

Eternal Materials Co., Ltd.

2024 Annual Report

Printed on May 9, 2025

Market Observation Post System: <http://mops.twse.com.tw>

Company Website: <https://www.eternal-group.com>

I. Name, Title, Telephone Number, and E-mail Address of Spokesperson and Deputy Spokesperson

Spokesperson: Liu, Bing-Cheng Title: Financial Manager.
Tel: (07) 383-8181 ext.306
E-mail: benison_liu@eternal-group.com
Acting Spokesperson: Chu, Jui-Hsin Title: Chief Administrative Officer
Tel: (07) 383-8181 ext.306
E-mail: phoenix_chu@eternal-group.com

II. Address and Telephone Number of Headquarters, Branch Offices, and Factories

Headquarters: No. 578, Jiangong Road, Sanmin District, Kaohsiung City
Tel: (07) 383-8181
Lu-Chu Plant: No. 22, Changxing Road, Luzhu District, Kaohsiung City
Tel: (07) 696-3331
Da-Fa Plant: No. 30, Yumin Street, Daliao District, Kaohsiung City (Dafa Industrial Park)
Tel: (07) 787-3645
Ping-Nan Plant: No. 23, Pingnan Road, Fangliao Township, Pingtung County (Pingnan Industrial Park)
Tel: (08) 866-9009
North Region Office: 6F, No. 23, Jilin Road, Zhongli District, Taoyuan City
Tel: (03) 462-8088
Central Region Office: 6F-1, No. 300, Dadun 10th Street, Nantun District, Taichung City
Tel: (04) 2253-3555
North Region Biomedical Branch Office: 31-1F, No. 99, Section 1, Xintai 5th Road, Xizhi District, New Taipei City
Tel: (02) 2697-6228

III. Name, Address, E-mail Address, and Telephone Number of Stock Transfer Agent

Name: President Securities Corporation
Address: B1, No. 8, Dongxing Road, Songshan District, Taipei City
Tel: (02) 2746-3797
Website: [http:// www.pscnet.com.tw](http://www.pscnet.com.tw)

IV. Names of Certified Public Accountants Duly Auditing the Annual Financial Statements for the Most Recent Fiscal Year, and Name, Address and Telephone Number of Accounting Firm

Name of CPAs: Wang, Chao-Chun, Liu Yu-Hsiang
Name of CPA Firm: Deloitte & Touche
Address: 3F, No. 88, Chenggong 2nd Road, Qianzhen District, Kaohsiung City
Tel: (07) 530-1888
Website: [http:// www2.deloitte.com/tw](http://www2.deloitte.com/tw)

V. Name of Exchanges where the Company's Securities Are Traded Offshore: None

Method by which to Access Information on Offshore Securities: None

VI. Company Website [https:// www.eternal-group.com](https://www.eternal-group.com)

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Chapter 1 Report to the Shareholders

In 2024, global economic growth is expected to slow down, and changes in geopolitical and economic conditions will have a profound impact on global supply chains and industrial development. The Company is facing challenges, including sluggish economic growth in mainland China and excess petrochemical production capacity. Concurrently, the implementation of the EU's Carbon Border Adjustment Mechanism (CBAM) has rendered carbon fees a critical factor influencing global trade. The Eternal management team adheres to the principle of prudent operations, strengthens internal control mechanisms, flexibly adjusts to market changes, continues to expand into overseas markets, and actively enhances product competitiveness and operational resilience.

Looking forward to 2025, the global economy is expected to recover, with the rise of emerging markets, digitalization, and green transformation serving as the primary driving forces. Eternal Materials will expedite the research and development of new products across both new and existing industries, while also expanding into related sectors such as AI, 5G/6G communications, electric vehicles, semiconductors, green energy, and energy storage. Simultaneously enhance process technology capabilities and optimize production efficiency by integrating regional resources from various operational centers, thereby improving supply chain management and overall operational efficiency.

Eternal Materials is committed to sustainable management and fulfilling its corporate social responsibility. Internally, the company implements ESG initiatives that outline its direction towards achieving net-zero carbon emissions, transforming products, and establishing a blueprint for sustainable development. In light of the ongoing geopolitical dynamics, climate change, and carbon neutrality challenges, we are committed to green upgrading and market diversification, aiming to enhance value for our shareholders, employees, and society.

The operating results in 2024 are reported as follows:

I. Business Performance in 2024

(I) Business Performance

The consolidated revenue of the Company in 2024 is NT\$42.2 billion, an increase of 4% compared with that in 2023. Net profit before tax is NT\$2.744 billion, 26% higher than NT\$2.182 billion in 2023. Net profit after tax attributable to the owner of the parent company is NT\$1.835 billion, and net profit per share is NT\$1.56.

Unit: NT\$ thousands

Item	Amount in 2024
Operating revenue	44,191,125
Gross profit	8,824,477

Profit from operations	2,169,818
Non-operating income and expenses	574,279
Profit before income tax	2,744,097
Net profit for the year	1,874,063

(II) Profitability

Unit: %

Item	Percentage
Gross margin	20
Net profit margin	4
Return on assets (ROA)	4
Return on equity (ROE)	7
Earnings per share (NT\$)	1.56

(III) Research and development status

1. Research and development results in 2024:

- (1) Moisture-permeable and waterproof functional film
- (2) Low carbon solutions: R-PET roll steel utilizing polyester resin
- (3) Water-based Acrylic/Polyester/Epoxy Dispersion
- (4) Polyurethane pressure-sensitive adhesive for protective films
- (5) BPANI Polyester Solutions for Food Packaging
- (6) High weather-resistant fluorocarbon emulsion for thermal insulation coatings
- (7) Silicone gel for cosmetics
- (8) Light-curing silicon release agent for electronic and labeling applications
- (9) Polyurethane pressure-sensitive adhesive for protective films in polarizing plates
- (10) Light-curing acrylic pressure-sensitive adhesive
- (11) Light-curing conformal coating for new energy vehicles
- (12) LF series silicon encapsulants for Mini LED applications
- (13) Light curing materials for functional printing ink
- (14) COVID-19 Antigen Rapid Test Kit / Dengue NS1 Antigen Test Kit
- (15) Low carbon footprint button resin
- (16) Offshore wind turbine hood FRP resin
- (17) Light curing trenchless pipeline repair resin applications
- (18) Photopolymeric overlay film with vacuum lamination machine for flexible board applications
- (19) Release film for encapsulation process
- (20) Thermal conductive gel
- (21) 900D high-precision 3D printing dental model material for 8K LCD
- (22) CTP photographic materials for printing with on-machine development
- (23) Advanced packaging process adhesive film
- (24) Binder for the negative electrode of lithium batteries materials

2. As regards future research directions, the Company will conduct planning of key materials and establish new core technologies as listed below focusing on high-frequency and high-speed transmission, semiconductors, electric vehicles, in vitro testing, and green materials:

- (1) Gaining a solid foothold in new core technologies:
 - A. High frequency Low Dk/Df material design technology
 - B. Thermal Interface Material (TIM)
 - C. Aqueous dispersion technology
 - D. Thermoplastic material mixing and processing technology
 - E. Material analysis technology
 - F. RAFT block copolymer technology
 - G. Synthesis and application technology of dual-curing adhesives
- (2) Planning the development of new materials
 - A. Electronic materials with high frequency, high speed and high thermal conductivity
 - B. Semiconductor packaging materials
 - C. High-performance thermoplastic composites
 - D. Lithium battery and energy storage materials
 - E. Recombinant human collagen materials
 - F. Next generation display materials
 - G. Application of biomass materials
 - H. High-performance pressure-sensitive adhesive materials
 - I. Adhesive materials for energy vehicles
 - J. New generation solar energy materials
 - K. Biomedical testing materials

II. A Summary of the Business Plan for 2025

(I) Expected sales volume

The Company's annual business plan for 2025 aims to stabilize revenue and profit growth in the medium and long term. The Company's management team will actively achieve our operational goals and work together to enhance corporate value.

(II) Management objectives and production and sales strategies

1. Focusing on key industries, we aim to accelerate innovation and research and development while continuously strengthening our research and development capabilities. Our focus will be on potential industries such as semiconductors, advanced packaging, 5G, electric vehicles, green energy, energy storage, and biomedicine. We will enhance research and development efficiency and market insights, respond swiftly to customer demands, ensure a leading position in technology, and accelerate the speed of product launches.
2. Consolidate the core market and grasp global supply chain trends. In light of the short supply chain trend, we will deepen our engagement in the Greater China market, actively monitor industrial policies in various countries, and focus on strategic industries. Additionally, we will pursue strategic partnerships to seize development opportunities, accelerate market entry, and capitalize on new business prospects. In the Americans and European markets, we will enhance local services and foster customer relationships to drive business growth.

3. Explore emerging markets and enhance regional competitiveness

Deepen the engagement in the ASEAN countries and Indian markets by effectively utilizing the production capacity of factories in Malaysia and Thailand, along with leveraging tariff preferences and transportation cost advantages, to enhance regional competitiveness. Closely monitor the industrial layout strategies of Taiwanese and Chinese enterprises in ASEAN and South Asia, leveraging local production supply and technical service advantages to enhance market penetration. The Company also plans to strategically collaborate with major international enterprises to create a mutually beneficial situation through complementary resources.

III. To prepare for and adjust to the evolving global trade landscape, the regionalized supply chain, industry trends and market competition, Eternal Materials will be guided by a clear strategic direction and proactive operational objectives. The Company will leverage its long-term accumulated research and development advantages, integrate a comprehensive sales and manufacturing layout, and comprehensively strengthen operational management. Additionally, it will consolidate internal and external resources to secure core markets while actively exploring emerging regions, thereby enhancing its industrial competitiveness. In response to the trends of ESG (Environmental, Social, and Governance) and net-zero carbon reduction for sustainable development, Eternal Materials will actively focus on the development of key materials, promote sustainable innovation, and ensure a long-term competitive advantage in the global market.

We wish you and your family

good health and peace

Chairman: Kao, Kuo-Lun

President: Mao, Hui-Kuan

Chapter 2 Corporate Governance Report

I. Information on Directors, Supervisors, and Managerial Officers:

(I)

1. Information on Directors and Supervisors

April 27, 2025; Unit: thousand shares, %

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman	Republic of China	Kao, Kuo-Lun	Male	2022.06.23	3 years	1992.07.15	54,006	4.35	35,906	3.05	20,154	1.71	0	0	University of Southern California Master of Business Administration Former President of the Company	Chief Executive Officer (CEO) of the Company Convener of the Corporate Governance and Sustainable Development Committee of the Company	None	None	None	(Notes 3 and 5)
			69																	
Director	Republic of China	Kwang Yang Motor Co., Ltd.	—	2022.06.23	3 years	1995.04.28	124,000	9.99	117,800	9.99	N/A	N/A	0	0	N/A	N/A	N/A			-
		—																		
		Representative: Ko, Chun-Ping	Male				0	0	0	0	0	0	0	0	Master of Management Science, Tamkang University	(Note 4)	None	None	None	-
			67																	
Director	Republic of China	Yang, Huai- Kung	Male	2022.06.23	3 years	1972.05.14	15,576	1.26	14,197	1.20	0	0	0	0	Bachelor of Accounting, Soochow University Vice President of the Company	None	None	None	None	-
			86																	

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Republic of China	Chen, Jau- Shiuh	Male	2022.06.23	3 years	2022.06.23	1,241	0.10	3,288	0.28	1,131	0.09	0	0	Attending Physician, Department of Dermatology, National Taiwan University Hospital Director, Division of Skin Care and Surgery, Department of Dermatology, NTU Secretary General, Taiwan Society for Investigative Dermatology Director, Taiwanese Society for Dermatological and Aesthetic Surgery Executive Director, Laser and Photonics Medicine Society of Taiwan	Department of Dermatology, National Taiwan University Hospital Part-time Attending Physician	None	None	None	-
			68																	
Director	Republic of China	Kao, Kuo-Hsun	Male	2022.06.23	3 years	2022.06.23	803	0.06	4,158	0.35	0	0	0	0	Chairman, Initial Life Corporation	Director, Cheng Fu International Investment Co., Ltd.	None	None	None	-
			49																	

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Director	Republic of China	Huang, Shun- Ren	Male	2022.06.23	3 years	2022.06.23	830	0.07	798	0.07	422	0.04	0	0	Master of Chemistry, National Tsing Hua University Vice President of the Company Chief Technology Officer of the Company	None	None	None	None	-
			71																	
Director	Republic of China	Chen, Chin- Yuan	Male	2022.06.23	3 years	2022.06.23	255	0.02	242	0.02	0	0	0	0	Bachelor of Chemical Engineering, National Taiwan University Vice President of the Company Chief Technology Officer of the Company, Operation director of the business unit	Company Consultant	None	None	None	-
			69																	
Director	Republic of China	Liao, Hen-Ning	Male	2022.06.23	3 years	2022.06.23	253	0.02	241	0.02	0	0	0	0	Bachelor of Chemical Engineering, National Taiwan University Vice President of the Company Chief Purchasing Officer of the Company Operation director of the business unit	Company Consultant	None	None	None	-
			67																	
Independent Director	Republic of China	Hung, Lee-Jung	Female	2022.06.23	3 years	2016.06.15	0	0	0	0	0	0	0	0	Department of Accountancy, National Cheng Kung University CPA and Partner of Pricewaterhouse Coopers Taiwan Independent Director, Advanced International Multitech Co., Ltd. Independent Director, Launch Tech International Technology Co., Ltd.	Convener of the Company's Audit Committee Member of the Company's Remuneration Committee, Corporate Governance and Sustainable Development Committee, and Nomination Committee Independent Director, convener of the Audit Committee, the Remuneration Committee of Kuen Ling Machinery Refrigerating Co., Ltd., and Sustainable Development Committee	None	None	None	-
			62																	

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Republic of China	Chen, I-Heng	Male																	
			67				146	0.01	138	0.01	78	0	0	0	New York University PhD in Human Resources Management and Organization Development	Convener of the Company's Remuneration Committee Member of the Company's Audit Committee, Corporate Governance and Sustainable Development Committee, and Nomination Committee Adjunct Professor and Arts Management and Entrepreneurship Professor, Institute of Human Resource Management, National Sun Yat-sen University Independent Director, Audit Committee, and Remuneration Committee convener of KHAM Inc. Independent Director, convener of the Audit Committee and the Remuneration Committee of Tigerair Taiwan Co., Ltd. Independent Director, Audit Committee, and Remuneration Committee of Kuei Tien Cultural & Creative Entertainment Co., Ltd.	None	None	None	-

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Republic of China	Lo, Li-Chun	Male	2022.06.23	3 years	2019.06.26	0	0	0	0	0	0	0	0	PhD in Management, Hong Kong Polytechnic University Visiting Associate Professor, Nanyang Business School, Nanyang Technological University, Singapore CEO, Fundwatch Global Financial Research Co., Ltd. CEO of Protrend Management Consulting Co., Ltd. Vice-president, JKO Asset Management Co., Ltd. Top executive, Standard Chartered Bank (Taiwan) Limited Manager of Legal Person Group, Business Department, Allianz Global Investors Assistant Manager, Capital Investment Consulting Co., Ltd. CEO, Fundwatch Global Financial Research Co., Ltd.	Member of the Company's Audit Committee, Remuneration Committee, Corporate Governance and Sustainable Development Committee, and Nomination Committee CEO of Protrend Management Consulting Co., Ltd.	None	None	None	-
			58																	

Title	Nationality/ Country of Origin	Name	Gender	Date Elected	Term (Years)	Date first elected (Note 1)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at the Company and Other Companies (Note 2)	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
			Age				Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Independent Director	Republic of China	Lu, Gin-Cheng	Male	2022.06.23	3 years	20220623	1	0	1	0	1	0	0	0	Master of Laws, National Chengchi University Attorney, Patent Agent, Tai E International Patent & Law Office Attorney, Taiwan International Patent & Law Office Partner Attorney, L&L International Law Firm	Convener of the Company's Nomination Committee Member of the Company's Audit Committee, Remuneration Committee, and Corporate Governance and Sustainable Development Committee Partner Lawyer of Huili Law Firm Supervisor of BEV International Food Corp. Supervisor, Chunxing Industrial Co., Ltd. Supervisor of Gaohung Investment Co., Ltd.	None	None	None	-
			66																	

Note 1: Chairman Kao, Kuo-Lun was elected as Director of the Company for the first time on July 15, 1992. He was elected by the Board of Directors as Chairman on June 15, 2010 and has served in this capacity since then.

Director Chen, I-Heng served as an independent director of the Company from June 15, 2016 to June 26, 2019 and has been an independent director since June 18, 2020.

Note 2: No director of the Company is employed by a certified public accountants firm or any of its affiliates.

Note 3: Position(s) held in other Companies: Please refer to 'Market Observation Post System > Individual Company > Electronic Document Download > Financial Reports / Related Party Transaction Disclosure Section'."

Note 4: Director Ko, Chun-Ping: Chairman of Kwang Yang Motor Co., Ltd., Chairman of Kwang Hsing Industrial Co., Ltd., Chairman of Kwang Da Trading Co., Ltd., Chairman of Ionex Taiwan Co., Ltd.; Director of Pro-Ascentek Investment Corporation, Director of New E Materials Co., Ltd.,

Note 5: Appointed as CEO by the Board of Directors on June 26, 2019. The responsibility of a Chairman is to preside over Board meetings and execute matters authorized by the Board of Directors, whereas a CEO is responsible for the execution and promotion of the Company's business plan. It is essential to establish the CEO role, given their different responsibilities, despite being held by the same person. Over half of the directors of the Company do not concurrently serve as employees or managerial officers of the Company.

2. Major Shareholders of Institutional Shareholders

April 27, 2025

Institutional Shareholder	Major Shareholder of Institutional Shareholder	Shareholding Percentage (%)
Kwang Yang Motor Co., Ltd.	TrustWin Co., Ltd.	11.31
	Hongguang Investment Co., Ltd.	7.99
	Kuang Chou Investment Co., Ltd.	6.66
	Daming Investment Co., Ltd.	6.33
	Kwang Hsing Industrial Co., Ltd.	5.39
	Ko, Chia-Cheng	1.05
	Ko, Hung-Ming	1.03
	Ko Wang, Shu-Yuan	1.03
	Ko, Hsing-Lang	1.00
	Hung Sheng Investment Co., Ltd.	1.00

3. Main shareholders of corporate shareholders

April 27, 2025

Institutional Shareholder	Major Shareholder of Institutional Shareholder	Shareholding Percentage (%)
TrustWin Co., Ltd.	Ko, Hung-Ming	0.005
	Ko, Hsing-Lang	0.005
	Ko Wang, Shu-Yuan	0.005
	Ko Chen, Su-Hui	0.005
	Hongguang Investment Co., Ltd.	0.005
	Cyclical Investment Corporation	62.095
	Min Fong Investment Corporation	19.050
	Hsin Ching Investment Corporation	18.830
Hongguang Investment Co., Ltd.	Ko Wang, Shu-Yuan	20.00
	Ko, Hung-Ming	20.00
	Ko, Sheng-Feng	20.00
	Ko, Yu-Feng	20.00
	Ko, Kwang-Feng	20.00
Kuang Chou Investment Co., Ltd.	Hsin Tung Investment Co., Ltd.	8.25
	Hsien Yu Li Investment Co., Ltd.	7.70
	Ho Wei Investment Co., Ltd.	5.23
	Teng Bin Investment Co., Ltd.	4.38
	Ching Chang Investment Co., Ltd.	4.38
	Chia Chun Investment Co., Ltd.	4.28
	Ching Ta Investment Co., Ltd.	3.53
	Yu Yang Investment Co., Ltd.	3.34
	Chou An Investment Co., Ltd.	3.16
	Cheng Tai Investment Co., Ltd.	3.02
	Other 65 shareholders	52.73
Daming Investment Co., Ltd.	Hung Sheng Investment Co., Ltd.	19.35
	Ko, Chia-Hung	12.50
	Ko, Chia-Cheng	12.50
	Cheng Chun Investment Co., Ltd.	8.77
	Other 29 shareholders	46.88
Kwang Hsing Industrial Co., Ltd.	Kwang Yang Motor Co., Ltd.	100.00
Hung Sheng Investment Co., Ltd.	Ho Sheng Investment Co., Ltd.	12.50
	Pai Yao Investment Co., Ltd.	13.63
	Chien Yao Investment Co., Ltd.	11.37
	Shuo Ting Investment Co., Ltd.	12.50
	Po Hsin Investment Co., Ltd.	12.50
	Chen Hsun Investment Co., Ltd.	12.50
	Hou Kang Investment Co., Ltd.	12.50
	Hing Yi Investment Co., Ltd.	12.50

4. Information on Directors and Supervisors

(1) Board Diversity Policy:

The Company advocates and respects the policy of diversity of directors. In order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company advocates Board diversity policy to improve the overall performance of the Company. Members of the Board of Directors are selected on a merit-based basis, with diverse and complementary abilities across industries, including basic composition (e.g., age, gender, nationality, etc.), industry experience and relevant skills (e.g., management, chemical industry, HR management and financial accounting), as well as business judgment, management, leadership and decision making and crisis management abilities.

In order to strengthen the functions of the Board of Directors and achieve the ideal goal of corporate governance, the third chapter of the Corporate Governance Best Practice Principles of Changguang Precision Machinery Co., Ltd., "Strengthening the Functions of the Board of Directors" of the Company has provided a diversity policy, and the members of the Board of Directors should generally possess the knowledge, skills and qualities necessary to perform their duties. Furthermore, with a view to perfecting the functions of the Company's Board of Directors and strengthening its management mechanism, the Company formulated the Nominating Committee Charter in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and established the Nominating Committee to nominate and elect members of the Board of Directors. Specifically, Board members are nominated and elected based on the nomination system as stipulated in the Regulations Governing the Election of Directors to ensure the diversity and independence of Board members.

(2) Requirements for Professionalism and Independence of Board of Directors:

The current Board of Directors is composed of 12 directors (including 4 independent directors), with specific management objectives: Eternal's Board of Directors focuses on gender equality, with one female director currently on the Board; focuses on operational judgment, management and crisis management capabilities, with more than two-third of the directors possessing the abilities to handle relevant core projects.

All of the members of the Board of Directors have rich work experience and

professional qualifications required by business, legal, financial, accounting or corporate businesses; among the 4 independent directors, each of whom provides objective and professional advice on their areas of expertise to assist the Board in making decisions that are best for the Company. The election of directors of the Company adopts the candidate nomination system. After the qualification examination, the list of candidates is selected and appointed by the Board of Shareholders for a term of three years.

- (3) Professional qualifications and diversity of members of the Board of Directors: Directors Kao, Kuo-Lun, Ko, Chun-Ping, Yang, Huai-Kung and Kao, Kuo-Hsun possess operational judgment, business management, crisis management and international market perspective; director Chen, Jau-Shiuh has professional background in medicine and medical qualification; directors Huang, Shun-Ren, Chen, Chin-Yuan, Liao, Hen-Ning have professional background in science and technology; independent director Chen, I-Heng is a professor specializing in human resources development and management; and independent director Lu, Chun-Cheng is a professional lawyer with legal expertise. The members of the Board of Directors have diverse backgrounds and are able to provide advice on management and strategic development from a variety of perspectives.
- (4) The specific management objectives for the Company's diversity policy are achieved as follows:

Directors with concurrent employee status account for 8.33%; independent directors account for 33.33%; female directors account for 8.33%. None of the 4 Independent Directors have served more than three consecutive terms; 2 directors are aged over 70 years old; 9 are aged between 50 and 70 years old; and 1 aged under 50 years old.

In the event that the gender representation of directors on the company's board does not reach one-third for either gender, the reasons and measures to promote gender diversity in the board are as follows:

① Reason for the Situation: The company has established twelve director positions in accordance with its Articles of Incorporation. The current board members were elected at the shareholders' meeting held on June 23, 2022. At that time, there was one female director, in compliance with relevant legal requirements. Currently, the gender representation does not reach one-third due to the characteristics of the industry, which make it challenging to find suitable candidates in a short period of time.

② Measures to Address the Situation: The company will actively seek recommendations for candidates through various channels, such as the industry and academia, to enhance corporate governance effectiveness and implement a diversified board policy.

For the qualifications and diversity of the members of the Board of Directors, in addition to the explanation in the following table, please refer to III. Composition and responsibilities of the Board of Directors of (III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof.

Diversified Core Competences	Basic composition				Seniority of Independent Director	Experience and the following professional qualifications												No circumstances in Article 30 of the Company Act	
						Diversified Core Competences						Professional Qualification							
	Age	Major Education	Gender	Employee Status		Nationality	Leadership	Operational judgments	Business administration	Crisis management	Industrial Knowledge	International market insight and decision-making skills	Instructor or Higher in a Department of Commerce, Law, Finance, Accounting, or Any Other Business-related Academic Department in a Public or Private College or University	Professional or Technical Specialist Having Passed a National Examination and Been Awarded a Certificate in a Profession Necessary for the Business Operations of the Company	Judge, Public Prosecutor, Attorney, Certified Public Accountant, or Any Other				
Name	Director																		
	Kao, Kuo-Lun	Republic of China	Male	V	University of Southern California Master of Business Administration	-	V	-	-	-	V	V	V	V	V	V	-	-	V
	Ko, Chun-Pin	Republic of China	Male	-	Tamkang University Master of Management Science	-	V	-	-	-	V	V	V	V	V	V	-	-	V
	Yang, Huai-Kung	Republic of China	Male	-	Bachelor of Accounting, Soochow University	-	-	V	-	-	V	V	V	V	V	V	-	-	V
	Chen, Jau-Shiuh	Republic of China	Male	-	Department of Medicine, National Taiwan University	-	V	-	-	-	V	-	V	V	V	V	-	V Physician	V
	Kao, Kuo-Hsun	Republic of China	Male	-	Master of Business Administration, City University of Seattle, U.S.A. City University of Seattle, USA	V	-	-	-	-	V	V	V	V	V	V	-	-	V

	Huang, Shun-Ren	Republic of China	-	Male	Master of Chemistry, National Tsing Hua University	-	-	V	-	-	-	V	V	V	V	V	V	-	-	V
	Chen, Chin-Yuan	Republic of China	-	Male	Bachelor of Chemical Engineering, National Taiwan University	-	V	-	-	-	-	V	V	V	V	V	V	-	-	V
	Liao, Hen-Ning	Republic of China	-	Male	Bachelor of Chemical Engineering, National Taiwan University	-	V	-	-	-	-	V	V	V	V	V	V	-	-	V
Independent Director	Hung, Lee-Jung	Republic of China	-	Female	Department of Accountancy, National Cheng Kung University	-	V	-	-	9	-	V	V	V	V	V	V	-	V CPA	V
	Chen, I-Heng	Republic of China	-	Male	PhD in Human Resources Management and Organization Development, New York University	-	V	-	-	8	-	V	V	V	V	V	V	V	-	V
	Lo, Li-Chun	Republic of China	-	Male	PhD in Management, Hong Kong Polytechnic University	-	V	-	-	6	-	V	V	V	V	V	V	V	-	V
	Lu, Gin-Cheng	Republic of China	-	Male	Master of Laws, National Chengchi University	-	V	-	3	-	-	V	V	V	V	V	V	-	V Lawyer	V

(2) Independence of independent directors:

April 27, 2025

Diversified Core Item Name	Independence Status					Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
	Whey any of he himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates	Shareholding amount and ratio of he himself, his spouse, or relative within the second degree of kinship (or in the name of others)		Whether a director, supervisor or employee of a company having a particular relationship with the Company	Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years	
		Number of Shares	Percentage			
Chen, I-Heng	No	216,447	0.02%	No	0	3
Hung, Lee- Jung	No	0	0	No	0	1
Lo, Li-Chun	No	0	0	No	0	0
Lu, Gin- Cheng	No	1,806	0.01%	No	0	0

(II) Information on managerial officers

April 27, 2025; Unit: thousand shares, %

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Children of Minor Age		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
CEO	Republic of China	Kao, Kuo-Lun	Male	2013.06.20	35,906	3.05	20,154	1.71	0	0	Master of Business Administration, University of Southern California	(Note 1 and 2)	—	—	—	Note 11
President and Chief Operating Officer	Republic of China	Mao Hui-Kuan	Male	2019.06.26	206	0.02	0	0	0	0	Master in Chemical Engineering, National Taiwan University	(Note 2)	—	—	—	None
Vice President	Republic of China	Hung Chao-Cheng	Male	2021.07.01	246	0.02	0	0	0	0	Bachelor of Chemical Engineering, National Taiwan University	(Note 2)	—	—	—	None
Vice President	Republic of China	Pan Chin-Cheng	Male	2021.07.01	227	0.02	105	0.01	0	0	Master of Chemistry, National Cheng Kung University	(Notes 2 and 4)	Vice President	Chu Jui-Hsin	Spouse	None
Vice President	Republic of China	Yeh Mao-Jung	Male	2024.01.01	0	0	0	0	0	0	Master of Chemical Engineering, National Tsing Hua University	(Note 2)	—	—	—	None

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Children of Minor Age		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Vice President	Republic of China	Chu Jui-Hsin	Female	2024.01.01	105	0.01	227	0.02	0	0	Master of Business Administration, National Sun Yat-sen University	(Notes 2 and 5)	Vice President	Pan Chin-Cheng	Spouse	None
Vice President	Republic of China	Chen Hung-Yi	Male	2024.01.01	41	0	28	0	0	0	Master of Chemical Engineering, Chung Yuan Christian University	(Notes 2 and 6)	—	—	—	None
Vice President	Republic of China	Hsieh Yen-Fen (Note 3)	Male	2025.01.01	74	0	0	0	0	0	Master of Business Administration., National Chi Nan University	(Notes 2 and 7)	—	—	—	None
Assistant Vice President	Republic of China	Kao Chih-Yu	Male	2010.01.01	60	0	10	0	0	0	PhD in Chemical Engineering, National Taiwan University	(Note 8)	—	—	—	None
Assistant Vice President	Republic of China	Weng Chin-Yi	Male	2019.01.01	9	0	0	0	0	0	Master of Chemical Engineering, National Tsing Hua University	(Note 2)	—	—	—	None
Assistant Vice President	Republic of China	Lin Chao-Kun	Male	2020.01.01	28	0	33	0	0	0	Master of Chemistry, National Sun Yat-sen University	(Notes 2 and 5)	—	—	—	None

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Children of Minor Age		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Assistant Vice President	Republic of China	Chang Chi-Kang	Male	2021.01.01	0	0	0	0	0	0	Ph.D. in Chemistry, National Sun Yat-Sen University	None	—	—	—	None
Assistant Vice President	Republic of China	Wang Hong-Yu	Male	2024.01.01	0	0	83	0	0	0	PhD in Chemical Engineering, National Cheng Kung University	(Note 2)	—	—	—	None
Assistant Vice President	Republic of China	Lin Chen-Yi (Note 3)	Male	2025.01.01	72	0	0	0	0	0	Master of Chemical Engineering, National Tsing Hua University	(Note 2)	—	—	—	None
Assistant Vice President	Republic of China	Shen Hsiao-Tsung (Note 3)	Male	2025.01.01	7	0	0	0	0	0	PhD in Chemical Engineering, National Cheng Kung University	(Note 2)	—	—	—	None
Assistant Vice President	Republic of China	Tai Ming-Te (Note 3)	Male	2025.01.01	6	0	0	0	0	0	EMBA, Sun Yat-sen University	(Note 2)	—	—	—	None
Assistant Vice President	Republic of China	Yu Ching-Wen (Note 3)	Female	2025.01.01	2	0	0	0	0	0	Master of Human Resources Management, National Sun Yat-sen University	None	—	—	—	None

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse and Children of Minor Age		Shareholding by Nominees		Experience (Education)	Other Position Concurrently Held at Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship	
Assistant Vice President and Financial Manager and Corporate Governance Officer	Republic of China	Liu Bing-Cheng	Male	2018.12.01 2019.05.10 2024.01.01	90	0.01	0	0	0	0	Master of Finance, National Taiwan University Master of Information Technology, Loughborough University	(Notes 2 and 8)	—	—	—	None
Assistant Vice President and Accounting Manager	Republic of China	Su Hui-Fang	Female	2014.07.01 2024.01.01	0	0	0	0	0	0	Master of Accounting, National Cheng Kung University Master of Business Administration, National Sun Yat-sen University	(Notes 2 and 9)	—	—	—	None

Note 1: Please refer to the "Information on Directors and Supervisors" section for more details.

