auditors have come up with audit plans and report to the Board of Directors regarding the audit results.			

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
unethical conduct?				
(V) Does the company hold internal, external educational training for ethical corporate management on a periodical basis?	V		(V) To enable employees to understand the code of ethics, the Company not only publishes the relevant regulations on its corporate website, but also invites experts and scholars to organize educational training and publicity for directors, managers, employees, and substantial controllers, so as to ensure that they are fully aware of the Company's determination to operate with ethics, its policies, preventive measures, and the consequences of violating the code of ethics. In order to implement ethical management and ethical behavior, in 2024, the Company organized education and training courses related to ethical management, such as the “Insider Trading Prevention Awareness Training Course”, with a total of 58 attendees and 58 hours of training.	

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
III. Operation Status of Corporate Whistle-blowing System of an Offense (I) Does the company establish substantial whistleblowing and incentive systems, and establish convenient whistleblowing channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense? (II) Has the company established the standard investigational procedures of receiving whistle-blowing reports, subsequent measures and the confidentiality mechanism after the completion of investigations? (III) Does the company take measures to protect an offense reporting party from suffering improper disposition due to an offense report?	V		<p>To establish a culture of integrity and transparency, promote sound corporate operations, and protect the rights of whistleblowers, the Company has established the “Regulations on Whistleblowing Cases of Illegal, Unethical, or Dishonest Behavior” and has set up a public complaint box on the Company's website to have a dedicated staff to handle complaints and conduct investigations in a manner that keeps the identity of the complainant confidential, and expressly prohibits retaliation against the complainant. For any illegal or improper behavior, the Company shall uphold an objective, fair and strict attitude, investigate and punish according to the regulations, review and improve the relevant rules and operating procedures accordingly to prevent the recurrence of similar violations, and, if necessary, take appropriate legal action to protect the Company's rights and reputation.</p> <p>“Regulations on Whistleblowing Cases of Illegal, Unethical, or Dishonest Behavior”            Website:  <a href="https://www.gppc.com.tw/gppc/Investment_PDF/1_51080628.pdf">https://www.gppc.com.tw/gppc/Investment_PDF/1_51080628.pdf</a></p> <p>Whistleblowing Channels:            (1) E-mail of Internal Audit: <a href="mailto:audit@gppc.com.tw">audit@gppc.com.tw</a>            (2) Whistleblowing by letter: Head of Internal Audit, 8F, No. 135, Dunhua N. Road, Songshan District, Taipei City</p>	In compliance with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
IV. Strengthen Information Disclosure Does the company disclose the content of Ethical Corporate Management Best Practice Principles and promotion performance in its website and Market Observation Post Site?	V		<p>The Company publishes the “Ethical Corporate Management Best Practice Principles” and “Code of Conduct” on the Company's website (<a href="https://www.gppc.com.tw/gppc/Investment.asp">https://www.gppc.com.tw/gppc/Investment.asp</a>) for employees to easily access. We also disclose the information related to ethical management and the promotion performance in the annual report, which is also placed on the Market Observation Post System.</p>	In compliance with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies

Evaluation Items	Facts of performance (Note)			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
V.	If the Company has duly enacted Ethical Corporate Management Best Practice Principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”, please elaborate the discrepancy between the substantial performance and the Ethical Corporate Management Best Practice Principles: The Company has established the “Code of Conduct,” the “Ethical Corporate Management Best Practice Principles” and the “Regulations on Whistleblowing Cases of Illegal, Unethical, or Dishonest Behavior,” and there are no significant discrepancies in the operation of these regulations.			
VI.	Other significant information which would help better understand the performance by the Company in Ethical Corporate Management Best Practice Principles: On January 16, 2025, the Corporate Governance Officer reported to the Board of Directors.			

2.3.10 Other key information likely to enhance awareness of performance in corporate governance of the Company should be disclosed as well in consolidation: Nil



### 2.3.11 Implementation of internal control system

#### 1. Declaration on internal control system

##### Grand Pacific Petrochemical Corporation Declaration of Internal Control System



Date: March 12, 2025

Over the Company's internal control system of Year 2024, based on the results of our self-audit, we'd hereby like to declare enumerated below:

- I. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's Board of Directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effectiveness and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations to accomplishment of the compliance targets.
- II. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-superintendence mechanism. As soon as a defect is identified, the Company would take corrective action forthwith.
- III. Exactly in accordance with the items of judgement for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Regulations" for judgement of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Superintendence. Each and every composing element includes certain items. For more details regarding the aforementioned items, please refer to contents of the "Regulations".
- IV. Here at the Company, we have adopted the aforementioned items of judgement over internal control system to verify the effectiveness of the design and implementation of the internal control system.
- V. On the grounds of the results of verification in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2024 (including the superintendence and management over subsidiaries), including the understanding of the results and efficiency of business operation in accomplishment of the targets, reliability, timeliness, transparency of reporting and compliance with applicable rulings, laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.
- VI. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This declaration has been approved by the Company's Board of Directors on March 12, 2025. Seven directors were in attendance, there were no objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

Grand Pacific Petrochemical Corporation

Chairman: Teh Hsin Chiu



(Signature & Seal)

President: Chia Hsiung Tseng



(Signature & Seal)

2. Where a Certified Public Accountant has been delegated to review internal control system in a special project, the Audit Report of the Certified Public Accountant shall be disclosed:  
N/A

2.3.12 In Year 2024 and as of the publication date of the Annual Report, the Key Resolutions resolved in the annual meeting of shareholders and Board of Directors meeting

1. In Year 2024 and as of the publication date of the Annual Report, the Key Resolutions resolved in the Board of Directors meeting:

Date of Board of Directors Meeting	Important Resolutions
01/18/2024	<ol style="list-style-type: none"> <li>1. Adjustment of Crowe (TW) CPAs' certified public accountants.</li> <li>2. Appointment of Crowe (TW) CPAs to handle the audit and attestation of the Company's 2024 financial report and independence assessment.</li> <li>3. 2024 business budget of the Company and its subsidiaries.</li> <li>4. The replacement of members of the Compensation Committee.</li> <li>5. Application for renewal of the Company's credit line with financial institutions.</li> </ol>
03/12/2024	<ol style="list-style-type: none"> <li>1. Approval of the Company's Declaration of Internal Control System 2023.</li> <li>2. 2023 Parent Company Only Financial Report and Consolidated Financial Report.</li> <li>3. Proposed 2024 annual meeting of shareholders.</li> <li>4. The by-election to elect a seat for the 14th session of the independent board of directors.</li> <li>5. The acceptance of the shareholders' proposals for the 2024 annual meeting of shareholders and the nomination of candidates for the by-election of independent directors.</li> <li>6. Formulation of the "Regulations Governing the Prevention of Insider Trading".</li> <li>7. The amendment of the "Procedures for Lending Funds to Others" by Land &amp; Sea Capital Corp., an investee of the Company.</li> <li>8. The borrowing of RMB300 million by QuanZhou Grand Pacific Chemical Co., Ltd., a subsidiary of the Company, from the Company's subsidiary, Land &amp; Sea Capital Corp.</li> </ol>
04/25/2024	<ol style="list-style-type: none"> <li>1. Distribution of earnings for the year 2023.</li> <li>2. 2023 Compensation Plan for Employees and Directors</li> <li>3. Proposal for the Board of Directors to review the list of candidates nominated for the by-election of one independent director for the Company's 14th Board of Directors.</li> <li>4. Proposal to waive non-competition restrictions for directors and newly elected independent directors.</li> <li>5. The proposed agenda for the Company's 2024 annual meeting of shareholders.</li> <li>6. Proposal to appoint additional members to the 5th Compensation Committee.</li> <li>7. Proposal to amend the organizational regulations of the ESG Steering Committee.</li> <li>8. Proposal for the appointment of the Company's Sustainability Manager.</li> <li>9. Proposal for construction bonus distribution at the subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.</li> <li>10. The pension plan for Senior Vice President Chen Ming Chou.</li> <li>11. Proposal for the appointment of an Industry Development Consultant.</li> </ol>
05/10/2024	The preparation of the Company's financial statements for the first quarter of 2024 (January to March).
08/12/2024	<ol style="list-style-type: none"> <li>1. Proposal for the Sustainability Report of the year 2023.</li> <li>2. The preparation of the Company's financial statements for the second quarter of 2024 (April to June).</li> <li>3. Application for renewal of the Company's credit line with financial institutions.</li> <li>4. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for a USD 60 million credit facility application with Taishin International Bank.</li> <li>5. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 700 million from its subsidiary, Land &amp; Sea Capital Corp., to repay the first installment of a syndicated loan originally obtained in 2021.</li> <li>6. Proposal for the Company's investee, Land &amp; Sea Capital Corp., to increase its indirect investment in mainland China.</li> <li>7. Proposal for a cash capital increase for the subsidiary, GPPC Development Co., Ltd.</li> <li>8. Proposal for the establishment of a newly formed first-level unit: the Strategic Planning Department.</li> <li>9. To enable the Company to promptly evaluate potential domestic and international merger and acquisition opportunities, a proposal to authorize the Chairman, for one year from the date of approval, to designate management teams and engage external consultants as necessary for preliminary assessments. The Chairman is also authorized to execute non-disclosure agreements, and non-binding documents such as letters of intent, memoranda of understanding, term sheets, or other related documents not involving confirmed transaction</li> </ol>

	terms.
09/05/2024	<ol style="list-style-type: none"> <li>1. The Company provided a guarantee on behalf of its subsidiary, GPPC Development Co., Ltd., for a NT\$400 million credit facility application with Taishin International Bank.</li> <li>2. Proposal for the Company's subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., to borrow RMB 400 million from its subsidiary, Land &amp; Sea Capital Corp., for operational working capital needs.</li> <li>3. The Company provided a guarantee on behalf of its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd., for an RMB 1.8 billion syndicated loan application.</li> <li>4. Proposal for the Company's credit line application with financial institutions.</li> <li>5. 2024 Salary adjustment proposal for managers</li> <li>6. Proposal for the promotion of managers of the Company and its subsidiary, QuanZhou Grand Pacific Chemical Co., Ltd.</li> </ol>
11/11/2024	<ol style="list-style-type: none"> <li>1. The Company's Audit Plan for the year 2025.</li> <li>2. The preparation of the Company's financial statements for the third quarter of 2024 (July-September).</li> <li>3. Proposal for the merger of business unit organizations.</li> </ol>
12/17/2024	<ol style="list-style-type: none"> <li>1. Establish the Company's written internal control system and internal audit implementation guidelines for the "Management of Sustainability Information."</li> <li>2. Proposal to establish a task force for promoting sustainability disclosure standards under the International Financial Reporting Standards (IFRSs).</li> <li>3. Proposal for the appointment of the President of the Company's subsidiary, GPPC Development Co., Ltd.</li> </ol>
01/16/2025	<ol style="list-style-type: none"> <li>1. Proposal for the adjustment of CPAs for the Company's key subsidiaries, QuanZhou Grand Pacific Chemical Co., Ltd. and Land &amp; Sea Capital Corp.</li> <li>2. Due to overall strategic planning, the Company and its subsidiaries (including key subsidiaries QuanZhou Grand Pacific Chemical Co., Ltd., Land &amp; Sea Capital Corp., and other domestic and overseas subsidiaries) propose to change their CPA firms and CPAs starting from the first quarter of 2025, including the evaluation of the independence and competence of the new CPAs.</li> <li>3. The Company proposes to appoint KPMG in Taiwan to conduct the audit and review of the 2025 financial statements and corporate income tax filing, with a proposed audit fee of NT\$6.1 million.</li> <li>4. 2024 annual operation budget for the Company.</li> <li>5. Application for renewal of the Company's credit line with financial institutions.</li> <li>6. Proposal for the amendment of the Company's Functional Committee Charter.</li> <li>7. Proposal for the amendment of the Company's "Rules and Procedures for Board of Directors' Meetings."</li> <li>8. Proposal for the amendment of the Company's "Corporate Governance Best Practice Principles."</li> <li>9. Proposal for the amendment of the Company's "Ethical Corporate Management Best Practice Principles."</li> </ol>
03/12/2025	<ol style="list-style-type: none"> <li>1. The Company's Declaration in Internal Control System 2024.</li> <li>2. The Company's parent company only financial statement and consolidated financial statement, 2024.</li> <li>3. Proposal to establish general principles for the Company's pre-approval policy on non-assurance services.</li> <li>4. Proposal to set the date, time, venue, book closure period, shareholder proposal period, and agenda for the convening of the Company's 2025 Annual General Shareholders' Meeting.</li> </ol>

2. Contents of major decisions resolved in the 2024 annual meeting of shareholders and the execution thereof:

Item #	Decisions resolved in the annual meeting of shareholders
1	Report on business performance 2023. Implementation in 2023, the Company's net operating revenues amounted to NT\$12,775,860 thousand and net loss after tax NT\$1,438,027 thousand.
2	Report by the Audit Committee on audit of final account settlement books of 2023.
3	Report on distribution of cash dividends from earnings in 2023.
4	Acknowledgement of final account settlement books 2023.
5	Acknowledgement of distribution of earnings 2023. Implementation: 1. For common shares, the cash dividend NT\$0.0 and cash dividend per share NT\$0.0.

	For preferred shares, the cash dividend NT\$0.0 and dividend per share NT\$0.0. 2. In accordance with Article 29 of the Company's Articles of Incorporation, preferred dividends totaling NT\$12,000,000 may be accumulated and prioritized for distribution in the future year when distributable earnings become available..
6	By-election of one independent director for the 14th term. Execution Status: The by-election of one independent director for the 14th term was completed and registered with the Ministry of Economic Affairs on July 8, 2024.

- 2.3.13 In the most recent year and as of the publication date of the Annual Report, the main content of different opinions posed by the directors to the Key Resolutions in the Board of Directors meeting, as backed with written records or declaration in writing: Nil

## 2.4 Information on accountant fees

Name of CPA Firm	Name of CPA Firm	Duration covered in the audit	Audit fees	Non-audit fees	Total	Remarks
Crowe (TW) CPAs	Chih-Lung Lin	Jan. 1, 2024 ~ Dec. 31, 2024	4,710	1,650	6,360	
	Wu-Chang Wang					

Note: Non-audit service fees include the following:

1. Tax certification – NT\$750 thousand
2. Tax certification for dual-status business entity – NT\$30 thousand
3. Transfer pricing report – NT\$200 thousand
4. Master file report – NT\$100 thousand
5. NT\$20 thousand for full-time employee salary information review form for non-managers.
6. English financial report translation service – NT\$550 thousand

Note: Starting from the first quarter of 2025, the Company has changed its accounting firm and CPA.

## 2.5 Information of a change (replacement) in Certified Public Accountants (CPAs): Nil

### 2.5.1 About the Predecessor CPAs

Replacement date	Approved by the Board of Directors on January 16, 2025		
Replacement reason and explanation	In line with the Group’s overall strategic planning, starting from the first quarter of 2025, the certifying/reviewing CPAs for the financial statements will be changed from Mr. Chih-Lung Lin and Mr. Wu-Chang Wang of Crowe (TW) CPAs to Mr. Cheng Yen Wu and Ms. Shu-Ling Lien of KPMG in Taiwan.		
Explain whether the termination or non-acceptance of the engagement was initiated by the client or the auditor	Parties		
	Situation	CPA	Client
	Voluntary termination of the engagement		√
	Not accepting the (renewed) engagement		
Issuance of any opinions other than unqualified opinion during the past two years and the reasons	None		
Different opinions from those of the issuer	Yes		Accounting principles or practices
			Disclosure of financial reports
			Audit scope or procedures
			Others
	No	√	
	Explanation		
Other disclosure (required disclosure specified in Items 1-4 to 1-7 in Paragraph 6 of Article 10 of the Guidelines)	None		

### 2.5.2 About the Successor CPAs

Accounting firm	KPMG in Taiwan
CPA names	Cheng Yen Wu, Shu Ling Lien
Engagement date	January 16, 2025
Consultations conducted before engagement the results of such consultations regarding accounting treatment methods or accounting principles for specific transactions, and opinions that could be issued on financial reports	None
Successor auditor's written opinion on matters of disagreement with the predecessor auditor	None

2.5.3 Reply from the former CPAs regarding Items 1 and 2-3, Subparagraph 6, Article 10 of this Regulation: Not applicable.