Note 2: Position(s) held in other Companies: Please refer to 'Market Observation Post System > Individual Company > Electronic Document Download > Financial Reports / Related Party Transaction Disclosure Section'.

Note 3: Hsieh Yen-Fen was promoted to Vice President on January 1, 2025. Lin Chen-Yi, Shen Hsiao-Tsung, Tai Ming-Te, and Yu Ching-Wen were promoted to Assistant Vice President on the same date.

Note 4: Pan Chin-Chen - Director of Eternal Electronic Materials (Kunshan), and Director of Daxin Materials Corporation and Winchain Material Technology Co., Ltd.

Note 5: Chu Jui-Hsin - Director of DSM Resins (Far East) Co., Ltd.

Note 6: Chen Hung-Yi and Lin Chao-Kun - Directors of Allnex-Eternal Resins Corporation Ltd., Directors of Allnex-Eternal Resins (Guangdong) Corporation Ltd., Director of DSM Resins (Far East) Co., Ltd. and Directors of DSM Eternal Resins (Kunshan) Co., Ltd.

Note 7: Hsieh Yen-Fen - Supervisor of Advanced PETFILM Investment Co., Ltd.

Note 8: Kao Chih-Yu - Director of DSM Eternal Resins (Kunshan) Co., Ltd. and director of Research Innovation Capital Corp.

- Note 9: Liu Bing-Cheng - Director of Allnex-Eternal Resins Corporation Ltd., Director of TBG Diagnostics Limited, Independent Director of Alfot Technologies Co., Ltd. and Supervisor of Winchain Material Technology Co., Ltd.
- Note 10: Su Hui-Fang - Supervisor of DSM Resins (Far East) Co., Ltd., DSM Resins (Kunshan) Co., Ltd., Allnex-Eternal Resins (Guangdong) Co., Ltd., Eternal Electronic Materials (Kunshan) Co., Ltd., and Resonac New Material (Zhuhai) Co. Ltd.
- Note 11: The Company's positions of CEO and Chairman are held by the same person. Since the duties of CEO and the Chairman are different, the main responsibility of the Chairman is to preside over Board meetings and execute matters authorized by the Board of Directors, while the CEO is responsible for the execution of promotion of the Company's business plan, so it is necessary to establish these positions, and more than half of the directors of the Company's Board of Directors are not the employees or managers of the Company.

II. Remuneration Paid to Directors, Supervisors, President and Vice Presidents in the Most Recent Year:

(I)

1. Remuneration Paid to Directors

Unit: NT\$ thousands

Title		Name	Directors' remuneration								Percentage of the sum of A, B, C, and D on net profit after tax (%)		Remuneration Paid to Concurrent Employees								Percentage of the sum of A, B, C, D, E, F, and G on net profit after tax		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company
			Remuneration (A)		Retirement Pension (B)		Director's Remuneration (C) (as approved by the Board of Directors)		Allowances (D)				Salary, Bonus, and Allowance (E)		Retirement Pension (F)		Employees' compensation (G) (Note 2)						
			The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements		The Company	All Companies in Financial Statements	
																	Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Director	Chairman	Kao, Kuo-Lun	0	0	0	0	3,253	3,253	70	70	3,323 0.18	3,323 0.18	14,857	14,857	0	0	3,285	0	3,285	0	21,465 1.17	21,465 1.17	0
	Director	Representative of Kwang Yang Motor Co., Ltd.: Ko, Chun-Ping	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Yang, Huai-Kung	0	0	0	0	1,627	1,627	60	60	1,687 0.09	1,687 0.09	0	0	0	0	0	0	0	0	1,687 0.09	1,687 0.09	0
	Director	Chen, Chin-Yuan (Note 1)	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Liao, Hen-Ning (Note 1)	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Chen, Jau-Shiuh	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Kao, Kuo-Hsun	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
	Director	Huang, Shun-Ren	0	0	0	0	1,627	1,627	70	70	1,697 0.09	1,697 0.09	0	0	0	0	0	0	0	0	1,697 0.09	1,697 0.09	0
Independent Director	Independent Director	Chen, I-Heng	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Hung, Lee-Jung	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Lo Li-Chun	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
	Independent Director	Lu, Gin-Cheng	1,200	1,200	0	0	0	0	130	130	1,330 0.07	1,330 0.07	0	0	0	0	0	0	0	0	1,330 0.07	1,330 0.07	0
Note 1:		In addition to the disclosure in the above table, the directors of the Company received remuneration of NT\$4,464 thousand for consulting services provided to all companies in the financial statements for the most recent year.																					
Note 2:		Including expenses for the use of company vehicles. Additionally, compensation paid to the drivers amounted to NT\$827 thousand, but this is not included in this type of remuneration.																					
Note 3:		The payment of compensation to the Company's Independent Directors is according to the Company's Directors' Remuneration and Remuneration Distribution Guidelines. In 2024, each Independent Director's remuneration is NT\$1.2 million per person per year, paid quarterly.																					

Range of Remuneration Paid to Directors

Range of Remuneration Paid to Each Director	Name of Director			
	A+B+C+D		A+B+C+D+E+F+G	
	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements
Less than NT\$1 million				
NT\$1 million (inclusive)~NT\$2 million (exclusive)	Chen, Chin-Yuan; Liao, Hen-Ning; Yang, Huai-Kung; Chen, Jau-Shiuh; Kao, Kuo-Hsun; Huang, Shun-Ren; Hung, Lee-Jung; Lo, Li-Chun; Chen, I- Heng; Lu, Gin-Cheng Kwang Yang Motor Co., Ltd.: Ko, Chun- Ping	Chen, Chin-Yuan; Liao, Hen-Ning; Yang, Huai-Kung; Chen, Jau-Shiuh; Kao, Kuo-Hsun; Huang, Shun-Ren; Hung, Lee-Jung; Lo, Li-Chun; Chen, I- Heng; Lu, Gin-Cheng Kwang Yang Motor Co., Ltd.: Ko, Chun- Ping	Chen, Chin-Yuan; Liao, Hen-Ning; Yang, Huai-Kung; Chen, Jau-Shiuh; Kao, Kuo-Hsun; Huang, Shun-Ren; Hung, Lee-Jung; Lo, Li-Chun; Chen, I- Heng; Lu, Gin-Cheng Kwang Yang Motor Co., Ltd.: Ko, Chun- Ping	Chen, Chin-Yuan; Liao, Hen-Ning; Yang, Huai-Kung; Chen, Jau-Shiuh; Kao, Kuo-Hsun; Huang, Shun-Ren; Hung, Lee-Jung; Lo, Li-Chun; Chen, I- Heng; Lu, Gin-Cheng Kwang Yang Motor Co., Ltd.: Ko, Chun- Ping
NT\$2 million (inclusive)~NT\$3.5 million (exclusive)	Kao, Kuo-Lun	Kao, Kuo-Lun	-	-
NT\$3.5 million (inclusive)~NT\$5 million (exclusive)	-	-	-	-
NT\$5 million (inclusive) to NT\$10 million (exclusive)	-	-	-	-
NT\$10 million (inclusive) to NT\$15 million (exclusive)	-	-	-	-
NT\$15 million (inclusive) to NT\$30 million (exclusive)	-	-	Kao, Kuo-Lun	Kao, Kuo-Lun
NT\$30 million (inclusive) to NT\$50 million (exclusive)	-	-	-	-
NT\$50 million (inclusive) to NT\$100 million (exclusive)	-	-	-	-
More than NT\$100 million	-	-	-	-
Total	12	12	12	12

2. Remuneration Paid to CEO, President, and Vice Presidents

December 31, 2024; Unit: NT\$ thousands

Title	Name	Salary (A)		Retirement Pension (B)		Bonuses and special allowances (C) (Note 1)		Employee Remuneration (D) (Note 2)				Percentage of the sum of A, B, C, and D on net profit after tax (%)		Compensation Paid to Supervisors from an Invested Company Other than the Company's Subsidiary
		The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements	The Company		All Companies in Financial Statements		The Company	All Companies in Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Kao, Kuo-Lun	24,484	24,484	1,174	1,174	30,360	30,360	12,208	0	12,208	0	68,226 ; 3.72	68,226 ; 3.72	0
President and COO	Mao Hui-Kuan													
Vice President	Hung Chao-Cheng													
Vice President	Pan Chin-Cheng													
Vice President	Chu Jui-Hsin													
Vice President	Yeh Mao-Jung													
Vice President	Chen Hung-Yi													

Note 1: Including expenses for the use of company vehicles. Additionally, compensation paid to the drivers amounted to NT\$827 thousand, but this is not included in this type of remuneration.

Note 2: The Company's 2024 earnings to be distributed to employees in 2025 are provisional in nature.

Note 3: Vice President Hsieh Yen-Fen was promoted to the position of Vice President on January 1, 2025, and is therefore not included in the table above.

*A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, instead of taxation.

Range of Remuneration Paid to CEO, President, and Vice Presidents

Range of Remuneration Paid to CEO, President, and Vice Presidents	Name of Chief Executive Officer, President, Chief Strategy Officer, and Vice President	
	The Company	All Companies in Financial Statements
Less than NT\$1 million	-	-
NT\$1 million (inclusive) to NT\$2 million (exclusive)	-	-
NT\$2 million (inclusive) to NT\$3.5 million (exclusive)	-	-
NT\$3.5 million (inclusive) to NT\$5 million (exclusive)	Hung Chao-Cheng	Hung Chao-Cheng
NT\$5 million (inclusive) to NT\$10 million (exclusive)	Pan Chin-Chen, Chu Jui-Hsin, Yeh Mao-Jung, Chen Hung-Yi	Pan Chin-Chen, Chu Jui-Hsin, Yeh Mao-Jung, Chen Hung-Yi
NT\$10 million (inclusive) to NT\$15 million (exclusive)	-	-
NT\$15 million (inclusive) to NT\$30 million (exclusive)	Kao, Kuo-Lun and Mao Hui-Kuan	Kao, Kuo-Lun and Mao Hui-Kuan
NT\$30 million (inclusive) to NT\$50 million (exclusive)	-	-
NT\$50 million (inclusive) to NT\$100 million (exclusive)	-	-
More than NT\$100 million	-	-
Total	7	7

3. Name of managerial officers to which employee rewards are distributed, and the status of distribution

December 31, 2024; Unit: NT\$ thousands

	Title	Name	Stock Amount	Cash Amount	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	CEO	Kao, Kuo-Lun	0	17,248	17,248	0.94
	President and COO	Mao Hui-Kuan				
	Vice President	Hung Chao-Cheng				
	Vice President	Pan Chin-Cheng				
	Vice President	Yeh Mao-Jung				
	Vice President	Chu Jui-Hsin				
	Vice President	Chen Hung-Yi				
	Assistant Vice President	Kao Chih-Yu				
	Assistant Vice President	Weng Chin-Yi				
	Assistant Vice President	Lin Chao-Kun				
	Assistant Vice President	Chang Chi-Kang				
	Assistant Vice President	Hsieh Yen-Fen (Note)				
	Assistant Vice President	Wang Hong-Yu				
	Assistant Vice President	Liu Bing-Cheng				
	Assistant Vice President	Su Hui-Fang				

Note: Hsieh Yen-Fen was promoted to Vice President on January 1, 2025.

- (II) Analysis of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company Only Financial Statements, Paid by the Company and All Companies in Consolidated Financial Statements during the Past 2 Fiscal Years to the Directors, President, and Vice Presidents, Along with Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure:

1.

Target \ Year	Ratio of Total Remuneration to NIAT (%)			
	2024		2023	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director of the Board (Note 1)	1.12	1.12	1.15	1.15
President and Vice Presidents (Note 2)	3.72	3.72	3.92	3.92

Note 1: Excluding employee remuneration received by directors

Note 2: Remuneration paid to directors, president, and vice presidents shall be subject to the Company's Articles of Incorporation.

2. Policies, Standards, and Structure for Remuneration Payment:

- (1) Article 17 of the Company's Articles of Association stipulates that if there is a profit for the year, the directors' remuneration shall not exceed one percent of the profit. According to the provisions of the Company's Remuneration Committee Charter, the payment of directors' remuneration is handled in accordance with the internally established "Guidelines for the Payment of Directors' Remuneration and Compensation" with the following principles:
 - A. General directors' remuneration is based on their level of participation in the company's operations, with performance indicators such as contributions to sustainable development, suggestions for green product innovation, low-carbon manufacturing transformation, financial accounting expertise, and other operational suggestions. The evaluation also takes into account professional skills and responsibilities.
 - B. Since all independent directors concurrently serve on the audit committee, remuneration committee, and other functional committees, according to the provisions of each committee's charter, they participate in relevant meetings for discussions and decision-making. Their responsibilities are significant and their status requires independence. Their remuneration is not directly affected by the annual profits but is maintained at a certain fixed level.
 - C. All directors are also entitled to reimbursement for travel expenses incurred for actual attendance at each meeting of the Board of Directors.
- (2) The annual remuneration for the company's General Manager, Deputy General Manager, and other managerial personnel includes salaries, bonuses, and employee compensation from profit distribution. The remuneration is determined by referencing industry standards and in accordance with the company's salary management policies, which specify various work allowances and bonuses to acknowledge and reward employees' efforts. These bonuses are based on the company's annual operating performance, financial status, business operations, and individual job performance. Additionally, if the company is profitable for the year, employee compensation is allocated according to the company's Articles of Association.

The company follows the "Performance Management Guidelines" to conduct performance evaluations, which serve as a reference for awarding bonuses to managerial personnel. The performance evaluation criteria for managers include: 1. Financial Indicators: Based on the company's profit and loss statement, each business unit's contribution to the company's profit is assessed, taking into account the managers' target achievement rates. 2. Non-Financial Indicators: These include the implementation of core competencies and operational management capabilities, participation in sustainable operations, and the achievement of annual energy-saving and carbon reduction targets. These non-financial indicators are linked to variable rewards and bonuses, calculating the remuneration based on operational performance. 3. The remuneration system is reviewed periodically to reflect the actual operating conditions and relevant legal requirements.

- (3) The company's remuneration package, as defined by the Remuneration Committee Charter, includes cash compensation, stock options, profit-sharing, retirement benefits or severance payments, various allowances, and other substantial incentive measures. The scope of these remuneration components aligns with the standards for disclosure of directors', supervisors', and managerial personnel's compensation in the annual report of publicly listed companies.
3. Procedures for Establishing Remuneration:
- (1) To regularly evaluate the remuneration of directors and managerial personnel, the assessment is conducted based on the results of performance evaluations executed under the company's "Board Performance Evaluation Guidelines" and the "Performance Management Guidelines" applicable to managers and employees. These evaluations are linked to the company's operational performance indicators and submitted for board deliberation. To fully reflect the achievement of operational performance indicators, the performance measurement criteria for the Chairman are based on the annual operational indicators related to operations, governance, and financial results. The evaluation scope includes various indicators such as pre-tax net profit, customer satisfaction, and corporate governance assessment. For the General Manager, the evaluation scope encompasses primary job responsibilities related to operational safety management, supervision of financial plan execution, revenue management, and oversight of sustainable operational management policies.
 - (2) The relevance of remuneration assessments for directors and managerial personnel, as well as the reasonableness of their compensation, are subject to regular evaluation and review by the Remuneration Committee and the Board of Directors each year. In addition to considering individual performance achievement rates and contributions to the company, evaluations take into account the overall operational performance of the company, future industry risks and development trends, and periodic reviews of the remuneration system in light of actual operational conditions and relevant legal requirements. Furthermore, considering the current trends in corporate governance, reasonable compensation is provided to strike a balance between sustainable business operations and risk management. The actual amount of remuneration disbursed to directors and managerial personnel annually is

determined by the Board of Directors after review by the Remuneration Committee.

4. The association with operational performance and future risks:

- (1) The review of the company's remuneration policy, related payment standards, and systems is primarily based on the overall operational performance of the company. Payment standards are determined based on the achievement rates of performance and contributions, aiming to enhance the overall organizational team efficiency of the Board of Directors and managerial personnel. Additionally, industry salary standards are referenced to ensure that the remuneration of the company's management is competitive within the industry, thus retaining outstanding management talent.
- (2) The performance goals of the company's managerial personnel are integrated with governance and risk management to ensure that potential risks within their scope of responsibility are managed and prevented. Ratings are awarded based on actual performance, linking the relevant job performance of each manager with the company's compensation policy. Major decisions made by the company's management are balanced by considering various risk factors, and the performance of these decisions reflects in the company's profitability, thereby correlating the remuneration of the management with the effectiveness of risk management.

III. Implementation of Corporate Governance:

(I) Operations of the Board of Directors

1. A total of 7 Board of Directors' meetings (A) were held in 2024. The attendance of Directors was as follows:

Title	Name	Times of Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate (%) [B/A] (Note)	Remark
Chairman	Kao, Kuo-Lun	7	0	100	None
Director	Kwang Yang Motor Co., Ltd. Representative: Ko, Chun-Ping	7	0	100	None
Director	Yang, Huai-Kung	6	0	86	None
Director	Chen, Jau-Shiuh	7	0	100	None
Director	Kao, Kuo-Hsun	7	0	100	None
Director	Huang, Shun-Ren	7	0	100	None
Director	Chen, Chin-Yuan	7	0	100	None
Director	Liao, Hen-Ning	7	0	100	None
Independent Director	Hung, Lee-Jung	7	0	100	None
Independent Director	Chen, I-Heng	7	0	100	None
Independent Director	Lo, Li-Chun	7	0	100	None
Independent Director	Lu, Gin-Cheng	7	0	100	None

Note: Actual attendance (appearance) rate (%) shall be calculated using the number of Directors' Meetings convened and actual attendance (appearance) during the term of service.

2. The attendance of Independent Directors at each Board meeting:

2024	3/6	3/8	5/10	6/28	8/9	11/8	12/27	Remark
Hung, Lee-Jung	✓	✓	✓	✓	✓	✓	✓	V: Attendance in person; ☆: Attendance by proxy
Chen, I-Heng	✓	✓	✓	✓	✓	✓	✓	
Lo, Li-Chun	✓	✓	✓	✓	✓	✓	✓	
Lu, Gin-Cheng	✓	✓	✓	✓	✓	✓	✓	

3. Note of attendance:

- (1) The actual attendance rate in Board meetings throughout 2024 was 99%.
- (2) In each of the seven Board meetings held in 2024, four or more independent directors attendance the Board meeting in person to fulfill their supervisory functions during their term.

Other items to be recorded:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board meeting, the content of the proposal, opinions of all Independent Directors and the Company's actions in response to the opinions of Independent Directors shall be stated:

- (I) Items listed in Article 14-3 of the Securities and Exchange Act: The Company has set up an Audit Committee. Please refer to other items that should be recorded in the section "State of Operations of the Audit Committee" below.
- (II) In addition to the aforementioned items, other resolutions of the Board of Directors that have been objected or reserved by the independent directors and are documented or stated in writing: None.

II. Avoidance of directors from proposals with interests in 2024:

Date of Meeting of the Board of Directors	Name of Director	Proposal	Reason for Interest Avoidance	Participation in Voting
3/8	Kao, Kuo-Lun (Chairman)	The proposal for the Company to lift the non-competition restrictions for managerial officers of the Company to serve in enterprises invested by the Company.	The agenda has interests related to the director, so the director lawfully withdrew from the discussion and voting.	The Chairman designated Director Yang, Huai-Kung as the proxy to preside over this proposal. The acting chairman consulted with all other attending directors and approved the proposal without objection.
	Kao, Kuo-Lun (Chairman)	Distribution of profit target overreach performance bonuses to managerial officers in 2023.	The agenda has interests related to the director, so the director lawfully withdrew from the discussion and voting.	The Chairman designated Director Yang, Huai-Kung as the proxy to preside over this proposal. The acting chairman consulted with all other attending directors and approved the proposal without objection.
5/10	Kao, Kuo-Lun (Chairman)	The Company's 2023 remuneration distribution proposal for managerial	The agenda has interests related to the director, so the	The Chairman designated Director Yang, Huai-Kung as the proxy to preside over this

		officers.	director lawfully withdrew from the discussion and voting.	proposal. The acting chairman consulted with all other attending directors and approved the proposal without objection.
6/28	Kao, Kuo-Lun (Chairman)	Amendment to the "Official Vehicle Allocation Policy for Senior Executives".	The agenda has interests related to the director, so the director lawfully withdrew from the discussion and voting.	The Chairman designated Director Chen, Chin-Yuan as the proxy to preside over this proposal. The acting chairman consulted with all other attending directors and approved the proposal without objection.
12/27	Kao, Kuo-Lun (Chairman)	Annual salary adjustment of managerial officers for 2025.	The agenda has interests related to the director, so the director lawfully withdrew from the discussion and voting.	The Chairman designated Director Yang, Huai-Kung as the proxy to preside over this proposal. The acting chairman consulted with all other attending directors and approved the proposal.
	Kao, Kuo-Lun (Chairman)	Managerial officers' annual performance bonus and operation performance bonus in 2024	The agenda has interests related to the director, so the director lawfully withdrew from the discussion and voting.	The Chairman designated Director Yang, Huai-Kung as the proxy to preside over this proposal. The acting chairman consulted with all other attending directors and approved the proposal.

III. Cycle, period, scope, method, and content of the self-evaluation (or peer evaluation) of the Board of Directors:

(I) Annual self-evaluation

To implement corporate governance and enhance the functions of the Board of Directors, the Company established the "Rules Governing the Performance Evaluation of the Board of Directors" approved by the Board of Directors on May 10, 2019. The Board of Directors should perform an internal Board performance evaluation at least once a year. The internal evaluation period is from the end of each year to the end of the first quarter of the following year, and the current year's performance evaluation is conducted in accordance with the evaluation procedures and evaluation indicators under Articles 6 and 8.

Evaluation cycle	Evaluation Period	Scope	Evaluation methods	Evaluation Content
Annually	2024.01.01 ~ 2024.12.31	Performance evaluation for the Board of Directors, individual directors, and functional committees (i.e., Audit Committee, Remuneration Committee, and Sustainable Development and Nominations).	Internal Board self-evaluation, Board member self-evaluation and peer evaluation	Report on internal evaluation results of Board performance

1. Evaluation areas and results:

Board of Directors		Functional committees			
Board of Directors	Individual directors	Audit Committee	Remuneration Committee	Corporate Governance and Sustainable Development Committee	Nomination Committee
97 points	98 points	94 points	94 points	94 points	94 points

- ◎ The average score for each of the 45 indicators in the performance evaluation for the Board of Directors ranged from 96 to 100 points (out of 100 points).

Evaluation Item	Average Score
I. Degree of engagement in corporate operations.	96
II. Improvement of Board of Directors' decision-making	97
III. Composition and structure of the Board of Directors	99
IV. Election of directors and their continuing education	97
V. Internal control	97

- ◎ The average score for each of the 23 indicators in the self-evaluation for individual directors ranged from 97 to 100 points (out of 100 points).

Evaluation Item	Average Score
A. Mastery of the Company's goals and tasks	97
B. Understanding of director's duties and responsibilities	97
C. Degree of engagement in corporate operations.	98
D. Management of internal relations and communication	98
E. Directors' professional and continuing education and training	98
F. Internal control	98

- ◎ The average score for each of the 26 indicators in the performance evaluation for functional committees, including the Audit Committee, the Remuneration Committee, and the Corporate Governance and Sustainable Development Committee is listed as follows:

Evaluation Item	Audit Committee	Remuneration Committee	Corporate Governance and Sustainable Development Committee	Nominating Committee
I. Degree of engagement in corporate operations.	96	96	96	96
II. Recognition of the duties of functional committees.	94	94	94	94
III. Improvement of the quality of decision making by the functional committee	93	93	93	93
IV. Composition of the functional committee, and election and appointment of committee members	95	95	95	95
V. Internal control	95	95	95	95

2. Evaluation result: The overall operation of the Board of Directors, Board members and functional committees is effective and meets the requirements of corporate governance.
3. Improvement plans:
 - (1) The items with low scores in the results of the performance evaluation for the Board of Directors were:
 - A. "Board members have sufficient knowledge of the Company, its management team and the industry to which the Company belongs."
 - B. "The directors are able to evaluate and monitor the Company's risks and potential risks, as well as discuss the implementation and tracking status of the internal control system."
 - C. "The Board of Director is able to obtain timely and comprehensive performance reports on the company's operations, enabling swift identification of adverse trends."
 - (2) The items with low scores in the results of the performance evaluation for functional committees were:
 "The information provided by the Company to the function committee is complete, timely and of a certain level of quality that enables the functional committee to fulfill its duties and responsibilities. "
4. Improvement method:
 - (1) The management team provides timely updates on revenue and profit performance, and supplements relevant information based on the requests of individual directors to enhance information transparency and communication efficiency, thereby strengthening communication between the Board of Director and the management team.
 - (2) To enable committee members to effectively fulfill their duties, the meeting affairs unit provides complete information related to the agenda items prior to the meeting. If any questions remain, the proposing unit will be requested to supplement the information or provide clarification beforehand to ensure the completeness, timeliness, and quality of information, thereby supporting functional committees in carrying out their responsibilities smoothly.

(II) External evaluation

Evaluation cycle	Evaluation Period	Scope	Evaluation methods	Evaluation Content
Once every three years	2023.08.01 ~ 2024.07.31	Performance evaluation for the Board of Directors, individual directors, and functional committees (i.e., Audit Committee, Remuneration Committee, and Sustainable Development and Nominations).	Taiwan Corporate Governance Association was appointed to conduct the evaluation	Report on internal evaluation results of Board performance

1. The overall rating:
 - (1) The composition of the Board of Directors takes into full consideration factors such as shareholding structure, independence, diversity, and professional expertise, which contributes to business development and sustainable operations, and is highly conducive to

the effective functioning of the Board.

- (2) The Board of Directors and functional committees actively exchange views, while the Chairperson and management team respect the diverse expertise of the directors, thereby enhancing the effectiveness of proposal decision-making.
- (3) The Board of Directors and the management team place great importance on sustainable development and conduct regular reporting and strategic communication.
- (4) The re-election of directors will be reviewed and nominated by the Nomination Committee to enhance the professionalism and diversity of the Board.

2. Suggestions and company feedback:

No.	Suggestions	Feedback
1	To fully leverage the function of the Nomination Committee, it is recommended to establish a professional development and succession plan for senior management, thereby enhancing the Board's oversight of managerial development and succession planning, and strengthening its diversified supervisory functions.	To consider including senior management's professional development and succession planning within the scope of the Nomination Committee.
2	It is recommended to refer to the examples provided by regulatory authorities to establish a best-risk management mechanism, regularly review and strengthen the system, and have it supervised by the Audit Committee and the Corporate Governance Committee, with regular reports to the Board of Directors.	Proposed to formulate the "Risk Management Best-Practice Principles" and "Risk Management Policies and Procedures".
3	It is recommended to disclose the relevant corporate governance regulations of the Board of Directors and each functional committee, along with the amended history.	Consider the suggested items and deliberate on including the amended history in the public disclosure version of the regulations.
4	It is recommended that independent directors provide feedback on the audit supervisor's work goals and performance for the chairman's reference, to strengthen the supervisory function of the audit committee, and to formalize the evaluation process in writing. To enhance corporate governance and internal controls, it is recommended that the company's audit plan be submitted to the audit committee for review before being presented to the board of directors for approval.	Suggested items will be considered, then discuss and deliberate on the related procedures.

IV. Targets for strengthening the functions of the Board of Directors in the current fiscal year and the most recent fiscal year (e.g., establishing an audit committee and enhancing information transparency), and evaluation of target implementation:

(I) Objectives of strengthening the functions of the Board of Directors:

1. We will maintain operational transparency, focus on shareholders' rights, and believe that a

sound and efficient Board of Directors is the foundation of corporate governance. Based on this philosophy, the Company has strengthened the functions of the Board of Directors through the establishment of relevant institutional regulations and committees.

- (1) The Company has established the "Procedural Rules for Board of Directors Meetings of Eternal Materials Co., Ltd." to comply with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies" and enter the Board of Directors' attendance on the Market Observation Post System (MOPS). The Board of Directors has also disclosed material resolutions on the Company website.
- (2) The Company has formed a Remuneration Committee in 2011. It is responsible for assisting the Board of Directors in assessing the remuneration level of directors and managerial officers.
- (3) The Company established an Audit Committee (comprised of all independent directors) in 2016 to strengthen internal control mechanism and assist the Board of Directors with decision-making process.
- (4) The Company established the Corporate Governance and Corporate Social Responsibility Committee in 2021, with independent directors as members and the Chairman of the Board of Directors as the convener and chairman of the meetings. The purpose of the establishment of the committee is to achieve sustainable development and strengthen the implementation of sustainable development, and the newly established committee was renamed "Corporate Governance and Sustainable Development Committee" in March 2022.
- (5) In 2023, the Company established the Nomination Committee, whose members in the current term are all independent directors. The main purpose of this committee is to assist the Board of Directors in developing and managing a set of fair and transparent procedures for the purpose of formulating human resources strategies for directors, supervisors, and top executives.

2. Each committee will assist the Board of Directors in carrying out its responsibilities and report regularly to the Board on its activities and resolutions.

- (II) Implementation status: The Company's major proposals (such as investment, acquisition or disposal of assets, loan of funds or endorsements/guarantees) shall be submitted to the Board of Directors for discussion and resolution before implementation, and the major proposals approved by the Board of Directors shall be fully disclosed in the annual report, the Company's website and the Market Observation Post System to provide open and transparent information.

V. The Composition of the Board of Directors and Senior Management Succession Plan and Operations

1. Members of the Board of Directors

- (1) The Company adopts a nomination system for directors, where each term of office lasts for three years. The Nomination Committee not only provides the criteria for the diversity of backgrounds, including expertise, skills, experience, and gender, as well as independence required of individual Board members based on the size of the Company and the nature of the Company's business, but also conducts planning and offers recommendations while identifying, reviewing, and nominating candidates for the election of directors accordingly. Furthermore, the Company adopts the candidate nomination system in accordance with the

Regulations Governing the Election of Directors to ensure the diversity and independence of Board members.

- (2) The election of the Directors shall take diversity into consideration, such as basic requirements and values (including gender, age, nationality, culture, etc.), professional knowledge and skills (including professional background, professional skills, and industry experiences).
- (3) In order to achieve the goal of corporate governance, members of Board shall possess necessary knowledge, and skills, and accomplishments. The required competences are as follows:

★ Operational judgment	★ Industrial Knowledge	★ Business management ability	★ Leadership
★ Accounting and financial analysis ability	★ International market perspective	★ Crisis management ability	★ Decision-making ability

In an effort to bolster directors' performance in exercising their duties and responsibilities, the Company's Nomination Committee regularly reviews directors' continuing education plan according to changes in the Company's internal and external environment and development needs, as well as arranges education and training courses on an annual basis accordingly to enhance directors' expertise.

2. Succession plan of significant managements

- (1) To meet the group's human resources development needs, the Company has established Personnel Review Committee, which meets on the fourth quarter each year to review senior human resources development of each unit.
- (2) In order to ensure proper development and rotation of management talents, each business unit and critical function review key positions and talent development status during the first quarter of each year. The Company also ensures succession plan is in place for key management personnel including business unit heads and the department heads of subsidiaries and above.
- (3) For the development of management personnel, besides the basic training for new managers, all section heads are required to pass mid-level management training, and to participate in management seminars led by senior executives.
- (4) In addition to in-house training courses, the Company also encourages mid-level executives to expand their professional fields and combine practical training with practical training. For managerial officers promoted to the manager level, they are required to have cross-functional or overseas assignment training experience to enhance their practical management qualifications and management functional ability.

(II) Operations of the Audit Committee

1. A total of 6 Audit Committee meetings (A) were held in 2024. The attendance of independent directors and the operation of the committee are detailed below:

Title	Name	Number of Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note 1)	Remark
Independent Director	Hung, Lee-Jung	6	0	100	None
Independent Director	Lo, Li-Chun	6	0	100	None
Independent Director	Chen, I-Heng	6	0	100	None
Independent Director	Lu, Gin-Cheng	6	0	100	None

Note 1: The disclosure above is as of December 31, 2024. The actual attendance rate (%) was calculated based on the number of Board meetings held during each director's term and the number of meetings actually attended by that director.

Note 2: For the details on the qualifications of the members of the Audit Committee, please see I. Explanation on the Main Experience (Education) of Directors, Supervisors and Managerial Officers.

Other items to be recorded:

- I. If the operation of the Audit Committee falls under any of the following circumstances, the meeting date of the Audit Committee, the session, the content of the proposals, the independent directors' objections, reservations or major proposals, the results of the Audit Committee's resolutions, and the Company's handling of the comments of the Audit Committee.

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	Content of Motion and Follow-up
2024.03.07 10th meeting of the 3rd Audit Committee	1. Pass the proposal on discussing the 2023 consolidated and parent company only financial statements.
	2. Pass the proposal on evaluating the independence and suitability of CPA firm and appointing CPA firm for 2024.
	3. Pass the proposal on approving the Company's 2023 internal control system design and its implementation effectiveness.
	4. Pass the 2023 Business Report.
	5. Pass the proposal on the distribution of surplus for 2023.
	6. Pass the proposal on the additional budget for factory construction by Eternal Material Industry (Tongling) Co., Ltd.
	7. Pass the proposal on cash capital increase by Eternal Electronic Material

	(Thailand) Co., Ltd.
	8. Pass the proposal on capital reduction and offsetting of losses by subsidiary New E Materials Co., Ltd.
	9. Pass the Company's proposal on appointing E.SUN Commercial Bank and Taipei Fubon Commercial Bank to organize a syndicated loan totaling NT\$5.1 billion aimed at repaying debts owed to financial institutions and strengthening medium-term working capital.
	10. Pass the proposal on the inter-affiliate loans (non-revolving credit line).
	Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2024.05.09 11th meeting of the 3rd Audit Committee	1. Pass the proposal on discussing the consolidated financial statements for Q1 2024
	Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2024.06.27 12th meeting of 3rd Audit Committee	1. Approval of the proposal to handle the share disposal operation of the subsidiary Eternal Precision Mechanics Co., Ltd.
	2. Approval of the investment plan for the Malaysia coating plant of the electrical materials business unit. Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2024.08.08 13th meeting of the 3rd Audit Committee	1. Pass the consolidated financial statements for Q2 2024.
	2. Pass the proposal on cash capital increase in subsidiaries, Eternal Holdings Inc., Eternal Nanyang Investment Co., Ltd., and Eternal Materials (Malaysia) Sdn. Bhd.
	3. Pass the proposal on the loaning of funds (non-revolving credit line) by Eternal Holdings Inc.
	4. Pass the Company's amendments to the "Procedural Rules for Board of Directors Meetings" and "Partial amendments to the Audit Committee Charter".
	5. Pass the proposal on the revision of "Internal Audit Implementation Rules" and the "Internal Control System Self-Assessment Criteria." Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present.

	The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2024.11.07 14th meeting of the 3rd Audit Committee	1. Pass the proposal on the consolidated financial statements for 2024 Q3. 2. Pass the equity adjustment plan for Elga Europe S.r.l. 3. Pass the proposal on the provisions of endorsements/guarantees for banks by Eternal Precision Mechanics Co., Ltd. to secure credit facilities for subsidiaries. Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2024.12.23 15th meeting of the 3rd Audit Committee	1. Pass the proposal on inter-subsidary loans (revolving credit line). 2. Pass the proposal on inter-subsidary loans (non-revolving credit line). 3. Approval of the proposal for the "Sustainable Information Management Regulations". 4. Pass the proposal on the revision of "Internal Audit Implementation Rules". 5. Pass the 2025 audit plan. Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
2025.03.13 16th meeting of the 3rd Audit Committee	1. Pass the proposal on the consolidated and parent company only financial statements for 2024. 2. Pass the proposal on evaluating the independence and suitability of CPA firm and appointing CPA firm for 2025. 3. Pass the proposal on approving the Company's 2024 internal control system design and the consent to the implementation effectiveness. 4. Approve the 2024 Business Report. 5. Approve the 2024 Report on the Distribution of Earnings and Cash distributed from legal reserve and capital surplus. 6. Approve the amendment of some provisions in the Articles of Incorporation. 7. Pass the proposal on the inter-affiliate loans (non-revolving credit line). Committee members' opinion: No objections or reservations. Resolution: Approved by the Chairman upon consultation with all the Independent Directors present. The Company's response to the opinions of the Audit Committee: Approved by all the Directors present.
(II) In addition to the aforementioned items, other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee: None.	
II. In regards to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of	

interests and voting results shall be stated: None.

III. Communication between the independent directors, chief internal auditor, and CPAs (including the key items, methods, and results of audit of finances and operations)

(I) Communication with the internal Audit Manager:

1. In accordance with the law, the Audit Manager submitted the audit report and follow-up reports on a monthly and quarterly basis to the independent directors.
2. The Audit Manager had a meeting with the independent directors at least once a quarter to report and communicate on the implementation of the Company's internal audit and internal control operations, and put forward the execution results of the Company on the suggestions of the independent directors.
3. Communication with the internal Audit Manager in 2024:

Date	Attendance of Independent Directors	Communication Content	Communication Results/Implementation Status
03.07	Attended by three-fourth of all independent directors	The audit supervisor reported issues regarding the implementation and system aspects of the supplier evaluation process for the mainland subsidiaries, proposed improvement plans for the system, and responded to questions raised by independent directors during the meeting.	The independent directors had no objections to the content of this report.
05.09	Attended by all independent directors	The audit supervisor reported issues regarding the implementation and system aspects of the R&D management in the new business incubation and development unit, proposed improvement plans for the system, and responded to questions raised by independent directors during the meeting.	The independent directors had no objections to the content of this report.
08.08	Attended by all independent directors	The audit supervisor reported issues regarding the system aspects of the engineering management operations and the improvement plans provided by the functional management unit in response.	The independent directors had no objections to the content of the report; however, they raised questions regarding the report items and requested the audit office to assist in understanding the matters, with responses to be provided at the next discussion meeting.
11.07	Attended by three-fourth of all independent directors	The audit supervisor reported on the issues related to the system of general expense reimbursement procedures and the improvement plans proposed by the functional management unit, while also addressing the questions raised by the independent directors at the previous discussion meeting.	The independent directors had no objections to the content of this report.

(II) Communication with the CPAs:

The Audit Committee communicates with the CPAs annually on topics such as audit results of the Company's financial statements, implementation of internal control, estimates on material accounting, and the selection or change of the accounting principles, and major audit adjustments; the Audit Committee evaluates the CPAs regarding their selection and appointment.

Date	Attendance of Independent Directors	Key Points of Communication	Suggestions from Independent Directors
2024. 03.07	Attended by all independent directors	2023 Audit Report by CPAs 1. Scope, method and time of audit 2. Material accounting estimates and significant risks 3. Key Audit Matters 4. Matters that should be communicated with the corporate governance unit 5. Adjustment Catalog 6. Other discussion items 7. Carbon tax collection (draft) 8. Independence Statement 9. Non-assurance service report. 10. Report on audit quality indicators (AQI) for 2022	No comment
2024. 12.23	Attended by all independent directors	1. Group Audit Scope 2. Identify significant risks and key audit matters 3. Issues of reinvestment loss 4. Tracks of material events: 5. Quality Management System at Deloitte Taiwan 6. Transparency report	No comment

2. Annual work plan

The Audit Committee is solely composed of all Independent Directors. The goal of the Audit Committee is to provide assistance to the Board of Directors in performing its duty of supervising the Company on accounting, auditing, financial reporting process and quality of financial control, and integrity related matters.

(1) The main purpose of the Audit Committee is to supervise the following matters:

- Fair presentation of the Company's financial statements.
- The appointment and dismissal, the independence, and performance of CPAs.
- Effective implementation of the internal control system.
- Compliance with relevant laws and regulations.
- Management of current and potential risks.

(2) Audit of financial reports

The Company's 2024 business report, earnings distribution proposal, financial statements and consolidated financial statements submitted by the Board of Directors have been reviewed by the Audit Committee, and no irregularities were found.

(3) Assessment of the effectiveness of the internal control system:

The Audit Committee has assessed the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, regulatory compliance, etc.) and audited The Company's audit department and CPAs, as well as management's periodic reports, including risk management and regulatory compliance. The committee also referred to the Internal Control - Integrated Framework which is published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO), and concluded that the Company's risk management and internal control system is effective, the Company has also adopted required control mechanism to supervise and correct the violations.

3. Professional qualifications and experience of members of the committee

<div> <div>Qualifications</div> <div>Identity Name</div> </div>		Professional Qualification and Experience
Convener and Independent Director	Hung, Lee-Jung	She is a former partner and CPA at Pricewaterhouse Coopers Taiwan, and has served as a member of the Audit Committee for more than three years with the acquired professional abilities such as business judgment, accounting and financial analysis, operation and management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability.
Independent Director	Chen, I-Heng	He is the adjunct professor of human resources at National Sun Yat-sen University and has served as an independent director of three other public companies. He has been a member of the Audit Committee for more than three years and has the professional abilities in business judgment, talent cultivation, management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.
Independent Director	Lo, Li-Chun	He has been a visiting associate professor at Nanyang Business College and the CEO of Protrend Management Consulting Co., Ltd. for years, and a member of the Audit Committee for more than three years. He has the professional abilities in business judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market perspective, leadership, and decision making.
Independent Director	Lu, Gin-Cheng	He has over 20 years of experience as a partner in Huili Law Firm, and is also the supervisor of BEV International Food Corp., Spring Star Industrial Co., Ltd., and Gao Hong Investment (Co., Ltd.). He has professional abilities in business judgment, legal ability, management ability, crisis management ability, industry knowledge, international market view, leadership ability, and decision-making ability.

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

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company has established the Corporate Governance Best-Practice Principles of Eternal Materials Co., Ltd., the formulation and revision of which have been approved by the Board of Directors, and have been disclosed on the Company website.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations
II. Shareholding structure & shareholders' rights (I) Has the Company established and implemented internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations?	V		(I) The Company has established the Regulations Governing Shareholder Service, appointed a spokesperson and an acting spokesperson, and entrusted a professional stock transfer agent to handle shareholder-related matters. The Legal Affairs & System Department and the entrusted law firm can provide necessary consulting service and assistance for related legal affairs.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	V		(II) The Company can obtain the list of major shareholders of the Company and their ultimate controllers, and regularly report the abnormal changes to the directors, managerial officers and major shareholders holding more than 10% of the shares to the Market Observation Post System. In addition, the stock agency shall assist to handle the stock related affairs.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
(III) Has the Company established and implemented a risk management and firewall system within its affiliates?	V		(III) The Company has established the "Related Party Transaction Guidelines" and the "Regulations for Supervision and Management of Subsidiaries" as the reference for business dealings with affiliated companies. In addition, the assets and finances of affiliated companies are independent and controlled by the designated personnel and audited by the parent company to avoid any risk of corporate fraud arising from affiliated companies.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies without deviations
(IV) Has the Company established internal rules against insiders using undisclosed information to trade in securities?	V		(IV) The Company has established the "Management Rules for Internal Material Information Handling and Insider Trading Prevention" to prohibit insiders from trading in securities using non-public information.	
III. Composition and responsibilities of the Board of Directors				
(I) Has the Board formulated diversity policies, specific management objectives and implemented them?	V		(I) 1. The Board of Directors of the Company guides the Company's strategy, supervises the management, and is responsible to the Company and its shareholders. The operation and arrangement of the Company's corporate governance system shall ensure that the Board of Directors exercises its functions and powers in accordance with laws and regulations, the Company's Articles of Incorporation or the resolutions of the shareholders' meeting. The Company has established the "Corporate Governance Best-Practice Principles". In Chapter 3, "Strengthening the Functions of the Board of Directors", a diversity policy is established. The members of the Board of Directors should generally possess the knowledge, skills and qualities necessary to perform their duties. Furthermore, with a view to perfecting the functions of the Company's Board of Directors and strengthening its management mechanism, the	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies without deviations.

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			Company formulated the Nominating Committee Charter in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and established the Nominating Committee to nominate and elect members of the Board of Directors. Specifically, Board members are nominated and elected based on the nomination system as stipulated in the Regulations Governing the Election of Directors to ensure the diversity and independence of Board members.	
			<p>2. Specific management objectives:</p> <p>(1) The Board of Directors of the Company also attaches importance to gender equality and shall include at least one female director.</p> <p>(2) The Board of Directors of the Company focuses on the ability of operational judgment, management and crisis management, and more than 2/3 of the Board members should have the ability of related core projects.</p> <p>(3) The percentage of directors who are employees is less than 10% and independent directors have not been re-elected for more than three terms to maintain their independence.</p> <p>3. Status of implementation:</p> <p>(1) Those who are good at leadership, business judgment, management, and crisis management, and have industry knowledge and international market perspective include Kao, Kuo-Lun, Ko, Chun-Ping, Yang, Huai-Kung, Chen, Jau-Shiuh, and Kao, Kuo-Hsun, while those with technical expertise include Huang, Shun-Ren, Chen, Chin-Yuan, and Liao, Hen-Ning.</p> <p>(2) Independent directors: Hung, Lee-Jung and Luo, Li-Chun are professionals with expertise in audit, taxation and finance; Chen, I-Heng is a professor specializing in human resources development and management; and Lu, Chun-Cheng is a professional lawyer with legal expertise.</p> <p>(3) Directors with concurrent employee status account for 8.33%; independent directors account for 33.33%; female directors account for 8.33%. None of the four independent directors have served more than three consecutive terms. Age-wise, two</p>	

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and Audit Committee as required by law?	V		<p>directors are over 70 years old; 9 directors are between 50 and 70 years old, and one director is under 50 years old.</p> <p>(II) Aside from establishing the Remuneration Committee and the Audit Committee in October 2011 and June 2016, respectively, to execute their respective rights and responsibilities:</p> <ol style="list-style-type: none"> 1. The Company established the Corporate Governance and Corporate Social Responsibility Committee in November 2021, with the aim of realizing the goal of sustainable development and bolstering the rollout and implementation of sustainable development. However, this committee was renamed "Corporate Governance and Sustainable Development Committee" in March 2022, which was announced in accordance with the relevant laws and regulations. 2. The Company established the Nomination Committee on November 10, 2023 for the purpose of enhancing the functions of the Board of Directors across the Company and strengthening its management mechanism to ensure the diversity and independence of Board members. 	<p>Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations.</p> <p>Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations.</p>
(III) Does the Company formulate the rules and methods for performance evaluation for the Board of Directors, conduct performance evaluation annually and regularly, and report the results of performance evaluation to the Board of Directors?	V		<p>(III)</p> <ol style="list-style-type: none"> 1. On May 10, 2019, the Board of Directors of the Company approved the Rules Governing the Performance Evaluation of the Board of Directors, and submitted the evaluation method, scope and results for 2024 to the Board of Directors on March 14, 2025 in accordance with the provisions of the Rules. 2. In accordance with the performance evaluation method, Taiwan Corporate Governance Association was invited to conduct external evaluation in June 2024, and the evaluation results were submitted to the Board of Directors on November 8, 2024. 3. For more information on the evaluation content and results, please refer to (I) Operations of the Board of Directors: III. Cycle, period, scope, method, and content of self-evaluation (or peer evaluation) for the Board of Directors. 	<p>Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations.</p> <p>Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations.</p>

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons																											
	Yes	No	Summary																												
(IV) Does the Company regularly evaluate the independence of CPAs?	V		<div>(IV)<div><div>1. The Company performs evaluation of the independence and suitability of CPAs regularly (at least once a year), and submits the evaluation results to the Audit Committee and the Board of Directors for approval.</div><div>2. The items and results in the Company's evaluation of the independence and suitability of CPAs are listed as follows:</div></div><table><tr><th>Evaluation Item</th><th>Yes</th><th>No</th></tr><tr><td>1.Do the CPA and his/her spouse and minor children not serve as directors of the Group?</td><td>V</td><td></td></tr><tr><td>2.Do the CPA and his/her spouse and minor children not serve as shareholders of the Group?</td><td>V</td><td></td></tr><tr><td>3.Do the CPA and his/her spouse and minor children not receive salary or have a lending relationship with the Group?</td><td>V</td><td></td></tr><tr><td>4.Do the CPA and his/her spouse confirm that the accounting firms they serve have complied with the independence requirements?</td><td>V</td><td></td></tr><tr><td>5.Do other CPAs who worked for the same accounting firm as the CPA and his/her spouse not serve as a director or manager of the Company or hold a position that has a significant influence on audit cases within two years after leaving the accounting firm?</td><td>V</td><td></td></tr><tr><td>6.Have the CPA not provided audit services of the Company for seven consecutive years?</td><td>V</td><td></td></tr><tr><td>7.Has the audit service team complied with the independence requirements stipulated in Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China , and provided the independence statement?</td><td>V</td><td></td></tr><tr><td>8.Has the CPA obtained information on audit quality indicators (AQIs) provided by the accounting firm and evaluated the audit quality of the accounting firm and the audit team based on the "Guidelines for Audit Committees on Interpretation of Audit</td><td>V</td><td></td></tr></table></div>	Evaluation Item	Yes	No	1.Do the CPA and his/her spouse and minor children not serve as directors of the Group?	V		2.Do the CPA and his/her spouse and minor children not serve as shareholders of the Group?	V		3.Do the CPA and his/her spouse and minor children not receive salary or have a lending relationship with the Group?	V		4.Do the CPA and his/her spouse confirm that the accounting firms they serve have complied with the independence requirements?	V		5.Do other CPAs who worked for the same accounting firm as the CPA and his/her spouse not serve as a director or manager of the Company or hold a position that has a significant influence on audit cases within two years after leaving the accounting firm?	V		6.Have the CPA not provided audit services of the Company for seven consecutive years?	V		7.Has the audit service team complied with the independence requirements stipulated in Bulletin No. 10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China , and provided the independence statement?	V		8.Has the CPA obtained information on audit quality indicators (AQIs) provided by the accounting firm and evaluated the audit quality of the accounting firm and the audit team based on the "Guidelines for Audit Committees on Interpretation of Audit	V		
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Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Summary									
			<table><tr><td>Quality Indicators (AQIs)" issued by the competent authority?</td><td></td><td></td></tr><tr><td>9.After reviewing the information provided by the accounting firm on audit quality indicators (AQIs), is there no significant difference in the overall audit quality compared to its peers across five dimensions (i.e., professionalism, quality control, independence, supervision, and innovation capabilities)?</td><td>V</td><td></td></tr></table>			Quality Indicators (AQIs)" issued by the competent authority?			9.After reviewing the information provided by the accounting firm on audit quality indicators (AQIs), is there no significant difference in the overall audit quality compared to its peers across five dimensions (i.e., professionalism, quality control, independence, supervision, and innovation capabilities)?	V		
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			3. The Company has submitted an assessment of the independence and suitability of the CPAs and obtained an "Independence Statement" and an audit quality indicators (AQIs) report provided by the CPAs, which were approved by the Audit Committee on March 13, 2025 and the Board of Directors on March 14, 2025.									
IV. Does the Company appoint adequate persons and a chief governance officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board meetings and shareholders' meetings and keeping minutes at the Board meetings and shareholders' meetings according to law)?	V		<p>The Company acquired the approval by the resolution of the Board of Directors on May 10, 2019 to designate Liu Bing-Cheng, the Chief Financial Officer, as the Chief Corporate Governance Officer of the Company to coordinate corporate governance related affairs with the assistance of the Finance Department. Liu Bing-Cheng has more than three years of experience as Chief Financial Officer at a public company. the Company's Chief Corporate Governance Officer is responsible for handling matters related to the Board meetings and shareholders' meetings, producing meeting minutes of the Board meetings and shareholders' meetings, assisting directors in taking office and with continuing education, providing the information required by the directors to perform professional service, and assisting the directors in complying with laws and regulations.</p> <p>I. The performance of related duties in 2024 is described as follows:</p> <p>1. Assist independent directors and general directors in performing their duties by providing the necessary information and arranging for continuing education for directors:</p> <p>(1) Provide relevant rules and decrees required by laws and regulations to members of the Board of Directors upon taking office in the current year.</p>			Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations.						

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			<p>(2) Review and provide company information required by the directors to maintain smooth communication and interaction between the directors and the heads of divisions.</p> <p>(3) Arrange meetings with the chief internal auditor or CPAs for independent directors who require investigating the Company's financial or business operation in accordance with the Corporate Governance Best Practice Principles.</p> <p>(4) Assist independent directors and general directors in drawing up an annual continuing education plan and arranging courses in accordance with nature to which the Company belongs and the experience and background of directors.</p> <p>2. Assist in matters related to the proceedings of Board of Directors' meetings and shareholders' meetings as well as legal compliance of resolutions:</p> <p>(1) Report on the implementation of corporate governance to the Board of Directors, independent directors, and the Audit Committee, and confirm whether the Company's Board meetings and shareholders' meetings are held in compliance with relevant laws and regulations and the Corporate Governance Best Practice Principles.</p> <p>(2) Assist and remind directors of laws and regulations they must comply with when performing their duties or when making resolutions of the Board of Directors.</p> <p>(3) Be responsible for verifying the release of the material information related to the important resolutions made by the Board of Directors, and ensure the legality and accuracy of the contents of such information to ensure that investors could keep abreast of trading information.</p> <p>3. Draw up the agendas of the Board of Directors and notify directors of the agendas seven (7) days before the meeting, convene meetings and provide meeting information, send out reminders regarding agendas that require recusal of directors and complete the minutes of the Board of Directors' meeting 20 days after the meeting</p>	

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																								
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			4. Thirty days prior to the announcement of the annual financial statements and fifteen days prior to the announcement of the quarterly financial statements, each director is notified that he/she is prohibited from trading in the Company's shares during such closed period. 5. Register the date of the shareholders' meeting in advance according to the law and prepare the meeting notice, handbook, meeting minutes and director by-election within the statutory time limit.																									
			II. The total duration of training in 2024 was 15 hours. The dates/contents of related training courses are as listed as follows: <table><tr><th>Date</th><th>Organizer</th><th>Course Name</th><th>Number of hours</th></tr><tr><td>07/05</td><td>Taiwan Corporate Governance Association</td><td>Exploring the Latest Trends in Corporate Governance through Corporate Governance Evaluation Indicators</td><td>3</td></tr><tr><td>09/05</td><td>Taiwan Corporate Governance Association</td><td>Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions</td><td>3</td></tr><tr><td>09/06</td><td>Taiwan Corporate Governance Association</td><td>Practical Operations of the Board of Directors and Shareholders' Meeting</td><td>3</td></tr><tr><td>09/30</td><td>Taiwan Stock Exchange (TWSE)</td><td>Summit on Strengthening Taiwan’s Capital Market</td><td>3</td></tr><tr><td>10/07</td><td>Chinese National Association of Industry and Commerce, Taiwan</td><td>Company Directors and Supervisors Training - 2024 Taishin Net-Zero Summit Forum</td><td>3</td></tr></table>	Date	Organizer	Course Name	Number of hours	07/05	Taiwan Corporate Governance Association	Exploring the Latest Trends in Corporate Governance through Corporate Governance Evaluation Indicators	3	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	3	09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting	3	09/30	Taiwan Stock Exchange (TWSE)	Summit on Strengthening Taiwan’s Capital Market	3	10/07	Chinese National Association of Industry and Commerce, Taiwan	Company Directors and Supervisors Training - 2024 Taishin Net-Zero Summit Forum	3	
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V. Does the Company establish communication channels and a dedicated section on the Company	V		I. In order to ensure more comprehensive and thorough information disclosure, our company participated in four investor briefings organized by securities firms in 2024, held in March, May, August, and November. During these sessions, we provided updates on quarterly operational performance and	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX																								

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons								
	Yes	No	Summary									
website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?			<div>company development. Additionally, the complete video links of the meetings held in March, August, and November were disclosed on our official website and the Market Observation Post System (MOPS). We also participated in occasional roundtable discussions, maintaining good communication channels with investors.</div> <div>II. The website has set up a "Stakeholders Zone" to identify issues of concern to various stakeholders, and to provide information on dedicated departments for investor relations, customer service, corporate social responsibility, etc. and their contact details to strengthen communication and respond immediately.</div> <div>III. The communication with stakeholders was disclosed on the Company's website immediately, and the communication with stakeholders in 2024 was reported at the Board of Directors' meeting on December 27, 2024.</div> <div>IV. Details are as follows:</div> <table><tr><th>Stakeholders</th><th>Issue of concern</th><th>Communication channels</th><th>Communication with stakeholders</th></tr><tr><td>Investors</td><td><ul style="list-style-type: none">Operating PerformanceInformation disclosureMaterial announcementCompany website</td><td><div>1. Annual: Shareholders meetings and annual reports</div><div>2. Irregularly: Spokesperson</div><div>3. As needed: Market Observation Post System (MOPS), investor conference</div><div>4. Immediate: Company website</div></td><td><div>1. Financial and business-related information shall be released from time to time in the form of announcements or press releases, and audio and video files of corporate meetings and presentations are also available on the Company's website on a quarterly basis.</div><div>2. Attended 4 corporate presentations held by brokerage firms.</div></td></tr></table>	Stakeholders	Issue of concern	Communication channels	Communication with stakeholders	Investors	<ul style="list-style-type: none">Operating PerformanceInformation disclosureMaterial announcementCompany website	<div>1. Annual: Shareholders meetings and annual reports</div> <div>2. Irregularly: Spokesperson</div> <div>3. As needed: Market Observation Post System (MOPS), investor conference</div> <div>4. Immediate: Company website</div>	<div>1. Financial and business-related information shall be released from time to time in the form of announcements or press releases, and audio and video files of corporate meetings and presentations are also available on the Company's website on a quarterly basis.</div> <div>2. Attended 4 corporate presentations held by brokerage firms.</div>	Listed Companies without deviations.
Stakeholders	Issue of concern	Communication channels	Communication with stakeholders									
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			<table><tr><td>Customers</td><td><ul style="list-style-type: none">Product qualityDelivery scheduleService</td><td><div>1. Annual: Customer satisfaction survey</div><div>2. Irregularly: Visit, email and phone call</div><div>3. As needed:</div></td><td><div>1. In principle, the Company conducts customer satisfaction surveys at least once a year, covering</div></td></tr></table>	Customers	<ul style="list-style-type: none">Product qualityDelivery scheduleService	<div>1. Annual: Customer satisfaction survey</div> <div>2. Irregularly: Visit, email and phone call</div> <div>3. As needed:</div>	<div>1. In principle, the Company conducts customer satisfaction surveys at least once a year, covering</div>					
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Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary				
				<ul style="list-style-type: none">Customer complaint channel	Technical support	items such as sales staff services, deliveries, product quality, technical services and customer complaint handling. Moreover, the performance management indicator (KPI) target value is set to 4. If the average value of an individual item is lower than the KPI target value of 4, the Company will initiate the improvement procedures using the customer satisfaction improvement form. 2.The information obtained by sales, marketing or designated R&D staff through daily business activities such as customer visits, phone calls and emails is entered into the CRM system to build a customer/industry database. 3.When a sales unit receives a complaint about the company's products or services from a customer by phone, letter or during a visit to the customer, the salesperson shall learn about the	

Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary				
						situation first, fill out a "customer complaint/customer service handling sheet" and respond to the customer within 24 hours after receiving the complaint, and to avoid the expansion of the abnormal situation, it shall be blocked within 38 hours to prevent the expansion of the incident. In addition, if necessary, we will visit the customer with relevant personnel to learn about the actual situation, review the causes and clarify the responsibility of the problem; and if product quality problems are involved, we will take samples and discuss with the Research & Development unit if necessary.	
			Employee	<ul style="list-style-type: none">● Remuneration system● Education and training● Welfare measures● Safety and health● Health promotion	1.Irregularly: Communication meeting, email, company internal announcement 2.Semi-year: Interviews with department heads 3.Quarterly: Employee Benefit	1.Information about salary, benefits, and training will be sent to employees through announcements and emails from time to time. Any adjustments or additions to systems and methods could	

Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary				
					Committee, Employee-Employer Meeting and Senior Management Seminar 4. Every Two Years: Employee Engagement Survey	be checked on the system for the latest announcement. 2. Quarterly labor-management meetings, executive seminars, and employee welfare committee meetings are held, during which senior management and union representatives shall discuss labor-related issues, including salaries, benefits, safety and health regulations, and health promotion activities. 3. Every six months, supervisors are required to conduct performance interviews with their indirect employees, during which they can discuss various employee issues. 4. For observations of TOP operations, if there are unsafe behaviors that do not meet the specifications, then a safety interview shall be conducted at any time. 5. An employee engagement survey is conducted every two years, and corresponding action	

Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary				
						plans are developed based on the feedback received from the survey.	
			Supplier	<ul style="list-style-type: none">● Supplier evaluation● Supplier tier management	1.Irregularly: Emails, phone calls, inviting suppliers for a visit	1.The Company continues to promote the signing of the Supplier Code of Conduct among new suppliers, with a view to encouraging suppliers to comply with our supplier code of conduct so that they adhere to our business philosophy in regards to corporate sustainability. The signing of this document is one of the considerations in the Company's purchasing and contracting decisions.	
			Government	<ul style="list-style-type: none">● Legal compliance● Safety and health● Environmental protection● Industry upgrade	1.On demand: Participate in various regulatory promotion activities, participate in draft revision, visit, official documents, or surveys 2.Irregularly: Awards and contests 3.Annually: Industrial zone meetings	1.To check the latest regulatory information and review the compliance with the Company's regulations from time to time, and make suggestions to the relevant units for improvement in case of any discrepancies. 2.At the beginning of the promotion of the new law on industrial safety and	

Evaluation Item	Operation Status					Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary				
						environmental protection, we will conduct awareness seminars with governmental units to learn about the law. If there is any part that affects the internal regulations, the internal regulations shall be adjusted and announced before the law takes effect. 3.Participate in various regulatory and advocacy meetings of competent authorities, prepare official documents of government agencies and associations, and conduct customer surveys. 4.Participate in awards and contests of government. 5.Participate in the Resin Association, Chemical Care Association and Industrial Area Conference.	
			Community	<ul style="list-style-type: none">● Community engagement● Charitable activities	1.Irregularly: Visit, email and phone call	1.Being neighborly 2.Supporting the disadvantaged 3.Participate in community activities 4.Invite the public to attend cultural and artistic activities	

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
VI. Did the Company entrust a professional stock transfer agent to manage shareholders' meetings and other relevant affairs?	V		The Company has designated the Shareholding Service Department of President Securities Corporation as the stock transfer agent.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations
VII. Information disclosure				
(I) Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(I) The Company has established website and set up an "Investor Zone" and a "Corporate Social Responsibility Zone" to disclose both financial standings and the status of corporate governance.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(II) Does the Company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and making the process of investor conferences available on the corporate website)?	V		(II) 1. The Company has appointed dedicated personnel in charge of collecting and disclosing company information while implementing the spokesperson system. In addition, information on investor conferences, which are to be held four times each year, has been made available on the Company's website. 2. The Company has established an online public information filing system in accordance with the "Guidelines for Online Filing of Public Information by Public Companies" to disclose various types of information and major announcements. 3. The Company has also set up an English website to expose Chinese information simultaneously on the English website.	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(III) Does the Company publicly announce and file the annual financial reports within two months after the close of the given fiscal year		V	(III) The Company filed and disclosed our annual financial statements within 75 days after the end of the fiscal year as required by the Securities and Exchange Act and other relevant laws and regulations. In addition, the financial reports for the 1st, 2nd, and 3rd quarters, as well as the operating status for each month, are published before the	No deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The disclosure and filing of financial statements are completed in accordance with relevant laws and regulations.