## 2.6 The Company's Chairman, President, managers in charge of financial affairs or accounting who have served with the CPA firm or its affiliates over the past one year: Nil

**2.7 The fact that in the most recent year and as of the publication date of the Annual Report, transfer of shares, pledge or change in equity held by the directors, managers and major shareholders holding over 10% of the aggregate total:**

**2.7.1 Changes in common share equity**

Status of change in equity held by the directors, managers and major shareholders (Common shares)

Position Title	Name	Year 2024		In the year as of April 22, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Chung Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Teh Hsin Chiu	0	0	0	0
Director	Jing Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Pin Cheng Yang	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chen Ching Ting	0	0	0	0
Director	Chao Feng Investment Co., Ltd. (Assumed office on June 28, 2023)	0	2,066,000	0	0
	Representative: Chen Ling Chang (June 28, 2023~March 22, 2024)	0	1,150,000	-	-
	Representative: Cheng Kai Chou (Assumed office on March 22, 2024)	0	0	0	0
Independent Director	Mu Hsien Chen	0	0	0	0
Independent Director	Chih Hung Hsieh	0	0	0	0
Independent Director	Chung Hsin Wu (Assumed office on June 7, 2024)	0	0	0	0
President	Chia Hsiung Tseng	0	0	0	0
Senior Vice President Treasurer	Ching Fu Chen	0	0	0	0
Senior Vice President	Tsung Ming Chang	0	0	0	0
Senior Vice President	Chen Ming Chou (Retired on April 21, 2024)	(73,000)	0	0	0
Vice President	Wen Hui Lin	0	0	0	0
Vice President	Hung Min Hsueh	0	0	0	0
Accounting Head	Ling Chu Chen	(70,000)	0	(10,000)	0

## 2.7.2 Changes in equity of preferred shares

Status of change in equity held by the directors, managers and major shareholders (Preferred shares)

Position Title	Name	Year 2024		In the year as of April 22, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Chung Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Teh Hsin Chiu	0	0	0	0
Director	Jing Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Pin Cheng Yang	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chen Ching Ting	0	0	0	0
Director	Chao Feng Investment Co., Ltd. (Assumed office on June 28, 2023)	0	0	0	0
	Representative: Chen Ling Chang (June 28, 2023~March 22, 2024)	0	0	0	0
	Representative: Cheng Kai Chou (Assumed office on March 22, 2024)	0	0	0	0
Independent Director	Mu Hsien Chen	0	0	0	0
Independent Director	Chih Hung Hsieh	0	0	0	0
Independent Director	Chung Hsin Wu (Assumed office on June 7, 2024)	0	0	0	0
President	Chia Hsiung Tseng	0	0	0	0
Senior Vice President Treasurer	Ching Fu Chen	0	0	0	0
Senior Vice President	Tsung Ming Chang	0	0	0	0
Senior Vice President	Chen Ming Chou (Retired on April 21, 2024)	0	0	0	0
Vice President	Wen Hui Lin	0	0	0	0
Vice President	Hung Min Hsueh	0	0	0	0
Accounting Head	Ling Chu Chen	0	0	0	0

2.7.3 The information which should be disclosed where the counterparts of share transfer or pledge in equity: Nil



**2.8 Information on the top ten shareholders in terms of shareholdings who are related parties to each other or who are spouses or relatives within the second degree of kinship:**

Name	Shares held by principal		Shares held by Spouse & Minor		Total shares held by Nominee Arrangement		Names and Relations of Top 10 Major Shareholders who are Related Party or Spousal Relationship or are within the Second Degree of Kinship		Remarks
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title (or Name)	Relation	
KGI Securities Co., Ltd. Representative: Tao Yi Hsu	99,676,992 0	8.85% 0	0	0	0	0	0	0	
Hai Sheng Investment Co., Ltd. Representative: Feng Fu Wu	48,939,136 0	4.34% 0	0	0	0	0	0	0	
Chung Kwan Investment Co., Ltd. Representative: Che Cheng Yeh	33,142,860 0	2.94% 0	0	0	0	0	0	0	
Hsing Wen Investment Co., Ltd. Representative: Ching Lung Tseng	32,161,683 0	2.85% 0	0	0	0	0	0	0	
Jing Kwan Investment Co., Ltd. Representative: Ching Lung Tseng	26,981,757 0	2.39% 0	0	0	0	0	0	0	
Chen Ling Chang	20,737,000	1.84%	550,000	0.05%	10,603,000	0.94%	0	0	
Ho Wei Investment Co., Ltd. Representative: Che Cheng Yeh	18,672,670 0	1.66% 0	0	0	0	0	0	0	
Chung Cheng Investment Co., Ltd. Representative: Che Cheng Yeh	15,673,666	1.39%	0	0	0	0	0	0	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index, a series of Vanguard Star Funds	13,858,951	1.23%	0	0	0	0	0	0	
JPMorgan Chase JPMorgan Chase Bank N.A. in custody for Vanguard Emerging Markets Stock Index Fund	13,041,088	1.16%	0	0	0	0	0	0	

**2.9 The number of shares held by the Company, the Company's directors, managers and the businesses under control by the Company either directly or indirectly to the same re-investment business and consolidated shareholding ratio are combined and calculated:**

April 22, 2025/expressed in Thousand Shares; %

Reinvested companies (Note)	Investment by this Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Syndicated investment	
	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)
GPPC Chemical Corporation	34,200	100.00	0	0.00	34,200	100.00
GPPC Investment Corp.	22,032	81.60	4,968	18.40	27,000	100.00
GPPC Hospitality And Leisure Inc.	4,000	100.00	0	0	4,000	100.00
GPPC Development Co., Ltd.	40,000	50.00	35,000	43.75	75,000	93.75
Videoland Inc.	71,093	62.29	0	0	71,093	62.29
KK Enterprise Co., Ltd.	7,934	15.73	17,046	33.79	24,980	49.52
Goldenpacific Equities Ltd.	75	100.00	0	0	75	100.00
Land & Sea Capital Corp.	26,319	100.00	0	0	26,319	100.00
QuanZhou Grand Pacific Chemical Co., Ltd.	-	100.00	0	0	-	100.00

Note: The Company's long-term investment accounted for using equity method.

### 3. Facts of Capital Raising

#### 3.1 Capital and shares

##### 3.1.1 Source of share capital

Expressed in number of shares, New Taiwan Dollars

Month/Year	Issue price (Dollar)	Authorized capital		Paid-in capital		Remarks		
		Number of shares (Share)	Amount (Dollar)	Number of shares (Share)	Amount (Dollar)	Source of Capital	Paid by property other than cash	Other
Sept. 1973 ┆ Aug. 1996	10  10	18,000,000 ┆ 603,840,309	180,000,000 ┆ 6,038,403,090	4,500,000 ┆ 603,840,309	45,000,000 ┆ 6,038,403,090	Initial founding capital NT\$180,000,000 Capital increase through cash injection NT\$940,000,000 Capital decrease 1,007,771,220 shares Capital increase converted with earnings 5,926,174,310 shares	Nil	—
Sept. 1997	10	621,955,519	6,219,555,190	621,955,519	6,219,555,190	Capital increase converted with earnings 181,152,100 shares	Nil	No. (1997)-Tai-Tsai-Zheng (I) 52377
Aug. 1998	10	634,394,629	6,343,946,290	634,394,629	6,343,946,290	Capital increase converted with earnings 124,391,100 shares	Nil	July 8, 1998 No. (1998)-Tai-Tsai-Zheng (I) 59018
Aug. 2000	10	647,082,522	6,470,825,220	647,082,522	6,470,825,220	Capital increase converted with earnings 126,878,930 shares	Nil	July 7, 2000 No. (2000)-Tai-Tsai-Zheng (I) 58945
Aug. 2001	10	659,824,173	6,598,241,730	659,824,173	6,598,241,730	Capital increase converted with earnings 127,416,510 shares	Nil	July 10, 2001 No. (2001)-Tai-Tsai-Zheng (I) 144527
Aug. 2002	10	1,000,000,000	10,000,000,000	659,824,173	6,598,241,730	—	Nil	Aug. 6, 2002 No. Jing-Shou-Shang-Zi 09101319150
Oct. 2007	10	1,000,000,000	10,000,000,000	660,974,964	6,609,749,640	Corporate bond conversion 1,150,791 shares	Nil	Oct. 29, 2007 No. Jing-Shou-Shang-Zi 09601265240
May 2008	10	1,000,000,000	10,000,000,000	732,689,057	7,326,890,570	Corporate bond conversion 71,714,093 shares	Nil	May 7, 2008 No. Jing-Shou-Shang-Zi 09701106620
Sept. 2008	10	1,000,000,000	10,000,000,000	733,482,707	7,334,827,070	Corporate bond conversion 793,650 shares	Nil	Sept. 17, 2008 No. Jing-Shou-Shang-Zi 09701238390
Sept. 2009	10	1,000,000,000	10,000,000,000	813,828,844	8,138,288,440	Corporate bond conversion 80,346,137 shares	Nil	Sept. 28, 2009 No. Jing-Shou-Shang-Zi 09801223320
Dec. 2009	10	1,000,000,000	10,000,000,000	880,670,078	8,806,700,780	Corporate bond conversion 66,841,234 shares	Nil	Dec. 17, 2009 No. Jing-Shou-Shang-Zi 09801287180
Jan. 2010	10	1,000,000,000	10,000,000,000	926,620,328	9,266,203,280	Corporate bond conversion 45,950,250 shares	Nil	Jan. 28, 2010 No. Jing-Shou-Shang-Zi 09901020660
Dec. 2023	10	2,000,000,000	20,000,000,000	1,126,620,328	11,266,203,280	Cash Capital Increase 200,000,000 Shares	Nil	Oct. 11, 2023 No. Jin-Guan-Zheng-Fa-Zi 1120356785

Expressed in Shares

Kind of Share	Authorized capital					Remarks
	Outstanding shares			Unissued shares	Total	
	Listed	Not listed	Total			
Common shares	1,106,620,328		1,106,620,328		1,106,620,328	-
Preferred shares	20,000,000	—	20,000,000	—	20,000,000	-

In case of offering of negotiable securities through summarized declaration system as approved, the Company should disclose information of the approved amount, negotiable securities anticipated to be

issued and actually issued: Nil.

3.1.2 Names of major shareholders: The shareholders holding over 5% in shareholding ratio and ranking among the top ten should be enumerated here.

(Common shares)			April 22, 2025	
No.	Account No.	Name	Number of shares held	Shareholding ratio %
1	11704	KGI Securities Co., Ltd.	99,676,992	9.01%
2	552110	Hai Sheng Investment Co., Ltd.	48,939,136	4.42%
3	134279	Chung Kwan Investment Co., Ltd.	33,142,860	2.99%
4	432615	Hsing Wen Investment Co., Ltd.	32,161,683	2.91%
5	395712	Jing Kwan Investment Co., Ltd.	26,981,757	2.44%
6	226090	Chen Ling Chang	20,737,000	1.87%
7	162370	Ho Wei Investment Co., Ltd.	18,672,670	1.69%
8	185445	Chung Cheng Investment Co., Ltd.	15,673,666	1.42%
9	395745	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index, a series of Vanguard Star Funds	13,858,951	1.25%
10	438646	JPMorgan Chase Bank N.A. in custody for Vanguard Emerging Markets Stock Index Fund	13,041,088	1.18%

(Preferred shares)			April 22, 2025	
No.	Account No.	Name	Number of shares held	Shareholding ratio %
1	519510	Chi Yu Investment Co., Ltd.	2,533,000	12.67%
2	279358	Jui Hui Lin	2,505,000	12.53%
3	208911	GPPC Chemical Corporation	1,776,000	8.88%
4	461567	Hungkuang University of Science and Technology	935,000	4.68%
5	330325	Shan Ming Lin	682,000	3.41%
6	480443	Yu Yen Chiu	502,000	2.51%
7	263596	Shan Lung Lin	475,000	2.38%
8	450715	Yu Chieh Chiu	464,000	2.32%
9	386100	Hung Yi Lin	400,000	2.02%
10	483557	Chi Lin Liu	393,829	1.97%

3.1.3 The Company's share dividend policy and fact of implementation of such policy:

**Share dividend policy defined in the Company's Articles of Incorporation:**

Article 29: The Company shall set aside 1% of the profit earned by the Company in a year as remuneration to employees and a sum within 2% maximum of the profit earned by the Company in a year as remuneration to directors based on the profit status of the year. Where the Company remains in accumulated loss, nevertheless, such loss shall be made up beforehand.

The term "the profit status of the year" as set forth herein denotes the profit before tax in that year after deduction the sum for distribution of remuneration to employees and remuneration to directors.

From the earnings of the Company in a year as shown through the annual account settlement, after the sum to pay tax and make up previous loss, if any, is set aside, a sum 10% out of the balance shall be set aside as legal reserve. The balance of the Company's earnings after annual final account settlement, after payment of tax, making up loss, setting aside 10% legal reserve, setting aside or reversal of special reserve shall be distributable earnings which, along with the undistributed retained earnings of the

preceding year, shall be the accumulated undistributed retained earnings wherewith, dividend for Year 1984 Grand Pacific Preferred Shares at 6% per annum shall be set aside. In the event that the annual dividend is not distributed in full, the shortage shall be made with the distributable earnings of the ensuing year preferentially. With the balance of the undistributed retained earnings, the Board of Directors shall propose the percentages of distribution based on laws and ordinances concerned, dividend policies and status of working capital. Where the dividend is distributed by means of issuance of new shares, it shall call for consent from the shareholders' meeting beforehand. When the dividend is distributed in cash, it calls for approval under a decision to be resolved in the Board of Directors.

In accordance with Paragraph 5, Article 240 of the Company Act, the Board of Directors is authorized with plenipotentiary power to resolve a decision through one half majority vote cast by participating directors who constitute two-thirds or more of the total directorship seat to distribute the dividend, bonus or part of legal reserve and capital reserve either in whole or in part under Paragraph 1, Article 241 of the Company Act in cash and to report to the shareholders' meeting.

The Company currently lies amidst the highly changeable industrial environment is changeable. The life cycle of the Company is amidst stable growth. The Company shall firmly dominate the economic environment to assure sustainable operation. Given the Company's long-term financial planning, future capital needs with efforts to protect the interests of shareholders. In regard to the distribution of the Company's dividends, in addition to improving the financial structure, paying for reinvestment, production capacity expansion, or other significant capital expenditure and other funding demands, they shall not be lower than 10% of the balance of the reporting year's net income reduced by loss offset amount, legal reserve, special reserve, and 6% of dividends of Year 1984 Grand Pacific Preferred Shares. The Company shall distribute annual cash dividends are not less than 10% of the total cash and stock dividends of the current year (excluding dividends of Year 1984 Grand Pacific Preferred Shares at 6% per annum).

#### **Performance in execution:**

The Company's distribution of earnings 2024 as duly resolved in the Board of Directors on April 24, 2025 is as below:

- (1) In 2024, the Company recorded a net loss after tax of NT\$1,559,896,897. After adding the actuarial remeasurement of the defined benefit plan of NT\$17,342,567 under retained earnings and deducting the impact of changes in equity from investments accounted for using the equity method of NT\$71,126,211 under retained earnings, the total loss for the year—after including items other than net loss—is NT\$1,613,680,541. No legal reserve was appropriated for the year, resulting in an unappropriated deficit of NT\$1,613,680,541. After adding the beginning unappropriated retained earnings of NT\$17,233,895,378 and deducting a special reserve of NT\$6,127,200 appropriated from prior years' earnings due to the market value of treasury shares held by subsidiaries being lower than their book value, the accumulated distributable earnings totaled NT\$15,614,087,637.
- (2) It is proposed not to distribute dividends for the current year. Pursuant to Article 29 of the Company's Articles of Incorporation, the preferred stock dividend of NT\$12,000,000 can be accumulated and distributed with priority in the year when the distributable earnings are available to make up the amount.

Anticipated significant changes in the dividend policy: **Nil.**

3.1.4 The impact of the issuance of bonus shares proposed in the current shareholders' meeting upon the Company's business performance and earnings per share (EPS): N/A

3.1.5 Compensations to employees, remuneration to directors:

The percentage and scope of remunerations payable to employees and directors as set forth under the Articles of Incorporation: Please refer to Page 103, the dividend policy set forth under the Articles of Incorporation.

In terms of the grounds to estimate the remunerations payable to employees and directors in the current term, the accounting handling manner for the discrepancy between number of shares counted for remuneration to employees through distribution of stocks and the amount of substantial distribution:

1. The grounds to estimate the remunerations payable to employees and directors: To be estimated based on the business performance of every quarter.
2. The grounds to estimate the remunerations payable to employees with stocks: Not applicable, as no stocks are to be distributed.
3. The accounting handling manner for the discrepancy between number of shares counted for remuneration to employees through distribution of stocks and the amount of substantial distribution: In case of any discrepancy between the amount actually distributed as resolved in the shareholders' meeting and the estimation, the discrepancy is deemed as a change in the accounting estimate to be recognized as profit/loss in the year when it is resolved by the shareholders' meeting.

Information of bonus to employees as resolved in the board of directors: In 2024, the Company had a pre-tax net loss and did not distribute employees' and directors' bonuses.

The discrepancy between the actual distribution of bonus to employees and remuneration to directors and supervisors in the preceding year (including number, amount of distribution, stock price) and the recognized bonus to employees and remuneration to directors and supervisors, the causes and countermeasures: The Company's Board of Directors resolved on April 25, 2024, that no distributions of bonuses to employees and remuneration to directors shall be made for the year 2023 because of the Company's pre-tax net loss.

3.1.6 Facts of the Company's stocks repurchased by the Company: Nil

**3.2 Issuance of corporate bonds: The Company does not issue corporate bonds at the moment.**

### 3.3 Issuance of preferred shares:

Expressed in New Taiwan Dollars

Date of issuance(handling)			August 1984
Items			
Denomination			10
Price of issue			10
Number of shares			20,000,000 shares
Total amount			\$200,000,000
About rights & obligations	With earnings shown through annual final account settlement, the sum for preferred shares dividend of 6% shall be first withheld. All other terms are same as common shares.		With earnings shown through annual final account settlement, the sum for preferred shares dividend of 6% shall be first withheld. All other terms are same as common shares.
	Preferential distribution of the Company's residual properties		Preferential distribution of the Company's residual properties
	Same as common shares		Same as common shares
	Others		—
Outstanding issued preferred shares	Number retrieved or converted		—
	Balance not retrieved or converted		—
	Clauses for retrieval or conversion		—
Market price per share	2022	Highest	38.00
		Lowest	26.40
		Average	31.64
	2023	Highest	29.2
		Lowest	25.65
		Average	27.36
	2024	Highest	26.20
		Lowest	22.60
		Average	24.06
	In the year as of March 31, 2025	Highest	23.45
		Lowest	21.65
		Average	22.86
Other rights affiliated	Amount converted or subscribed as of the publication date of the Annual Report		0
	Regulations Governing Issuance, Conversion or Subscription		—
Impact of issuance conditions upon shareholders of preferred shares, potential dilution of equity and impact upon shareholders’ equity			Nil

**3.4 Issuance of overseas deposit receipt certificates (DRC): Nil**

**3.5 Issuance of employee stock option certificates: Nil**

**3.6 New shares to employees with restricted rights: Nil**

**3.7 Merger/acquisition (M&A) or inward transfer of other firms' new shares: Nil**

**3.8 Implementation of capital utilization plans: Nil**

## 4. Business Performance in Brief

### 4.1 Contents of business operation

#### 4.1.1 Business Scope

##### Primary Business Content

- (1) C801020 Petrochemical Manufacturing
- (2) C801100 Synthetic Resin & Plastic Manufacturing
- (3) C802990 Other Chemical Products Manufacturing
- (4) F401010 International Trade
- (5) D101050 Cogeneration
- (6) D401010 Heat Energy Supplying
- (7) G801010 Warehousing and Storage
- (8) H701020 Industrial Factory Buildings Lease Construction and Development
- (9) F501060 Restaurants
- (10) J506031 Other Type Channel and Program Supply Business
- (11) J503020 Television Program Production
- (12) J401010 Motion Picture Production
- (13) I401010 General Advertisement Service
- (14) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Operating proportion of each product:

GPPC Group

Expressed in Thousands of New Taiwan Dollars; %

Major Product	2024 Operating Revenues	Operating Proportion
Petrochemical operating revenues (SM)	7,308,158	44.51%
Plastic operating revenues (ABS, HIPS)	4,420,859	26.93%
Advertising, video and channel operating revenue	1,712,232	10.43%
Package materials operating revenues	844,420	5.14%
Nylon operating revenues	1,175,653	7.16%
Others (Note)	957,095	5.83%
Total	16,418,417	100.00%

Note: Others include operating revenues from steam, electricity, hydrogen, copyrights, broadcasting and restaurant services; as they account for less than 5% of the business, they are presented in an aggregated number.



Grand Pacific Petrochemical Corporation (parent company only financial statements)

Expressed in Thousands of New Taiwan Dollars; %

Major Product	2024 Operating Revenues	Operating Proportion
SM	8,264,217	63.47%
ABS	2,906,248	22.32%
H2	156,719	1.21%
Steam and electricity	517,019	3.97%
Nylon	1,176,041	9.03%
Total	13,020,244	100.00%

**GPPC Group's current products (services):**

1. Production and sales of styrene monomer (SM), its related derivatives and by-products (toluene, hydrogen, etc.).
2. Production and sales of acrylonitrile-butadiene-styrene copolymer resin (abbreviated as ABS).
3. Production and sales of hydrogen (H<sub>2</sub>).
4. Steam and Electricity
5. Nylon (PA).
- 6.

Business Item	Business Content	Primary Sales Target	Progress
Advertising Business	Sell satellite channel advertising time operated by Videoland to advertisers or advertising agencies.	Advertising agency→ advertisers or advertising agents	The current revenue is among the best of all cable TV channel operators.
Copyright licensing or sublicensing	Use the film and television resources of Videoland to produce various types of programs, such as: sports, drama and entertainment, and act as an agent or purchase copyright of other company's programs to license, or sublicense to others for broadcasting or distribution.	Domestic and foreign TV stations Platform channel dealer Copyright agency Agency Home audio and video product distributor	Ongoing licensing

**New products (services) in plans for development**

1. Expand market of 60P basic powder and SAN commercial-grade products. In response to the development of smart-car level battery slot, the Company optimizes products used in current uninterruptible power systems and battery slot.
2. Develop large particle latex and small particle latex using PBL rubber agglomeration process;

optimize ABS quality; develop electroplating, tube and flame resistant grade ABS; and sell these products to domestic and foreign customers.

3. Expand the nylon industrial yarn market and optimize the quality, develop high-temperature nylon and composite engineering plastic products: such as heat-resistant super-tough, medium-tough, high temperature, soft, biomass, and fiberglass blended composite plastic.
4. Aggressively integrate resources and establish a platform. Repackage each channel and open new opportunities through the concept of brand marketing.
5. Study the social and ecological changes associated with the development of new digital technology, so as to deepen brand characteristics and increase interaction opportunities to build audience trust.
6. Strengthen parallel and vertical strategic alliances and reinvestment businesses.
7. Proactive source overseas programs and continue to enrich the contents of own channel programs.
8. Aggressively expand the cooperation with digital IoT (Internet-of-Things) or digital media platforms to develop markets with cross-industry alliances.
9. Develop entertainment resources, and engage high-value audiences.
10. Accumulate digital platform experience and seize the opportunities for future markets.

#### 4.1.2 Industry Overview:

##### Industry Status and Development

The upstream segment of the petrochemical industry primarily sources from crude oil, followed by natural gas and coal. Due to its dual nature as an energy resource and a financial and geopolitical instrument, the price of crude oil is subject to a wide range of influencing factors. In 2008, prices surged to over USD 140 per barrel, before undergoing several fluctuations and dropping to around USD 30 per barrel in early 2016. Although some volatility persisted after 2016, prices generally exhibited a gradual upward trend. In 2021, as the global COVID-19 situation began to ease, oil prices started to recover under more stable conditions. However, with the outbreak of the Russia-Ukraine war, prices once again soared to over USD 100 per barrel. In 2023, crude oil prices declined to around USD 85 per barrel. In 2024, global markets continued to be affected by the Russia-Ukraine war, global inflation, weak demand, and escalating geopolitical tensions in the Middle East, causing oil prices to fluctuate around USD 80 per barrel. Looking ahead, uncertainties remain surrounding the impact of potential changes in U.S. energy and tariff policies under a new Trump administration, as well as whether the Russia-Ukraine conflict will come to an end. Additionally, the growing emphasis on carbon neutrality continues to gain momentum, posing an ongoing challenge for the development of the petrochemical industry.

During periods of high oil prices, Mainland China aggressively promoted coal-based petrochemical feedstocks. However, the development of this approach has been constrained by subsequent oil price corrections and water resource limitations. Moreover, the global push for carbon neutrality has brought coal under increased scrutiny, positioning it as a primary target for reassessment in the raw material mix. Natural gas is another upstream source of raw materials for petrochemical. With the rise and maturity of shale oil and gas resources in the United States, it has become one of the centers, other than China, where petrochemical production capacity is capable to grow in the recent years.

The Company's main products are styrene, ABS and Nylon 66 (PA66) plastics. The range of their downstream applications covers major petrochemical industries, such as plastics, rubber and fibers. Their further downstream range covers an even broader scope, including electronic appliances,

home appliances, automobiles, building materials, textiles and packaging and various other important industries. These all play an important role in supporting economic development.

Styrene is a bulk petrochemical raw material that is widely used. It is in liquid form at ambient temperatures and is convenient to transport. Therefore, the price difference of styrene around the world, except for the short-term factors in various regions, is mainly affected by transportation conditions and tariffs. The major raw materials of styrene are ethylene and benzene, with the proportion of benzene at about 80%. Ethylene is a gas at ambient temperatures and pressure, and the transportation cost is relatively high. Therefore, the site of styrene plant is usually very close to the supply of ethylene materials. Benzene is liquid at ambient temperatures, and its sources are more diverse. In addition to light oil cracking plants and refineries, there are products of other chemical manufacturing methods, or by-products of the steel industry, which are easier to obtain and transport.

The three major uses of styrene are in polystyrene (PS), expanded polystyrene (EPS), and ABS resin. In addition, there are secondary uses, such as: thermoplastic elastomer (TPE), styrene-butadiene rubber (SBR), styrene butadiene latex (SB Latex), unsaturated polyester (UPS), and others. Styrene derivatives are widely used in industries such as home appliances, electronics, construction, toys, automobiles, and such. Therefore, the rise and fall of the styrene industry is extremely sensitive to the economic cycles.

After years of development, there are currently three styrene monomer producers operating domestically. Over the past three years, economic downturns have led to slight annual adjustments in production and sales volumes, which have hovered around 1.8 million metric tons. In 2024, due to weakened downstream demand, Taiwan's total styrene import volume declined from 83,000 metric tons in 2023 to approximately 60,000 metric tons.

ABS is a downstream product of styrene. In addition to styrene, two raw materials, acrylonitrile and butadiene, are required. The ABS industry differs from styrene in its diversified product specifications, and that its production must be adjusted according to customer needs. Generally, ABS in Asia is mainly used for home appliances and electronic products. As digital information products continue to evolve, the demand for fire resistance, heat resistance and special flow characteristics has also increased. As the economies of emerging countries grow, the national and individual income levels increase, and the promotion of new energy related industries, the development of home appliances, electronics, automobiles, motorcycles, and energy storage industries will continue to amplify demands for ABS.

Currently, there are four ABS resin producers in Taiwan, with annual production and sales volumes remaining steady at around 1.2 million metric tons over the past three years. Unlike styrene, over 80% of ABS output is exported. Mainland China, which accounts for more than half of the global ABS demand, has become an intensely competitive "red ocean" market and remains the primary destination for Taiwan's ABS exports. However, due to the rapid expansion of new ABS production capacities in Mainland China in recent years, the country's dependence on ABS imports has significantly declined. In light of rising tariff tensions under U.S. President Trump and the ongoing shift in global supply chains, export markets are increasingly shifting away from Mainland China to other regions.

In response to government's high-value development policy, the Company pragmatically invested in the construction of a Nylon 66 (PA66) plant, which is the first manufacturing plant of Nylon 66 (PA66) in Taiwan, and it partially eases the import pressure on domestic demands. Nylon 66 (PA66) is a heat-resistant engineering plastic. In addition to the traditional textile applications, such as clothing and carpets, the demand for its application in high-end products, such as automotive components and electronic appliances, has developed rapidly in recent years, which has also become one of the largest applications of Nylon 66 (PA66). With the increase in per capita income, the demand for high-end products is increasing day by day. After the Company put the plant into production, Nylon 66 (PA66) still maintains an annual import volume of about 60,000 tons, which just shows its

growth potential.

Driven by the rapid economic development of Mainland China, the country has not only become a major market for petrochemical products but also a key production hub. Its domestic styrene monomer production capacity has reached approximately 21 million metric tons and is expected to continue increasing, leading to a steady decline in import demand and even a reversal toward net exports. ABS capacity has also expanded rapidly in recent years, now exceeding 7.5 million metric tons, with imports declining year by year. As for Nylon 66, to protect its domestic market, Mainland China has imposed high anti-dumping tariffs on major producing countries. Nevertheless, the country still imports approximately 260,000 metric tons annually. According to analysis by CMA, Mainland China's styrene demand in 2025 is expected to reach 14.29 million metric tons, while its nominal production capacity will rise to 21.33 million tons, leaving only minimal room for imports. In 2024, Mainland China's ABS-related demand for styrene was approximately 3 million metric tons, and it is expected to grow at an annual rate of about 5%. Last year, Taiwan's ABS-related styrene demand reached 232,000 metric tons, and it is projected to increase slightly to 238,000 metric tons this year. With global economic conditions anticipated to gradually recover, this is expected to benefit the manufacturing sector through inventory reductions and an uptick in orders, thereby supporting increased demand for both styrene and ABS. Nylon is also progressively expanding into emerging markets beyond Mainland China, such as Southeast Asia, India, and the Middle East. While total volumes in these regions remain relatively small, but their growth potential is considerable. Overall, the Company's ABS and Nylon 66 products have been making steady inroads into these emerging regions, helping to mitigate the risks associated with an overly concentrated market base.

In February 1962, the education television experimental station began broadcasting, which started Taiwan's television industry. Previously, there were only four wireless TV stations in Taiwan for commercial television: Taiwan Television, China Television, Chinese Television System and Formosa Television (and a non-commercial television station--Public Television, a total of five TV stations in Taiwan). Subsequently, community attentats and broadcasting systems (cable TV) emerged. All the cable TV stations were then competing to gain the audience's attention with demassified audience content.

Videoland Inc. is a member of the channel industry, and the rise of the channel (program distribution) industry is closely related to the announcement of the Cable TV Act (August 11, 1993). In the early days, the program providers delivered copied videos to transmission systems for broadcast. Apart from copyright fees, there was no revenue from advertising. Later, with the sharp drop in the lease cost of satellite channels, and they utilized the breaks between programs to broadcast advertisements; hence, the program providers became channel providers and commercial time slot providers. Advertising became one of the main sources of revenue for channel operators, and some channel operators used advertising revenue to sustain their programs.

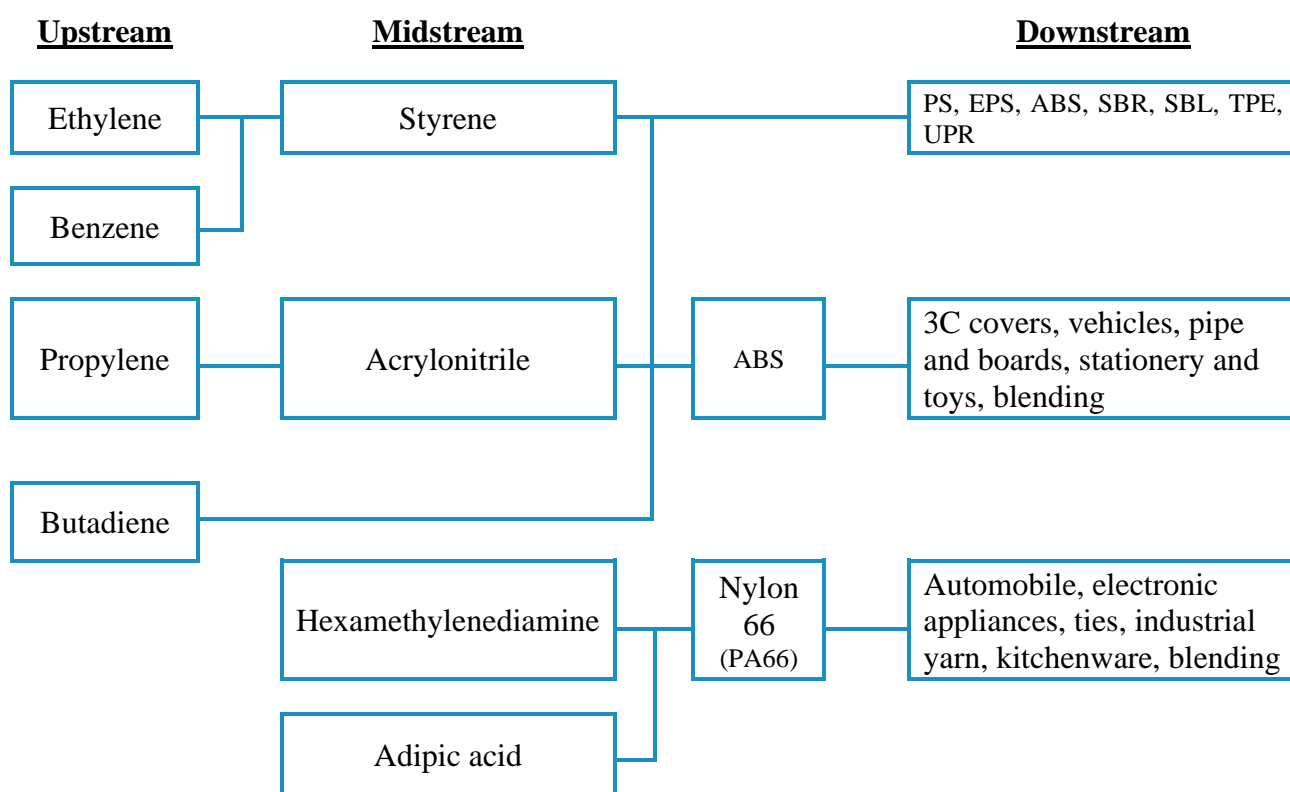
The Satellite Broadcasting Act was promulgated and implemented in February 1999, which opened up the international space for Taiwan's communication industry, and promoted the sound development of satellite broadcasting. In addition to selling the mainstream advertising, Videoland seeks to develop other sales projects by leveraging the advantages of the TV channel family. Given the development of the telecommunications and broadcast technology in the global village, media and telecommunication companies are seeking diversified operation and development in digital technology and integrated marketing.