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?			specified deadline. Please refer to the Market Observation Post System (MOPS) for further details.	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchase of liability insurance for directors and supervisors)?	V		<p>(I) Employee rights and employee care: The Company offers a variety of "employee benefits", including allowances for childbirth, marriage, and funerals, travel subsidies, group insurance, birthday and festival bonuses, senior employee reward, regular health examination, year-end bonus, employee cafeteria, shuttle bus service, dormitory, and library access.</p> <p>According to the "Labor Standards Act", the years of service of regular employees before the implementation of the "Labor Pension Act" on July 1, 2005 and the years of service to which the regular employees choose to apply the "Labor Standards Act" after the implementation of the "Labor Pension Act" shall be included in the calculation of the years of service for retirement. In addition, the Company appropriates 10% of total salaries to the designated account at the Bank of Taiwan and reviews the balance every month. If the balance is insufficient to pay the statutory retired employees in the following year, the Company will complete the appropriation by the end of the following March to ensure the rights and interests of the retired employees. Since July 1, 2005, new recruits shall apply to the "Labor Pension Act", which stipulates that the Company shall appropriate 6% of an employee's salary to the employee's account at the Bureau of Labor Insurance every month as the pension. In addition, subsidiaries in Mainland China are required to pay pension insurance every month in accordance with the local government regulations.</p> <p>Labor-management meetings are held on a regular basis to improve communication regarding agreements and maintenance of employee rights and</p>	Implemented according to the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies without deviations

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons																					
	Yes	No	Summary																						
			<p>ensure harmonious labor relations.</p> <p>(II) Investor relations: The Company discloses material information on our finances and business on our website and MOPS immediately to ensure that investors fully understand the Company's development directions and strategic moves.</p> <p>(III) Supplier relationships: The Company has maintained a good relationship with suppliers and customers to create a business ecosystem of mutual trust.</p> <p>(IV) Stakeholder rights: The Company values stakeholder rights and has disclosed information on its finances, business, and corporate governance on the company website. Stakeholders may express their opinions by phone, E-mail or fax at any time.</p> <p>(V) In 2024, each directors has met the requirement that at least six hours of training has to be completed each year. This piece of information has been disclosed on MOPS in accordance with the law. The status of continuing education among directors is detailed as follows:</p> <table><tr><th>Title</th><th>Name</th><th>Date of Training</th><th>Organizer</th><th>Course Name</th><th>Total hours</th></tr><tr><td rowspan="2">Director</td><td rowspan="2">Kao, Kuo-Lun</td><td>09/05</td><td>Taiwan Corporate Governance Association</td><td>Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions</td><td rowspan="2">6</td></tr><tr><td>09/06</td><td>Taiwan Corporate Governance Association</td><td>Practical Operations of the Board of Directors and Shareholders' Meeting</td></tr><tr><td>Director</td><td>Ko, Chun-Pin</td><td>09/05</td><td>Taiwan Corporate Governance Association</td><td>Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions</td><td>6</td></tr></table>	Title	Name	Date of Training	Organizer	Course Name	Total hours	Director	Kao, Kuo-Lun	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting	Director	Ko, Chun-Pin	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	
Title	Name	Date of Training	Organizer	Course Name	Total hours																				
Director	Kao, Kuo-Lun	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6																				
		09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting																					
Director	Ko, Chun-Pin	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6																				

Evaluation Item	Operation Status							Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Summary							
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting			
			Director	Yang, Huai-Kung	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions		6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting			
			Director	Chen, Jau-Shiuh	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions		6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting			
			Director	Kao, Kuo-Hsun	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions		6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting			

Evaluation Item	Operation Status							Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary						
							Shareholders' Meeting		
			Director	Huang, Shun-Ren	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting		
			Director	Chen, Chin-Yuan	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting		
			Director	Liao, Hen-Ning	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting		
			Independent Director	Hung, Lee-Jung	09/05	Taiwan Corporate Governance	Corporate Governance:	6	

Evaluation Item	Operation Status							Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Summary									
						Association	Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions					
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting					
			Independent Director	Chen, I-Heng	05/03	Taiwan Corporate Governance Association	Under the ESG Wave—How to Strengthen Labor Rights to Create a Supportive Workplace	6				
					08/02	Taiwan Corporate Governance Association	Impact of the European Union Carbon Border Adjustment Mechanism (CBAM) on Enterprises Following Its Implementation					
			Independent Director	Lo, Li-Chun	6/7	Taipei Foundation for Financial Research	Corporate Governance: Lessons from Semiconductor History and Future Challenges & Opportunities	8				
					11/29	Securities & Futures Institute	2024 Briefing on Legal Compliance in Insider Equity Trading					
					12/24	Taiwan Project Management Association	Continuing Education Program for Directors of Listed Companies: Succession Team Development and Talent Development					

Evaluation Item	Operation Status							Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Summary						
			Independent Director	Lu, Gin- Cheng	09/05	Taiwan Corporate Governance Association	Corporate Governance: Board and Supervisors' Management Risks and Responsibilities in Mergers and Acquisitions	6	
					09/06	Taiwan Corporate Governance Association	Practical Operations of the Board of Directors and Shareholders' Meeting		
(VI)Implementation of risk management policies and risk measurement standards: The Company has established rules for risk assessment and measurement in accordance with laws and internal policies.									
(VII)Implementation of customer policies: The Company has established the Procedures for Handling Customer Complaints to solve customers' problems in a quick and effective manner.									
(VIII)Purchase of liability insurance for directors and supervisors: The Company has purchased liability insurance for its directors and managerial officers.									
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange’s Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved.									
The progress of improvements recommended based on the results of the 11th (2024) Corporate Governance Evaluation published in April 2025 is detailed below:									
(I) Improvements made:									
No.	Evaluation indicators								
1.19	Will the company's shareholders' meeting be conducted via live streaming, or will a continuous audio and video recording be uploaded after the meeting?								
Improvement: It is proposed to upload uninterrupted audio and video recordings after the shareholders' meeting in the year 2025.									
4.1	Has the Company set up a special (part-time) unit to promote sustainable development, conduct risk assessment on environmental, social or corporate governance issues related to the Company's operation according to the principle of materiality, formulate relevant risk management policies or strategies, and have the Board of Directors supervise the promotion of sustainable development and disclose them on the Company's website and annual report?								
Improvement: It is proposed to establish a dedicated executive unit for the Sustainable Development Committee. This unit will be responsible for proposing and									

Evaluation Item	Operation Status			Deviations from “the Corporate Governance Best- Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Summary	
			implementing sustainable development policies, systems, relevant management guidelines, and specific promotion plans to enhance the planning and execution of matters related to sustainable development.	
(II) Priorities for improvement: The Company will review the evaluation items to be improved one by one in line with the spirit of corporate governance.				

(IV) Composition, duties, and state of operations of the Remuneration Committee and Nomination Committee:

◎ **Remuneration Committee**

The purpose of the Remuneration Committee is to assist the Board of Directors in evaluating the remuneration paid to directors and managerial officers. A total of four meetings were convened in 2024, where all the committee members attended the meetings in person.

(1) Information on the professional qualifications and experience of members of the Remuneration Committee:

Remuneration Committee:				
Qualifications		Professional Qualification (Note)	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as a Member of the Remuneration Committee
Identity	Name			
Independent Director Convener	Chen, I-Heng	He is the adjunct professor of human resources at Sun Yat-sen University and has served as an independent director of three public companies. He has been a member of the remuneration committee for more than three years and has the professional abilities in business judgment, accounting and financial analysis, operation management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.	Refer to the notes in the following table for more details	3
Independent Director	Hung, Lee-Jung	She is a former partner and CPA at Pricewaterhouse Coopers Taiwan, and has served as a member of the Remuneration Committee for more than three years with the acquired professional abilities such as business judgment, accounting and financial analysis, operation and management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability.	Refer to the notes in the following table for more details	1

Independent Director	Lo, Li-Chun	He has been a visiting associate professor at Nanyang Business College and the CEO of Protrend Management Consulting Co., Ltd. for years, and a member of the Remuneration Committee for more than three years. He has the professional abilities in business judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market perspective, leadership, and decision making.	Refer to the notes in the following table for more details	0
Independent Director	Lu, Gin-Cheng	He has over 20 years of experience as a partner in Huili Law Firm, and is also the supervisor of BEV International Food Corp., Spring Star Industrial Co., Ltd., and Gao Hong Investment (Co., Ltd.). He has professional abilities in business judgment, legal ability, management ability, crisis management ability, industry knowledge, international market view, leadership ability, and decision-making ability.	Refer to the notes in the following table for more details	0

Note: Please refer to the section "Information on Directors and Supervisors".

(2) Information regarding the independence of the members of the Remuneration Committee:

April 27, 2025

April 27, 2023

Name	Independence Status					Circumstances in Article 30 of the Company Act
	Whether any of he himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates	Shareholding amount and ratio of he himself, his spouse, or relative within the second degree of kinship (or in the name of others)		Whether a director, supervisor or employee of a company having a particular relationship with the Company	Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years	
		Number of Shares	Percentage			
Chen, I-Heng	No	216,447	0.02%	No	0	None
Hung, Lee-Jung	No	0	0	No	0	None
Lo, Li-Chun	No	0	0	No	0	None
Lu, Gin-Cheng	No	1,806	0%	No	0	None

(3) Information on the operation of the Remuneration Committee

- ① The Company's Remuneration Committee consists of 4 members.
- ② Term of office of the current members: June 23, 2022 to June 22, 2025. The Remuneration Committee convened four meetings (A) in the most recent year. The qualification and attendance of members are detailed as follows:

Title	Name	Number of Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note)	Remark
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Convener	Hung, Lee-Jung	4	0	100%	None
Committee Member	Lo, Li-Chun	4	0	100%	
Committee Member	Chen, I-Heng	4	0	100%	
Committee Member	Lu, Gin-Cheng	4	0	100%	

Note: As disclosed in the table above as of December 31, 2024, the actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee and the actual number of attendances during tenure.

Other items to be recorded:

I. Operation of the Remuneration Committee in 2024, including meeting dates, sessions, agenda, and resolutions of the Remuneration Committee, as well as the Company's actions in response to the opinions of the Remuneration Committee:

Date of Meeting	Proposal	Resolution of the Remuneration Committee	Handling of Opinions of the Remuneration Committee
2024.03.07 7th Meeting of the 5th Remuneration Committee	1. The proposal on the distribution of remuneration for directors and employees in 2023	Passed without dissenting opinion	Approved by the Board of Directors
	2. Distribution of profit target overreach performance bonuses to managerial officers in 2023	Passed without dissenting opinion	Approved by the Board of Directors
	3. Termination of the "Rules Governing Performance Bonus for Surpassing Profit Targets."	Passed without dissenting opinion	Approved by the Board of Directors
	4. Amendment to the "Retirement Management Regulations"	Passed without dissenting opinion	Approved by the Board of Directors
	5. Proposal on the promotion and remuneration review of managerial officers of the Company.	Passed without dissenting opinion	Approved by the Board of Directors
2024.05.09 8th Meeting of the 5th Remuneration Committee	1. Deliberation on salaries paid to managerial officers due to job adjustments	Passed without dissenting opinion	Approved by the Board of Directors
	2. Distribution of employee remuneration for managerial officers in 2023	Passed without dissenting opinion	Approved by the Board of Directors
2024.06.27 9th Meeting of the 5th Remuneration Committee	1. Amendment to the "Official Vehicle Allocation Policy for Senior Executives"	Passed without dissenting opinion	Approved by the Board of Directors
2024.12.23	1. Annual salary adjustment of managerial officers for 2025	Passed without	Approved by the Board of Directors

10th Meeting of the 5th Remuneration Committee		dissenting opinion	
	2. Annual performance bonus and operation performance bonus for managerial officers in 2024	Passed without dissenting opinion	Approved by the Board of Directors
	3. Proposal on the new promotion and remuneration review of managerial officers.	Passed without dissenting opinion	Approved by the Board of Directors

II. If the Board of Directors does not adopt or amend the recommendations made by the Audit Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions of the Remuneration Committee by the Company shall be disclosed: None.

III. If members of the Remuneration Committee has any dissenting opinion or qualified opinions on the resolutions of the Remuneration Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Remuneration Committee, resolutions, all the members' opinions and handling of these opinions shall be stated: None.

◎ **Nominating Committee**

With a view to perfecting the functions of the Company's Board of Directors and strengthening its management mechanism, the Company formulated the Nomination Committee Charter in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and established the Nomination Committee, which is authorized by the Board of Directors to perform the following duties and responsibilities with due diligence and good faith, and to submit its recommendations to the Board of Directors for discussion:

- (1) Formulate the criteria for the diversity of backgrounds, including expertise, skills, experience, and gender, as well as independence required of individual Board members, as well as identify, review, and nominate candidates according to the criteria.
- (2) Construct and develop the organizational structure of the Board of Directors and functional committees, conduct performance evaluation for the Board of Directors, functional committees, and individual Board members, as well as assess the independence of independent directors.
- (3) Formulate and regularly review continuing education programs and succession plan for directors.
- (4) Information on the professional qualifications and experience of members of the Nomination Committee:

Qualifications Identity \ Name		Professional Qualification (Note)	Independence Status
Independent Director and Convener	Lu, Gin-Cheng	He has over 20 years of experience as a partner in Huili Law Firm, and is also the supervisor of BEV International Food Corp., Spring Star Industrial Co., Ltd., and Gao Hong Investment (Co., Ltd.). He has professional abilities in business judgment, legal ability, management ability, crisis management ability, industry knowledge, international market view, leadership ability, and decision-making ability.	Refer to the notes in the following table for more details

Independent Director	Hung, Lee-Jung	She is a former partner and CPA at Pricewaterhouse Coopers Taiwan, and has served as a member of the Remuneration Committee for more than three years with the acquired professional abilities such as business judgment, accounting and financial analysis, operation and management, crisis management, industry knowledge, international market perspective, leadership, and decision-making ability.	Refer to the notes in the following table for more details
Independent Director	Chen, I-Heng	He is the adjunct professor of human resources at Sun Yat-sen University and has served as an independent director of three public companies. He has been a member of the remuneration committee for more than three years and has the professional abilities in business judgment, accounting and financial analysis, operation management, crisis management, industry knowledge, international market perspective, leadership, and decision-making.	Refer to the notes in the following table for more details
Independent Director	Lo, Li-Chun	He has been a visiting associate professor at Nanyang Business College and the CEO of Protrend Management Consulting Co., Ltd. for years, and a member of the Remuneration Committee for more than three years. He has the professional abilities in business judgment, accounting and financial analysis, management, crisis management, industry knowledge, international market perspective, leadership, and decision making.	Refer to the notes in the following table for more details

Note: Please refer to the section "Information on Directors and Supervisors".

(5) Information on the independence of members of the Nomination Committee:

April 27, 2025

Name	Independence Status					Circumstances in Article 30 of the Company Act
	Whether any of he himself, his spouse, or relative within the second degree of kinship serves as a Director, Supervisor or employee of the Company or its affiliates	Shareholding amount and ratio of he himself, his spouse, or relative within the second degree of kinship (or in the name of others)		Whether a director, supervisor or employee of a company having a particular relationship with the Company	Amount of remuneration for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years	
Lu, Gin-Cheng	No	Number of Shares	Percentage	No	0	None
Hung, Lee-Jung	No	1,806	0%	No	0	None
Chen, I-Heng	No	0	0	No	0	None
Lo, Li-Chun	No	216,447	0.02%	No	0	None
	No	0	0	No	0	None

Chun						
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(6) Information on the operation of the Nomination Committee

- ① The Nomination was established on November 10, 2023 and is currently in its first term. Current term: November 10, 2023 to June 22, 2025.
- ② The Company's Nomination Committee consists of four members, all of whom are independent directors. The Nomination Committee convened three meetings (A) in the most recent year.

Title	Name	Number of Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note)	Remark
Convener	Hung, Lee-Jung	3	0	100%	None
Committee Member	Lo, Li-Chun	3	0	100%	
Committee Member	Chen, I-Heng	3	0	100%	
Committee Member	Lu, Gin-Cheng	3	0	100%	

Note: As disclosed in the table above as of December 31, 2024, the actual attendance rate (%) is calculated based on the number of meetings of the Nomination Committee and the actual number of attendances during tenure.

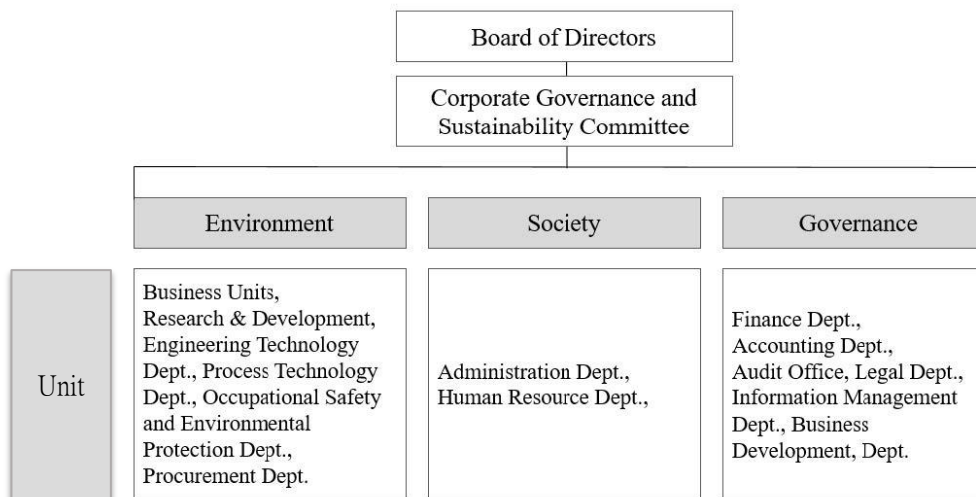
Other items to be recorded:

- I. Operation of the Nomination Committee in 2024, including meeting dates, sessions, agenda, and resolutions of the Nomination Committee, as well as the Company's actions in response to the opinions of the Nomination Committee:

Date of Meeting	Proposal	Resolution of the Nomination Committee	The Company's response to the opinions of the Nomination Committee:
2024.03.07 1st Meeting of the 1st Nomination Committee	1. Performance evaluation for the Board of Directors in 2023	Passed without dissenting opinion	Approved by the Board of Directors
	2. Continuing education plan for directors	Passed without dissenting opinion	Approved by the Board of Directors

2024.11.07 2nd Meeting of the 1st Nomination Committee	1. Evaluation Results on the Effectiveness and Performance of the Board of Directors of External Organizations.	Approved by all the Committee present.	Approved by the Board of Directors
2024.12.23 3rd Meeting of the 1st Nomination Committee	1. Amendment to the Nomination Committee Charter.	Approved by all the Committee present.	Approved by the Board of Directors
	2. Deliberation of managerial officers due to job adjustments of the Company.	Approved by all the Committee present.	Approved by the Board of Directors
	3. Proposal on the promotion review of managerial officers of the Company.	Approved by all the Committee present.	Approved by the Board of Directors
<p>II. If the Board of Directors rejects or amends the suggestions of the Nomination Committee, the date and session of the Board meeting, contents of the proposal, and resolution of the Board of Directors as well as the Company's response to the opinions of the Nomination Committee shall be stated: None.</p> <p>III. If members of the Nomination Committee has any dissenting opinion or qualified opinions on the resolutions of the Nomination Committee, where such opinions are documented or issued through written statements, the date and session of the meeting of the Nomination Committee, resolutions, all the members' opinions and handling of these opinions shall be stated: None.</p>			

(V) Implementation of the promotion of sustainable development and the differences and reasons from the Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies:

Promotion Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary	
I. Does the Company set up a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to handle the senior management, and the Board of Directors' supervision?	V		<p>1. Structure of Corporate Governance and Sustainable Development Committee:</p>  <pre> graph TD A[Board of Directors] --> B[Corporate Governance and Sustainability Committee] B --> C[Environment] B --> D[Society] B --> E[Governance] C --> F["Business Units, Research & Development, Engineering Technology Dept., Process Technology Dept., Occupational Safety and Environmental Protection Dept., Procurement Dept."] D --> G["Administration Dept., Human Resource Dept.,"] E --> H["Finance Dept., Accounting Dept., Audit Office, Legal Dept., Information Management Dept., Business Development, Dept."] </pre> <p>Unit</p> <p>2. The Corporate Governance and Corporate Social Responsibility Committee was established in November 2021 (where the Board of Directors passed a resolution to</p>	Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies without deviations

change its name to "Corporate Governance and Sustainable Development Committee" on March 11, 2022).

- (1) Current term of office (2nd term): June 23, 2022 to June 22, 2025
- (2) There are 7 members in the current committee, with the Chairman of the Board of Directors as the convener and the other members consisting of 4 independent directors, the President and the Chief Executive Officer. The committee members, each with environmental, social or corporate governance expertise, meet at least once a year to review the risk assessment of environmental, social or corporate governance issues related to the Company's core operations, formulate relevant management policies or strategies, and promote sustainable development in a purposeful, systematic and organized manner.
- (3) In the current year, the Corporate Governance and Sustainable Development Committee held 2 meetings (A), and the attendance of the members is as follows:

Title	Name	Number of Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) [B/A] (Note)	Remark
Convener	Kao, Kuo-Lun	1	1	50%	None
Committee Member	Hung, Lee-Jung	2	0	100%	None
Committee Member	Chen, I-Heng	2	0	100%	None
Committee Member	Lo, Li-Chun	2	0	100%	None
Committee Member	Lu, Gin-Cheng	2	0	100%	None
Committee Member	Mao Hui-Kuan	2	0	100%	None

				Committee Member	Chu Jui-Hsin	2	0	100%	None																			
			Note: Actual attendance rate is disclosed in the table above as of December 31, 2024.																									
			3. Supervision by the Board of Directors:																									
			(1) Content of the Proposal by the Committee																									
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			(2) The Board of Directors provides recommendations and reviews the likelihood of achieving strategic objectives and future action plans. The management team will initiate specific actions upon approval by the Board of Directors. The Board of Directors will regularly review the progress of the strategies and urge the management team to make adjustments as necessary.																									
			4. Specific promotion plans and implementation results:																									
			(1) The Company's ranking was at the top 21%-35% range in the 2024 Corporate Governance Evaluation. With an A rating in MSCI, improved its S&P, Global score and a drop in Sustainalytics ESG risk, the Company continued to be included as a constituent of the Taiwan Sustainability Index.																									
			(2) The Company gathers the power of stakeholders in combination with our own																									

			expertise and resources, and then gives back to society with a law-abiding, trustworthy and ethical corporate culture. At the same time, the Company encourages our employees to engage in CSR with concrete actions, in hopes of co-creating a better society.																	
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to the business operations and formulate relevant risk management policies or strategies based on the materiality principle?	V		<div>Refer to the materiality principle in the GRI Standards for assessments and policy responses.</div> <table><tr><th>Dimension</th><th>Evaluation Item</th><th>Future direction & plan</th></tr><tr><td rowspan="6">Environment</td><td>Unit energy consumption</td><td>Based on the average unit consumption of various energy resources (process electricity, thermal energy, and total water intake) from 2016 to 2020, we have an average decrease of 1.5% every year since 2021.</td></tr><tr><td>Number of uses per drop of water</td><td>Use each drop of water more than 2.0 times by 2030.</td></tr><tr><td>Carbon intensity (Physical strength)</td><td>Reduce carbon emissions per unit of product by 1.5%, with 2020 as the base year.</td></tr><tr><td>Carbon intensity (Economic strength)</td><td>Reduce carbon emissions per unit of revenue by 3%, with 2020 as the base year.</td></tr><tr><td>Cumulative carbon emission reductions</td><td>Our total global carbon emission will lower by 3% every year compared to the 2020 level.</td></tr><tr><td>Renewable</td><td>Gradually increase the use of renewable energy, with 2020 as</td></tr></table>	Dimension	Evaluation Item	Future direction & plan	Environment	Unit energy consumption	Based on the average unit consumption of various energy resources (process electricity, thermal energy, and total water intake) from 2016 to 2020, we have an average decrease of 1.5% every year since 2021.	Number of uses per drop of water	Use each drop of water more than 2.0 times by 2030.	Carbon intensity (Physical strength)	Reduce carbon emissions per unit of product by 1.5%, with 2020 as the base year.	Carbon intensity (Economic strength)	Reduce carbon emissions per unit of revenue by 3%, with 2020 as the base year.	Cumulative carbon emission reductions	Our total global carbon emission will lower by 3% every year compared to the 2020 level.	Renewable	Gradually increase the use of renewable energy, with 2020 as	Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies without deviations
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				energy	the base year.
				Scope 3 total emissions	The baseline year is 2021, with a gradual annual reduction in Scope 3 emissions.
				Wastewater discharge	Reduce wastewater discharge, with 2020 as the base year.
				Waste reuse rate	Increase business waste reuse rate.
				Commitment to R&D of green products	Achieve a sales revenue of NT\$9.84 billion (19%) and an annual growth rate of 5%, with 2021 as the base year. 1.High solid content 2.Water-based products 3.Light-curing radiation 4.Thermoplastic composite materials 5.Green energy/energy-saving products (solar energy, wind power generation, LED materials)
				Substituting hazardous substances with safer alternatives	Minimize the utilization of chemical raw materials that are of high concern. 1.Base Year: 2021 Purchase 4,600 tonnes (7,280 ppm) of substances of very high concern (SVHC) along with an annual reduction of 5%. 2.New raw materials do not contain any SVHC.
			Society	Human rights	Implement the "Eternal Human Rights Policy" and the International Human Rights Code, and the International Labour Organization's "Core Treaty on Labor Standards Protection"
				Talent Attraction and Retention	*Establish an overall human resource policy (cultivation, employment, retention) that is flexible and in line with management benefits.

					<ul style="list-style-type: none"> *Conduct resignation interviews to confirm resignation factors as a reference for improving internal systems and policies *Carry out a group engagement survey every two years, and implement the strengthening plan accordingly. 	
				Training and development	<ul style="list-style-type: none"> *Establish various functional training systems and institutions, so that each function can cultivate various functional professionals according to their needs. *Establish and promote digital learning platforms and mechanisms. *Encourage professionals to study independently, and provide opportunities in terms of external training, exhibition participation, overseas seminars, foreign language subsidies, various professional certificates, etc. according to work needs. 	
				Social Welfare	<ul style="list-style-type: none"> *It is an important business philosophy of Eternal to “give back what is taken from society” by supporting charitable activities. *After a long period of observation of the development of society and the regions, Eternal has become convinced that “education” and “culture” are the best ways to generate positive energy for society. These areas could also benefit the most from companies' support and assistance, particularly rural areas and disadvantaged groups. 	
			Governance	Transporter management	<ul style="list-style-type: none"> *Transporter evaluation *Legal compliance 	
				Supplier management	*Promotion of supplier code of conduct	
				Supplier CSR assessment	*Conduct surveys and compile statistics on whether major suppliers of raw materials have implemented carbon reduction measures	
				Customer	Ensure the quality of the Company's products and services,	

				relations	establish a client-oriented quality system, and adopt integrated marketing and strategic management to put together resources to meet clients' requirements. The Company is committed to technological development and improvement, developing more excellent products, and serving the community based on the principles of "quality, reputation, innovation, and service" to achieve sustainable development and create leading technology. With a broad global vision, we have striven to develop key global markets to become a world-class material supplier.	
				Build a safe workplace	Establish a risk-controlled environment and operation, provide a work environment free of injuries and accidents, and continuously optimize and effectively implement the occupational safety and health management system.	
				Build a safety culture and workplace environment	Instill the attitude of rejecting uncontrollable risks in employees, and the risk concepts of "only by knowing dangers, can we avoid them" and "prevention first".	
				Effectiveness of the Board of Directors	<ul style="list-style-type: none"> *Operation of the Board of Directors and Functional Committees *Performance Evaluation for the Board of Directors and functional committees *Independence and Diversity of Board Members 	
				Information Transparency	<ul style="list-style-type: none"> *Operation of shareholders' meetings (via various channels such as annual report, official Website, MOPS, etc.) *Implementation of dividend policy *Maintain and strengthen investor relations *Disclose ESG information and execute Corporate Governance Roadmap 3.0 	

			Legal Compliance	*Implement in response to regulatory requirements	
III. Environmental Issues					
(I) Has the Company established a suitable environmental management system based on its industrial characteristics?	V		(I) The Company has always paid high attention to environmental protection. It has implemented an environmental management system in accordance with ISO 14001 international standards. After obtained ISO 14001 environmental management system certification in 1999. In 2017, the Company further received ISO 14001:2015 revisited edition of certification, and continued to carry out annual verification through third-party certification organization, with certificate valid until July 22, 2026. In 2022, the inventory and external verification were carried out under the ISO 14064-1:2018 organizational greenhouse gas inventory standard, and the Company will conduct the inventory and verification annually.		Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(II) Does the Company endeavor to utilize all resources more efficiently and use renewable materials that have low impact on the environment?	V		(II) The Company develops source management measures such as raw material reduction through green production technology, and is committed to the R&D of green products and green energy industry products to design application materials with low energy consumption, low pollution and high efficiency. In addition to source management, it is also actively involved in recycling and economic use of waste as a substantial action to get engaged in environmental greening as an enterprise. In accordance with the regulations of the Bureau of Energy, Ministry of Economic Affairs, the Company has set a target of 1% electricity saving per year based on the total electricity consumption in 2014 and will monitor it.		
(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures	V		(III) The climate change will bring potential risks and opportunities for the business now and in the future. In 2022, the Company started the TCFD (Climate Related Financial Disclosures) expert guidance disclosure program, which could provide an overall assessment and analysis of the risks and opportunities posed by climate change to the Company, as well as measures to address them. The Company conducts an annual assessment and publishes the TCFD report each year.		