In July 2012, the digitalization of wireless TV was fully implemented, and the analog signal of wireless TV officially became part of history. Cable TV, in turn, was also digitalized, and now produces and broadcasts high-definition digital program contents. To cope with the trend of digitalization and internet new media, Videoland Fine channel was launched on Chunghwa Telecom's MOD platform on February 20, 2015. Over-the-top (OTT) media services have gradually become the mainstream of online audio/video platforms. The competition with traditional media is fierce.

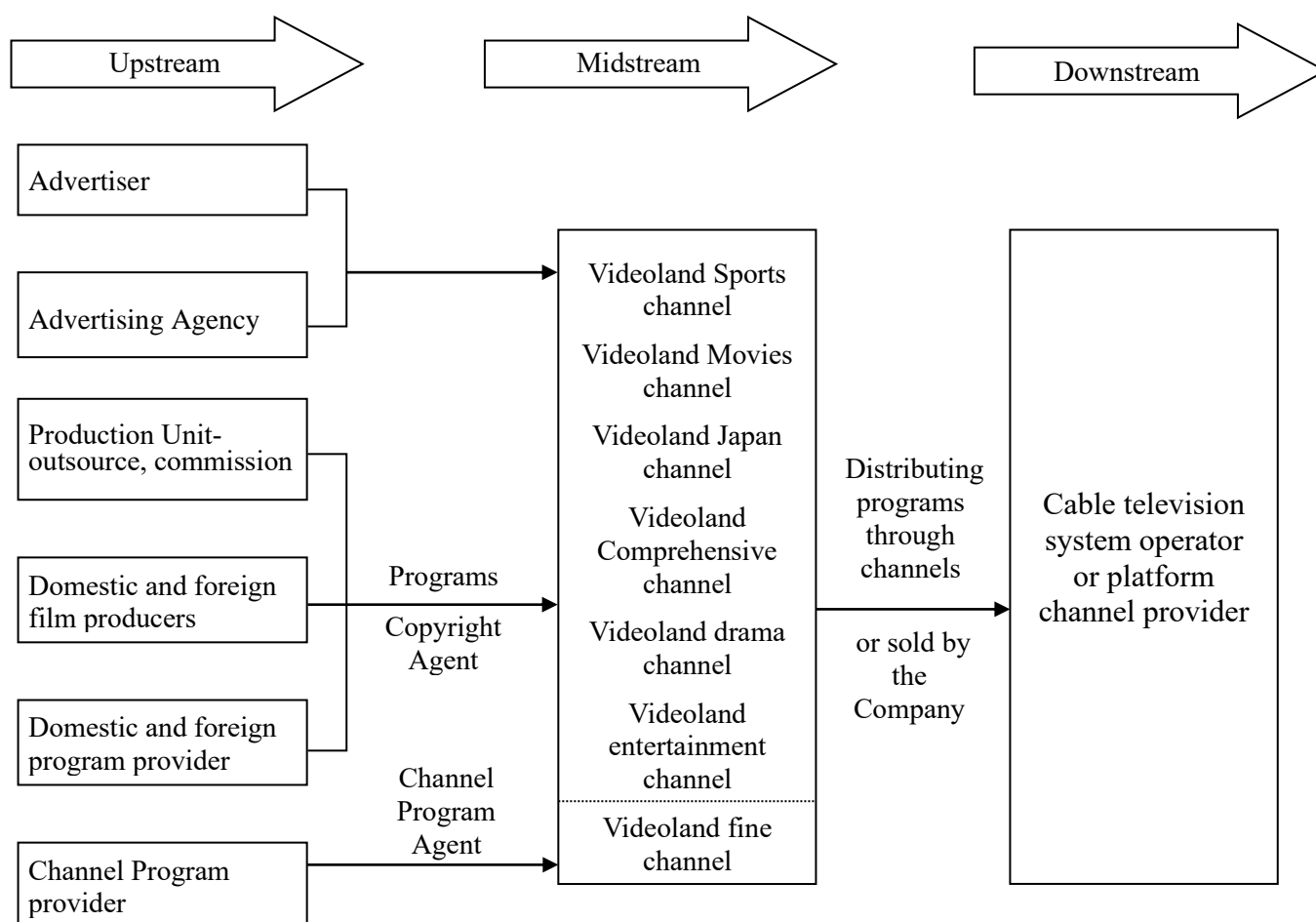
The correlation between the upstream, midstream and downstream within the industry

The raw materials for styrene are benzene and ethylene. The source of ethylene is primarily supplied by the CPC Corporation. In recent years, as the production of benzene by the Company has decreased year by year, the proportion of benzene imported by Grand Pacific Petrochemical Corporation has gradually increased. The raw materials for producing ABS, apart from the self-produced styrene, such as butadiene, are also supplied by the CPC Corporation, and Acrylonitrile is supplied by China Petrochemical Development Corporation. The raw materials for Nylon 66 (PA66), hexamethylenediamine and adipic acid, are not domestically produced, and must be imported from abroad.

The downstream of styrene still requires one or more manufacturing processes to make plastic pellets or rubber, so customers are larger in scale. ABS and Nylon 66 are primarily used in molding and compounding industries, with a broad distribution across customers of varying scales.



Videoland Inc. is a cable TV channel operator, which also produces and distributes TV programs. Its industrial structure is as follows:



#### 4.1.3 Technology and R&D Overview

R&D expenses invested in the most recent year, and as of the publication date of the Annual Report

Expressed in Thousands of New Taiwan Dollars; %

Year	R & D expenses	Proportion to revenue %
2024	26,157	0.20%

Technologies or products successfully developed in the most recent year, and as of the publication date of the Annual Report.

Year	R&D performance
2024	<ol style="list-style-type: none"> <li>1. Trial production of Nylon 66 (PA66) industrial yarn composite and heat-resistant super-tough Nylon 66 (PA66)</li> <li>2. Customer's trial certification of Nylon 66 (PA66) glass fiber composite development</li> <li>3. Development of heat-resistant super-tough Nylon 66 (PA66) composite</li> <li>4. Development of long-chain Nylon 612 and its composite materials.</li> <li>5. Trial production and trial material of small particle latex using PBL rubber agglomeration process development</li> <li>6. Trial production and mass production of uninterruptible power systems and</li> </ol>

Year	R&D performance
	battery slot 7. Optimization and cost reduction of heat-resistant ABS products. 8. Optimization of tube level and electroplating grade ABS, High-flow grade ABS customer trial material. 9. Evaluation of flame-retardant masterbatch.

#### 4.1.4 Long-term and short-term business development plans

##### Short-term Plan

1. High-temperature nylon and nylon industrial yarn, nylon 66 (PA66) composite and heat-resistant super-tough nylon 66 (PA66) for trial sale, and subsequent equal emphasis on mass production and quality.
2. Develop large particle latex and small particle latex using PBL rubber agglomeration process; improve and adjust ABS product mix and formula; develop PBL small particle size latex technology; reduce production cost.
3. Focus on industrial safety and environmental protection, and participate in social welfare activities.
4. Coordinate with the market positioning of each channel, expand advertising business revenue, and stabilize revenue growth.
5. Strengthen the symbiotic relationship of system channels to ensure stable income from channel licensing.
6. Involve in the digital industry to generate new revenue streams via investment and cooperation.
7. Use existing resources to promote projects, integrate marketing, and significantly increase project revenue.

##### Long-term Plan

1. Demonstrate the true function and value of an R&D Center by achieving the establishment of high-value independent technology.
2. Accumulate research and development energy, and vigorously participate in cooperation with government, industry and academia on science and technology projects.
3. Develop a nylon engineering plastic blending plant to enhance market competitive advantage.
4. Draw on international strategic alliances, expand overseas channels and then create cooperation opportunities for program business.
5. Increase Asian contents by sourcing more quality programs overseas so as to develop new markets.
6. Extend footprint to ecommerce for digital transformation and higher sales and profits, given the arrival of the digital age.
7. Expand the revenue streams of new media on the web, broadcast our own programs on the web platform, and increase advertising revenue.

## 4.2 Market and production and sales overview:

### 4.2.1 Market analysis:

#### Sales (provided) regions of major products (services):

Major Product	Major Market	Distribution Method
Styrene Monomer (SM)	Domestic	Direct sale
Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)	Domestic, Mainland China, Hong Kong, the United States, South Africa, Southeast Asia and India.	Direct sale and distribution
Hydrogen (H <sub>2</sub> )	Domestic	Direct sale and distribution
Steam and Electricity	Domestic	Direct sale
Nylon 66 (PA66)	Domestic, Mainland China, Hong Kong, the United States, South Africa, Southeast Asia, and India.	Direct sale

Videoland Inc. is a satellite TV business program supplier approved by the competent authority, and its primary commodity revenues are satellite program video and advertising. The sales targets of the video business are cable TV operators in Taiwan, Penghu, Kinmen and Matsu areas, and other public broadcasters. Advertising is sold to individuals and legal persons of all levels.

#### Market share, supply and demand status, and growth of future markets:

In 2024, the Company's production capacities for styrene monomer and ABS were 370,000 metric tons and 120,000 metric tons, respectively, accounting for approximately 18% and 7% of Taiwan's total production capacity in each category. Due to the constraints of current industrial development policies, upstream petrochemical expansion in Taiwan has reached saturation, and downstream and midstream expansions remain limited. As such, in the absence of new capacity additions, market share fluctuations among producers are minimal.

Following decades of rapid development, Mainland China has leveraged its massive scale to become the world's manufacturing hub and is steadily expanding into global markets. Both its production capacity and market demand have emerged as major driving forces. In the U.S., the rise of shale gas has resulted in competitively low feedstock costs, spurring capacity expansion. Since the start of this century, most global petrochemical capacity growth and market expansion has originated from Mainland China. Infrastructure development, real estate growth, and the expansion of the automotive industry—alongside past stimulus policies such as home appliance subsidies—have fueled successive waves of styrene-based product expansions. In recent years, many of these new capacity projects have come online. In the past two to three years, Mainland China's self-sufficiency in styrene, ABS, and PS has gradually increased, leading to a steady decline in import volumes over time. Unlike earlier investment phases, the latest round of capacity additions includes integrated upstream feedstock supply. However, the continual commissioning of new capacity has resulted in oversupply, which will inevitably reshape the structure of the overall styrene and its downstream markets.

With the gradual growth of the global economy and rising per capita income, consumer demand has shifted from basic plastics such as PE and PVC toward styrene derivatives like PS, ABS, and EPS. This transition also supports increased demand in sectors such as home appliances, electronics,



automobiles, communications, e-commerce packaging, and thermal insulation. In parallel, product expectations are evolving beyond basic functionality, with health and environmental friendliness becoming universal values. As a result, development trends for styrene and nylon 66 products increasingly focus on high strength, low residual monomers, vivid coloration, and enhanced processability. The Company's R&D efforts are closely aligned with these trends and are continuously being refined and advanced.

According to the International Monetary Fund (IMF), global economic growth in 2025 is projected at 3.3%, on par with 2024. Global inflation is expected to ease to 4.2%, down from 5.7% in 2024. The IMF also forecasts strong U.S. growth at 2.7%, while revising eurozone growth down to 1.0% and raising Mainland China's forecast to 4.6%. Nonetheless, uncertainties remain for the global economy. The return of Trump to office and the ambiguity surrounding his economic agenda may impact global growth and intensify concerns over energy demand, potentially leading to declines in the prices of crude oil and other commodities. Accordingly, production and sales plans for 2025 must be approached with caution.

To date, the total number of satellite channels actually in service on the cable TV market is about 100. Videoland Inc. has a total of 7 self-produced channels, accounting for a market share of 7%. Currently, the total number of fee-based satellite channels on the cable TV market is about 65. Videoland Inc. has a total of 7 self-produced channels, accounting for a market share of 10.7%.

In terms of video revenue, system operators (cable TV companies) charge video fees every month, and this income is about NT\$500 to 600 per household. Providing program purchases accounts for about 40% (about NT\$240) of the cost. The number of households that can sign a contract nationwide is about 2.9 million for 2024. Channel operators' potential total video revenue is about  $\text{NT\$}240 \times 12 \text{ months} \times 2.9 \text{ million households} = \text{NT\$}8.35 \text{ billion}$ . Videoland Inc.'s video revenue in 2024 is approximately NT\$678.4 million, accounting for approximately 8.12% of the channel operator's total video revenue.

As for the advertising business, based on Nielsen Media Research and MAA's reference on media owners' opinions about the current state of the advertising industry, actual advertising pricing changes, and Gross Rating Point's (GRP) media purchase references, etc., the advertising volume statistics of the five major media and outdoor media in 2024 are as follows:

Ranking	Media	Effective Ad Volume (NTD thousand)	Market Share
1	Cable TV	14,925,282	57%
2	Broadcast TV	3,130,030	12%
3	Newspaper	609,994	2%
4	Magazine	955,363	4%
5	Radio	1,366,984	5%
6	Outdoor	5,195,219	20%
Grand Total		26,182,872	100.00%

Videoland Inc.'s total annual advertising revenue in 2024 reached NT\$1.035 billion, accounting for approximately 6.94% of cable TV advertising.

## **Competitive niche, and advantages, disadvantages of development prospects and countermeasures**

### **Competitive Niche**

1. Continuous improvement of various environmental protection schemes and energy saving is conducive to a sustainable business and the operation of the Company and its factories.
2. Continue to pursue the improvement of production efficiency of each production plant and maintain its competitive advantage.
3. Increase factory production of crystal plastics, and increase the proportion of the Company's high quality products.

### **Advantages and disadvantages of development prospects and countermeasures**

#### **1. Styrene Monomer (SM)**

##### ● **Advantages**

- (1) Global styrene demand grows steadily.
- (2) Taiwan still has import demand.
- (3) There are vertical integration benefits for the downstream ABS/HIPS capacity.
- (4) Supply to domestic SM customers is timely given geographic proximity.

##### ● **Disadvantages**

- (1) The absence from free trade agreements such as RCEP makes exporting and healthy development difficult for downstream players.
- (2) Domestic upstream petrochemical raw materials supply is insufficient and still needs import from abroad.
- (3) The transportation capacity of petrochemical pipelines in the Kaohsiung area is obviously restricted after the recent gas explosion, which increases the scheduling difficulties and transportation costs for imported petrochemical raw materials.
- (4) New production capacities in Mainland China have come online and have already begun to be exported.
- (5) Stability level of water and power supplies affect the effectiveness of continual production.
- (6) The declining birthrate has led to labor shortages, making workforce replacement increasingly difficult.
- (7) The issue of carbon neutrality continues to gain momentum, with carbon taxation set to begin in 2026, which will increase operating costs.

##### ● **Countermeasures**

- (1) To work in concert with the government policy of "quantity overseas, quality domestic". Pursue overseas expansion opportunities to drive volume growth while actively developing value-added products.
- (2) Continue to pursue the enhancement of industrial safety and environmental protection, and increase the production efficiency of each production plant to enhance the overall comprehensive effect of energy saving and waste reduction.
- (3) Expand foreign suppliers, and fill the gap with imported raw materials to maintain production capacity.

- (4) Enable flexible transportation scheduling to ensure smooth operation of styrene plants.
- (5) Identify and strive for various expansion opportunities, and expand production scales to reduce costs.
- (6) Increase the downstream styrene integration to slow down the impact from anti-dumping tariffs and new production capacity of Mainland China.
- (7) Obtain ISCC (International Sustainability and Carbon Certification) or other carbon reduction programs.

## 2. Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)

### ● Advantages:

- (1) Mainland China's home appliance trade-in policy, along with successive fiscal and monetary policies and real estate rescue measures, has raised market expectations that these initiatives will stimulate end-user demand, restore consumer confidence, and in turn, drive demand across the entire industrial supply chain.
- (2) The supply of self-produced raw materials for styrene monomer (SM) is sufficient to reduce the risk of raw materials fluctuations.
- (3) The demand for ABS in the field of home appliances may still have some momentum. The household appliance and automotive sectors in Mainland China are expected to maintain a steady pace of development, with the potential for continued growth in production volumes.
- (4) Demand for new applications is expanding steadily.
- (5) Obtaining Indian standard certification is favorable for market promotion.

### ● Disadvantages:

- (1) Wars, global inflation, and carbon reduction issues have introduced additional variables to operations.
- (2) Trade protectionism and tariff barriers hinder market expansion and pose challenges to industry development.
- (3) The excessive dependence of AN and BD on the supply of raw materials has increased the impact of raw materials fluctuations on profits.
- (4) Mainland China has significantly expanded its production capacity, leading to reduced import demand as the country gradually moves toward self-sufficiency and even shifts to export.
- (5) The competition from alternative products: Other materials are used for home appliances and toys with low quality requirements.
- (6) The restricting impacts brought by the global market's trends in regard to reinforcement on plastics recycling and plastics reduction policies.
- (7) The production capacity is relatively small and the economy of scale is insufficient.

### ● Countermeasures:

- (1) Make efforts to reduce costs, and make full use of production capacity, in order to reduce the pressure caused by the diluted interest rate spread.
- (2) Provide customized product design, and expand product planning in response to the demand for high-value products.
- (3) Seek to shift and diversify into markets such as the Southeast Asian region to expand the

distribution of our products.

- (4) Actively expanding development in non-Mainland China markets to mitigate the impact of structural changes in the Chinese market.
- (5) Pay constant attention to the domestic and international environmental situation and the price trends of main raw materials, while adjusting the sales strategy accordingly.

### 3. Nylon (PA)

- Advantages:

- (1) Stable product quality, positive R&D capabilities, and timely customer services are conducive to enhancing customer confidence in the products.
- (2) The applications and demands in the field of engineering plastics are increasing.
- (3) Following plant expansion, production costs have decreased. With continued growth in the automotive electronics industry, applications and demand in the engineering plastics sector are expected to keep increasing.
- (4) We are the only domestic manufacturer. Our delivery speed is fast, and we can promptly meet customer demands.

- Disadvantages

- (1) Prices of main raw materials fluctuate greatly, and are difficult to manage.
- (2) There are many foreign competitors of Nylon 66. The price competition is fierce.

- Countermeasures:

- (1) Make efforts to develop specifications for industrial yarn slices, textile grade products and special grade engineering plastics, to create market differentiation and to help move into the field of higher value products.
- (2) Strengthen the after-sales service system through regular customer visits and prompt, responsive service capabilities to enhance product added value.
- (3) Expand market presence in India, Southeast Asia, and the Middle East to help avoid excessive market concentration.

#### 4.2.2 Important uses of major products and production process:

##### **Important uses of major products**

###### Styrene Monomer (SM)

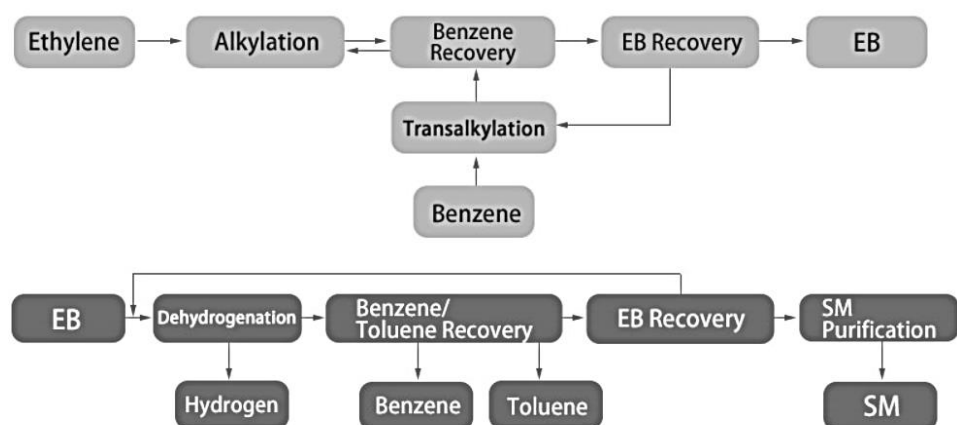
Styrene monomer is extremely versatile. It is frequently used to manufacture various polystyrene resins (PS), acrylonitrile-butadiene-styrene resins (ABS), styrene-butadiene synthetic rubber (SBR), unsaturated polyester resins (UP), and more.

###### Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)

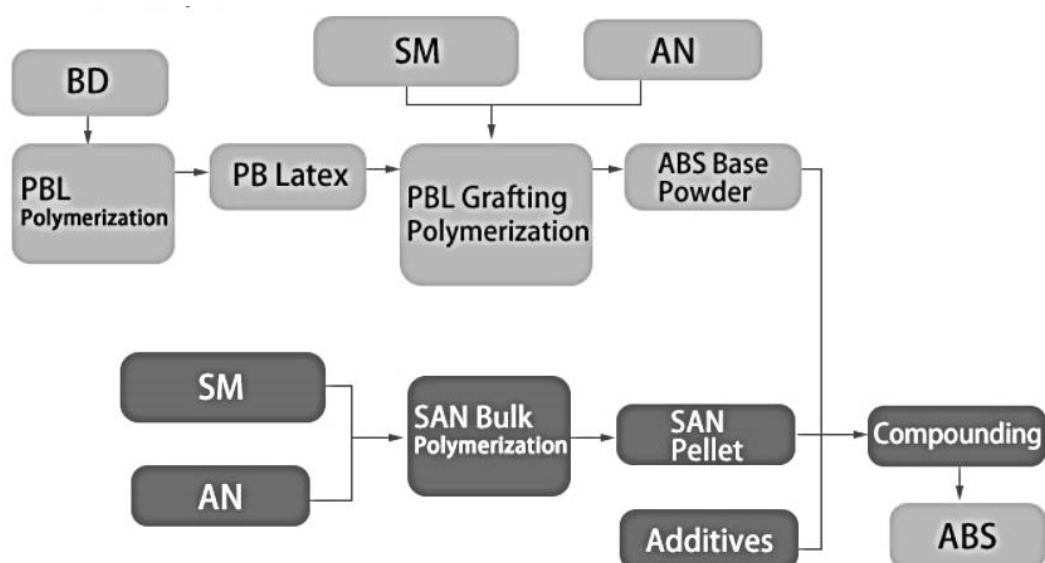
ABS resin is widely used and can be processed into housings for items as large as automobile and motorcycle components, refrigerator linings, TVs, cassette recorders and video recorders, computers, washing machines and others, and it can be for small items such as electric fans, toys, accessories, daily utensils and others as well.

##### **Production process of major products**

Styrene manufacturing method:



ABS plastic manufacturing method:



4.2.3 Supply status of main raw materials:

Name of main raw materials	Supplier	Main Source	Supply Status
Benzene	CPC Corporation	Domestic / foreign import	The supply shortage of CPC Corporation is supplemented by imports.
Ethylene	CPC Corporation	Domestic	The shortage is supplemented by CPC Corporation
Acrylonitrile	China Petroleum & Chemical Corporation	Domestic	Stable
Butadiene	CPC Corporation/ Formosa Petrochemical Corporation	Domestic	The shortage is supplemented by CPC Corporation or foreign import.

The following five channels are the sources of Videoland Inc.'s programs:

1. Outside broadcast (OB): In conjunction with domestic or international sports competition, Videoland Inc. obtains broadcasting rights from organizers, and broadcasts live programs or recorded video programs.
2. Self-made: Videoland Inc. plans and produces its own programs.
3. Commission: Funded by Videoland Inc., the programs, or dramas, are commissioned to be planned and produced by other communication companies within the established unit cost.
4. Outsource: Videoland Inc. purchases TV series and films produced by domestic and foreign film, television and other communication companies.
5. Agent: Videoland Inc. searches for domestic and foreign production of fine channels, obtains channel distribution rights and the agent rights for advertising.

4.2.4 The names of the suppliers who have accounted for more than 10% of the total purchase (sale) in the previous year, and the amount and proportion of the purchase (sale), and explanation of the reasons in change of increase or decrease

### Major suppliers over the past two years

GPPC Group:

Expressed in Thousands of New Taiwan Dollars

Items	2023				2024			
	Title	Amount	Ratio to the net annual purchase [%]	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase [%]	Relationship with the issuer
1	P7901	6,473,744	50.41	Nil	P7901	6,578,058	46.13	Nil
	Others	6,368,140	49.59	—	Others	7,682,201	53.87	—
	Net purchase	12,841,884	100		Net purchase	14,260,259	100	

Parent company only financial statement:

Expressed in Thousands of New Taiwan Dollars

Items	2023				2024			
	Title	Amount	Ratio to the net annual purchase [%]	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase [%]	Relationship with the issuer
1	P7901	6,473,744	56.36	Nil	P7901	6,578,058	56.47	Nil
	Others	5,012,981	43.64	—	Others	5,070,693	43.53	—
	Net purchase	11,486,725	100		Net purchase	11,648,750	100	

### Major customers for sales over the past two years

GPPC Group:

Expressed in Thousands of New Taiwan Dollars

Items	2023				2024			
	Title	Amount	Ratio to the net annual sales [%]	Relationship with the issuer	Title	Amount	Ratio to the net annual sales [%]	Relationship with the issuer
1	#4001	3,839,743	24.43	Nil	#4001	3,580,578	21.81	Nil
	Others	11,879,446	75.57	—	Others	12,837,839	78.19	—
	Net sales	15,719,189	100		Net sales	16,418,417	100	

Parent company only financial statement:

Expressed in Thousands of New Taiwan Dollars

Items	2023				2024			
	Title	Amount	Ratio to the net annual sales [%]	Relationship with the issuer	Title	Amount	Ratio to the net annual sales [%]	Relationship with the issuer
1	#4001	3,839,743	30.05	Nil	#4001	3,580,578	27.50	Nil
	Others	8,936,117	69.95	—	Others	9,439,666	72.50	—
	Net sales	12,775,860	100		Net sales	13,020,244	100	

Note 1: Please list the names of the customers accounting for at least 10% of sales and specify the values and the percentages of sales during the most recent two years. If the names of customers cannot be disclosed due to contractual terms or the counterparty is a non-related individual, codes may be used as indication.

### 4.3 Number of employees, their average years of service, average age and educational attainment distribution ratio for the last two years and as at the date of the annual report

April 22, 2025

Year		2023	2024	The year as of April 22, 2025
Number of employees	North Area	375	463	535
	Central Area	142	141	144
	South Area	365	356	349
	Overseas	304	343	338
	Total	1186	1303	1366
Average ages		42	40	38
Average service seniority		12	11	10
Academic degree levels	Ph. D.	0.25%	0.23%	0.22%
	Master	8.16%	8.21%	8.13%
	University/college	67.43%	69.61%	70.50%
	Senior high school	21.97%	19.72%	19.03%
	Below senior high school (inclusive)	2.19%	2.23%	2.12%

### 4.4 Key agreements

	Parties concerned	Duration of the agreements	Key contents	Restrictive terms
EB-3 Lease agreement for alkylation and transalkylation catalyst	USA, ExxonMobil	01/28/2010 ~	Ethylbenzene manufacturing process lease agreement	—
Benzene	CPC Corporation, Taiwan	01/2025 ~ 12/2025	Agreement	Not for resale
Ethylene	CPC Corporation, Taiwan	01/2025 ~ 12/2025	Agreement	Not for resale
Butadiene	CPC Corporation, Taiwan	01/2025 ~ 12/2025	Agreement	Not for resale



## 4.5 Information of expenditures for environmental protection:

In the most recent year and as of the publication date of the Annual Report, the Company's losses (including compensation) resulting from pollution to the environment, the total amount of punishment, the Company should reveal its future response measures (including improvement measures) and possible expenditures (including the estimated amount of losses, punishment and compensation that may occur if the response measures are not taken. A reasonable estimate should explain the fact if it cannot be reasonably estimated).

Expressed in New Taiwan Dollars

Contents	2024	2025 up to present
Conditions of pollution (categories, extent)	<ol style="list-style-type: none"> <li>1. Pilot flame extinguished at M10 flare stack AA01</li> <li>2. Black smoke emission from M10 flare stack AA01</li> <li>3. Fugitive emissions from equipment components at M04 exceeded control standards</li> <li>4. Fugitive emissions from equipment components at M10 exceeded control standards</li> <li>5. Fugitive emissions from equipment components at M11 exceeded control standards</li> <li>6. Loss of airtight condition in storage tank at M04</li> </ol>	Nil
Compensation target or penalty imposer	Kaohsiung City Environmental Protection Bureau	Nil
Amount of compensation or fact of penalty	<ol style="list-style-type: none"> <li>1. NT\$150,000</li> <li>2. NT\$150,000</li> <li>3. NT\$225,000</li> <li>4. NT\$225,000</li> <li>5. NT\$225,000</li> <li>6. NT\$450,000</li> </ol>	Nil
Other losses	Nil	Nil

### 4.5.1 Countermeasures:

#### Corrective plans:

In terms of the corporate responsibility to the society, other than investment in hardware, the Company spares no effort to improve the discharge of various pollutants and improve safety management facilities (Cf. Industrial safety environmental capital expenditures below for more details) in order to directly minimize environmental pollution and improve production safety. Besides, where a large number of equipment components in our plants are prone to leakage and emission, for our factories, we continually commission qualified inspection companies to conduct factory-wide scanning with FLIR and flame-type ion detector devices to inspect each and every equipment component one by one. Meanwhile, we commissioned SGS to scan and re-test with infrared devices. Where the management of equipment components, we cannot rely solely on outsources for inspection, our on-site personnel also continually carry out follow-up testing based on the assigned responsibility from the jurisdiction with the detector devices purchased by the factories. The environmental engineering department conducts random testing to ensure the

integrity in the inspection. In terms of pollution reduction of combustion facilities, in our factories we have converted the entire plant steam boilers, heat medium boilers and steam heating furnaces with natural gas as the fuel, and with steams and electric boilers used for the best feasible control technology (BACT) to prevent pollution and to effectively reduce pollutant emissions. In terms of industrial safety environmental management system, in our plants we have introduced the OHSAS18000 occupational safety and health management system. In 2019, we further introduced the ISO-45001 system and the process safety management (PSM) system within a three-year period along with efforts in planning, implementation, audit, improvement and other action cycles to make the management system in full and effective play. At the same time, we promote the evaluation of industrial safety environmental protection performance indicators of various departments to improve execution efficiency. In terms of employee safety protection, in addition to efforts to provide personal protective equipment such as goggles, earplugs and ear muffs as well as vertical fall arresters for employees, we further continuously promote safety observation and encourage the reporting of a false alarm event and continuously provide employees and contractors with safety related educational & training programs. We earnestly expect that the factory process equipment will operate safely and smoothly and successfully achieve production goals.