<p>with respect to these issues?</p> <p>(IV) Does the Company calculate the amount of greenhouse gas emissions, water consumption, and waste production in the past two years and implement policies to cut down energy and water consumption, carbon and greenhouse gas emissions, and waste production?</p>	V		<p>(IV) Since 2005, the Company has been conducting annual inventory of greenhouse gas emissions, and has asked a third-party verification organizations (Bureau Veritas Certification (Taiwan) Co., Ltd.(BV)) to conduct verification each year; implemented ISO 14064-1:2018 Scope 1 to Scope 3 the inventory and third-party verification according to the revision of the ISO 14064-1:2018 greenhouse gas inventory standard in 2021; and regularly conducted the greenhouse gas inventory for the group every year. The 2022 greenhouse gas emissions inventory has been completed.</p> <p>In addition, in accordance with the regulations of the Environmental Protection Administration, three applications for greenhouse gas reduction offset projects (Lu-Chu Factory and Ping-Nan Factory) have been made for the reduction of carbon offset. Statistics, reporting (reporting to the competent authority), and disclosure (such as ESG report) will be completed for water consumption, air pollution discharge, waste sewage discharge, and waste output. The policy implementation results of various energy conservation, carbon reduction and environmental issues will be regularly reviewed and continuously improved in the plants and the Group.</p> <p>On November 5, 2021, the Company established the Corporate Governance and Sustainable Development Committee, which is chaired by the Chairman of the Board of Directors and headed by the President of the Executive Unit, with each unit responsible for the E (environmental), S (social) and G (governance) initiatives, including regular monitoring of all the above environmental management issues.</p>	
<p>IV. Social issues</p> <p>(I) Did the Company establish management policies and procedures following relevant regulations and international human rights treaties?</p>	V		<p>(I) The Company has published the Eternal Materials Co., Ltd. Human Rights Policy in compliance with internationally recognized human rights standards, such as the International Bill of Human Rights and the International Labor Organization's Core Labor Standards Protection Convention, and also disclosed it on the Company's website (https://www.eternal-group.com/WebData/Director02). Other rules and regulations concerning employment, attendance, leave, rewards and punishments, etc. also provide for protection and prevention measures with respect to child labor, female labor, forced labor, and avoidance of discrimination.</p>	<p>Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed</p>

<p>(II) Does the Company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)?</p>	<p>V</p>	<p>With a commitment to safeguarding labor rights, the Company has not only rolled out and implemented the internal control and inspection system, but also continues to conduct training related to human rights protection for both new and existing employees. In 2024, the total number of human rights training hours in Taiwan was 503 hours, with an average of 0.3 hours of training for each trainee; whereas the total number of human rights training hours in Mainland China was 464.9 hours, with an average of 0.2 hours of training for each trainee. The number of total training hours in Malaysia was 99.98 hours, or 0.4 hours per trainee. We also increase awareness of human rights protection through the announcement of the Eternal Human Rights Policy on the official website. We will continue to implement relevant training activities to protect labor rights and interests.</p> <p>(II)</p> <ol style="list-style-type: none"> 1. To attract and retain the best talents, and reward colleagues for creating performance and long-term contributions, Eternal Materials Co., Ltd. conducts salary surveys every year to measure the market's salary level and overall economic indicators. Appropriate adjustments have been made to the overall salary policy. For example, the annual salary adjustment and the perfect promotion system, etc. Various reward systems have been made to encourage colleagues with superior performance, e.g. R&D bonuses, patent bonuses, business bonuses, production bonuses, performance bonuses, year-end bonuses, annual performance bonuses, employee compensation, and the award of long-term employee bonuses, exemplary employees, etc. These incentives are implemented without preferential treatment or discrimination on gender, age, race, nationality, religion or political stance. 2. Diversity and Equality in the Workplace We believe in the value of localization and diversity in the workplace, and we continue to develop our business under the premise of mutual tolerance and fair treatment of all employees, with the advantage of local and diverse integration. Due to the characteristics of the manufacturing industry, the proportion of male employees is higher (23% of all employees are female), but there is still a significant proportion of female supervisors (16.5%), and the system of hiring, promotion, 	<p>Companies without deviations.</p>
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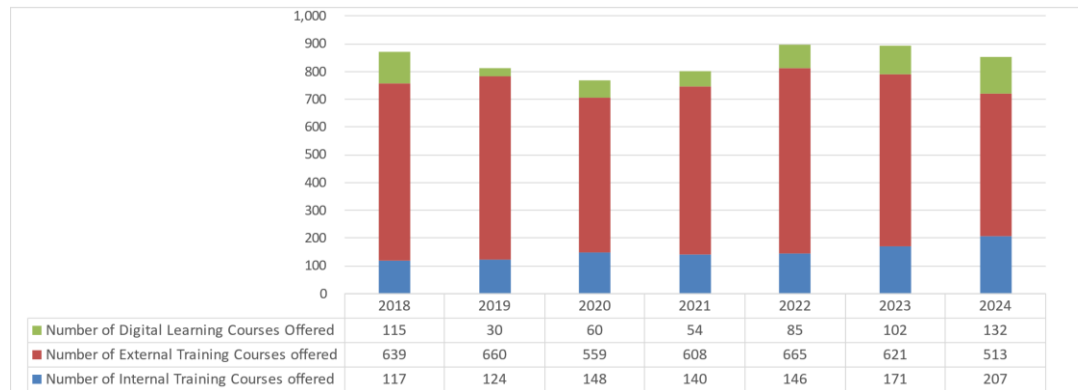
		<p>performance appraisal, and salary of human resources at Eternal is not affected by gender.</p> <p>The Company has established the "Procedures for Workplace Grievances" to build employee grievance channels and related communication channels for workplace diversity and fair treatment of employees.</p> <table><tr><td>Employee Category</td><td>Basic Salary (Female:Male)</td><td>Remuneration (Female:Male)</td></tr><tr><td>Managerial positions</td><td>1 : 0.99</td><td>1 : 1.04</td></tr><tr><td>Professional roles</td><td>1 : 1.10</td><td>1 : 1.10</td></tr><tr><td>Direct labor</td><td>1 : 0.97</td><td>1 : 0.99</td></tr></table> <p>3. In accordance with the Company's Articles of Incorporation, the Company shall contribute 4.5% (inclusive) to 5.5% of the profit, if any, to the employees' remuneration in accordance with the current year's final settlement.</p> <p>4. The Company's benefit system is hereby introduced as follows:</p> <table><tr><td>Economic benefits</td><td><p>Insurance plan</p><p>1. Company: We provide employees with coverage of labor and health insurance, employer's liability insurance, and group accident insurance starting on the first day of employment.</p><p>2. Welfare Committee: To provide group insurance for employees, including term life insurance and cancer medical insurance; and employees can increase the level of insurance or add coverage for their families according to their needs</p><p>3. We also provide a comprehensive insurance package to expatriates, including travel insurance and local medical insurance.</p><p>Pension system</p><p>1. The Company complies with relevant laws and regulations and deposit reserves in the statutory pension account</p><p>2. Voluntary retirement with terms superior to those specified in the laws: "Employees who have served at the Company for 20 years or</p></td></tr></table>	Employee Category	Basic Salary (Female:Male)	Remuneration (Female:Male)	Managerial positions	1 : 0.99	1 : 1.04	Professional roles	1 : 1.10	1 : 1.10	Direct labor	1 : 0.97	1 : 0.99	Economic benefits	<p>Insurance plan</p> <p>1. Company: We provide employees with coverage of labor and health insurance, employer's liability insurance, and group accident insurance starting on the first day of employment.</p> <p>2. Welfare Committee: To provide group insurance for employees, including term life insurance and cancer medical insurance; and employees can increase the level of insurance or add coverage for their families according to their needs</p> <p>3. We also provide a comprehensive insurance package to expatriates, including travel insurance and local medical insurance.</p> <p>Pension system</p> <p>1. The Company complies with relevant laws and regulations and deposit reserves in the statutory pension account</p> <p>2. Voluntary retirement with terms superior to those specified in the laws: "Employees who have served at the Company for 20 years or</p>
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			<p>more may apply for voluntary retirement."</p> <p>3. The Company provides preferential retirement plans to employees with a certain number of years of service. They can apply for preferential retirement within a certain period of time and are eligible for preferential pension after approval.</p> <p>Travel subsidies for senior employees: We provide travel subsidies to reward senior employees for their long-term contributions to the Company after they reach the prescribed length of service.</p> <p>Employee mutual aid fund: The Company has set up an employee bereavement mutual aid fund with the intention of encouraging employees to help each other in times of need.</p> <p>Year-end bonus and performance bonus: The Company provides year-end bonus and performance bonus to reward employees for their contributions to the Company's operating performance. The Company has not implemented any employee stock ownership plan.</p> <p>Regular health examination</p> <p>Meal subsidies</p> <p>Birthday gift, and bonuses for four festivals</p> <p>Emergency relief and subsidies: The Welfare Committee handles applications for funeral subsidy, marriage subsidy, childbirth subsidy, new home completion subsidy, and hospitalization subsidy.</p> <p>Scholarships for employees and their children: The Employee Welfare Committee provides scholarships to motivate current employees and their children to study.</p>	
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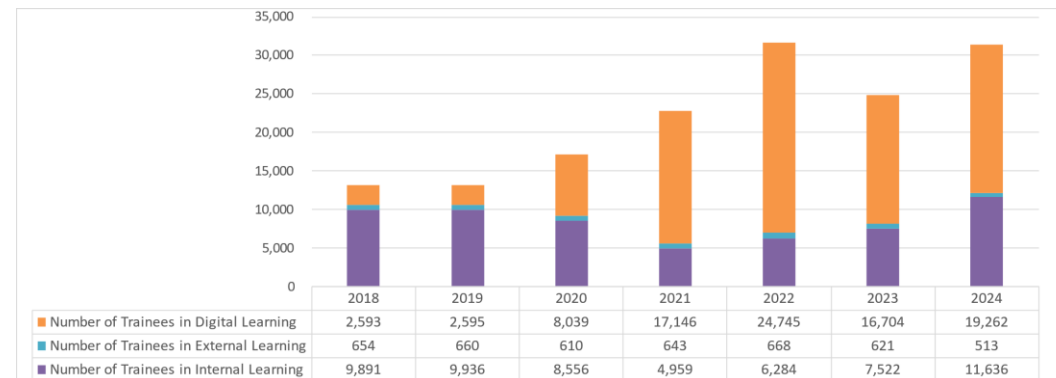
			<p>Work-hour Benefits</p> <p>Vacation leave for senior employees: We provide travel leave to reward senior employees for their long-term contributions to the Company after they reach the prescribed length of service.</p> <p>Travel leave for employees: one-day leave every two year</p> <p>Paid leave</p> <p>Unpaid parental leave</p> <p>Menstrual leave, maternity leave, paternity leave, pregnancy checkup leave, and family care leave</p>	
			<p>Facility benefits</p> <p>Employee cafeteria</p> <p>Employee dorm</p> <p>Library</p> <p>Commuting vehicles</p> <p>Café</p>	
			<p>Other benefits</p> <p>Employee travel subsidiaries</p> <p>Club activities</p> <p>Year-end party</p> <p>Language training subsidies</p> <p>Company winter coat</p> <p>Cultural and recreational activities: Family day, Annual softball tournament, etc.</p> <p>Arts and cultural activities: The Company organizes seminars on culture and humanities from time to time.</p> <p>Awards for long-serving employees: We award medals and commemorative gold coins to employees who reach the prescribed length of service and meet the eligibility criteria.</p> <p>Recognition of model employees: We recognize employees for their outstanding performance and regard them as role models.</p>	

(III) Does the Company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	V	<p>(III)</p> <ol style="list-style-type: none"> <li data-bbox="741 196 1919 890">1. The Company is an enterprise that engages in the production of a variety of materials, such as synthetic resins, specialty chemicals, electronic chemicals, and semiconductor materials. In order to protect the rights and interests of stakeholders and safeguard the safety and health of workers, the Company has formulated occupational safety and health policies according to our organizational culture and social trends, with a view to creating a comfortable, safe, and healthy workplace for all employees. The Company has adopted and integrated the ISO 45001 Occupational Safety and Health Management Systems standards into our operations management system. For sites and activities under the Company's control, all our employees and vendors are required to attend safety and health education training conducted at each plant and pass the relevant tests before they are allowed to carry out operations on site. Annual education and training programs at each manufacturing site are formulated according to safety management performance, and conducted with the aim of providing relevant safety and health training. The content of training courses in these programs covers topics concerning workplace environment, health, and safety, such as personal protective equipment (PPE), risk assessment on manufacturing processes, emergency response in factories, as well as regulatory requirements for ergonomics. Operators who have yet to obtain the certificates required by law, or the qualification certificates designated by Eternal may not engage in relevant operations. <li data-bbox="741 898 1919 1262">2. In order to build a safe working environment, the Company ensures that our Kaohsiung office and manufacturing sites comply with the ISO 45001 Occupational Safety and Health Management Systems standards while continuously making improvements in response to occupational safety and health management issues under the framework of our existing management system. The Company engages a third-party organization to review whether the validation of our ISO 45001-based management system deviates from the PDCA cycle on an annual basis. On June 9, 2023, the Company carried out an extended validation of our system, whose certificate remains valid until August 2, 2026. The scope of our ISO 45001-based management encompasses workers who perform work activities under strict control. <li data-bbox="741 1270 1919 1367">3. In 2024, eight incidents of incapacitating injuries involving both male and female employees were reported across our manufacturing sites, resulting in injuries to 5 male employees. Specifically, the ratio of the number of incapacitating injuries to the 	Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies without deviations
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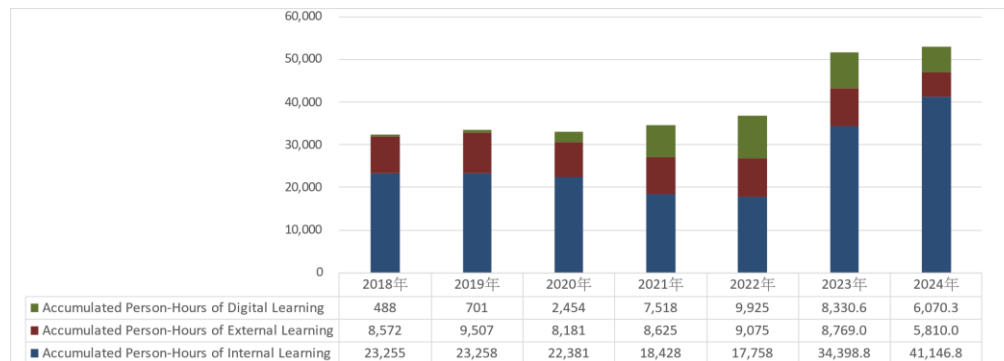
			<p>total number of employees across the Company was 0.0019. The types of incidents include accidental falls of observation equipment, collisions involving forklifts, personnel falls due to uneven ground, drops during pipeline replacement, splashes of chemicals during water quality testing, sprains while walking on construction sites, cuts from finished product packaging, and splashes from material handling. We make improvements by using a system to analyze and identify the causes of the accidents in accordance with management requirements. The injured employees will be taken care of and allowed to return to their work.</p> <p>4. During the activation of pollution control equipment at the Da-Fa Plant in 2024, the failure to implement the ignition procedure led to a gas explosion incident; however, no injuries were reported.</p>	
(IV)Does the Company establish effective career development and training plans for its employees?	V		<p>(IV)The Company plans different training courses for different personnel (new recruits, general employees, management personnel). For new recruits, the Company sets up "Induction Training", "New Staff Training", "Factory Tour", department OJT, etc.; general staff are divided into sales type, R&D type, manufacturing quality type, etc.; management personnel are divided into grassroots management, middle management and advanced management, high-level management, business management, and the Company provides relevant internal and external training courses every year according to needs. Overseas managers are also provided with relevant training resources and targeted training courses. For the key personnel to be cultivated, the Company sets up separate personal development plans and mentors to complete the training plan.</p> <p>The figures below present the Company's achievements concerning various training courses conducted in 2024:</p> <p>1. The Company conducted a total of 852 courses, which 42 courses less than the 894 courses conducted in 2023.</p>	



2. The number of trainees attending various training courses was 31,411 people, which far exceeded the number in 2023, due chiefly to an incline in the number of trainees attending in digital learning or internal training courses.



3. In terms of total man-hours, the accumulated overall man-hours reached 53,027, with internal training man-hours also continuing to grow, thereby maintaining a historical high.



- (1) External training: As our employees conducted planning of training and obtained environmental safety certifications to enhance their professional competencies or as required by law, the Company reported 513 training courses, which were attended by 513 people who underwent 5,810 hours of training in total. 47.79% of the training course fees were primarily spent on industrial and environmental courses, including courses on obtaining legal licenses for on-site workers, process safety courses, and seminars related to environmental safety.

	Category	Number of Courses	Number of trainee	Person-hours (Number of trainees * Training hours)	Training Fees Reimbursed	Travel Expenses Reimbursed	Total	Total Expenses	Main Courses	Outcomes
External Training Course	Management	92	92	895.00	522,136	129,370	651,506	23.86%	Key skills for industry analysis, establishment of high-performance team coaching workshops, Hogan Assessments Certification Workshop, Certified professional in corporate sustainability management training program, and ongoing education for accounting supervisors in accordance with legal requirements	<ul style="list-style-type: none"> Management skills training for supervisors Met the government's requirements on the number of continuing training hours per year for professional personnel Enhanced professional competencies
	Work environment	321	321	4,005.00	1,003,088	301,507	1,304,595	47.79%	Emergency Responders of the Toxic and Concerned Chemical Substances Training, Class A Wastewater Treatment Personnel Training, Class B Indoor Wiring Training, classes for obtaining Class B Chinese cuisine chefs, Type 1 Pressure Vessel Operator Training, Forklift Operator Training, etc.	<ul style="list-style-type: none"> Complied with environmental safety regulations. Mastered new knowledge and acquired industry experience through observation

External Training Course	R&D	59	59	470.00	364,562	96,238	460,800	16.88%	Biotechnology Product Fermentation Technology Talent Training Program; 3rd High-Performance Coating Forum for Battery Manufacturing; 2024 7th Asian Adhesives Conference Courses & Activities; 27th China Adhesives and Tape Industry Association; 2024 Global Tape Forum and Tape Training Program	<ul style="list-style-type: none"> ☉ Mastered industry trends and acquired new technical knowledge ☉ Enhanced the technical capabilities of R&D personnel. ☉ Explored new market opportunities or new technological opportunities
	Information	2	2	84.00	44,210	-	44,210	1.62%	Network Security Packet Analysis Certification Course: STEM and Sustainable Development Talent Development [AI ChatGPT and Knowledge Graph Practical Course]	<ul style="list-style-type: none"> ☉ Mastered and acquired new information technology knowledge ☉ Enhanced the professional competencies of personnel
	Technology	37	37	304.00	172,709	85,235	257,944	9.45%	Explosive-Proof Electrical Supervision and On-Site Inspection Practical Training Course; Application of Mold Flow Analysis Technology (CAE) for Mold Design and Analysis; PwC ESG Courses; ISO 14068 Carbon Neutrality Internal Auditor Training Course	<ul style="list-style-type: none"> ☉ Mastered new knowledge of manufacturing technologies in the industry ☉ Enhanced the professional competencies of manufacturing process personnel ☉ Industry observation
	Language	2	2	52.00	11,000	0	11,000	0.40%	Japanese Language Course, Employee Training in Foreign Language Learning - English	<ul style="list-style-type: none"> ☉ Enhanced communication skills in conversations across different languages
	Total	513	513	5,810.00	2,117,705	612,350	2,730,055	100.00%		
<p>(2) Internal training: In line with the Company's strategic development focus and safety contingency, the Human Resources Department and various units have collaboratively planned and completed multiple important training courses. These courses include managerial skills training (HPM), which utilizes internal supervisors as instructors to facilitate knowledge transfer and continuous development of mid-level management executives. To navigate the post-pandemic era after 2024, market scale statistics and inference are leveraged to effectively strengthen the understanding and estimation abilities of business personnel regarding market scale definitions, enabling them to distinguish between potential market, available market, and target market. Additionally, practical exercises such as fire extinguishing, emergency reporting, evacuation guidance, and drills have been conducted to raise colleagues' awareness and preparedness for daily fire prevention and disaster prevention. In addition to the planned fire brigade training and Tianliao fire drill, the Company added emergency response commander training, with a total of 10 sessions and 707 participants completing the training. Overall, a total of 207 training courses were conducted in 2024, accumulating 41,147 training hours and benefiting a total of 11,636 trainees. 48.79% of the fees were used primarily for management-related</p>										

courses.

Category	Number of Courses	Number of trainees	Person-hours (Number of trainees * Training hours)	Expenses Reimbursed	Total Expenses	Overall Course Satisfaction	Main Courses	*Single Course Satisfaction	Outcomes
Management	53	2,506	25,897	750,816	48.79%	4.7	Management Skills Training for Supervisors (HPM)	4.8	<p>→This course was specifically conducted for newly appointed by the Company's internal instructor for newly appointed department-level or section-level supervisors.</p> <p>→The themes of this course comprise five units: the role and responsibilities of supervisors, daily work management, subordinate development and coaching, building an excellent team, as well as leadership and motivation.</p> <p>→This course is mandatory for department-level supervisors at the Company.</p> <p>→A total of 20 persons completed 444 person-hours of training.</p>
							Market Size Statistics and Inference	4.4	<p>→For colleagues in the sales department, the course clearly defines and estimates market size, aiding their understanding of the distinctions between potential market, effective market, target market, and obtainable market. Furthermore, it utilizes the Pyramid Principle and MECE method.</p> <p>→A total of 31 persons completed 124 person-hours of training.</p>
							FMEA Training Course	4.6	<p>Understand how to conduct preliminary analyses of various components of products/processes to identify and evaluate potential failure modes and their causes/mechanisms. Determine the likelihood of occurrence and the extent of their impact on the system, in order to implement preventive measures and address potential issues.</p> <p>→A total of 232 persons completed 2121 person-hours of training.</p>
							Training within Industry (TWI) for Supervisory Personnel	4.9	<p>→The course is divided into three units: JI, JM, and JR. It offers a step-by-step learning experience for frontline supervisors, covering skills instruction, job decomposition, work improvement, and work relationship management, with the aim of providing managers with a comprehensive foundation through this training.</p> <p>→A total of 28 persons completed 336 person-hours of training.</p>
Work environment	123	8,781	14,423	415,603	27.01%	4.6	Certification Retraining Programs	-	<p>→In order to comply with government regulations, the Company conducted retraining programs for various certifications, including first pressure vessel, forklift operation, organic solvent handling, first aid personnel, oxygen deficiency operation, and operators of a crane for lifting operations.</p> <p>→A total of 13 exclusive classes have been completed, with 409 people undergoing training.</p>
							Fire Training and Emergency Response	4.7	<p>→Promoted the Tianliao fire drill and emergency response to enhance employees' understanding of fire rescue and evacuation procedures through this course.</p> <p>→A total of 10 courses were completed, with 707 people undergoing training.</p>
							Health seminars at various plants	4.7	<p>→The topic includes strengthening muscle metabolism, the latest information on vaccines, and ways to stay away from cancer and pneumonia, etc.</p> <p>→A total of 16 courses were completed, with 880 people undergoing training.</p>
							Safety awareness campaigns	4.7	<p>→The topics include supervision, MOC, chemical management, and regulatory compliance.</p> <p>→A total of 93 courses were completed, with 6785 people undergoing training.</p>

Internal Training Course								JMP and DOE Design Training Course	4.8	→Enhance the capabilities of research and process personnel in experimental design and data analysis through training, particularly in mastering the use of JMP software." →A total of 27 persons completed 300 person-hours of training.
	R&D	5	86	501	155,500	10.10%	4.7	Training on the preparation of verification and registration documents for the design and development of rapid screening products for dengue virus antigens, as well as on computer simulation and experimental analysis of the self-assembly of bis-urea molecules in polyester resin systems and their microstructures.	4.6	→Invited academic and industry experts to share and explain new technological developments and market trends, which contributed to the advancement of technology and materials →A total of 2 courses were completed, with 39 people undergoing training.
	Information	2	43	107	0	0.00%	4.4	Information Security Promotion (Mid to Senior Management) - Service Management and Information Security	4.2	→Raised supervisors' awareness of information security and their response strategies. →A total of 2.5 courses were completed, with 42 people undergoing training.
	Technology	23	220	219	4,288	0.28%	-	MI Project Internal OJT Course	-	→Company MI Project Promotion: Instrument and Equipment Calibration, Tanker Truck Shipment, Cooling Water System, Waste Liquid Furnace Operation →A total of 23 courses were completed, with 220 people undergoing training.
	Language	1	0	0	212,744	13.82%	-	Stand Out: Conversational Everyday-Life English	-	The Stand Out online course for conversational English is officially launched on the LMS system. Classes can be taken on the LMS, and promotion will take place in 2025.
	Total	207	11,636	41,147	1,538,951	100.00%	*Note: Satisfaction is rated on a scale of 5 points.			

(V)To ensure and uphold customer health, safety, and the overall quality of services provided, the Company operates and manages its relevant systems and procedures in accordance with internationally recognized standards, including ISO 9001 (Quality Management System), ISO 14001 (Environmental Management System), and ISO/CNS 45001 (Occupational Health and Safety Management System). A dedicated Quality Assurance Manual has been established to support these efforts.

With respect to the management and sale of chemical products, the Company ensures full compliance with the regulatory frameworks of various jurisdictions, such as the European Union’s REACH Regulation, the European Chemicals Inventory (EC Inventory), China’s Inventory of Existing Chemical Substances (IECSC), and Japan’s Existing and New Chemical Substances Inventory (ENCS).

Each business unit convenes regular meetings—such as production and marketing

(V)Does the Company follow relevant laws and regulations and international standards, and formulate relevant

consumer protection policies and complaint procedures with regard to customer health and safety, customer privacy, marketing and labeling of products and services?			<p>coordination meetings, as well as business and technical meetings—to address issues related to product quality, marketing strategies, and product labeling. A formal Customer Complaint Handling Procedure has been instituted to enable timely and effective resolution of customer feedback and concerns.</p> <p>Furthermore, the Company has established a dedicated stakeholder section on its official website, allowing consumers to submit complaints or inquiries at any time via telephone, written correspondence, or email.</p>	
(VI) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	V		<p>(VI)</p> <ol style="list-style-type: none"> 1. For supplier management, there is a "supplier evaluation procedure" for annual evaluation. Suppliers are required to sign a "supplier code of conduct", which includes labor, health and safety, environment, ethics, and integrity. In terms of quality assurance and procurement, the Company also carries out irregular on-site audit on the production, quality management, safety, environment and health issues of existing suppliers. Most of the suppliers are long-term cooperative manufacturers. If the existing suppliers are found to have a major negative impact on issues such as environment, labor conditions, human rights and society, the Group can change the source of supply from the next month (quarter). 2. Annual written evaluation of suppliers in the first quarter of each year will be conducted according to the size of annual usage (divided into four levels: over 5000 tonnes, 1000-5000 tonnes, 100-1000 tonnes, and below 100 tonnes). The raw material suppliers are evaluated based on the representative raw materials (5 items each) selected at each level. <ol style="list-style-type: none"> (1) The evaluation results will be categorized as Grade A: 90 points or more; Grade B: 75-89 points; Grade C: 60-74 points; and Grade D: less than 60 points. (2) Suppliers rated C will be required to make improvements and procurement from such suppliers shall be reduced. Procurement from those rated D shall be suspended and will only resume the procurement after they have made improvements. 	

			<p>(3) The scoring criteria are shown in the following table:</p> <table><tr><td>■ Quality (45 points):</td><td>■ Delivery (15 points):</td></tr><tr><td>① Does it have an ISO9001 certificate (5 points)</td><td>① Does it deliver supplies on time (10 points)</td></tr><tr><td>② Whether there is an environmental safety and health management system (5 points)</td><td>② Emergency capability (5 points)</td></tr><tr><td>③ Whether an inspection form is attached (5 points)</td><td>■ Service (20 points):</td></tr><tr><td>④ Delivery quality status (30 points)</td><td>① Company requirements (10 points)</td></tr><tr><td>■ Cost (20 points):</td><td>② Supplier Code of Conduct / ESG Sustainable Development (10 points)</td></tr><tr><td>① Is its price competitive (10 points)</td><td></td></tr><tr><td>② Payment terms (10 points)</td><td></td></tr></table> <p>(4) Evaluation results in 2024: Suppliers all perform well, and no supplier is rated C or D.</p>	■ Quality (45 points):	■ Delivery (15 points):	① Does it have an ISO9001 certificate (5 points)	① Does it deliver supplies on time (10 points)	② Whether there is an environmental safety and health management system (5 points)	② Emergency capability (5 points)	③ Whether an inspection form is attached (5 points)	■ Service (20 points):	④ Delivery quality status (30 points)	① Company requirements (10 points)	■ Cost (20 points):	② Supplier Code of Conduct / ESG Sustainable Development (10 points)	① Is its price competitive (10 points)		② Payment terms (10 points)		
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V. Does the Company prepare sustainable development report and other reports that disclose non-financial information by following international reporting standards or guidelines? Has the Company received assurance or certification of the aforesaid reports from a third party accreditation institution?	V		The Company not only prepares our sustainability report based on the GRI Standards and AA1000, but also engages Deloitte & Touche, an independent third-party verification body to carry out assurance on our sustainability report according to Assurance Standard 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and obtain an assurance statement. Relevant information was disclosed on the Company's website and reported to MOPS as required by law.	Implemented according to the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies without deviations																

<p>VI. If the Company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," describe the implementation and any deviations from such principles: The Company has established "Sustainable Development Guidelines" to serve as a foundation for practicing corporate social responsibility and advancing economic, social, and environmental sustainability.</p> <p>2. Please refer to the above description for operation.</p> <p>3. There are no deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>VII. Other important information to help learn about the implementation of sustainable development: For relevant information, please refer to the operation situation and detailed report disclosed by the Company on its website:https://www.eternal-group.com/ESGReport.</p>

VIII. Climate-related Information of TWSE/TPEX-listed Companies

1. Implementation Status Concerning Climate-related Information

Item	Implementation Status
1. Describe the Board of Directors' and management's oversight and governance of climate-related risks and opportunities.	<p>1. Corporate Governance and Sustainable Development Committee</p> <p>(1) In order to implement corporate governance and sustainable development, the Company established the "Corporate Governance and Corporate Social Responsibility Committee" on November 5, 2021, as approved by the Board of Directors, and changed its name to "Corporate Governance and Sustainable Development Committee" on March 11, 2022, to assist the Board of Directors in setting sustainable development goals and strategies, identifying sustainable issues that require attention, developing action plans, tracking the effectiveness of implementation of the plans, make improvement plans, and holding at least one meeting per year to ensure oversight and governance effectiveness.</p> <p>(2) The Committee is chaired by the Chairman of the Board of Directors, with the independent directors and the President and Chief Administration Officer serving as members. The President is also the top manager of the executive departments and is responsible for coordinating and managing each department, while each department is responsible for promoting E (environmental), S (social), and G (governance) programs according to their functions, and regularly monitoring the implementation results.</p> <p>2. Governance Structure and Supervision</p> <p>(1) We also formed the Net Zero Emission Task Force under the Corporate Governance and Sustainable Development Committee to supervise our production bases around the world. The President leads the Task Force to review the measures in response to climate change issues on a quarterly basis. The task force will report directly to the Board of</p>

Directors about the result of climate change related indicators.

- (2) In accordance with the "Business Strategy and Risk Assessment Procedures," the Company conducts an annual inventory of the risks associated with climate change on business operations, and the Committee regularly reports to the Board of Directors on the risks and countermeasures of climate change on business operations. In addition, the Company has established the "Regulations Governing the Authorization of Capital Expenditures - Supplemental and Reduced Budget Amounts," which stipulates the authority to approve capital expenditures and budgetary management, and that approval by the Board of Directors is required if a certain amount is exceeded.

3. Risk and Opportunity Management

Classification and inventory shall be conducted according to the risk and opportunity categories (transition risks, physical risks and opportunities) proposed by the TCFD framework. The Corporate Governance and Sustainable Development Committee shall discuss with other departments to clarify existing measures, possible solutions, forms of obtaining quantitative financial data, feasibility and sources, and other related issues, and then compile a list of possible climate change risks and opportunities for the Company.

Procedures for identifying and evaluating risks and opportunities:

Step 1: Identification of Climate-Related Risks and Opportunities

Each department of Eternal collects background information from news sources, the internet, and events occurring in other countries or companies. In alignment with the TCFD recommendations and considering the company's specific characteristics, the analysis covers issues related to product applications, supply chain, response and mitigation measures, new product and technology development, and production operations. Based on this, the company identifies various transition risks, physical risks, and potential opportunities.



Step 2: Climate Scenario Analysis

The Company references the Sixth Assessment Report (AR6) of the Intergovernmental Panel on Climate Change (IPCC), which defines Shared Socioeconomic Pathways (SSP), as well as the International Energy Agency (IEA) report on the global energy sector's pathway to 2050 Net Zero Emissions. The Company simulates the adaptation actions and potential impacts required to address climate shocks faced by its production facilities, considering extreme climate factors that may occur in future scenarios.

1. IPCC Emission Scenarios: This analysis utilizes three climate scenarios that correspond to the 1.5°C threshold: SSP1-1.9, SSP2-4.5, and SSP5-8.5. Of these, the SSP5-8.5 scenario posits a scenario with minimal climate policies, leading to carbon emissions sufficient to generate a radiative forcing of 8.5 W/m² by the year 2100.



Step 3: Identification of Significant Risks and Opportunities

Based on the financial impact of various risks and opportunities, which is calculated by multiplying their revenue share by the expected occurrence frequency, we will classify them according to the risk-opportunity grading matrix, utilizing the score ranges for classification.

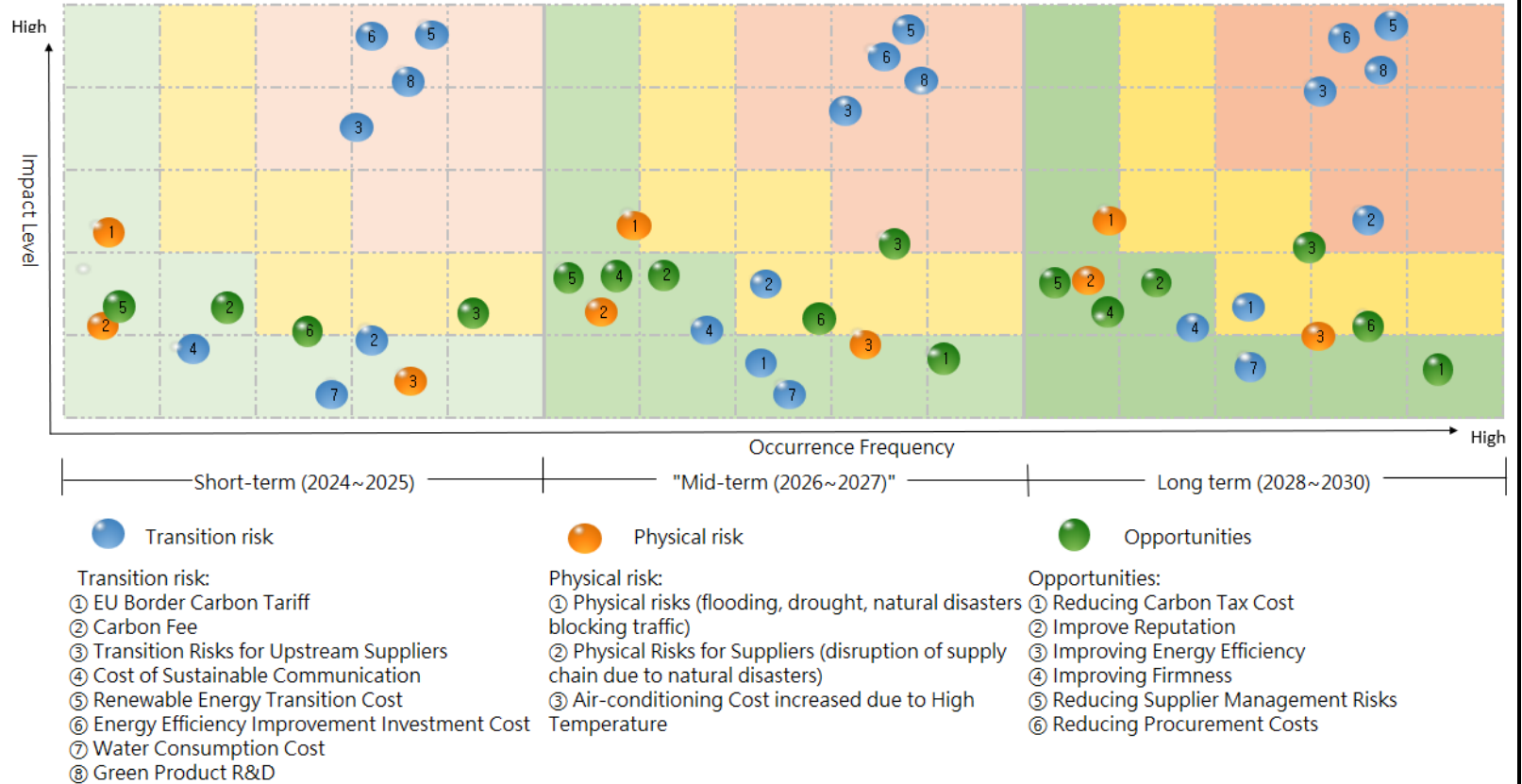


Step 4: Continuous Monitoring and Communication

Each responsible unit formulates response measures and tracking indicators for material climate-related risks and opportunities, and regularly monitors them in accordance with the risk management process to ensure effective implementation of risk control and oversight. The execution results refer to the Global Reporting Initiative (GRI) guidelines and the disclosure of sustainability-related financial information (IFRS S1/S2). These are regularly included in the annual sustainability report to ensure continuous communication with stakeholders.