Major environmental protection capital expenditure expected in the coming years:

Expressed in Thousands of New Taiwan Dollars

2025	
Proposed purchase of pollution prevention equipment or expenditure content	Amount (in NTD Thousand)
Replacement project for breather valves in the tank storage area	6,750
Energy-saving ceramic coating project for PP-328 and PP-361 casing	495
Installation of pilot flame temperature signal for FLARE system	390
Ventilation improvement on the 3rd floor of the plant	820
Improvement of wastewater collection tank covers (ME-02, WV-935)	980
Replacement of cooling unit for incinerator CE-031	3,600
Total	13,035

Expressed in Thousands of New Taiwan Dollars

2024	
Proposed purchase of pollution prevention equipment or expenditure content	Amount (in NTD Thousand)
Dry-disconnect "dry break" hose couplings for SM filling station	4,500
ABS R-301 PT/PG L pipes TIE IN to RTO pipelines	1,370
Renewal of S-603A/B/G dehydrator's upper cover	2,330
Spill prevention facility for MT-320 fuel trough and FB-620 tower bottom oil tank	3,560
Purchase of Flame Ionization Detector (FID) TVA-2020	1,000
Total	12,760

4.5.2 The part without countermeasures taken: Nil

## **4.6 Labor relations:**

- 4.6.1 Enumerate the Company's employee welfare measures, continuing education, training, retirement system and its implementation status, as well as the agreements between the labor and the management and the efforts to safeguard employees' interests:

### **Fringe benefits for employees:**

1. Adhering to diversity and gender equality in the workplace, the Company is dedicated to providing employees with dignity and a safe working environment. We implement diversity hiring, fairness of salary and promotion opportunities, and ensure that employees will not be subject to discrimination, harassment, or unequal treatment due to race, gender, sexual orientation, religious beliefs, age, political orientation, and any other applicable statutory protected conditions. The Company values harmonious and positive labor-management relations and smooth employee communication channels. In accordance with the Gender Equality in Employment Act, we have established the Complaint Handling Committee and Investigation Group, and have formulated the "Sexual Harassment Prevention and Management Procedures" and related measures and procedures for employee complaint handling. There were no incidents of discrimination, sexual harassment or infringement of labor rights during the 2024, and we will continue to control emerging issues such as psychosocial hazards in the workplace and forced labor through the ISO 45001 Occupational Safety and Health Management System and the relevant requirements of the International Labor Organization (ILO), and promote collective bargaining for the protection of labor rights.
2. The Company has formulated and implemented reasonable, diversified and competitive employee welfare measures (including remuneration system and welfare measures), and remuneration determination or adjustment is based on the duties or performance of the job, regardless of gender, age, race or nationality, and the Company also appropriately reflects the operating performance in the compensation of employees. According to the Company's Articles of Incorporation, the Company should distribute employee remuneration equivalent to one percent of the profit status of the current year. In addition, the Company has also agreed with the Company's labor union to use a fixed percentage of the profitability of the Company's business as the basis of the year-end bonuses, which are to be distributed to all of the employees after taking into consideration of the annual performance appraisals, so as to motivate all of them to strive for the Company's goals together.
3. The Company regularly conducts annual remuneration adjustments based on profitability, market remuneration levels, price indicators, and the annual performance and development potential of employees to maintain overall salary competitiveness. The average remuneration increase for employees in 2024 was 3%.
4. In addition to labor insurance and health insurance, the Company also provides group insurance for our employees, including spousal and children's medical benefits and cancer insurance; moreover, the Company provides travel insurance for our employees on business trips, which fully protects them from all kinds of insurance needs. Furthermore, the Company regularly arranges annual health examinations for employees, including their families. In 2024 the total cost of health examinations for the entire company was NT\$943,000. Meanwhile, the plants are staffed by qualified nurses and provide medical consultation assistance, such as physician consultation.
5. Annual health check-ups are regularly arranged for employees. In 2024, the total health examination expense for the Company amounted to NT\$943,000. Qualified nurses are stationed at the plant to conduct health classification management based on check-up results, assess health risks, and provide health education. When necessary, medical referrals are offered. A specialist in occupational medicine visits the site monthly to conduct workplace hazard

assessments and provide health consultations. Additionally, stress relief and health promotion seminars are held periodically. Health-related information is disseminated through email and digital display boards to promote wellness awareness.

6. The Company has established an Employee Welfare Committee, which sets aside a fixed percentage of monthly sales revenue and the proceeds from the sale of scraps as welfare funds. In 2024, the welfare fund allocation exceeded NT\$20 million, providing employees with a variety of high-quality benefits. In addition to providing bonuses for the three major festivals (Dragon Boat Festival, Mid-Autumn Festival, and Spring Festival) and birthday gifts, this committee is also responsible for promoting employee travel, education subsidies for employees' children, wedding and funeral subsidies, emergency assistance, community activities, meal subsidies, and other welfare activities.
7. The Company has an industry union. Labor-management meetings are held regularly to communicate and coordinate with employees and directors and supervisors of the industry union. Any issues related to labor relations are fully negotiated and communicated by both labor and management, so there are no disputes. Four labor-management meetings were held during 2024.

**Continued training and education programs for employees:**

1. The company has enacted operating procedures, regulating internal training, external training, English proficiency/computer testing, industrial environment license and such relevant educational & training programs. In an attempt to pass on hands-on experiences, improve management and professional knowledge, the Company also encourages colleagues to study for degrees or send them abroad for special training and education programs. Contents covered within the training programs: Professional on-the-job training programs sponsored by the respective departments, statutory license(s)/certificate(s) related training programs and professional programs, internal training programs with outsourced instructors, environmental safety & health training programs rendered by outsourced instructors, ISO training programs, technical training programs under foreign technical consultants...etc.. The current established employee training and education operating procedures are titled as: "Education and Training Regulations" and "Education and Training Procedure for the Kaohsiung Plant." In 2024, the education and training expenses were NT\$1,101 thousand, with 216 training sessions held and a total of 5,642 training hours given. The average training cost per person was NT\$2.8 thousand, and the average training hours per person was about 14.5 hours.

The following is a statistical table of the number of training hours completed by colleagues in various positions in 2024:

Employee type	Number of attendances	Total training hours	Average number of hours of training per person
Senior Executive	30	82	13.7
First and second level supervisors	266	676	17.3
Direct labor	944	1,839	10.8
Indirect labor	1,254	3,045	17.6
All staff	2,494	5,642	14.5

2. Information on the relevant licenses and certificates obtained by personnel related to the transparency of financial information in the Company

Department	Name	Certificate or license
Treasurer	Ching Fu Chen	(Year 2010)-Zhuan-Gao-Kuai-Zi 000542
Accounting Head	Ling Chu Chen	Year 2009-Kuai-Jiao-(Accounting Head) Chu-Zi 3003007
Internal Auditor	Hui Fen Chiang Lan Hou	Year 1995-(Zheng)-Zi 0133 (Zheng)-Zi 9310124

### Labor pension system:

Following the provisions stipulated in the “Labor Standards Act,” the “Labor Pension Act” and its enforcement rules, the Employers' Accounting for Pensions and the like, the Company contributes 3% of employees' gross salaries or wages to the Bank of Taiwan on a monthly basis and 6% of the employees' average monthly salaries or wages to the employees' personal accounts in the Bureau of Labor Insurance. Besides, it is through the mechanism of “Supervisory Committee of Labor Retirement Reserve” that the Company holds regular meetings to review the use of retirement reserve funds, thereby protecting employees' retirement rights.

In 2024, the Company's “Supervisory Committee of Labor Retirement Reserve” held four meetings.

Item	Labor pensions	
	Old system	New system
Legal basis	Labor Standards Act	Labor Pension Act
Contribution as % of salary	The Company sets aside 3% of employees' gross salaries or wages as the labor pension reserve fund, which is reviewed and supervised by the Company's Labor Pension Reserve Fund Supervisory Committee. In 2024, a total of four Labor Pension Reserve Fund Supervisory Committee meetings were held.	The Company contributes 6% of the employees' average monthly salaries or wages (referring to the Monthly Contribution Classification of Labor Pension) as retirement pension.
Custodian organization	Bank of Taiwan	Bureau of Labor Insurance
Eligibility and ways to claim	The employer hands out the pension when an employee retires and claims the pension according to the Labor Standards Act.	Those aged 60 years old may claim from the Bureau of Labor Insurance the accumulated amount in the personal account.
Employees' participation	100%	100%
Contributions	Reserves at NT\$553,464,154 as of December 31, 2024	2024 contribution for NT\$11,071,421 in total
Remarks: (1) Retirement Conditions (A) Applying for voluntary retirement: (1) Where the employee attains the age of fifty-five and has worked at the Company for fifteen years; (2) Where the employee has worked at the Company for more than twenty-five years; (3) Where the employee attains the age of sixty and has worked at the Company for ten years; and (4) Where the employee's number of years of service at the Company plus his/her age is over 55, subject to the Company's consent. (B) Mandatory retirement: (1) Where the employee attains the age of sixty-five; (2) Where the employee is mentally disabled or physically disabled and unable to work properly, which is justified according to the disability standard of Grade 1 to Grade 6 defined in the Labor Insurance Act. (2) Pension benefit standard: (1) The pension handouts are based on Article 84-2 and Article 55 of the Labor Standards Act for the service years before and after the applicability of the Labor Standards Act, and the service years after opting to stay with the Labor Standards Act in accordance with the Labor Pension Act		

or the service years reserved before the applicability of the Labor Pension Act. (2) The handout is marked up by 20% according to Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act to the employees with the aforesaid service years and retiring mandatory according to Subparagraph 2, Paragraph 1, Article 54 due to loss of capacity or physical disabilities caused by the performance of jobs. (3) The Company makes monthly contributions equivalent to 6% of the salary the personal pension account of an employee under the Labor Pension Act.

- (3) Pension handouts: The Company should pay the pension within 30 days after the employee retires.

## **Labor-management agreements and various measures to protect employees' rights and interests:**

Once the Company's labor union submits to the Company a request for collective agreement negotiation, in order to facilitate the smooth progress of the negotiation, two unit supervisors with decision-making power are legally designated as the Company's representatives to participate in the negotiation meeting for the collective agreement, and to negotiate on the draft of the group agreement proposed by the labor union, article by article, and as of the printing date of this annual report, five negotiation meetings had been held. During the negotiation meetings, the Company listened to the views of the labor union and put forward specific responses or countermeasures, as well as reasonable reasons and arguments for the part of the contract that could not be agreed upon. Currently, both parties have reached agreements on wages, working hours, benefits, and other matters.

## **Measures to Protect the Work Environment and Employees' Personal Safety:**

1. Formulating fire protection and protection plans, compiling protection plan during construction prior to the commencement of construction and submitting it to local fire authority, and appointing a fire fighting management personnel and a security supervisor in accordance with the laws and regulations. In May and November 2024, the Company submitted its fire prevention and protection plans to the local fire brigade in accordance with regulations and completed the appointment of designated fire prevention managers and security supervisors.
2. Implementing hazard identification and risk assessment of dangerous workplaces, and submitting the data collected thereof to the local labor inspection authorities for review and approval before implementation. The Company conducts workplace environment monitoring twice annually. The results are regularly reported through the Labor Workplace Environment Monitoring and Exposure Hazard Management Platform. Based on these results, the Company continuously improves the working environment to provide employees with a safe and healthy workplace.
3. Regular fire drills are conducted in accordance with Article 13 of the Fire Services Act and Subparagraph 5, Article 8 of its Enforcement Rules. The Company holds factory-wide fire safety training sessions every six months to enhance employees' awareness of disaster prevention and to mitigate potential hazards. In April and October 2024, the Company carried out the required fire drills for the first and second half of the year and filed reports with the local fire brigade for record-keeping.
4. Establishing a "Code of Practice for Safety and Health" in accordance with the Occupational Safety and Health Act and its enforcement rules, and announcing the implementation of safety and health management matters for employees to follow. The Company has established workplace safety guidelines for employees to follow and continuously updates the content to reflect current conditions, thereby ensuring the safety of personnel and the working environment.
5. Implementing EHS self-inspections to protect the safety of workers. Monthly self-inspections are conducted on forklifts, pressure vessels, high pressure gas specific equipment, elevators, fixed cranes, fire fighting equipment, and the like. All departments within the Company adhere

to internal procedural regulations by conducting regular self-inspections of motor vehicles, hazardous equipment, and machinery. Through an audit system, the Company ensures that employees perform thorough and consistent inspections, thereby safeguarding both personnel and equipment safety.

6. Regular workplace environment monitoring is conducted every six months to detect levels of organic gases, dust, and noise in work areas. The Company carries out two monitoring sessions annually, and the results are regularly submitted to the Workplace Environment Monitoring and Exposure Hazard Management Platform. Based on the monitoring data, continuous improvements are made to the working environment to ensure a safe and healthy workplace for employees.
7. The Company's latest ISO 14001 certification is valid from July 2, 2023, to July 2, 2026, and the latest ISO 45001 certificate is valid from May 31, 2025, to May 31, 2028.
8. Fire Risk Identification and Mitigation Measures for Adverse Scenarios:
  - Fire prevention and protection plans are established, including construction-phase protection plans submitted to local fire authorities prior to project commencement. Fire prevention managers and security supervisors are appointed in accordance with regulations.
  - Hazard identification and risk assessment are conducted for high-risk workplaces. Relevant data is submitted to local labor inspection authorities for review and used as a basis for implementation.
  - Implementing fire prevention training regularly, enhancing disaster prevention awareness of personnel and preventing disasters from occurring by implementing enhanced factory disaster prevention education once every six months according to Article 13 of the Fire Services Act and Article 8, Paragraph 5 of the Enforcement Rules of Fire Services Act.
  - In accordance with the Occupational Safety and Health Act and its Enforcement Rules, the "Occupational Safety and Health Work Guidelines" were established and officially announced, specifying safety and health management regulations for employees to follow.
  - Regular self-inspections are conducted to ensure occupational safety and protect workers' personal safety. Monthly inspections cover forklifts, pressure vessels, specified high-pressure gas equipment, elevators, fixed cranes, and fire-fighting equipment.
  - Regularly monitoring the operating environment and conducting tests on organic gases, dust and noise in the workplace every six months.



4.6.2 In the most recent year and as of the publication date of the Annual Report, the impairment having been undergone by the Company as a result of labor disputes with disclosure of the amount of impairment so far and anticipated in the future as well as the countermeasures. If such amounts could not be reasonably estimated, the fact that it cannot be reasonably estimated should be explained in full:

Since the Company has always focused on labor-management communication and harmony, labor-management issues can be resolved through communication based on mutual trust. For the fiscal year 2024 and as of the publication date of the Annual Report, the Company has not suffered any loss due to labor disputes. Consequently, the Company will continue to maintain a good interactive relationship with the labor side. Based on the stability of mutual trust between labor and management, it is expected that the possibility of labor disputes in the future resulting in monetary losses will be extremely low.

**The following is a representative list of staff training and development programs in 2024:**

<b>Training Activity Name</b>	<b>Participating Colleagues</b>	<b>Training Activity Name</b>	<b>Participating Colleagues</b>
Insider Trading Prevention Awareness Course	All Colleagues	Workplace Conduct and Ethics	Kaohsiung Plant Colleagues
Workplace Sexual Harassment and Unlawful Infringement	All Colleagues	IFRS Sustainability Disclosure Standards to Launch in 2026 – Corporate Alignment Guide	Accounting Colleagues
Analysis of Amendments to the Act of Gender Equality in Employment	HR Colleagues	Plastic Coloring: Color Management and Practical Application of Pigments	R&D Colleagues
Labor Conditions and Employment Equality: Laws and Practices	HR Colleagues	Twin-Screw Extruder: Common Failure Causes and Solutions in Engineering Applications	R&D Colleagues
Production Cycle Practices and Audit Focus	Audit Colleagues	Introduction to Machine Parts Processing	Maintenance Plant
Annual Environmental, Safety, and Health Assessment	Environment & Safety Dept.	Introduction to Mechanical Principles	Maintenance Plant
Interpretation and Response Strategies for Amendments to the Act of Gender Equality in Employment and the Sexual Harassment Prevention Act	HR Colleagues	Emergency Response Procedures for Substation Power Outages	Maintenance Plant
IFRS Sustainability Disclosure Standards to Launch in 2026 – Corporate Alignment Guide	Accounting Colleagues	True Flow Motor Measurement Introduction	Maintenance Plant
Greenhouse Gas Inventory Planning – Professional Internal Training	Environment & Safety Dept.	Regulations and Practical Analysis of Lending of Funds, Endorsements/Guarantees, and Acquisition/Disposal of Assets	Finance colleagues
Maintenance and Operation Training for Existing Industrial Pipelines	Environment & Safety Dept.	Cooling Tower Operation at the Cogeneration Plant	Utility Plant
Occupational Safety and Health Supervisor (Professional External Training)	Environment & Safety Dept.	Carbon Management Trends and Practices	Kaohsiung Plant Colleagues
Health Risk Assessment Specialist	Environment & Safety Dept.	Introduction to Bearings	Nylon Plant
Underground Pipeline Education and Training	Environment & Safety Dept.	Standard Operating Procedures for Filling Operations	Hydrogen plant
Instrument and Plant Air Operation	Utility Plant	Process Safety Management 4.0	Hydrogen plant
Utility Plant Raw Water and Fire Water System Operation	Utility Plant	Furnace Operation	Monomer Plant

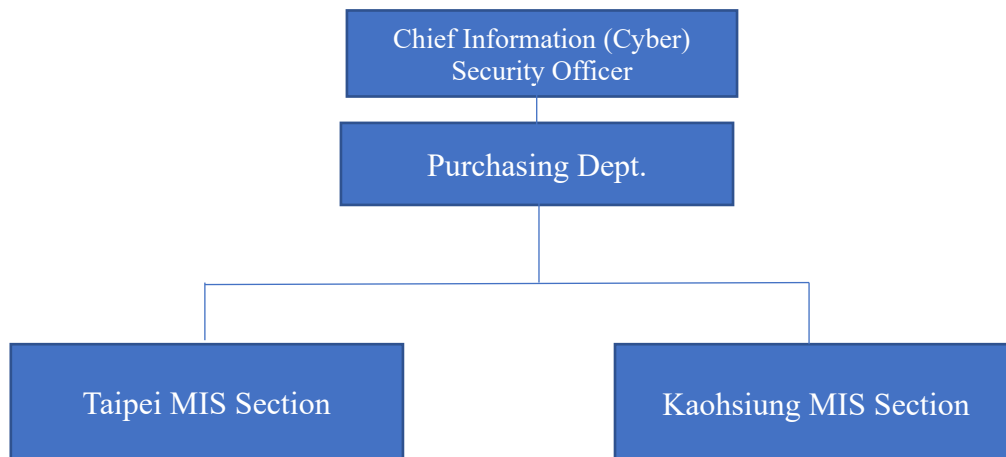
Workplace Sexual Harassment Prevention	HR Colleagues	Hydrogen Cylinder In/Out Management Procedures	Hydrogen plant
Operation of Ultrapure Water Systems	Utility Plant	Fluid Transport and Pump Characteristics Training	Polymer Plant
Occupational Safety and Health Administrator Education and Training (Professional External Training)	Utility Plant	Personal Protective Equipment Training	Polymer Plant
Radiation Safety Seminar	Nylon Plant	Finished Goods Control Panel Refilling	Polymer Plant
Introduction to Mechanical Shaft Seals	Nylon Plant	Vacuum System Operation	Polymer Plant
ISCC Green Energy and Environmental Certification	Sales Colleagues	Climate-Related Financial Disclosures (TCFD)	Accounting Colleagues
Personal Protective Equipment and Safety Regulations	Nylon Plant	Introduction of Carbon Fees: Financial Reporting and Accounting Treatments	Accounting Colleagues
Health Risk Assessment Specialist	Nylon Plant	Fluid Transport and Pump Characteristics Training	Polymer Plant
Protective Equipment	Monomer Plant	Corporate Tax Governance Practices under the ESG Trend	Accounting Colleagues
Operating Principles of Steam Ejectors	Monomer Plant	Equipment Maintenance 4.0	Hydrogen plant
New Opportunities for Petrochemical Materials in the Development of Electric Vehicles	R&D Colleagues	Corporate Risk Management and Internal Controls under the ESG Trend	Accounting Colleagues
EB Area Bed Pressure Relief during Safe Shutdown	Monomer Plant	Process Safety Management 4.0	Hydrogen plant
Introduction to Exhaust Gas Flare Systems	Monomer Plant	Equipment Maintenance 4.0	Hydrogen plant
Pipeline Maintenance and Servicing in Petrochemical Plants	Monomer Plant	Hydrogen Cylinder In/Out Management Procedures	Hydrogen plant
Vacuum System Operation	Polymer Plant	Circular Economy Assessment and Strategic Development in the Semiconductor Industry	R&D Colleagues
ESG Experience Sharing by CTCI Group	Relevant Colleagues	Standard Operating Procedures for Filling Operations	Hydrogen plant
Plastic Coloring: Color Management and Practical Application of Pigments	R&D Colleagues	Personal Protective Equipment Training	Polymer Plant
Twin-Screw Extruder: Common Failure Causes and Solutions in Engineering Applications	R&D Colleagues	Finished Goods Control Panel Refilling	Polymer Plant
Introduction to Machine Parts Processing	Maintenance Plant	ASEAN Emerging Industry Landscape – Latest Industrial Policies in Thailand and Malaysia and Trends in Taiwanese Investment	Sales Colleagues
Introduction to Mechanical Principles	Maintenance Plant	Legal Liabilities and Practical Case Studies on Insider Trading by Corporate Insiders, and the Latest Securities, Financial, and Tax Regulations	Accounting Colleagues
Emergency Response Procedures for Substation Power Outages	Maintenance Plant	Introduction to Various Types of Heat Exchangers	Plant Operations Colleagues
True Flow Motor Measurement Introduction	Maintenance Plant	Oxygen-Deficient Work Environments	Plant Operations Colleagues
Regulations and Practical Analysis of Lending of Funds, Endorsements/Guarantees, and Acquisition/Disposal of Assets	Finance colleagues	Organic Solvent Work Environments	Plant Operations Colleagues
Successful Workplace Positioning	Kaohsiung Plant Colleagues	Prevention of Employment Discrimination and Promotion of Gender Equality in the Workplace	Plant Operations Colleagues
Carbon Management Trends and Practices	Kaohsiung Plant Colleagues	Introduction to Vibration Issues in Rotating Equipment	Plant Operations Colleagues

## 4.7 Cyber security management

4.7.1 Please describe the structure of cyber security risk management, cyber security policies, management measures and resources invested in cyber security management.

### Structure of cyber security risk management

The unit accountable of the Company's Cyber Security issues is the MIS & Purchasing Department, which is responsible for planning, implementing, and managing cyber security-related work, promoting cyber security awareness, and reporting directly to the Chief Information Security Officer (CISO). Its organizational structure is as follows:



**Main Duties and Responsibilities:** Responsible for planning, implementing, maintaining, developing and promoting ERP related applications, as well as applying new technologies to continuously improve the efficiency of information assets and integrate the planning of information infrastructure and cyber security maintenance.

### Cyber security policy

#### 1. Objectives of the cyber security policy

- The regulations governing the management of information and communication security are put in place to ensure the security of the Company's servers, networking equipment and network communications by effectively reducing the risks of information asset theft, misuse, leakage, tampering or damages due to human errors, malice and natural disasters, etc.
- To ensure the confidentiality, integrity and availability of the Company's information
  - Confidentiality: to ensure that only the authorized personnel can use the information
  - Integrity: to ensure the accuracy and no tampering of the information used
  - Availability: to ensure that the authorized personnel can access the required information

#### 2. Contents of the cyber security policy

- The Company's information security management rules must comply with relevant government regulations (e.g., Cyber Security Management Act, Criminal Code, Classified National Security Information Protection Act, Patent Act, Trademark Act, Copyright Act, and Personal Data Protection Act).
- Regular training and education on cyber security and advocacy of the information security policy and relevant rules.
- Establishment of the management mechanism for servers and networks in order to organize resource allocations and utilization.

- It is necessary to consider risks and security factors before deployment of new equipment, in order to prevent circumstances that may jeopardize system security.
- Establishment of physical server rooms and environmental security protection measures, accompanied with regular maintenance.
- Specific regulations governing the authorization for network systems, to prevent unauthorized access.
- Formulation of the internal audit plan for the information security management system. Regular inspection of all personnel and equipment use throughout the Company within the scope of the information security management system. Planning and implementation of preventive and corrective measures according to audit reports.
- Formulation of the business continuity management regulations and organization of drills, to ensure the Company's continued operation.
- All of the Company's personnel is tasked with the responsibility in maintenance of cyber security and should adhere to the relevant cyber security management regulations.
- There should be specific regulations governing documentation of the information security management system.
- If reconsignment services are to be outsourced to vendors for processing, it is necessary to evaluate relevant information security risks associated with reconsignment services. Outsourced vendors should be required to abide by relevant rules of the information security management system (ISMS). This is to ensure appropriate supervision and management of the vendors for reconsignment services.
- In the process of internal and external project management, it is necessary to specify and describe all the project-related information security requirements. The result of risk assessments serves as the basis for determining and implementing the information security control measures, to ensure the confidentiality, integrity and availability of internal and external project information and to reduce the risks of leakage of confidential and sensitive information (including personal data) and breaches of laws.
- It is necessary to formulate the management procedures governing portable information devices (including mobile devices) and portable storage media and require colleagues to adhere to these procedures. Periodical risk assessments should be conducted on portable information devices (including mobile devices) and portable storage media. The result of risk assessments serves as the basis for the selection of appropriate control measures. Regular inspections should be carried out regarding the implementation by colleagues, to ensure the monitoring of risks associated with the use of portable information devices and storage media and to reduce the risks of leakage of confidential and sensitive information.

### 3. Resources invested in cyber security management

- External and internal firewalls
- Antivirus software installed on each computer
- Security Operation Center (SOC) for cyber security surveillance
- Annual drills on social engineering
- Information security personnel assigned: 6 individuals
- Frequency of information security meetings: Once every two months
- On September 5, 2024, the Chief Information Security Officer reported to the Board of Directors on the current status of information security management and the resources allocated during the year, which included maintenance and monitoring operations, PA hardware maintenance, Fortinet firewall, antivirus software, and other items, totaling approximately NT\$670,000.

- 4.7.2 Please describe any loss incurred due to material cyber security events, possible impacts and countermeasures during the most recent year and as of the publication date of this annual report. If a reasonable estimate cannot be provided, please explain the facts concerning the impossibility of reasonable estimates: Nil.

## 5. Review and Analysis of Financial Condition and Financial Performance, and Risk Issues

**5.1. Financial position:** Major reasons that led to significant changes in assets, liabilities and shareholders' equity over the past two years and the impact thereof. Elaborate on the countermeasures in the future in case of a significant impact.

### 5.1.1 Consolidated financial statement

Expressed in Thousands of New Taiwan Dollars

Accounting Item \ Year	2024	2023	Discrepancy		Descriptions
			Amount	%	
Current Assets	13,579,153	16,107,111	(2,527,958)	-15.69%	
Property, plant and equipment	29,008,031	26,204,793	2,803,238	10.70%	
Intangible assets	1,386,980	1,298,398	88,582	6.82%	
Other assets	20,037,488	18,358,105	1,679,383	9.15%	
Total assets	64,011,652	61,968,407	2,043,245	3.30%	
Current liabilities	7,760,945	8,612,164	(851,219)	-9.88%	
Non-current liabilities	19,522,827	16,840,642	2,682,185	15.93%	
Total liabilities	27,283,772	25,452,806	1,830,966	7.19%	
Capital stock	11,266,203	11,266,203	0	0.00%	
Capital surplus	1,071,325	1,071,541	(216)	-0.02%	
Retained earnings (loss)	20,435,430	22,049,110	(1,613,680)	-7.32%	
Other equity	570,372	(1,095,724)	1,666,096	-152.05%	Note 1
Treasury stock	(49,858)	(49,858)	0	0.00%	
The Equity contributed to the owners of Parent Company	33,293,472	33,241,272	52,200	0.16%	
Non-controlled Equity	3,434,408	3,274,329	160,079	4.89%	
Total equity	36,727,880	36,515,601	212,279	0.58%	
Reasons that led to changes with increase/decrease up to 20% over the past two years (2024 & 2023):					
Note 1: Change in other equity item increased by 152.05% against that the prior period, mainly due to an increase of NT\$1.05 billion in exchange profit on translation of financial statements of foreign operating entities, and that the unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive profit had increased by NT\$620 million.					
Countermeasures to be taken in the future: Not applicable.					

### 5.1.2 Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Accounting Item \ Year	2024	2023	Discrepancy		Descriptions
			Amount	%	
Current Assets	2,867,397	2,923,765	(56,368)	-1.93%	
Property, plant and equipment	4,985,538	5,199,880	(214,342)	-4.12%	
Intangible assets	0	0	0	0.00%	
Other assets	32,265,613	31,241,333	1,024,280	3.28%	
Total assets	40,118,548	39,364,978	753,570	1.91%	
Current liabilities	4,079,802	4,041,670	38,132	0.94%	
Non-current liabilities	2,745,274	2,082,036	663,238	31.86%	Note 1
Total liabilities	6,825,076	6,123,706	701,370	11.45%	
Capital stock	11,266,203	11,266,203	0	0.00%	
Capital surplus	1,071,325	1,071,541	(216)	-0.02%	
Retained earnings (loss)	20,435,430	22,049,110	(1,613,680)	-7.32%	
Other equity	570,372	(1,095,724)	1,666,096	-152.05%	Note 2
Treasury stock	(49,858)	(49,858)	0	0.00%	
Total equity	33,293,472	33,241,272	52,200	0.16%	
Reasons that led to changes with increase/decrease up to 20% over the past two years (2024 & 2023):					
Note 1. Non-current liabilities increased by 31.86% compared to the prior period, primarily due to a NT\$700 million increase in long-term borrowings.					
Note 2. Change in other equity item increased by 152.05% against that the prior period, mainly due to an increase of NT\$1.05 billion in exchange profit on translation of financial statements of foreign operating entities, and that the unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive profit had increased by NT\$620 million.					
Countermeasures to be taken in the future: Not applicable.					

## 5.2 Financial performance: Major reasons leading to significant changes in operating revenues, net operating profit and net income before tax over the past two years and the very grounds to forecast the sales volume and the grounds thereof, their potential impact upon the finance and business operation and the countermeasures:

### 5.2.1 Comparative analysis on the operating results:

#### Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

Item	2024	2023	Amount in increase (decrease)	Ratio (%) of change	Remarks
Operating revenues	16,418,417	15,719,189	699,228	4.45%	
Operating costs	(15,908,338)	(15,270,890)	(637,448)	4.17%	
Gross profits (Loss)	510,079	448,299	61,780	13.78%	
Operating expenses	(2,183,133)	(1,540,303)	(642,830)	41.73%	Note 1
Net operating income (Loss)	(1,673,054)	(1,092,004)	(581,050)	53.21%	
Non-Operating revenues and expenditures	(387,054)	(662,976)	275,922	-41.62%	Note 2
Net profit before tax (Loss)	(2,060,108)	(1,754,980)	(305,128)	17.39%	
Income Tax Benefits (expenses)	355,238	298,104	57,134	19.17%	
Net profit after tax (Loss)	(1,704,870)	(1,456,876)	(247,994)	17.02%	

Note 1: Consolidated operating expenses increased by NT\$640 million compared to the previous year, representing a growth of approximately 41.73%. This was primarily due to the subsidiaries QuanZhou Grand Pacific Chemical Co., Ltd. and GPPC Development Co., Ltd. still being in the preparatory stage, as well as an increase in operating expenses from subsidiary Videoland Inc.'s investment in e-commerce operations.

Note 2: Non-Operating revenues and expenditures increased by NT\$280 million compared to the previous year, with the associated loss decreasing by approximately 41.62%. This was mainly due to a NT\$270 million reduction in losses recognized under the equity method from affiliates and joint ventures, primarily reflecting lower losses from Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. recognized by Grand Pacific Petrochemical Corporation.



## Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Item	2024	2023	Amount in increase (decrease)	Ratio (%) of change	Remark
Operating revenues	13,020,244	12,775,860	244,384	1.91%	
Operating costs	(13,322,041)	(13,307,905)	(14,136)	0.11%	
Gross profits (Loss)	(301,797)	(532,045)	230,248	-43.28%	
(Realized) unrealized gross loss from sales	(2,316)	3,171	(5,487)	-173.04%	
Net gross profits (Loss)	(304,113)	(528,874)	224,761	-42.50%	Note 1
Operating expenses	(411,545)	(377,649)	(33,896)	8.98%	
Net operating income (Loss)	(715,658)	(906,523)	190,865	-21.05%	
Non-Operating revenues and expenditures	(981,567)	(712,024)	(269,543)	37.86%	Note 2
Net profit before tax (Loss)	(1,697,225)	(1,618,547)	(78,678)	4.86%	
Income Tax Benefits (expense)	137,328	180,520	(43,192)	-23.93%	
Net profit after tax (Loss)	(1,559,897)	(1,438,027)	(121,870)	8.47%	

Note 1: The increase in net revenue of NT\$240 million, or approximately 1.91% compared to the previous year, was the primary driver. This included a revenue decrease of NT\$290 million from the Monomer Plant, an increase of NT\$360 million from the Polymer Plant, an increase of NT\$120 million from the Cogeneration Plant, and an increase of NT\$50 million from the Nylon Plant. Operating costs rose by NT\$10 million, or about 0.11%, compared to the previous year. Operating gross loss decreased by NT\$230 million, a reduction of 42.50%. The gross loss margin for the year was 2.34%, compared to 4.14% in the previous year, reflecting a margin improvement of 1.8%.