	<p>In accordance with the Company's hazard identification and risk assessment procedures under ISO 14001, ISO 45001, and ISO 50001, and aligned with the TCFD framework, climate-related risks and opportunities are identified. The “Net Zero Emission Task Force” convenes cross-departmental and plant-level discussions to reach a consensus on the annual material climate risks. All potential risk impacts and opportunity issues are then reviewed and confirmed by the Corporate Governance and Sustainability Committee.</p>
<p>2. Describe how the identified climate risks and opportunities affect the Company’s business, strategies, and finance (in the short-, medium-, and long-term).</p>	<p>1. Identify short, medium, and long-term climate related risks and opportunities</p> <p>We conduct such assessments to achieve the short-term goal from 2024 to 2025, the mid-term goal from 2026 to 2027, and the long-term goal from 2028 to 2030. To address the current climate change risk opportunity issues, we will assess the level of impact and the likelihood of occurrence of these issues on our operations based on our existing measures, simulated scenarios, and the correlation with these issues to draw a risk opportunity matrix. The green area in the diagram represents a low risk and opportunity region, the yellow area represents a moderate risk and opportunity region, and the pink-orange area represents a high risk and opportunity region. Risk and opportunity response strategies will be formulated based on the score and timeline of each issue.</p> <p>(1) Short-, medium- and long-term climate risk matrix</p> <p>A. Through scenario simulations of extreme weather such as typhoons, floods, droughts, and heavy rains, the financial impacts on the Company may include impaired production capacity, increased manufacturing costs, increased risk management expenses, and decreased demand for products. Overall, extreme weather conditions have a negative impact on the finances of the manufacturing industry, necessitating strengthened risk management measures to mitigate losses caused by extreme weather.</p> <p>B. Based on the risk matrix assessment, the transformation and physical risks are associated with various risk scenarios and can lead to financial cost impacts in the short, medium, and long term.</p>

Short, medium, and long-term climate-related risk and opportunity matrix



2. Significant financial impact and strategies in the short, medium, and long term

Risk/ Opportunity	Risk Category and Opportunity	Short-term (1-3 years)	Mid-term (3-5 years)	Long-term (5+ years)
Risk	Transition risk: During the low-carbon transformation process, risks may arise due to	1. Increased investment cost due to energy equipment efficiency 2. Increase in the Costs	1. Increased investment cost due to energy equipment efficiency 2. Upstream supplier	1. Increased investment cost due to energy equipment efficiency 2. Upstream supplier transition

		changes in policies and regulations, technology, market conditions, society, and the economy.	3. of Green Energy Installation and Purchase Taiwan's Carbon Fee and International Carbon Tax 4. Increased R&D Costs for Low-Carbon Development	3. transition cost shifting Increase in the Costs of Green Energy Installation and Purchase 4. Increase in Carbon Fees and Carbon Border Tax Costs 5. Environmental and Energy Regulations Are Becoming Stricter 6. Increased R&D Costs for Low-Carbon Development	3. cost shifting Increase in the Costs of Green Energy Installation and Purchase 4. Increase in Carbon Fees and Carbon Border Tax Costs 5. Products being replaced by low-carbon alternatives due to the net-zero transition trend. 6. Increased R&D Costs for Low-Carbon Development 7. Inadequate climate action leading to a decline in brand reputation.
		Physical risk: Physical risks brought about by climate change may have financial impacts on the organization, such as direct damage to assets or indirect effects due to supply chain disruptions.	Increased frequency of droughts and floods impacting operations.	1. Supply chain disruptions due to changes in weather patterns (e.g., droughts).	Average temperature rises
		Opportunities: Efforts to mitigate and adapt to climate change will create opportunities for the organization.	1. R&D and innovation of green products and services. 2. Reduce the consumption of water resources.	1. Improving energy resource efficiency 2. Promoting low-carbon green R&D and production.	Enhancing corporate reputation
3. Specify the	Assessment of the financial impact of climate change issues				

financial impacts of extreme climate events and related transition actions.	1.	The medium to long-term goal is to achieve a 30% reduction in carbon emissions by 2030 compared to 2020, in order to meet the requirement of limiting temperature increase to below 1.5°C. The group has established reduction targets and regularly reviews the efficiency and of electricity, water, heat, and carbon emission reduction operations. They continuously invest in research for green products, install solar power systems, and replace outdated equipment to improve energy efficiency. They also comply with government regulations and fully implement various energy-saving programs in plants to achieve their energy-saving and carbon reduction goals. Among the various climate risk issues, investments and improvements in energy equipment and efficiency will have a significant impact on the Group's revenue in the short and medium term, but the impact on operating income in the short, medium, and long term is less than 0.3%. The proportion of investment in green product development costs increases year by year.							
	2.	Based on the results of climate risk identification, issues that can be quantified into financial data are analyzed to determine their impact on revenue, with the primary financial impacts including equipment investment plans, green energy infrastructure and purchasing costs, green R&D expenses, and the anticipated cost pass-through of carbon reduction efforts by upstream suppliers.							
	Assessment of the financial impact of climate change issues								
	Climate risk/opportunity issues	Revenue	Costs	Capital expenditure	Profit or loss	Cash Flow	Impact on operating income		
							Short-term	Midterm	Long-term
	Carbon cost	/	Increase	/	Decrease	Decrease	/	<0.02%	<0.02%
	CBAM carbon tariffs	/	Increase	/	Decrease	Decrease	/	<0.02%	<0.02%
	Upstream supplier transition cost	/	Increase	/	Decrease	Decrease	<0.3%	<0.2%	<0.2%
	Investment in equipment energy improvement	/	/	Increase	/	Decrease	<0.3%	<0.2%	<0.2%
	Sustainability management and communication costs	/	Increase	/	Decrease	Decrease	0.01%	0.02%	0.01%
	Green Energy Investment	/	Increase	/	Decrease	Decrease	<0.1%	<0.1%	<0.2%

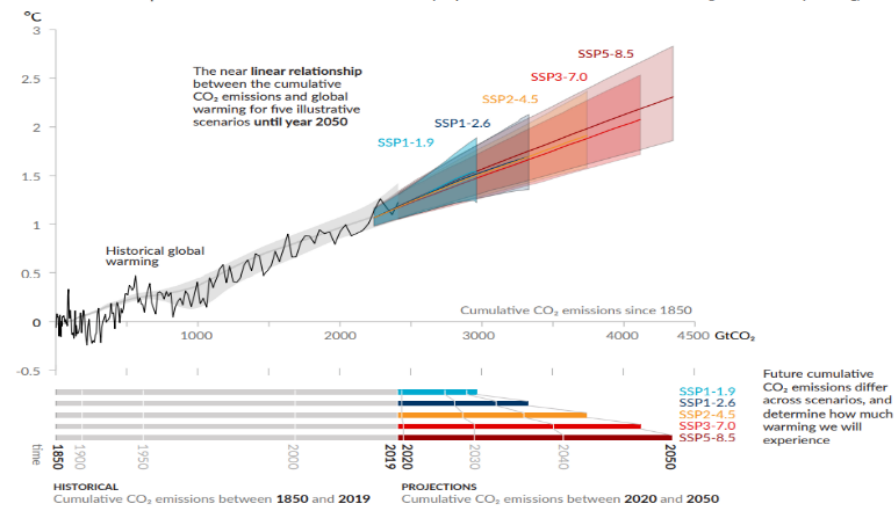
		Water consumption fee	/	Increase	/	Decrease	Decrease	<0.01%	<0.01%	<0.01%
		Cost of High-Temperature Air Conditioning	/	Increase	/	Decrease	Decrease	<0.01%	<0.01%	<0.01%
		Green R&D transformation	/	/	Increase	/	Decrease	0.1%	0.1%	0.2%
4.	Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>Integration of Organization-wide Risk management Mechanism</p> <ol style="list-style-type: none"> Each department, involving stakeholders from the supply chain, R&D, operations, and other relevant areas, identifies the transformation risks and physical risks that climate change may pose over the short, medium, and long terms. In accordance with the revised ISO management system standards, climate action and change are incorporated into the corresponding management items. Eternal brings together the identification of risks and opportunities related to climate change issues to effectively integrate management mechanisms. According to the Charter of Corporate Governance and Sustainable Development Committee, the committee reports to the Board of Directors and has the authority to track and review the effectiveness of the annual sustainable development plan and projects, and other relevant action plans. It works with the Net Zero Emission Task Force to evaluate environmental issues inside and outside the organization once a year by looking at the correlation between these issues and the company's operational risks and their risk level from different perspectives. The Net Zero Emission Task Force submits an annual report to the General Manager, the Committee, and the Board of Directors regarding its performance in executing strategies related to climate risks and opportunities. The group is committed to continuously improving and implementing various management operations. 								
5.	Specify the scenarios, parameters, assumptions, factors analyzed, and major financial impacts if	<ol style="list-style-type: none"> Eternal's TCFD adopted the latest Sixth Assessment Report (AR6) of the IPCC in 2024. The report incorporates a more nuanced approach called "Shared Socio-economic pathways" (SSP), which integrates qualitative socio-economic conditions into the integrated assessment model, including fundamental elements and driving factors such as population, human development, economy, lifestyle, policies and institutions, technology, environment, and natural resources. By doing this, we generated five scenarios from carbon negative to extremely high carbon emissions: SSP1-1.9, SSP1.-2.6, SSP2-4.5, SSP2-7.0, and SSP5-8.5. Among the five scenarios mentioned above, there is minimal difference in the impact between SSP1-1.9 and SSP1-2.6, as well as SSP2-7.0 and SSP5-8.5. Therefore, for the analysis of the corresponding 1.5°C period, the climate scenarios considered are SSP1-1.9, SSP2-4.5, and SSP5-8.5. 								

scenario analysis is employed to assess resilience to climate change risks.

Eternal's climate scenario setting					
Scenario \ Year	2022-2023	2024-2025	2026-2030	2031-2040	2041-2050
SSP1-1.9B2DS	1.5°C	1.5°C	1.5°C	1.5°C	1.5°C
SSP2-4.52DS	1.5°C	1.5°C	1.5°C	1.5°C	2°C
SSP5-8.5	1.5°C	1.5°C	1.5°C	2°C	3°C

Every tonne of CO₂ emissions adds to global warming

Global surface temperature increase since 1850-1900 (°C) as a function of cumulative CO₂ emissions (GtCO₂)



6. Specify the content of the plan, as well as the metrics and targets used to identify and manage physical and transition risks if there is a transition plan to manage climate-related risks.	Physical risks, transition risks, and opportunities identified and assessed by the company.					
	Climate risk opportunity analysis and response measures					
	Climate impact incidents	Type of risk	Potential financial risk	Type of opportunity	Potential financial benefits	Management measures/improvement actions
	Regulatory Requirements, Agreements, and ESG Governance Policies	Transition risk -Compulsory laws, agreements, official policy requirements -Technical risk - Emission Reduction Investment	Laws, policies, reduction, and renewable energy percentage target: (1) Equipment Investment Costs (2) Increase in Green Product R&D costs (3) Green energy investment cost (4) Carbon Fee CBAM Carbon Tax	Resilience - Enhance corporate resilience and resource efficiency Reducing carbon tax and water consumption costs	Improving the Company's ESG performance and market investment value	1. Incorporating energy management systems 2. Replacing process equipment and utility equipment 3. The proportion of self-generated renewable energy is steadily increasing 4. Climate and environmental investment recommendations can be systematically integrated with TCFD guidelines
	Supply disruption	Physical risk - Immediate/long-term	Supply chain management: (1) Interruption of raw material supply (2) Supply chain disruption	Resilience -Supply chain risk reduction	Improving the reliability and resilience of the supply chain	Evaluating the implementation of procurement/customer/financial supply chain management systems
	Fluctuations in raw material costs	Transition risk -Market	Upstream supplier transition cost shifting	Resilience -Reduced procurement costs	Reducing cost increases due to raw material prices increases or deviations from market estimates	Evaluating the implementation of procurement/customer/financial supply chain management systems to enhance management resilience and strengthen ESG Report

						contents.
	Market preference changes	Transition risk -Market -Technology	Market preference changes: Customer's requirements for green design	Products and services -Revenue improvement -Increase in market share -New market development	Enhance customer trust, competitiveness, and revenue	<ol style="list-style-type: none"> 1. Increasing R&D investment and market shares of green products. 2. To publicize the Company's sustainable business attitude in the external media.
	Increased severity of extreme weather events such as typhoons, floods, and sea level rise	Physical risk -Long-term	Impact of extreme weather events: Floods caused by extreme weather, heavy rainfall or typhoons, leading to production or upstream/downstream supply disruptions	Resilience -Enhancing corporate resilience	Improving the reliability and resilience of the supply chain	<ol style="list-style-type: none"> 1. The Company has acquired relevant disaster insurance. 2. Maintaining real-time flexible scheduling of production areas. 3. Construction of measures for floods and waterlog
	Average temperature rises	Physical risk - Immediate/long-term	Increased demand due to high temperatures results in higher energy consumption or forced production shutdowns	Energy source -Improve energy efficiency	Reducing the impact of energy costs	<ol style="list-style-type: none"> 1. Continuously improve the energy management system to control the use of energy. 2. Replacing process equipment and utility equipment. 3. Maintaining flexible scheduling of production areas.
	Changes in rainfall (water) patterns and climate	Physical risk - Immediate/long-term	<ol style="list-style-type: none"> (1) Loss due to decreased production/factory shutdown (2) Limited water 	Resource efficiency -Reducing the cost of water	Reducing the increased cost of water resources due to drought	<ol style="list-style-type: none"> 1. Implementing control measures according to water condition signals. 2. Using water resource recovery systems to

	patterns		supply or outages has led to increase in external water procurement costs	resources		increase the rate of water recycling.
	Limited water supply/outages	Physical risk - Immediate/long-term	(1) Loss due to decreased production/factory shutdown (2) Water procurement costs	Resource efficiency -Increase the proportion of water recycling.	Reduce water procurement costs	1. Implementing control measures according to water condition signals. 2. Improve water recovery rate.
7. If internal carbon pricing is used as a planning tool, the basis for pricing should be described.	The Company plans to implement internal carbon pricing in the future as a tool for managing carbon reduction.					

8. Specify the activities covered, scope of greenhouse gas emissions, planning schedule, and annual progress if climate-related targets are set. Specify the source and amount of carbon offsets or the number of renewable energy certificates (RECs) if carbon offsets or RECs are used to	1. Although the establishment years and the initial inventory years of the Company's factories in Taiwan, China, and Malaysia differ, all factories exceed the regulatory requirements outlined in the "Sustainable Development Roadmap." Based on inventory results, the Company has set a base year, established management goals, defined phased emission reduction targets, and developed greenhouse gas action plans aligned with these goals. Each site’s energy consumption, greenhouse gas emissions, and carbon reduction performance are regularly monitored and tracked.																					
	<table><tr><th>Indicator</th><th>Benchmark year & annual management goal</th><th>2030 Goals</th></tr><tr><td>Carbon intensity (Physical Strength)</td><td>With 2020 as the base year. Carbon emissions per unit of product (Scope 1+2) will lower by 1.5%.</td><td>Down by 15% by 2030.</td></tr><tr><td>Carbon intensity (Economic Strength)</td><td>Carbon emissions per unit of revenue (Scope 1+2) will lower by 3%. The base year is 2020.</td><td>Down by 30% by 2030.</td></tr><tr><td>Total Carbon Emissions</td><td>Using 2021 as the base year, the total carbon emissions from global production bases will decrease by 4.2% annually.</td><td>The total carbon emissions from global production facilities amount to less than 186,648 tCO₂e</td></tr><tr><td>Scope 3 total emissions</td><td>With 2021 as the base year, Scope 3 emissions will be reduced year by year.</td><td>By 2030, Scope 3 emissions will be reduced by 20%.</td></tr><tr><td>Energy management</td><td>Based on the average unit consumption of various energy resources (process electricity, thermal energy, and total water intake) from 2016 to 2020, we have an average decrease of 1.5% every year since 2021.</td><td>By 2030, our total unit consumption of these energy resources will lower by 15%.</td></tr><tr><td>Renewable energy development</td><td>With 2020 as the base year, the share of renewable energy use in the total global electricity consumption will be increased gradually.</td><td>Our utilization of renewable energy will reach 10% of the total energy consumption by 2030.</td></tr></table>	Indicator	Benchmark year & annual management goal	2030 Goals	Carbon intensity (Physical Strength)	With 2020 as the base year. Carbon emissions per unit of product (Scope 1+2) will lower by 1.5%.	Down by 15% by 2030.	Carbon intensity (Economic Strength)	Carbon emissions per unit of revenue (Scope 1+2) will lower by 3%. The base year is 2020.	Down by 30% by 2030.	Total Carbon Emissions	Using 2021 as the base year, the total carbon emissions from global production bases will decrease by 4.2% annually.	The total carbon emissions from global production facilities amount to less than 186,648 tCO ₂ e	Scope 3 total emissions	With 2021 as the base year, Scope 3 emissions will be reduced year by year.	By 2030, Scope 3 emissions will be reduced by 20%.	Energy management	Based on the average unit consumption of various energy resources (process electricity, thermal energy, and total water intake) from 2016 to 2020, we have an average decrease of 1.5% every year since 2021.	By 2030, our total unit consumption of these energy resources will lower by 15%.	Renewable energy development	With 2020 as the base year, the share of renewable energy use in the total global electricity consumption will be increased gradually.	Our utilization of renewable energy will reach 10% of the total energy consumption by 2030.
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2. Other indicators:																						
To strengthen energy and GHG management, we set energy baseline and energy performance indicators in accordance with ISO 50001, and set global targets for energy conservation and renewable energy development as																						

achieve the relevant targets.	follows:			
	Type of quantitative indicator	Corresponding management indicators	Base year & management goal	2030 vision & quantitative indicators
	Substituting hazardous substances with safer alternatives	Green R&D innovation	Reduce the use of high-concern and toxic chemical raw materials on a yearly basis, with 2021 as the base year.	Reduce the total use of high-concern and toxic chemical raw materials by 5% of the base year by 2030.
	Sustainable green products	Green R&D innovation	Based on the sales of NT\$8.4 billion in 2021, the annual growth rate of green product sales is 11%.	Sales growth of 150% (\$20 billion) by 2030.
	Green energy/energy application materials	Green R&D innovation	Based on sales of NT\$1.44 billion in 2021, the annual growth rate of green/energy saving application materials is 15%.	Sales to reach \$5 billion by 2030.
	Product carbon footprint	Green R&D innovation	The product carbon footprint survey will be implemented gradually from 2022.	By 2030, we will have completed internal investigation reports on the carbon footprint of all our products, as well as internal and external sales verification audits.

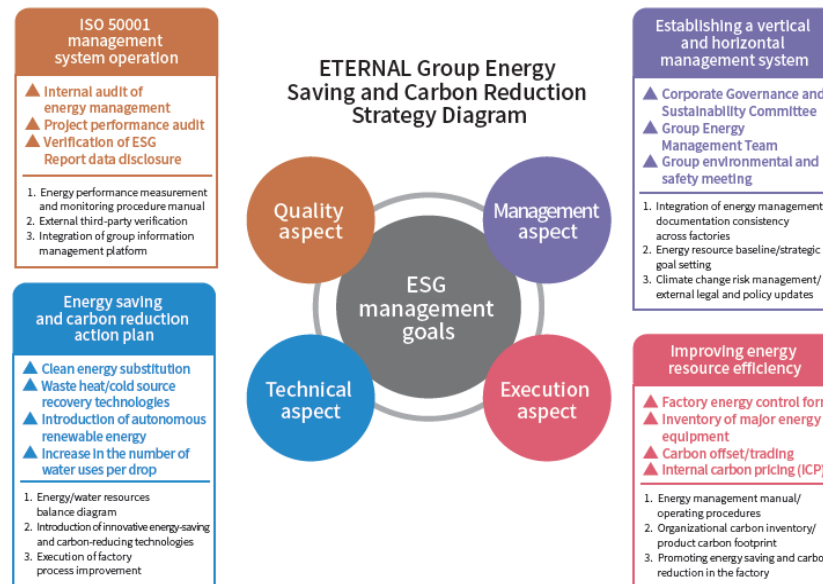
9. Specify greenhouse gas inventory and assurance status, as well as reduction targets, strategies, and specific action plans.	1.	Greenhouse gas emissions inventory information: In accordance with the "Sustainable Development Roadmap," the Company has monitored the greenhouse gas emissions of all subsidiaries in both individual and consolidated financial reports. The parent company’s main production factories (Lu-Chu, Da-Fa, and Ping-nan Factory) have been conducting greenhouse gas inventory activities since 2005, while the subsidiaries' main production factories (factories in China and Malaysia) began their inventory process in 2021. Other overseas subsidiaries and offices have also completed their inventory activities starting from 2024.				
	2.	Information on carbon emissions and intensity inventories in the past two years is presented as follows:				
	Greenhouse gas emissions (tCO ₂ e)					
	Year	2023				
	Region	Taiwan	China	Factory in Malaysia	Other site	Total emissions
	Scope 1	26,398	47,464	7,680	2	81,544
	Scope 2	32,963	121,832	4,901	4	159,700
	Scope 1 + 2	59,361	169,296	12,581	6	241,244
	Scope 3	531,727	1,127,122	151,674	37	1,810,560
	Year	2024				
	Scope 1	29,781	46,710	7,402	1,998	85,891
	Scope 2	34,350	124,544	7,164	2,754	168,812
	Scope 1 + 2	64,131	171,254	14,566	4,752	254,703
	Scope 3	564,033	1,132,253	136,114	-	1,832,400
	Greenhouse gas emission density (tCO ₂ e/NT\$ million)					
	Year	2023				
	Region	Taiwan	China	Factory in Malaysia	Total emissions	
	Scope 1 + 2	4.472	6.275	4.658	5.616	
	Year	2024				
	Scope 1 + 2	4.464	6.295	4.961	5.723	

	<p>Note 1: The Taiwan region includes production plants and other non-significant emission sources of the parent company, such as the headquarters, Lu-Chu Second Factory, Xi-zhi Plant, and other offices and business locations of the parent company.</p> <p>Note 2: The mainland region encompasses production factories and offices.</p> <p>Note 3: The Malaysia region encompasses the Malaysia Factory.</p> <p>Note 4: Other Locations: This includes overseas subsidiaries such as the factory in Italy, the Chiryu factory in Japan, the Kodama factory in Japan, the FenTiao factory in Thailand, and the factory in the United States, as well as other offices and business locations of overseas subsidiaries. A review will commence starting from the 2024 fiscal year.</p> <p>3. Information on Greenhouse Gas Inventory and Assurance</p> <p>In accordance with the schedule of the relevant competent authorities for verification or confirmation, each of the Group's sites conducts an annual self-inspection in accordance with the ISO 14064-1 standard, and one of its Taiwan production plants annually commissions an external verification company (BV) to conduct a third-party verification in accordance with ISO 14064-1:2018. Other subsidiaries will also complete their assessments as scheduled according to the "Sustainable Development Roadmap." Additionally, third-party verification and disclosure will be carried out based on materiality standards.</p> <p>All information that has been checked and verified will be disclosed in the company's sustainability report or other information platforms for the reference of relevant stakeholders and organizations, and the confirmation will be completed in accordance with the competent authority's confirmation standards, and the confirmation results and opinions will be disclosed in the Company's sustainability report and financial report.</p> <p>4. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans:</p> <p>Eternal continues its solid process technology R&D and perfect environmental safety and hygiene management system, and adopts various methods to comprehensively promote energy saving and carbon reduction measures in the factory, in order to enhance the efficiency of energy use and various carbon reduction programs, and sets up various energy saving and carbon reduction management targets for electricity, heat, water, drainage, renewable energy, etc., and annually reviews the achievement of the situation, and further studies and draws up an improvement plan.</p> <p>(1) Base Year for Greenhouse Gas Reduction and Emission Targets</p> <p>After assessing the impact of climate change on the Company, our factory areas in Taiwan have conducted carbon emission inventories since 2005 in accordance with ISO 14064-1. Due to differences in establishment years and inventory commencement years, the China and Malaysia factories have adopted 2021 total GHG emissions reduction (Scope 1 and Scope 2 emissions amounted to 101,705 tons CO₂e and 173,128 tons CO₂e, respectively), based on inventory results, as the Company's base year. For carbon intensity, 2020 has been set as the base year, with Scope 1 and 2 carbon intensity at</p>
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6.177 tons CO₂e /(NT\$ million). Reduction targets for each phase have been established (as outlined in the management targets), and GHG action plans have been developed accordingly. The Company regularly tracks energy consumption, GHG emissions, and the effectiveness of carbon reduction at each factory area.

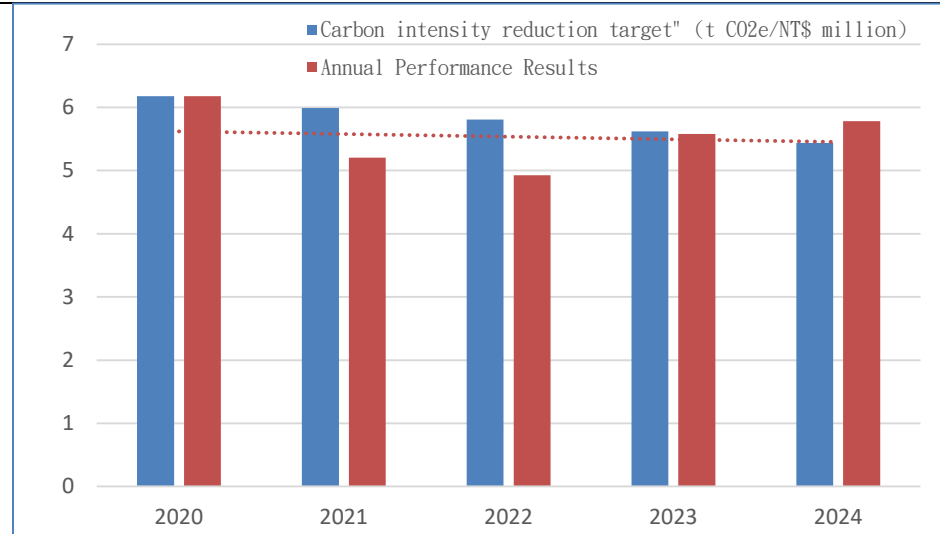
(2) Strategies and specific actions

Eternal continues its solid process technology R&D and perfect environmental safety and hygiene management system, and adopts various methods to comprehensively promote energy saving and carbon reduction measures in the factory, in order to enhance the efficiency of energy use and various carbon reduction programs, and sets up various energy saving and carbon reduction management targets for electricity, heat, water, drainage, renewable energy, etc., and annually reviews the achievement of the situation, and further studies and draws up an improvement plan.



(3) Achievement of Reduction Targets

Carbon intensity reduction target and annual progress of achievement. (base year 2020)



Note:

The company's relevant climate change information, risk/opportunity identification, current status, implementation goals, and specific actions and plans for energy conservation and carbon reduction are disclosed in the company's "Sustainability Report" and "Climate-Related Financial Disclosures (TCFD) Report".

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

State of Performance of Ethical Corporate Management

Evaluation Item	Operation Status			Any Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reason for Such Deviation
	Yes	No	Summary	
I. Formulating Ethical Corporate Management Policies and Plans				
(I) Does the Company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	V		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" approved by the Board of Directors and submitted to the shareholders' meeting in August 2013. The Board and all employees should abide by the ethical corporate management policy to comply with corporate culture and ethical corporate management policy of "compliance, trustworthiness, and morality", and disclose the above information on the Company's website and MOPS.	Implemented according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(II) Does the Company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX	V		(II) The Company clearly stated in the "Ethical Corporate Management Best Practice Principles" that it prohibits unethical conduct stated in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", and disclosed relevant regulations in the Company's internal system for colleagues to review and implement at any time. In addition, the Company reinforces the concepts during education and training to	

Listed Companies"?			implement relevant regulations.	
(III) Does the Company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	V		(III) To prevent unethical conduct, the Company has developed and implemented the "Whistleblowing Operating Procedure." Through internal control and routine audits, the Company expects to minimize the risk of unethical conducts of various types. The Company takes initiatives in promulgating anti-bribery mechanisms to prevent corruption and illegal activities. Zero incident of corruption was reported within the past three years. The achievement rate is 100%.	
II. Implementation of the ethical corporate management				Implemented according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies without deviations
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties?	V		(I) Evaluations and credit investigations have been conducted upon all types of partners to avoid transaction with partners who have records of unethical behaviors.	
(II) Does the Company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	V		(II) The Company has established a dedicated unit to formulate and implement "Ethical Corporate Management Best Practice Principles," with the internal auditing unit regularly reports to the Board of Directors.	
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) In the "Sustainable Development Policy," the Company clearly stipulates that the implementation of sustainable development should be based on respecting social ethics and paying attention to the rights and interests of other stakeholders. While pursuing sustainable operation and profit,	

<p>(IV) Does the Company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?</p>	<p>V</p>		<p>the Company should attach great importance to environmental protection, social welfare and corporate governance factors, which have been incorporated into the Company's overall management and operations.</p> <p>(IV) The Company has established an effective accounting system and internal control system. The internal auditors will also evaluate the high- risk activities listed in the annual audit plan and prepare the audit results into an audit report which will be submitted to the Audit Committee for review and directors attending the Board meeting on a regular basis. In addition, departments are required to self- evaluate their internal control systems each year to ensure the effectiveness of the design and implementation.</p>	
<p>(V) Does the Company regularly hold internal and external training related to ethical corporate management?</p>	<p>V</p>		<p>(V) According to the “Code of Integrity Management for Eternal Materials”, we take actions to assist our customers, suppliers, and business partners to recognize and practice our company's integrity management policies and corporate culture.</p> <p>1. Print awareness campaigns: The Human Resource Department conducts education awareness campaigns in due course during pre-employment training for new employees, whereas for the rest of the existing employees at the Company, internal awareness campaigns are held via company announcements or in company publications each</p>	

			<p>year.</p> <p>2. Awareness courses: The Company provides both face-to-face and digital courses to provide guidance on the concepts of corporate governance, internal control, and legal compliance (including anti-corruption, ethical corporate management, and insider trading), which were attended by a total of 1946 people, thus representing an achievement rate of 99% (11,676 minutes in total).</p> <p>3. The Company requires all suppliers to sign a supplier code of conduct as part of the business philosophy, and the supply chain is seen as an important extension of their value chain. In order to ensure the safety of working environment in the supply chain, to protect the respect and dignity of employees, to protect the environment and to comply with ethics, the Company not only requires suppliers to fully comply with the laws and regulations of the countries/regions in which they operate, but has also established the Supplier Code of Conduct to encourage suppliers to comply with in all aspects of their business practices.</p>	
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<p>III. Implementation of the Company's whistleblowing system</p>				
<p>(I) Does the Company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</p>	V		<p>(I) The Company has established the "Ethical Corporate Management Principles of Eternal Materials Co., Ltd." to regulate the relevant whistle-blowing system, established a reporting channel, and assigned appropriate personnel to investigate the reported party.</p>	<p>Implemented according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies without deviations</p>
<p>(II) Does the Company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?</p>	V		<p>(II) The implementation and management measures for the "whistle-blowing system" have been formulated and announced by the Company.</p>	
<p>(III) Does the Company provide protection for whistle-blowers against receiving improper treatment?</p>	V		<p>(III)</p> <ol style="list-style-type: none"> 1. The Company has clearly adopted measures to protect whistle-blowers from inappropriate disciplinary actions due to their whistle-blowing, assigned dedicated personnel or unit to investigate the reports, and kept the identity of the whistle-blower and content of the report confidential. 2. After each quarter, the contents of the whistle-blowing mailbox, a summary of the whistle-blowing and acceptance situation shall be sent to each independent director. 	