Note 2: Non-Operating revenues and expenditures decreased by NT\$270 million compared to the previous year, with the associated loss increasing by approximately 37.86%. This was primarily due to a NT\$300 million increase in losses recognized under the equity method from subsidiaries, affiliates, and joint ventures, including a NT\$300 million increase in losses from QuanZhou Grand Pacific Chemical Co., Ltd., a NT\$270 million decrease in losses from Land & Sea Capital Corp., and a NT\$270 million increase in losses from Videoland Inc.

5.2.2 Reasons leading to change in the contents of major business operation: Not applicable.

5.2.3 Analyses into changes in the gross operating profits.

## Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

	2024	2023	Amount in increase (decrease)
Gross profit	510,079	448,299	61,780
Gross margin	3.11%	2.85%	9.12%

The gross profit margin for the current period increased by 9.12% compared to the prior period. In 2024, consolidated gross profit increased by NT\$60 million compared to 2023. This was primarily due to an increase of approximately NT\$250 million in gross profit from the parent company, Grand Pacific Petrochemical Corporation, and GPPC Chemical Corporation, offset by a decrease of approximately NT\$80 million from the subsidiary QuanZhou Grand Pacific Chemical Co., Ltd., and a decrease of approximately NT\$110 million from subsidiary Videoland Inc.

**Parent company only financial statement**

Expressed in Thousands of New Taiwan Dollars

Gross profit	Increase/decrease between the current and proceeding terms	Causes leading to difference				
		Unfavorable selling prices	Difference in costs	Difference in selling portfolio	Difference in quantities	Adjustment for unrealized profit/loss from sales
	224,761	965,249	(791,706)	10,791	45,914	(5,487)
Descriptions	Descriptions on changes in gross margin: Gross loss decreased by 1.8% from the prior period, primarily due to the increase by NT\$0.24 billion or c. 1.91% in the 2024 net operating revenues. Operating costs increased by NT\$0.01 billion or c. 0.11% from last year, leading to the change in the reporting year's gross loss between the current and proceeding terms being an decrease of NT\$0.23 billion.					

### 5.3 Cash flow: Analytical descriptions of changes in cash flow, corrective action plans for inadequate liquidity in the most recent fiscal year and analyses into the liquidity in the upcoming year

#### 5.3.1 Analysis into changes in cash flow in the most recent year:

##### Consolidated Financial Statement

Item \ Year	2024	2023	Ratio (%) of Increase (decrease)
Cash flow ratio	-27.85%	-0.87%	3,105.45%
Cash flow adequacy ratio	28.54%	55.90%	-48.95%
Ratio of reinvestment in cash	-3.37%	-0.96%	252.94%

Analytical descriptions of the increase/decrease ratio:

1. Cash flow ratio reduced by 3,105.45% as compared with the prior period, which was mainly due to that the net cash flow from operating activities reduced by 2,788.63% and current liabilities decreased by 9.88%.
2. Cash flow adequacy ratio reduced by 48.95% as compared with the prior period, which was mainly to the net cash flow from operating activities in most recent five years had reduced by 42.06% and the average five-year sum of capital expenditures, increase in inventory and cash dividends increased by 13.49% as compared with the prior period.
3. Cash reinvestment ratio decreased by 252.94% from the prior period, primarily due to the net cash inflow from operating activities less cash dividends decreased by 266.80% and the gross property, plant and equipment, long-term investments, other non-current assets and working capital increased by 3.93%.

##### Parent company only financial statement

Item \ Year	2024	2023	Ratio (%) of Increase (decrease)
Cash flow ratio	-16.97%	-7.87%	115.65%
Cash flow adequacy ratio	63.18%	120.26%	-47.47%
Ratio of reinvestment in cash	-1.41%	-1.62%	-13.15%

Analytical descriptions of the increase/decrease ratio:

1. Cash flow ratio reduced by 115.65% as compared with the prior period, which was mainly due to that the net cash flow from operating activities had reduced by 117.68% and current liabilities increased by 0.94%.
2. Cash flow adequacy ratio reduced by 47.47% as compared with the prior period, which was mainly to the net cash flow from operating activities in most recent five years had reduced by 46.38% and the average five-year sum of capital expenditures, increase in inventory and cash dividends increased by 2.07% as compared with the prior period.
3. Ratio of reinvestment in cash increased by 13.15% as compared with the prior period, which was mainly due to that “net cash flow from operating activities – cash dividends” had increased by 11.41% as compared with the prior period, (Property, plant and equipment at gross value + long-term investments + other non-current assets + working capital) increased by 2.01% compared to the prior period.

### 5.3.2 Analysis into cash liquidity in 2024

#### Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

Beginning cash	Net cash flow from operating activities in the entire year	Cash inflow (outflow) of the entire year	Cash balance (shortfall)	Countermeasures of cash shortfall	
				Investment plan	Wealth management plan
4,726,354	(2,161,357)	1,793,528	4,358,525	—	—
1. Analyses into changes in cash flow in the current year: (1) Operating activities: The prime cash inflow in operating activities came from the cash inflow yielded by the profits. (2) Investment activities: The net cash outflow in investment activities is primarily the procurement of fixed assets and investment in other financial assets. (3) Financing activities: The net cash outflow in financing activities is distribution of cash dividend. 2. Countermeasures and liquidity analysis for cash shortfall: Nil 3. Liquidity analyses on the cash flow in the upcoming year:					
Ending cash	Net cash flow from operating activities anticipated for the entire year	Anticipated cash inflow (outflow) of the entire year	Anticipated cash balance (shortfall)	Countermeasures of anticipated cash shortfall	
				Investment plan	Wealth management plan
4,358,525	(2,000,000)	1,500,000	3,858,525	—	—

#### Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Ending cash	Net cash flow from operating activities in the entire year	Cash inflow (outflow) of the entire year	Cash balance (shortfall)	Countermeasures of cash shortfall	
				Investment plan	Wealth management plan
192,043	(692,142)	592,887	92,788	—	—
1. Analyses into changes in cash flow in the current year: (1) Operating activities: The prime cash inflow in operating activities came from the cash inflow yielded by the profits. (2) Investment activities: The net cash outflow in investment activities is primarily the procurement of fixed assets and investment under equity method. (3) Financing activities: The net cash outflow in financing activities is distribution of cash dividend. 2. Countermeasures and liquidity analysis for cash shortfall: Nil 3. Liquidity analyses on the cash flow in the upcoming year:					
Ending cash	Net cash flow from operating activities anticipated for the entire year	Anticipated cash inflow (outflow) of the entire year	Anticipated cash balance (shortfall)	Countermeasures of anticipated cash shortfall	
				Investment plan	Wealth management plan
92,788	(319,932)	294,872	67,728	—	—

### 5.4 Impact of major capital expenditure in the most recent year on financial operation: Nil.

**5.5 The outward investment policies in the most recent year, the major causes leading to the profit or loss and the plans for corrective action and investment plan in the coming fiscal year:**

Contents /Descriptions	Share capital	Policies	Major reasons leading to profit/loss	Corrective action	Future investment plans
Land & Sea Capital Corp.	USD 26,318,976	Investment in Mainland China according to the operating policies of the board of directors	An investment loss of NT\$374,690 thousand was recognized in 2024 as such investment was to acquire 30.4% equity of Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co. through Land & Sea Capital Corp. The aforesaid investment loss was mainly recognized as loss of Zhangzhou Chimei Chemical Co., Ltd.	Nil	Nil
GPPC Chemical Corporation	NT\$342,000 thousand	Manufacture, processing and sales of impact-resistant polystyrene.	In 2024, the Company recognized an investment income of NT\$9.376 million, primarily attributable to dividend income from investee companies.	Nil	Nil
Videoland Inc.	NT\$1,141,324 thousand	General import and export trade, production of broadcasting & television programs, production, issuance, buys, sales of domestic movie films.	The operating loss recognized in 2024 was NT\$171,568 thousand. The primary reason is the loss incurred by investee companies.	Nil	Nil

## 5.6 Analytical evaluation over risk affairs

### 5.6.1 The impact of inflation and change in interest rate and exchange rate upon the Company's profit and loss and the future response measures

#### Changes in interest rates, exchange rates and inflation

Expressed in Thousands of New Taiwan Dollars

Item	Year	2024 (On the grounds of Consolidated Financial Statement)
Operating revenues		16,418,417
Net profit (loss) before tax		(2,060,108)
Net profit/loss in foreign exchange		(56,292)
Ratio of net profit/loss in foreign exchange to net operating revenues		(0.34%)
Ratio of net profit/loss in foreign exchange to net profit (loss) before tax		(2.73%)
Interest revenues		191,922
Ratio of interest income to net operating revenues		1.17%
Ratio of interest income to net profit (loss) before tax		(9.32%)
Interest expense		171,384
Ratio of interest expense to net operating revenues		1.04%
Ratio of interest expense to net profit (loss) before tax		(8.32%)

#### Changes in exchange rate

In 2024, the loss in foreign exchange by Grand Pacific and its subsidiaries accounted for 0.34% of the net operating revenues, primarily due to appreciation of New Taiwan Dollars in 2024. Overall in the Group, the revenues and expenditures in foreign exchange were balanced. The Group would, nevertheless, still continually evaluate potential risks in foreign exchange and execute contracts for forward foreign exchanges as the actual requirements may justify so as to evade potential risks in foreign currencies.

#### Changes in interest rates

As of December 31, 2024, Grand Pacific and its subsidiaries raised additional bank loans and dealt with banks within the credit facilities for the plant construction of QuanZhou Grand Pacific Chemical Co., Ltd. The Group maintains close communication with banks in case of funding requirements. Besides, the Group has set up multiple channels to raise working capitals to minimize the averaged capital costs. In 2024, the total interest expense came to NT\$171,384 thousand, accounting for merely 1.04% of the net operating revenues.

#### Currency inflation

The statistics from the Directorate General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, indicates that compared to the base year of 2021 (100), the consumer price index was 107.81 in 2024, up from 100 in 2021. This annual inflation of 7.81% was the highest. Inflation pressure remained and the Company's business was affected by inflation.

#### Countermeasures in the future

1. Here in the Company, the Financial Dept. has maintained very sound and close ties with the

foreign exchange departments in all banks and collected updates linked up with changes in foreign exchanges all the time to firmly dominate the trends and updates of foreign exchanges in domestic markets with continued efforts to evaluate foreign exchange related risks. As necessary, the Financial Dept. would execute forward foreign exchange contracts in an attempt to evade potential risks in exchange rates.

2. Other than close ties and efforts maintained with banks to obtain most optimal possible interest rates, further through multiple channels, the Company has tried to raise working capitals to minimize average operating costs.
3. Slow inflation is a sign of healthy economic growth. At the present time, the Company is in easy transfer for operating costs and the Company's products is relatively profitable as quite beneficial to the Company. On the other hand, nevertheless, in case of a rapid inflation, the consumers tend to be discouraged from consumption with difficulty to pass on the costs as unfavorable to the Company. At the present time, the company does not need at all to formulate measures to cope with inflation.

#### 5.6.2 The policies on high-risk, highly leveraged investments, fund lending with others, endorsement guarantees and derivatives trading, the main reasons for profit or loss and the future response measures

In 2024, the Company and its subsidiaries did not at all engage in derivative financial instruments and such high risk, high leverage transactions.

In 2024 in the Company rendered endorsement/guarantee toward its subsidiary QuanZhou Grand Pacific Chemical Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/guarantee balance	Amount of actual expenditures
RMB5,300,000,000	RMB4,600,000,000	RMB2,800,000,000
USD60,000,000	USD60,000,000	RMB205,000,000

In 2024, the Company rendered endorsement/guarantee toward its subsidiary GPPC Development Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/guarantee balance	Amount of actual expenditures
NTD1,484,371,000	NTD1,484,371,000	NTD985,384,000

In 2024, Videoland Inc. rendered endorsement/guarantee toward its subsidiary Citiesocial Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/guarantee balance	Amount of actual expenditures
NTD690,000,000	NTD620,000,000	NTD210,000,000

In 2024, Videoland Inc. rendered endorsement/guarantee toward its subsidiary ZW ENM Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/guarantee balance	Amount of actual expenditures
NTD200,000,000	NTD200,000,000	NTD0

The 2024 fund lending statuses of the Company and its subsidiary are shown below:

Lending Company	Fund Borrower	Highest Fund Lending Balance	Fund Lending Balance at End of Period	Amount of actual expenditures
Land & Sea Capital Corp.	Goldenpacific Equities Ltd.	USD8,000,000	USD8,000,000	USD8,000,000
Land & Sea Capital Corp.	QuanZhou Grand Pacific Chemical Co., Ltd.	RMB700,000,000	RMB700,000,000	RMB700,000,000

#### 5.6.3 The R&D plans and estimated investment in R&D expenses in the future:

Research & development plan in the most recent year	Current progress	R&D fee to be further invested	Time scheduled to be completed	Major factors of impact leading to future successful research & development
1. Optimization of PBL Small Size Latex Development Technology	During development	NT\$1 million	Jul. 2025	1. Successful technology breakthrough of the bottleneck 2. Successful market development 3. Competitive in market with the volume economic scale 4. High value, unit attribute 5. Free of negative impact upon environment
2. Development of hot-melt battery materials	During sampling	NT\$1 million	Oct. 2025	
3. Development and research of compounding-grade Nylon 610	During development	NT\$3 million	Oct. 2025	
4. Development and research of injection-grade Nylon 610	During development	NT\$3 million	Dec. 2025	
5. Development and research of injection-grade Nylon 510	During development	NT\$3 million	Dec. 2025	
6. Development and research of injection-grade Nylon 56	During development	NT\$3 million	Dec. 2025	
7. Nylon elastomers	Being planned	NT\$5 million	Jul. 2026	
8. Upgrading ABS base powder's physical properties	Being planned	NT\$1 million	Dec. 2025	
9. High-flow ABS for motorcycle shells	During sampling	NT\$1 million	May 2025	
10. Heat-resistant grade ABS	During sampling	NT\$1 million	Jun. 2025	

#### 5.6.4 The potential impact from a change in important domestic and international policies and laws upon the Company's financial business and the countermeasures thereof:

As always, the Company is closely watchful of political & economic updates, enactment of major policies and changes in laws. As the actual requirements may justify, the Company assigns dedicated personnel to accept educational & training programs both in-house and outsourced ones. In entire 2024, there was not significant change in at home and abroad policies or legal affairs that might have a significant impact upon the Company.

#### 5.6.5 The impact of technological changes (including cyber security risks) and industrial changes upon the Company's financial business and the countermeasures:

Always paying attention to technological changes in the industry, the Company refers to the Cyber Security Management Act to formulate the Company's cyber security policies. Additionally, the Company regularly arranges cyber security related education and training to strengthen the concept of cyber security of employees, as well as tracks the latest information on cyber security to synchronize and update the Company's cyber security preventive mechanism. It is the Company's



cyber security enhancement measures that not only consolidate operations of the Company's core systems, but also enhance the confidentiality of the Company's material information.

5.6.6 The impact of a change in corporate image upon the corporate crisis management and the countermeasures thereof: Nil

5.6.7 The benefit anticipated from merger/acquisition (M&A), the potential risks and countermeasures thereof: N/A

5.6.8 The benefit anticipated from plant expansion, the potential risks and countermeasures thereof: Nil

5.6.9 Risks and countermeasures for the concentration of purchase or sales: N/A

5.6.10 The impact, risks upon the Company and countermeasures thereof to be incurred by significant transfer or change in equity by directors and supervisors or major shareholders holding more than 10% of the shares: N/A

5.6.11 Impact of changes in management rights upon the Company, potential risks and countermeasures thereof: N/A

5.6.12 Litigious, non-litigious affairs: Should expressly enumerate the litigious, non-litigious or administrative litigation affairs whose judgment are final or making in a pending action involving the Company, its directors and supervisors, president, substantial responsible persons, major shareholders with shareholding ratio over 10% and the auxiliary companies in the most recent year and as of the publication date of the Annual Report, where the results might have a significant impact upon the Company's shareholders' equity or stock prices: Nil

5.6.13 Other major risks and countermeasures: N/A

**5.7 Other significant events: N/A**

## **6. Special Disclosure**

### **6.1 Related information of affiliates**

Please refer to the 2024 Consolidated Business Report of Affiliates, as published on the Market Observation Post System (MOPS).

Enquiry Website: [https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co\\_id=1312&year=&mtype=K&isnew=true](https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1312&year=&mtype=K&isnew=true)

### **6.2 Facts of securities in private placement conducted in the most recent year and as of the publication date of Annual Report: Nil**

### **6.3 As supplementation as necessary: Nil**

## **7 In the most recent year and as of the publication date of the Annual Report, events with significant impact upon shareholders' equity or stock prices: Nil**