IV. Enhancing Information Disclosure Does the Company disclose the ethical corporate management policies and the results of its implementation on the Company website and MOPS?	V	<p>The Company's ethical corporate management philosophy is disclosed on the Company's website (https://www.eternal-group.com/WebData/Director02).</p> <p>The Company maintains a smooth communication channel at all times, fully utilizes the spokesperson mechanism, and upholds the principle of good faith to immediately disclose public information at MOPS to protect the rights of investors and stakeholders. In addition, the Company discloses in the annual report on the implementation of integrity management and adoption measures.</p>	Implemented according to the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies without deviations
V. If the Company has established the Ethical Corporate Management Principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please specify the differences between the Principles and actual implementation: None.			
VI. Other significant information that helps to understand the implementation of ethical corporate management (e.g., amendments to the Ethical Corporate Management Principles): Disclosed on the Company's website and MOPS.			

(VII) Other material information that can enhance the understanding of the status of corporate governance at the Company:

Considering actual operational needs, the Company has formulated the "Procedures for Endorsements and Guarantees", the "Procedures for Lending Funds to External Parties", the "Procedures for Acquisition or Disposal of Assets", the "Corporate Governance Regulations of Eternal Materials Co., Ltd.", the "Management Rules for Internal Material Information Handling and Insider Trading Prevention", the "Corporate Social Responsibility Guidelines", and the "Ethical Corporate Management Principles". Additionally, important resolutions from the shareholders' meeting and the board of directors are available on the company's website https://www.eternal-group.com/com_maj to enhance transparency in corporate governance operations.

(VIII) Implementation of the Internal Control System

1. Statement of Internal Control

Eternal Materials Co., Ltd.

Statement of Internal Control System

Date: March 14, 2025

The internal control system of the Company in 2024, based on the results of self-assessment, is hereby stated as follows:

- I. The Company is fully aware that establishing, operating, and maintaining an internal control system is the responsibility of its Board of Directors and management. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. Any internal control system has its inherent limitations. However perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may be affected by changes in environment or circumstances. Nevertheless, a self-monitoring mechanism has been built within the Company's internal control system. Therefore, whenever a deficiency or defect is identified, the Company will immediately take initiatives and action to correct it.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring of processes. Each element further contains several items. Please refer to the Regulations for details.
- IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. Based on the results of the determination in the preceding paragraph, the Company is of the opinion that, as of December 31, 2024, the internal control system (including the supervision and management of subsidiaries), including the design and implementation of the internal control system relating to the effectiveness and efficiency of the operations, reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing goals.
- VI. This statement will become a major part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved by the Board of Directors of the Company on March 14, 2025. Among the 12 Directors present (1 of them attended by proxy), 0 of them disagreed. The rest all agreed to the contents of this statement.

Eternal Materials Co., Ltd.

Chairman: Kao, Kuo-Lun (Signature and Stamp)

President: Mao, Hui-Kuan (Signature and Stamp)

2. Where a CPA Has Been Hired to Carry Out a Special Audit of the Internal Control System, the CPA Audit Report shall Be Disclosed: None.

(IX) Key resolutions adopted by the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report

1. 2024 Annual General Meeting of Shareholders

Proposal	Material Resolution	Implementation Status
Proposal I	Adoption of the 2023 final accounts	Implemented as proposed.
Proposal II	Adoption of the 2023 earnings distribution proposal.	The distribution of cash dividend of NT\$0.8 per share was completed on May 24, 2024. Implemented as proposed.

2. Board of Directors

Date	Resolution
2024.03.06	None.
2024.03.08	<p>Proposal 1: Approve the consolidated and parent company only financial statements for 2023.</p> <p>Proposal 2: Pass the proposal on evaluating the independence and suitability of CPA firm and appointing CPA firm for 2024.</p> <p>Proposal 3: Approve the issuance of the 2023 Statement on Internal Control System.</p> <p>Proposal 4: Approve the 2023 Business Report.</p> <p>Proposal 5: Pass the proposal on the distribution of surplus for 2023.</p> <p>Proposal 6: Pass the proposal on the distribution of remuneration for directors and employees in 2023.</p> <p>Proposal 7: Pass the proposal on convening the 2024 Annual General Meeting of Shareholders</p> <p>Proposal 8: Pass the proposal on the additional budget for factory construction by Eternal Material Industry (Tongling) Co., Ltd.</p> <p>Proposal 9: Pass the proposal on cash capital increase by Eternal Electronic Material (Thailand) Co., Ltd.</p> <p>Proposal 10: Pass the proposal on capital reduction and offsetting of losses by subsidiary New E Materials Co., Ltd.</p> <p>Proposal 11: Pass the Company's proposal on appointing E.SUN Commercial Bank and Taipei Fubon Commercial Bank to organize a syndicated loan totaling NT\$5.1 billion aimed at repaying debts owed to financial institutions and strengthening medium-term working capital.</p> <p>Proposal 12: Pass the proposal on inter-affiliate loans (non-revolving credit line).</p> <p>Proposal 13: Pass the proposal on lifting the non-compete clause on managerial officers who serve in the Company's investees.</p> <p>Proposal 14: Approve the performance evaluation of the Board of Directors in 2023.</p> <p>Proposal 15: Approve the continuing education plan for directors.</p> <p>Proposal 16: Approve the distribution of performance bonus to managerial officers for surpassing profit targets in 2023.</p>

	<p>Proposal 17: Approve the termination of the "Rules Governing Performance Bonus for Surpassing Profit Targets."</p> <p>Proposal 18: Approve amendments to the "Retirement Management Rules."</p> <p>Proposal 19: Approve the promotion and compensation review for managerial officers at the Company.</p>
2024.05.10	<p>Proposal 1: Pass the proposal on discussing the consolidated financial statements for 2024 Q1.</p> <p>Proposal 2: Pass the proposal on lifting the non-compete clause on managerial officers who serve in the Company's investees.</p> <p>Proposal 3: Pass the proposal on the transfer of important operation managers of the Company.</p> <p>Proposal 4: Pass the proposal on the appointment of important operation managers of the Company.</p> <p>Proposal 5: Pass the deliberation on salaries paid to managerial officers due to job adjustments.</p> <p>Proposal 6: Pass the proposal on the distribution of employee remuneration for managerial officers in 2023.</p>
2024.06.28	<p>Proposal 1: Approval of handling the share disposal operation of the subsidiary Eternal Precision Mechanics Co., Ltd.</p> <p>Proposal 2: Approval of the investment plan for the Malaysia coating plant of the electrical materials business unit.</p> <p>Proposal 3: Approval of the amendment to the "Official Vehicle Allocation Policy for Senior Executives".</p>
2024.08.09	<p>Proposal 1: Pass the proposal on discussing the consolidated financial statements for 2024 Q2.</p> <p>Proposal 2: Pass the proposal on amendments to the Group's business plan for 2024.</p> <p>Proposal 3: Pass the proposal on amendments to the mid-year cash flow plan for 2024.</p> <p>Proposal 4: Pass the review of the 2023 Sustainability Report and TCFD Report.</p> <p>Proposal 5: Pass the proposal on cash capital increase in subsidiaries, Eternal Holdings Inc., Eternal Nanyang Investment Co., Ltd., and Eternal Materials (Malaysia) Sdn. Bhd.</p> <p>Proposal 6: Pass the proposal on the loaning of funds (non-revolving credit line) by Eternal Holdings Inc.</p> <p>Proposal 7: Pass the amendment to the Internal Management Regulations.</p> <p>Proposal 8: Pass the proposal on the revision of the Internal Audit Implementation Rules and the Internal Control System Self-Assessment Criteria.</p>
2024.11.08	<p>Proposal 1: Pass the proposal on discussing the consolidated financial statements for 2024 Q3.</p> <p>Proposal 2: Approve the equity adjustment plan for Elga Europe S.r.l.</p> <p>Proposal 3: Pass the proposal on the provisions of endorsements/guarantees for banks by Eternal Precision Mechanics Co., Ltd. to secure credit facilities for subsidiaries.</p>
2024.12.27	<p>Proposal 1: Approve the Group's 2025 (consolidated) business plan.</p> <p>Proposal 2: Approve the cash flow plan for 2025.</p>

	<p>Proposal 3: Pass the proposal on requesting the Board of Directors to authorize the Chairman to approve the Company's applications or contract renewals with regards to account opening and cancellation, deposits, and borrowings with financial institutions, including related credit facilities, in 2025 in order to meet the Company's needs in relation to dealings with banks, loan procedures, and capital movement.</p> <p>Proposal 4: Pass the proposal on inter-subsidary loans (revolving credit line).</p> <p>Proposal 5: Pass the proposal on inter-subsidary loans (non-revolving credit line).</p> <p>Proposal 6: Approve the amendment to the Nomination Committee Charter.</p> <p>Proposal 7: Pass the proposal on the "Sustainable Information Management Regulations".</p> <p>Proposal 8: Pass the proposal on the revision of "Internal Audit Implementation Rules".</p> <p>Proposal 9: Approve the audit plan for 2025.</p> <p>Proposal 10: Approve the sustainable development plan and strategic directions for 2025</p> <p>Proposal 11: Approve the establishment of the Southeast Asia Operations Center.</p> <p>Proposal 12: Approve the deliberation of managerial officers due to job adjustments of the Company.</p> <p>Proposal 13: Pass the proposal on the promotion review of managerial officers of the Company.</p> <p>Proposal 14: Pass the proposal on the new promotion and remuneration review of managerial officers for 2025.</p> <p>Proposal 15: Pass the proposal annual salary adjustment of managerial officers for 2025.</p> <p>Proposal 16: Pass the proposal annual performance bonus and operation performance bonus for managerial officers in 2024</p>
2025.03.14	<p>Proposal 1: Approve the consolidated and parent company only financial statements for 2024.</p> <p>Proposal 2: Pass the proposal on evaluating the independence and suitability of CPA firm and appointing CPA firm for 2025.</p> <p>Proposal 3: Approve the issuance of the 2024 Statement on Internal Control System.</p> <p>Proposal 4: Approve the business Report for 2024.</p> <p>Proposal 5: Approve the 2024 Report on the Distribution of Earnings and Cash distributed from legal reserve and capital surplus.</p> <p>Proposal 6: Pass the proposal on the distribution of remuneration for directors and employees in 2024.</p> <p>Proposal 7: Approve the amendment of some provisions in the Articles of Incorporation.</p> <p>Proposal 8: Approve the the 20th directors election of the Company.</p> <p>Proposal 9: Pass the proposal on the candidate list of directors (including independent directors) nominated by the Board of Directors.</p> <p>Proposal 10: Approve the release of non-competition restrictions for the 20th directors of the Company.</p> <p>Proposal 11: Pass the proposal on convening the 2025 Annual General Meeting of Shareholders.</p> <p>Proposal 12: Pass the proposal on lifting the non-compete clause on managerial officers who serve in the Company's investees.</p>

	<p>Proposal 13: Pass the proposal on inter-affiliate loans (non-revolving credit line).</p> <p>Proposal 14: Approve the performance evaluation of the Board of Directors in 2024.</p> <p>Proposal 15: Approve the continuing education plan for directors.</p> <p>Proposal 16: Pass the proposal on the appointment of important operation managers of the Company.</p> <p>Proposal 17: Approve the review of salary adjustments and position changes for the Company's managerial personnel.</p>
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- (X) Where, during the Most Recent Year up to the Date of Publication of the Annual Report, a Director or Supervisor Has Expressed a Dissenting Opinion, Recorded or Prepared in Writing, with Respect to a Material Resolution Passed by the Board of Directors, the Principal Content Shall Be Disclosed: None.

IV. Information on CPA Professional Fees:

- (I) When Non-audit Fees Paid to the CPA, to the Accounting Firm of the CPA, and to Any Affiliated Company of Such Accounting Firm Are One Quarter or More of the Audit Fees Paid, the Amounts of Both Audit and Non-audit Fees as Well as Details of Non-audit Services Shall Be Disclosed:

Unit: NT\$ Thousand

Name of the Accounting Firm	Name of CPA	Period of Audit	Audit Fees	Non-audit Fees	Total	Remark
Deloitte & Touche	Wang, Chao-Chun	2024.1.1~2024.12.31	8,710	1,242	9,952	In line with internal adjustments within the Company, Wang, Chao-Chun and HSU, Jui-Hsuan will replace Wang Chao-Chun and Liu Yu-Hsiang as the CPAs in charge of auditing and reviewing the Company's financial statements starting in the second quarter of 2024.
	HSU, Jui-Hsuan	2024.1.1~2024.03.31				
	Liu Yu-Hsiang	2024.4.1~2024.12.31				

Non-audit fees primarily covers sustainability report assurance services, profit-making enterprise income tax review and filing, etc.

- (II) Change in the Accounting Firm with the Audit Fees Paid for the Year of Such Change Lower than Those for the Previous Year: Not applicable.
- (III) Audit Fees Paid for the Current Year Lower than Those for the Previous Year by 10% or More: Not applicable.

V. Information on Replacement of CPAs:

- (I) Replacement of CPA in the past two years or any subsequent interim period:

1. Information on former CPAs:

1. Information on former CPAs:				
Date of replacement	Approved by the Board of Directors on March 8, 2024.			
Reason for change and explanation	In line with internal adjustments within the Company, Wang, Chao-Chun and HSU, Jui-Hsuan will replace Wang, Chao-Chun and Liu, Yu-Hsiang as the CPAs in charge of auditing and reviewing the Company's financial statements starting in the second quarter of 2024.			
Indicate whether the appointment is terminated or not accepted by the appointor or accountant	<div>Contracting Party</div> Condition		CPA	Appointor
	Terminate the appointment		N/A	
	No longer accept the (continued) appointment			
Opinions and reasons for audit reports other than unqualified opinions issued over the past two years	None.			
Disagreements with the issuer	Yes		Accounting principles or practices	
			Disclosure of financial statements	
			Audit scope or procedures	
			Others	
	None	v		
	Details			
Other disclosures (To be disclosed according to Items 1-4 to Items 1-7, Subparagraph 6, Article 10 of the Guidelines)	None.			

Date of replacement	Approved by the Board of Directors on March 10, 2023		
Reason for change and explanation	According to the requirement for assessing the suitability of appointed CPAs as stipulated in Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies, Wong Chao-Chun and Kuo Li-Yuan would be replaced by Wong Chao-Chun and HSU, Jui-Hsuan as the CPAs in charge of auditing and reviewing the Company's financial statements starting in the first quarter of 2023 as CPA Kuo Li-Yuan has provided audit services to the Company for seven years.		
Indicate whether the appointment is terminated or not accepted	Contracting Party Condition	CPA	Appointor
	Terminate the	N/A	

by the appointor or accountant	appointment			
	No longer accept the (continued) appointment			
Opinions and reasons for audit reports other than unqualified opinions issued over the past two years	None.			
Disagreements with the issuer	Yes		Accounting principles or practices	
			Disclosure of financial statements	
			Audit scope or procedures	
			Others	
	None	v		
	Details			
Other disclosures (To be disclosed according to Items 1-4 to Items 1-7, Subparagraph 6, Article 10 of the Guidelines)	None.			

2. Information on successor CPAs:

Name of CPA Firm	Deloitte & Touche
Name of CPAs	Wang, Chao-Chun and Liu, Yu-Hsiang
Date of appointment	March 8, 2024
Matters and results of consultation on the accounting treatment or principles for specific transactions and on the possible issuance of financial statements prior to the appointment	None
Written opinion of the successor CPAs on matters on which the predecessor CPAs disagreed	None

Name of CPA Firm	Deloitte & Touche
Name of CPAs	Wang, Chao-Chun and HSU, Jui-Hsuan
Date of appointment	March 10, 2023
Matters and results of consultation on the accounting treatment or principles for specific transactions and on the possible issuance of financial statements prior to the appointment	None
Written opinion of the successor CPAs on matters on which the predecessor CPAs disagreed	None

3. Response by the Former CPA by Mail to the Disclosure under Items 1 and 2-3, Subparagraph 6, Article 10 of the Regulations: N/A.

VI. Chairman, President, or any Managerial Officer in Charge of Finance or Accounting Matters Having Held a Position at the Accounting Firm of Its CPA or at an Affiliated Company of Such Accounting Firm in the Most Recent Year: None.

VII. Transfer of Equity Interests and/or Pledge of or Change in Equity Interests by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10% during the Recent Year up to the Date of Publication of the Annual Report:

(I) Statement of Changes in Equity Interests of Directors, Executive Officers, and Principal Shareholders:

Title	Name	2024		As of April 27, 2025	
		Change in the Number of Shares Held	Change in the Number of Shares Pledged	Change in the Number of Shares Held	Change in the Number of Shares Pledged
Chairman and CEO	Kao, Kuo-Lun	-	-	(15,200,000)	-
Director	Kwang Yang Motor Co., Ltd.	-	-	-	-
	Representative: Ko, Chun-Ping	-	-	-	-
	Yang, Huai-Kung	(200,000)	-	(200,000)	-
	Chen, Jau-Shiuh	2,090,000	-	-	-
	Kao, Kuo-Hsun	870,000	-	1,000,000	-
	Huang, Shun-Ren	-	-	-	-
	Chen, Chin-Yuan	-	-	-	-
	Liao, Hen-Ning	-	-	-	-
Independent Director	Hung, Lee-Jung	-	-	-	-
	Lo, Li-Chun	-	-	-	-
	Chen, I-Heng	-	-	-	-
	Lu, Gin-Cheng	-	-	-	-
President and COO	Mao Hui-Kuan	-	-	-	-
Vice President	Liao, Hen-Ning	-	-	-	-
	Hung Chao-Cheng	-	-	-	-
	Pan Chin-Cheng	-	-	-	-
	Yeh Mao-Jung	-	-	-	-
	Chu Jui-Hsin	-	-	-	-
	Chen Hung-Yi	-	-	-	-
	Hsieh Yen-Fen (Note 1)				
Assistant Vice President	Kao Chih-Yu	-	-	-	-
	Weng Chin-Yi	-	-	-	-
	Lin Chao-Kun	-	-	-	-
	Chang Chi-Kang	-	-	-	-
	Wang Hong-Yu	-	-	-	-
	Lin Chen-Yi (Note 1)	N/A	N/A	-	-
	Shen Hsiao-Tsung (Note 1)	N/A	N/A	-	-
	Tai Ming-Te (Note 1)	N/A	N/A	-	-

	Yu Ching-Wen (Note 1)	N/A	N/A	-	-
Financial Manager and Corporate Governance Officer	Liu Bing-Cheng	-	-	23,500	-
Accounting Manager	Su Hui-Fang	-	-	-	-

Note 1: Former Assistant Vice President Hsieh Yen-Fen was promoted to Vice President on January 1, 2024. Lin Chen-Yi, Shen Hsiao-Tsung, Tai Ming-Te, and Yu Ching-Wen were newly promoted to Assistant Vice Presidents on January 1, 2025. Disclosure of equity changes by newly designated insiders is effective from the date of their appointment.

(II) Information on Related Parties Involved in Transfer of Equity Interests:

As of April 27, 2025

Name	Reason for Transfer of Equity Interests	Date of Transaction	Counterparty	Relationship between the Counterparty and the Company, Directors, Supervisors, and Shareholders with 10% of Shares or More	Number of Shares	Transaction Price
Yang, Huai-Kung	Bestowal	2024.01.19	Yang, Chin-Ying	Father and daughter	100,000	N/A
Yang, Huai-Kung	Bestowal	2024.01.19	Yang, Chin-Ning	Father and daughter	100,000	N/A
Yang, Huai-Kung	Bestowal	2025.01.22	Yang, Chin-Ying	Father and daughter	100,000	N/A
Yang, Huai-Kung	Bestowal	2025.01.22	Yang, Chin-Ning	Father and daughter	100,000	N/A
Kao, Kuo-Lun	Bestowal	2025.04.15	Lee Chia-Rong	Spouse	15,000,000	N/A
Kao, Kuo-Lun	Bestowal	2025.04.18	Kao Fu-Cheng	Father and son	200,000	N/A

(III) Information on Related Parties Involved in Pledge of Equity Interests: None.

VIII. Information on Relationship if among the Top 10 Shareholders Any One Is a Related Party or a Relative within the Second Degree of Kinship of Another:

Information of the top 10 shareholders in terms of number of shares held,
who are related parties of each other

Unit: Thousand shares, %

NAME	SHARES HELD IN PERSON		SHARES HELD BY SPOUSE AND CHILDREN OF MINOR AGE		TOTAL SHAREHOLDING BY NOMINEES		INFORMATION ON RELATIONSHIP IF AMONG THE TOP 10 SHAREHOLDERS ANY ONE IS A RELATED PARTY OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP OF ANOTHER		REMARK
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name or Title	Relationship	None
Kwang Yang Motor Co., Ltd.	117,800	9.99	0	0.00	0	0.00	Kwang Hsing Industrial Co., Ltd.	Parent company and subsidiary	None
Representative: Ko, Chun-Ping	0	0.00	0	0.00	0	0.00	None	None	None
Kao Ying-Shih	75,566	6.41	0	0.00	0	0.00	Kao, Kuo-Lun Kao Ying-Chih Lee Chia-Rong	Father and son Brothers Father-in-law and daughter-in-law relationship	None
Kwang Hsing Industrial Co., Ltd.	47,600	4.04	0	0.00	0	0.00	Kwang Yang Motor Co., Ltd.	Parent company and subsidiary	None
Representative: Ko, Chun-Ping	0	0.00	0	0.00	0	0.00	None	None	None
Kao, Kuo-Lun	35,906	3.05	20,154	1.71	0	0.00	Kao Ying-Shih Lee Chia-Rong	Father and son Spouse	None
Lee Chia-Rong	20,154	1.71	35,906	3.05	0	0.00	Kao, Kuo-Lun Kao Ying-Shih	Spouse Father-in-law and daughter-in-law relationship	None

NAME	SHARES HELD IN PERSON		SHARES HELD BY SPOUSE AND CHILDREN OF MINOR AGE		TOTAL SHAREHOLDING BY NOMINEES		INFORMATION ON RELATIONSHIP IF AMONG THE TOP 10 SHAREHOLDERS ANY ONE IS A RELATED PARTY OR A RELATIVE WITHIN THE SECOND DEGREE OF KINSHIP OF ANOTHER		REMARK
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name or Title	Relationship	None
China F.R.P. Corporation	20,000	1.70	0	0.00	0	0.00	None	None	None
Representative: Lee, Shang-Heng	7	0.00	11	0.00	0	0.00	None	None	None
LGT Bank AG in custody of Standard Chartered	19,142	1.62	0	0.00	0	0.00	None	None	None
Jia-Cheng Co., Ltd.	17,914	1.52	0	0.00	0	0.00	None	None	None
Representative: Cheng Yu-Ching	0	0.00	0	0.00	0	0.00	None	None	None
Kao Ying-Chih	14,894	1.26	985	0.08	5,965	0.51	Kao Ying-Shih	Brothers	None
Norges Bank investment account in custody of Citibank (Taiwan)	14,608	1.24	0	0.00	0	0.00	None	None	None

IX. Total Number of Shares held by the Company, Its Directors, Supervisors, Managerial Officers, and Businesses either Directly or Indirectly Controlled by the Company as a Result of Investment, and the Ratio of Consolidated Shares Held:

Combined Shareholding Percentage

December 31, 2024; Unit: shares, %

Investee (Note 1)	Investment of the Company		Investment of Directors, Supervisors, Managerial Officers, and Directly or Indirectly Controlled Businesses		Combined Investment	
	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage	Number of Shares	Shareholding Percentage
Eternal Holdings Inc.	185,108,859	100.00	0	0	185,108,859	100.00
Eternal Global(BVI) Co., Ltd.	16,357,914	100.00	0	0	16,357,914	100.00
Mixville Holdings Inc.	26,630,000	100.00	0	0	26,630,000	100.00
Advanced PETFILM Investment Co., Ltd.	270	20.00	0	0	270	20.00
Daxin Materials Corporation	23,003,812	22.40	241,708	0.23	23,245,520	22.63
New E Materials Co., Ltd.	3,453,793	62.80	600,000	10.91	4,053,793	73.71
DSM Resins (Far East) Co., Ltd.	3,660,000	40.00	0	0	3,660,000	40.00
Eternal Precision Mechanics Co., Ltd.	49,720,308	70.20	4,191,644	5.92	53,911,952	76.12
Eternal Electronic Material(Thailand) Co., Ltd.	2,812,500	90.00	0	0	2,812,500	90.00
CHOU-KOU Materials Co., Ltd.	9,760	100.00	0	0	9,760	100.00
Eternal Technology Corporation	1,000	100.00	0	0	1,000	100.00
Elga Europe S.r.l.	Note 2	72.68	Note 2	22.32	Note 2	95.00

Note 1: Long-term investments made by the Company using the equity method

Note 2: Not applicable as stocks were not issued.

Chapter 3 Capital Raising Activities

I. Capital and Shares

(I) Source of Capital:

1. Type of share capital

April 27, 2025; Unit: thousand shares

Type of Shares	Authorized Capital		Remark	
	Outstanding Shares	Unissued Shares	Total	
Common Stock	1,178,266 (listed)	621,734	1,800,000	None

2. Capital formation

April 27, 2025; Unit: NT\$ Thousands; thousand shares

Year/ Month	Issue Price	Authorized Capital		Paid-in Capital		Remark		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Issued for Consideration Other than Cash	Others
1964.12	NT\$100	8	800	8	800	Establishment of the Company	None	--
1966.01	NT\$100	40	4,000	40	4,000	Cash capital increase: 3,200 shares	None	--
1968.01	NT\$100	100	10,000	100	10,000	Cash capital increase: 6,000 shares	None	--
1972.01	NT\$100	160	16,000	160	16,000	Cash capital increase: 6,000 shares	None	--
1972.11	NT\$100	360	36,000	360	36,000	Cash capital increase: 20,000 shares	None	--
1973.11	NT\$100	700	70,000	700	70,000	Cash capital increase: 34,000 shares	None	--
1975.09	NT\$100	770	77,000	770	77,000	Cash capital increase: 7,000 shares	None	--
1976.09	NT\$100	800	80,000	800	80,000	Cash capital increase: 3,000 shares	None	--
1978.08	NT\$100	1,000	100,000	1,000	100,000	Cash capital increase: 20,000 shares	None	--
1979.11	NT\$100	1,500	150,000	1,500	150,000	Capitalization of earnings: 25,000 shares; Cash capital increase: 25,000 shares	None	--
1985.11	NT\$10	20,000	200,000	20,000	200,000	Cash capital increase: 50,000 shares	None	--
1987.01	NT\$10	30,000	300,000	30,000	300,000	Cash capital increase: 100,000 shares	None	--

1988.07	NT\$10	45,500	455,000	45,500	455,000	Cash capital increase: 155,000 shares	None	07/21/1988 (77) T.C.Z. (Y.) No. 08700
1990.08	NT\$10	60,000	600,000	60,000	600,000	Capitalization of earnings: 145,000 shares	None	08/03/1990 (79) T.C.Z. (Y.) No. 31539
1992.07	NT\$10	72,000	720,000	72,000	720,000	Capitalization of earnings: 120,000 shares	None	06/03/1992 (81) T.C.Z. (Y.) No. 01142
1993.07	NT\$10	90,942	909,419	90,942	909,419	Capitalization of earnings: 189,419 shares	None	06/22/1993 (82) T.C.Z. (Y.) No. 01524
1994.07	NT\$40	131,677	1,316,774	131,677	1,316,774	Capitalization of earnings: 227,355 shares; Cash capital increase: 180,000 shares	None	06/27/1994 (83) T.C.Z. (Y.) No. 27511
1995.07	NT\$10	164,597	1,645,967	164,597	1,645,967	Capitalization of earnings: 197,516 shares; Capital reserve: 131,677 shares	None	06/08/1995 (84) T.C.Z. (Y.) No. 33684
1996.07	NT\$10	197,516	1,975,161	197,516	1,975,161	Capitalization of earnings: 164,597 shares; Capital reserve: 164,597 shares	None	06/25/1996 (85) T.C.Z. (Y.) No. 38778
1997.07	NT\$10	300,000	3,000,000	257,633	2,576,329	Capitalization of earnings: 434,535 shares; Capital reserve: 158,013 shares; Employee bonus: 8,620 shares	None	06/12/1997 (86) T.C.Z. (Y.) No. 46433
1998.06	NT\$10	400,000	4,000,000	336,103	3,361,025	Capitalization of earnings: 566,793 shares; Capital reserve: 206,106 shares; Employee bonus: 11,797 shares	None	05/06/1998 (87) T.C.Z. (Y.) No. 38173
1999.06	NT\$10	500,000	5,000,000	404,352	4,043,517	Capitalization of earnings: 571,374 shares; Capital reserve: 100,831 shares; Employee bonus: 10,287 shares	None	05/18/1999 (88) T.C.Z. (Y.) No. 46053
1999.10	NT\$35	500,000	5,000,000	407,352	4,073,517	Cash capital increase: 30,000 shares	None	10/13/1999 (88) T.C.Z. (Y.) No. 88150
2000.05	NT\$35	500,000	5,000,000	418,782	4,187,817	Cash capital increase: 114,300 shares	None	05/12/2000 (89) T.C.Z. (Y.) No. 42830
2000.07	NT\$10	600,000	6,000,000	501,877	5,018,766	Capitalization of earnings: 766,229 shares; Capital reserve: 16,245 shares; Employee bonus: 48,475 shares	None	05/20/2000 (89) T.C.Z. (Y.) No. 44222
2001.05	NT\$10	650,000	6,500,000	554,175	5,541,752	Capitalization of earnings: 401,501 shares; Capital reserve: 100,375 shares; Employee bonus: 21,110 shares	None	05/24/2001 (90) T.C.Z. (Y.) No. 132348
2002.05	NT\$10	650,000	6,500,000	583,667	5,836,668	Capitalization of earnings: 277,088 shares; Employee bonus: 17,828 shares	None	05/21/2002 (91) T.C.Z. (Y.) No. 127586
2005.07	NT\$10	753,000	7,530,000	642,034	6,420,335	Capitalization of earnings: 583,667 shares	None	07/06/2005, J.G.Z.Z. No. 0940127266
2006.06	NT\$10	850,000	8,500,000	711,451	7,114,512	Capitalization of earnings: 642,034 shares; Employee bonus: 52,143 shares	None	06/23/2006, J.G.Z.Z. No. 0950126034

2007.07	NT\$10	950,000	9,500,000	803,547	8,035,468	Capitalization of earnings: 853,741 shares; Employee bonus: 67,215 shares	None	06/06/2007, J.G.Z.Z. No. 0960028997
2008.08	NT\$10	1,200,000	12,000,000	891,221	8,912,212	Capitalization of earnings: 803,547 shares; Employee bonus: 73,197 shares	None	07/24/2008, J.G.Z.Z. No. 0970037454
2009.07	NT\$10	1,200,000	12,000,000	900,133	9,001,334	Capitalization of earnings: 89,122 shares	None	06/23/2009, J.G.Z.Z. No. 0980031147
2010.09	NT\$10	1,200,000	12,000,000	945,140	9,451,401	Capitalization of earnings: 450,067 shares	None	07/21/2010, J.G.Z.Z. No. 0990037977
2011.08	NT\$10	1,200,000	12,000,000	992,397	9,923,971	Capitalization of earnings: 472,570 shares	None	06/22/2011, J.G.Z.Z. No. 000028589
2014.08	NT\$10	1,200,000	12,000,000	1,022,169	10,221,690	Capitalization of earnings: 297,719 shares	None	07/22/2014, J.G.Z.Z. No. 030025006
2016.08	NT\$10	1,200,000	12,000,000	1,103,943	11,039,425	Capitalization of earnings: 817,735 shares	None	08/19/2016, J.S.S.Z. No. 10501207920
2017.08	NT\$10	1,200,000	12,000,000	1,159,140	11,591,397	Capitalization of earnings: 551,972 shares	None	08/21/2017, J.S.S.Z. No. 10601118100
2018.08	NT\$10	1,800,000	18,000,000	1,240,280	12,402,795	Capitalization of earnings: 811,398 shares	None	08/16/2018, J.S.S.Z. No. 10701099770
2022.08	NT\$10	1,800,000	18,000,000	1,178,266	11,782,655	Cash capital reduction, NT\$620,140	None	08/17/2022, J.S.S.Z. No. 11101156920

3. Information on Offering and Issuance of Securities by the Shelf Registration System: None.

(II) List of Major Shareholders: Shareholders with 5% Shareholding or More or the Name of Top 10 Shareholders, the Number of Shares Held and Shareholding Percentage:

April 27, 2025; Unit: shares, %

Name of Major Shareholder	Shares	Number of Shares Held	Shareholding Percentage
Kwang Yang Motor Co., Ltd.		117,800,000	9.99
Kao Ying-Shih		75,566,152	6.41
Kwang Hsing Industrial Co., Ltd.		47,600,000	4.04
Kao, Kuo-Lun		35,905,563	3.05
Lee Chia-Rong		20,154,375	1.71
China F.R.P. Corporation		20,000,000	1.70
LGT Bank AG in custody of Standard Chartered		19,141,729	1.62
Jia-Cheng Co., Ltd.		17,914,344	1.52
Kao Ying-Chih		14,893,982	1.26
Norges Bank investment account in custody of Citibank (Taiwan)		14,608,297	1.24

(III) Dividend policy and its implementation:

1. Dividend policy stipulated in the Articles of Incorporation:

Based on the principle of sustainable development and continuous growth, the Company expects to have a major expansion plan in the future. The dividends distributed to shareholders for the year shall not be less than 30% of the balance to be distributed for the year. Cash dividends shall not be less than 10% of the total dividends distributed for the year.

2. Distribution of Dividends Proposed in the Shareholders' Meeting:

(1) It is proposed that the distribution of earnings for 2024 will be carried out in accordance with Article 18 of the Articles of Incorporation.

(2) On March 14, 2025, the Board of Directors resolved to approve the 2024 earnings distribution, with a total shareholder dividend of NT\$1,178,265,483 to be distributed entirely in cash, representing a cash dividend of NT\$1.0 per share. In addition, capital surplus of NT\$235,653,097, arising from the difference between the acquisition or disposal price and the book value of subsidiary shares, will be distributed in cash, equivalent to NT\$0.2 per share. The total cash distributed to shareholders amounts to NT\$1,413,918,580. The Board of Directors has set May 1, 2025, as the base date for the distribution of cash dividends and capital surplus in cash, with the payment date scheduled for May 23, 2025.

3. Any Expected Material Changes in the Dividend Policy: None.

(IV) Effect of Any Stock Dividends Distribution Proposed in the Shareholders' Meeting on

Business Performance and Earnings Per Share: N/A.

(The Company has not disclosed our financial forecast information for 2024 in accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies.)

(V) Remuneration for employees, directors, and supervisors

1. Percentage or range of remuneration distributed to employees and directors as stipulated in the Company's Articles of Incorporation:

If the Company reports a profit in a year, 4.5%-5.5% of which shall be set aside as compensation for employees, and 1% of which shall be set aside as compensation for directors and supervisors. However, if the Company has accumulated losses, the amount for offsetting the losses shall be reserved first.

The profit in the current year mentioned in Paragraph 1 shall refer to the profit before tax of the year before deducting the distribution of remuneration paid to employees and to directors.

2. Basis for Estimating the Amount of Remuneration Paid to Employees, Directors, and Supervisors, for Calculating the Number of Shares to Be Distributed as Employee Remuneration, and the Accounting Treatment of Any Discrepancy between the Actual Distributed Amount and the Estimated Figure for the Current Period: The discrepancy shall be treated in accordance with the changes in accounting estimates and recognized in the following year's profit or loss.
3. Distribution of Remuneration Approved by the Board of Directors:
 - (1) Remuneration for employees and directors shall be distributed in the form of cash or shares:
 - ① Remuneration paid to employees in cash: NT\$101,358,482, which is NT\$317,518 lower than the estimated amount of NT\$101,676,000.
 - ② Remuneration paid to directors: NT\$14,640,670, which is NT\$1,330 higher than the estimated amount of NT\$14,642,000.
 - ③ Differences shall be treated as the profit or loss of the next year according to the changes in accounting estimates.
 - (2) The ratio of “amount of remuneration distributed to employees in the form of stock” to the sum of “net income after tax (NIAT) specified in the parent company only financial statements and total remuneration paid to employees”:
The amount of stock dividends distributed to employees was NT\$0.
4. Actual distribution of remuneration to employees and directors and supervisors for the previous year:
 - (1) The Company distributed NT\$79,662,101 as employee remuneration in cash and NT\$11,506,748 as director remuneration.
 - (2) Where there is any discrepancy between the actual amount and the recognized amount of remuneration to employees, directors, and supervisors, the amount, cause, and treatment of such a discrepancy shall be stated:

The estimated amount of employee remuneration was NT\$80,000,000, and the actual amount distributed was NT\$337,899 less than the estimated amount. On the other hand, the estimated amount of remuneration for directors and supervisors was NT\$11,300,000, and the actual amount distributed was NT\$206,748 higher than the estimated amount.

- (3) Differences shall be treated as the profit or loss of the next year according to the changes in accounting estimates.

(VI) Repurchase of the Company's Shares: None.

II. Issuance of corporate bonds:

Type of Corporate Bonds	Issuance of first secured corporate bonds for 2021
Date of issuance (placement)	August 27, 2021 to August 27, 2026
Par Value	NT\$10,000 thousand
Place of issuance and trading	Republic of China
Issue Price	Issued at par value
Total interests	NT\$2.5 billion
Interest rate	0.58% per annum
Maturity	5 years Maturity Date: August 27, 2026
Guarantor	Bank of Taiwan Co., Ltd., E.SUN Commercial Bank, Ltd., Changhua Commercial Bank Co., Ltd., Hua Nan Commercial Bank Co., Ltd., Taiwan Cooperative Bank Co., Ltd., Mega International Commercial Bank Co., Ltd., Bank SinoPac Company Limited, Shanghai Commercial & Savings Bank, Ltd. and Yuanta Commercial Bank Company Limited act as joint guarantee banks to provide guarantee in accordance with the signed joint appointment guarantee contract and the corporate bond performance guarantee obligation contract.
Trustee	CTBC Bank Co., Ltd.
Underwriter	E.Sun Commercial Bank, Ltd. as the lead underwriter
Certified Lawyer	Yufeng Law Firm
CPA	Deloitte & Touche
Repayment method	One-time repayment at maturity
Outstanding principle	NT\$2.5 billion
Provision of prepayment and early redemption Terms of Clearance	None
Restrictive Clause	None
Name of credit rating agency, rating date and results of corporate bond ratings	N/A
Other	Dollar amount of None

rights	common shares already converted (swapped or warranted) and global depository receipts or other negotiable securities as of the publication date of this annual report	
	Issuance and conversion (swap or subscription) methods	None
Possible dilution of equity or impact to shareholders' equity caused by regulations on the issuance and conversion, swap or subscription to stocks		None
Name of the custodian institution for the exchanged target		None

III. Issuance of Preferred Shares: None.

IV. Global Depository Receipts: None.

V. Issuance of employees' stock option certificate and new restricted employee shares: None.

VI. Issuance of New Shares in Connection with Mergers or Acquisitions of Shares of Other Companies: None.

VII. Financing Plans and Implementation: None.

Chapter 4 Overview of Business Operations

I. Description of Business

(I) Scope of Business

1. Description of business:

- (1) Synthetic resin manufacturing.
- (2) Electronic parts and components manufacturing
- (3) Paint, dye and pigment manufacturing
- (4) Industrial catalyst manufacturing
- (5) Other plastics manufacturing
- (6) Other chemical materials manufacturing
- (7) Petrochemical raw material manufacturing
- (8) Basic chemical industry
- (9) Medical equipment manufacturing
- (10) Wholesale of medical equipments
- (11) Retail of medical equipments
- (12) All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue composition by key products in 2024:

Product Name	Percentage (%)
Synthetic resins	48
Electronic materials	26
Specialty materials	26
Others	0

3. Products and Services:

- (1) Coating resins
- (2) Polyester resin
- (3) Epoxy resin
- (4) Copper clad laminate
- (5) Dry film photoresist
- (6) Specialty chemicals
- (7) Functional adhesives
- (8) Structural adhesive materials
- (9) Organic Silicone Materials
- (10) Packaging materials
- (11) Composite materials
- (12) Panel materials for solar modules

- (13) Biomedical testing materials
- (14) Vacuum film laminator
- 4. New Products and Services Planned for Development:
 - (1) High frequency, high speed and high thermal conductivity electronic materials: Development of high frequency solvent type LCP resin and LCP film.
 - (2) Semiconductor packaging materials: 3D-IC/SIP high-end packaging and bottom filling materials, silicone packaging materials, and release films for packaging process
 - (3) High performance thermoplastic compounds: High-performance thermoplastic engineering plastics for aerospace, telecommunications, medical and 3D printing.
 - (4) Lithium batteries and energy storage materials: Adhesives for graphite anodes, adhesives for silicon-carbon anode, solid electrolytes, and binders for solid electrolytes.
 - (5) Low carbon materials: recycled PET as raw material, laboratory conditions, economically efficient purification conditions and quality control conditions for the synthesis of BHET.
 - (6) Biomass materials: Bio-based coatings and binders.
 - (7) Biomedical testing materials include COVID-19 and influenza Flu A/B/C combo rapid tests, dengue NS1 antigen typing rapid tests, human papillomavirus (HPV) antigen rapid test reagents, aptamer-based detection materials, recombinant protein materials, and carbon film electrodes for blood glucose test strips.
 - (8) Next-generation display materials: Establishment of microfluidic instrument to synthesize calcium titanite quantum dot materials and temporary adhesives for u-LED mass transfer.
 - (9) High-performance pressure-sensitive adhesive materials: Odorless and highly breathable skin adhesives, outdoor weather-resistant adhesives, and UV-curing adhesives.
 - (10) Adhesive materials for energy vehicles: Wiring harness tape, battery blue film adhesives for batteries, conformal adhesives for PCBs, and adhesives for in-vehicle electronic structures.
 - (11) New generation solar energy materials: Low-temperature high-molecular weight polyester adhesives, conductive strip adhesives, and calcium titanium ore sealants.
 - (12) Thermal gel materials include thermal gel-type interface materials, non-silicone thermal interface materials, polyurethane-based thermal structural adhesives, silicone-type thermal pastes, and liquid metal thermal pastes.

(II) Industry Overview and Business Development Plans

1. Current Status and Development of the Industry

(1) Synthetic resins

A. Coating resins

- (A) The global coating resin market was valued at US\$58.36 billion in 2024, and the industry is projected to reach US\$60.74 billion in 2025. The compound annual growth rate (CAGR) of the coating resin market from 2025 to 2037 is estimated at approximately 5.1%, with the market size expected to exceed US\$110 billion by 2037 (Research Nester).
- (B) In light of the trend of climate neutrality by 2050, all industries and sectors have proposed relevant development measures towards sustainable development. In addition to stepping up efforts to overcome issues surrounding low VOCs in the coating industry, including powder, water-based, high solid content, and UV coatings, the Company is also actively engaging in initiatives related to recycling and energy conservation, such as the utilization of biomass raw materials.
- (C) Due to the US-China trade war, geopolitical conflicts, and slow growth across various industries, supply chain shifts have occurred, which in turn have affected the demand for coatings. Looking at the resin industry as a whole, international major companies are increasingly moving towards green, environmentally friendly, and high-value products to mitigate the impact of reduced demand and intensified competition, in order to avoid falling into a price competition dilemma. Although price remains the main consideration for product selection across developing and undeveloped countries, green products are bound to gradually penetrate the market under the wave of global trend.
- (D) The Company's new synthetic resin production base in Malaysia was fully put into production in 2018. Besides the Association of Southeast Asian Nations, the business scope also covers South Asia such as India, Sri Lanka, and Bangladesh. It has even expanded to Turkey and countries with preferential tariffs; with the continuous efforts of the sales team, there has been a significant increase in the number of sales in the overall export shipment compared with previous years, and it is expected that there will still be considerable growth in the future. With the trend of short chains and the outward shift of industrial chains to Southeast Asia due to the trade war between the US and China, it is expected that the

advantages of Malaysian factories will gradually emerge.

- (E) In terms of investment in new industries, in response to environmental trends, the coating industry has begun to develop products such as green energy, water-based, high solids content, powder coatings, bio-based, and recycled materials, with breakthroughs and growth already achieved. To align with industry trends, companies continue to focus on carbon reduction issues, as well as the market demand and technological advancements arising from the green industry, developing solutions to meet the challenges of harsh environments.

B. Unsaturated polyester resin

As the production capacity of unsaturated polyester resin in Mainland China continues to increase, domestic demand is unable to absorb this additional capacity, resulting in a shift towards exports. Favorable factors such as export tax rebates and currency depreciation have supported this trend, leading to record-high resin exports in recent years, with Southeast Asian countries, particularly Vietnam, being the primary targets. The substantial import of resins from Mainland China has intensified market competition, especially in the artificial marble sector. The economies of Southeast Asian countries are primarily export-oriented, with the United States serving as their largest market. In light of the ongoing confrontation between China and the United States, it remains uncertain whether the United States will impose additional tariffs on Southeast Asian countries, which could subsequently impact market demand. The factory established in Malaysia, by closely integrating with the market and understanding customer needs, is able to respond quickly to customer demands, and the effects are gradually becoming evident.

In the Chinese market, with sluggish domestic demand, intense competition is inevitable. In addition to striving to maintain our core market, we are also focused on developing niche markets, leveraging our R&D advantages to launch new products and avoid the overcrowded red ocean markets.

In terms of the export market, we are focusing on the Americas. After years of operation, our achievements are gradually becoming evident. With the extension of product storage duration, this further facilitates sales expansion, allowing our products to be sold to more distant regions, including Central America and even South America.

(2) Electronic materials

A. Photoresist materials

Dry film photoresist is a key material in the image transfer process of printed circuit board (PCB) production. In recent years, the electronics

industry has driven the demand for high-speed computing and high-frequency applications through AI-related uses and consumer products. As a result, product structural designs are moving towards increased layer count/size and heterogeneous integration of IC chips, as well as higher-density fine lines in HDI (high-density interconnect) circuits, HLC (high-level circuits) for high-frequency and high-speed applications, and the growing demand for lightweight, thin, and high-performance FPC (flexible printed circuit) soft boards for consumer products. Therefore, dry film photoresist plays an even more critical role in the image transfer process for the production of fine lines. In addition, due to the increasing demand for product precision, the application of LDI dry film photoresist continues to increase in the future.

In 2023, the PCB industry was facing the ongoing trade war between the U.S. and China, as well as the Russia-Ukraine conflict. These factors have led to high inflation across the globe and a decline in consumer purchasing power, along with the impact of high inventory in the electronics industry. Consequently, the PCB industry experienced a significant decline. According to Prismark, 2023 was expected to be the low point of the business cycle in the PCB industry, with a slight growth of 5.8% in 2024. Over the long term, with the diversified development of various technological applications, such as electric vehicles, 5G applications, high-speed computing, and artificial intelligence-related products, along with factors such as geopolitical risks and the industry's shift towards the ASEAN policy, Prismark remains optimistic about the performance of the PCB industry in the future. It is estimated that the compound annual growth rate of the PCB industry's output value will reach 5.6% by 2028.

B. Copper clad laminate

Eternal Copper-clad laminate is primarily used in consumer electronics, with televisions representing a substantial portion of their application. Since 2024, the PCB industry has experienced multifaceted demand growth, driven by the expansion of AI-led communications and servers, the recovery of consumer electronics, and the increasing penetration rate of new energy vehicles, all of which have injected strong momentum into the industry's development. Driven by the PCB industry, copper-clad laminate enterprises are experiencing favorable development opportunities. In the third quarter of 2024, global smartphone shipments increased by 5% year-on-year, reaching 309.9 million units. From January to November 2024, smartphone shipments in China totaled 262 million units, reflecting a year-on-year growth of 4.9%, which indicates a significant recovery in demand. In addition, the government's subsidy program for replacing old appliances with new ones has significantly

boosted home appliance sales. In particular, the Chinese television market is expected to see global shipments grow to 196 million units for the year, a 0.6% increase, ending five consecutive years of decline.

Looking ahead to 2025, while the Federal Reserve's interest rate cuts in September 2024 are expected to positively contribute to economic growth, manufacturers will shift their focus towards promoting larger-sized or mid-to-high-end television products, taking profit margins into account. Consequently, this will lead to a slowdown in shipments and replacement demand, with expectations that the shipment volume in 2025 will experience a slight decline compared to 2024. The high-end CCL (Copper Clad Laminate) manufacturers are currently facing a significant opportunity due to the dominance of NVIDIA in the GPU market for AI servers, as well as the recent launches of ASICs by the four major CSPs (Cloud Service Providers) and IC design companies in North America. Regardless of the camp, AI servers require high-end copper foil substrate materials, which is expected to lead to upgraded business opportunities.

C. Vacuum film laminator

The vacuum pressure molding machine is primarily utilized in the integrated circuit (IC) substrate industry for the Buildup and DFSM processes, commanding a market share of over 95%. In response to the changes in the processes and materials of advanced integrated circuit substrates, we have developed production solutions tailored to specific models for our customers. In response to the recent demand for AI development, high-end networking, server, and high-performance computing products are projected to experience a compound annual growth rate of 17% in the 2.5D and 3D advanced packaging market from 2024 to 2029.

Recently, driven by the high demand for CoWos architecture products, the application technology of the FOPLP process has once again gained attention from various packaging factories, with the expectation of overcoming existing challenges and providing customers with an alternative solution. Additionally, vacuum pressure film application technology is an indispensable component of FOPLP.

(3) Specialty materials

A. Special materials and coatings

Featuring the fast curing speed, energy conservation, eco-friendliness, high performance and high-speed automated production, ultraviolet curing (UV) products have a wide range of applications covering woods, inks, daily chemical products, 3C electronic products, automobiles, green energy, adhesives, and 3D printing. With the emphasis on the 5e (production efficiency, replacement of traditional industries, economic

considerations, energy saving and environmental protection) in the world and the background of global energy control and environmental custody control, UV curing will be applied to more industrial transformation and the replacement of traditional high pollution process. Although the global inflation, economic slowdown, and geopolitical energy issues brought about by the global growth momentum of light curing in 2024 has been reduced. However, with significant energy saving and high efficiency advantages, the demand for UV curing materials continues to be positive in line with the global trend of carbon reduction and China's dual carbon target.

It is estimated that the global UV coating market will grow at an annual rate of over 3% to 5%, with India, Southeast Asia and other regions experiencing the fastest transformation and growth. The Company's Special Materials Division has invested heavily in the development of high-value UV coating applications (new materials, new technologies, new products and new markets). The market strategy covers a wide range of photocurable resins and monomers, offering a rich product line for various photocuring applications. These include automotive lighting coatings, 3D printing materials, molding materials, optical film coatings, photosensitive materials for processless printing plates, UV hard coatings, UV solvent-free spray paint, and putty paint, constantly moving the Company's product lines toward high value-add and technology differentiation.

B. Organic Silicone Materials

Organic silicone materials are new uniquely-structured chemical materials, having both organic and inorganic features, characterized by heat stability, durability, water resistance, physiological inertia, corrosion resistance, and insulation. With high market potential, they are widely used in LED, LCD, adhesive, thin film, cosmetics, coating, ink, medicine, and hydrogen fuel cell stack sealing. The global market is expected to grow at an annual rate of 5%.

C. Function Adhesives

With the continuous development of global technology and the economy, the growing demand for industrial products and consumer goods has driven an increase in the demand for adhesives and adhesive materials. Furthermore, with the constant emergence and rapid development of innovative technological products, the application fields for various functional adhesives and tape products are continually expanding. New product demands are gradually emerging across numerous sectors, including integrated circuits, smart terminals, power batteries and new energy, data centers, machinery manufacturing, and consumer goods. Adhesive materials and adhesives have become essential products across

various industries, facilitating lightweight design, high adhesion, and improved quality and efficiency. The global adhesive market is projected to grow at a compound annual growth rate of approximately 5%. The Company's functional adhesive products mainly include various types of high-performance pressure-sensitive adhesive products (UV-curable, solvent-based, and water-based), UV-curable hot melt adhesives, UV-curable electronic adhesives and raw materials, structural adhesives, and high-performance thermal conductive products.

2. 2. Links between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain

(1) Synthetic resins

Synthetic resin is a midstream and downstream product of the petrochemical industry. It is an upstream material used for the necessities of life, such as clothing and housing. The upstream industry of synthetic resin is the petroleum refining industry, and the downstream industry is the manufacturing industry. The upstream and downstream links are shown in the following table.

Upstream Industry	<ul style="list-style-type: none"> • Styrene, acrylic acid (propylene), phthalic anhydride, adipic acid, and xylene, etc. • Major manufacturers: Formosa Plastics Group, TSMC, Formosa Chemicals & Fibre Corporation and China Petroleum & Chemical Corporation, etc.
Midstream Industry	<ul style="list-style-type: none"> • Acrylic resin, polyester resin, fluorocarbon resin, alkyd resin, epoxy resin, PU resin, phenolic resin, and unsaturated polyester resin • Major manufacturers: Eternal Materials, Qualipoly Chemical, Nan Ya, Enchuan Chemical, and Yong Shun Chemical, etc.
Downstream Industry	<ul style="list-style-type: none"> • Adhesives, construction coatings, industrial coating, automotive paint, wood paint, artificial stones, buttons, copper clad laminates, electronic tapes, and cosmetic products • Major manufacturers: 3M, Avery Dennison, Yung Chi Paint & Varnish MFG. Co., Ltd., San Fang Chemical Industry Co., Ltd., Nippon Paint, Nanpao Resins Chemical Group, Liangchi, Symbio, AUO, Bostik, etc.

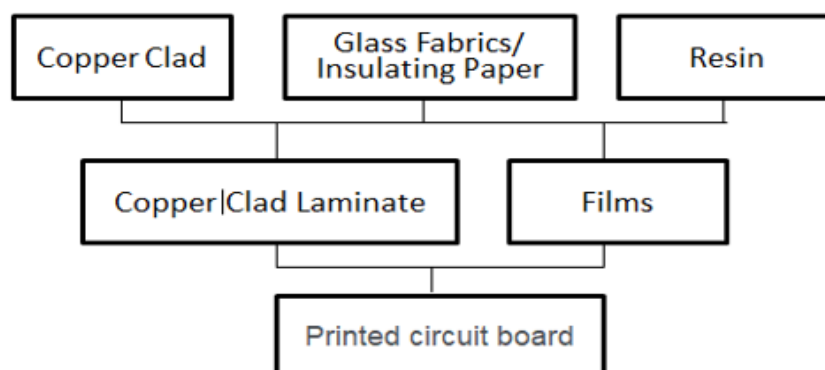
(2) Electronic materials

A. Photoresist materials

The upstream materials of photoresist dry films are mainly composed of electronic-grade polyester films, polyethylene films, resins and photoinitiators.

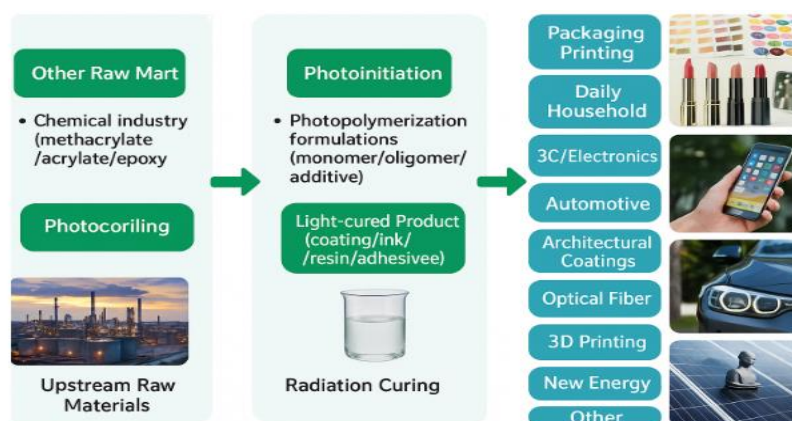
The downstream industries of dry film photoresists include rigid and flexible PCBs and packaging substrates etc.

B. Copper clad laminate



(3) Specialty materials

A. Special materials and coatings



B. Organic Silicone Materials

Upstream Industry	Organosilicon monomer (methyl chlorosilane) and organosilicon intermediate (methyl cyclosiloxane).
Midstream Industry	Organic silicon microspheres, organic silicon additives, MQ silicone resin, organic silicon release agents, organic silicon packaging materials, self-adhesive LSR, conductive LSR, and hydrogen fuel cell stack sealing LSR.
Downstream Industry	LED, LCD, film, cosmetics, coatings, inks, medical devices, hydrogen fuel cells (for automobiles), 5G, and release coatings.

C. Function Adhesives

Upstream Industry	Raw materials such as resins, monomers, photoinitiators, curing agents, diluents, additives, and fillers.
Midstream Industry	Adhesive manufacturers and tape coating manufacturers
Downstream Industry	Integrated circuits, consumer electronics, automotive, 5G communications, security, healthcare, consumer goods, new energy, industrial, packaging, construction, textiles, composite materials, etc.

3. Product Development Trends

(1) Synthetic resins

A. Coating resins

(A) Environmental issues: e.g., water-based, high-curing, powder-based, and UV-based solutions. The main driving force behind the

implementation of environmental regulations that aim to reduce VOC emissions is the governments of various countries. China has stringent market regulations as the country is at the forefront of developing low VOC products compared to other Asian countries.

- (B) Extend the product life cycle: e.g., fluorocarbon coating resin and silicon-modified resin. By extending the product life cycle, we can increase the lifespan of the product and minimize waste generation.
- (C) Introduction of biomass monomers: The market for bio-based coatings is projected to maintain a compound annual growth rate of 10%. Bio-based paint products have already been introduced in the U.S. by downstream manufacturers such as Sherwin Williams, PPG, and Japanese manufacturers such as Nippon Paint.
- (D) Circular economy: Recycle PET by chemically converting it into durable coating resins or unsaturated polyesters.

B. Unsaturated polyester resin

- (A) Easy-in-construction, automation-prone resin:

As automated production is required to reduce high labor costs today, developing unsaturated polyester resin that is suitable for automated production and saves subsequent manual work is the trend.

- (B) High solid content, low VOC resins and eco resins:

Due to the growing environmental awareness and the rising demand for workplace safety and health, the main focus of development will be on the development of high solid content and low VOC resins. Additionally, efforts will be made to reduce the usage of styrene monomer and incorporate recycled materials in order to produce green and eco resins.

- (C) Composite materials are widely used in the highly demanding flame-retardant applications:

Flame retardant materials are used to slow down the burning process or minimize the likelihood of a fire. Therefore, demanding flame-retardant resins for building materials and transportation are developed to meet market demand.

- (D) Development of high value-added products:

Develop high-performance thermoplastic composites, formulated epoxy resins, unsaturated polyester structural adhesives, and vinyl structural adhesives to enhance the value of petrochemical products and increase the gross margin of product lines.

(2) Electronic materials

A. Photoresist materials

Dry film photoresist is mainly applied to the production of PCB. Different PCB electronic products have different requirements for dry film photoresist, which are divided into the following:

- (A) PCB for general PC, communication, automotive and other consumer electronics: Mainly for multi-layered boards, dry film photoresist used in light of different process demands of inner/outer boards (etching / plating). In recent years, due to the development of Internet, electric vehicles and 5G and high-order server applications, the demand for dry film photoresist in IC board, HDI, vehicle and communication applications will continue to grow in the next five years.
- (B) Smart phones and some notebooks: As the smart phone market drives the rapid development of HDI/AnyLayer process and FPC soft board, as well as the rising demand for notebooks due to pandemic driven home economics and video conferencing, there is a growing demand for high-resolution dry film photoresist. In addition to high-resolution dry film photoresist, LDI-specific dry film with low exposure and high throughput will be the focus of future development.
- (C) Semi-conductor package substrate: In the early days, Japanese process technology dominated the packaging substrate process. As a result, direct and indirect materials used in the process were also imported from Japan. In recent years, with the continuous efforts made by Taiwan's packaging and IC substrate manufacturers, most of the processes today are directly developed by Taiwanese companies. High-resolution dry film photoresists for ball grid array packages, wafer-sized packages, and ABF flip-chip substrate will also be the focus of future development.
- (D) Other dry film photoresist for special uses: e.g., dry film used in electroplating or special dry and wet etching processes, and FanOutWLCSP, thick film for special processes.

B. Copper clad laminate

In recent years, the PCB industry is expected to be a high-growth product in the future with a wide range of applications, high technical threshold, high unit price and high gross margin, driven by the further amplification of the application needs of AI server, green ESG, high-efficiency computing, automotive electronics and other applications. The Company has begun developing high-frequency and high-speed substrate material products for 5G to tap into high-end copper-clad laminate market. Green product CEM-1 is another feature product with both cost and quality

advantages to meet the growing trend of environmental protection.

C. Vacuum film laminator

The main IC substrate market, under the core technology of vacuum lamination, has gradually expanded into new semiconductor packaging processes, such as FOPLP, Embbed, and other related specialized processes.

Currently, the LED industry is actively developing MicroLED display technology, which is also a key focus aligned with customer-driven development.

(3) Specialty materials

A. Special materials and coatings

UV-curing coatings offer several advantages, including a high solid content (100%), fast curing in just a few seconds, and no solvent pollution. These coatings provide significant benefits in terms of environmental protection, energy conservation, and efficient production. The growth rate of UV-curing coatings remains about 3-5% in the global market. In addition, the growth rate of UV-curing coatings in emerging markets such as India and Southeast Asia exceeds 8% on average, making them a crucial region for future sustainable development and incremental growth.

B. Organic Silicone-Related Materials

China is the primary global market for LED lighting and LCD diffusion plates, with an estimated annual growth rate of 3% to 5%. Aside from significant demand for diffusers, continuous growth in PSQ microspheres is also being driven by new demand from the 5G industry. UV-curing organic silicone release agents exhibit excellent performance and comply with high efficiency, energy conservation, and environmental regulations. Their applications are consistently expanding, offering promising market prospects in the process.

In addition, the organic silicon resin/packaging adhesive series products provide excellent packaging protection, applied in Mini/MicroLED display technologies with outstanding features such as high brightness, high integration, high refresh rate, and high contrast. This technology has become the next-generation display technology, following OLED and LCD, and is currently experiencing a stage of explosive demand. The Mini/MicroLED packaging adhesive market has an average growth rate of over 10%, with application products including TV panels, general and high-end displays, automotive displays, and indoor/outdoor LED screens.

C. Function Adhesives

With the continuous emergence and rapid development of emerging industries such as electronics, new energy, smart manufacturing, and smart terminals, the demand for functional adhesives is steadily

increasing. At the same time, under the guidance of sustainable development strategic goals, the adhesive industry is driving technological innovation and product upgrades. The greening, high performance, and multifunctionality of products will emerge as the primary development trends in the adhesive industry. The Company has developed a variety of high-performance products to meet market demands, earning high recognition from customers. In terms of sustainable products, the Company's solvent-free, water-based, and UV-curable adhesives such as UV hot melt pressure-sensitive adhesives, water-based pressure-sensitive adhesives, and UV electronic adhesives have been highly favored in the market. Additionally, in the field of bio-based materials, the Company is continuously developing and optimizing its products. The Company continuously introduces high-performance and multifunctional products that provide customers with comprehensive solutions and help address their performance-related needs. In the future, the Functional Adhesives Division will continue to evaluate and develop innovative functional adhesive products to meet the diverse needs of the market.

4. Competition

(1) Synthetic resins

The Company has been in the synthetic resin business for more than 50 years. To stay ahead of competitors, the Company continues to introduce advanced technology from Europe and the U.S. on top of its solid R&D foundation, and deploys marketing channels around the world with a full spectrum of products. Eternal is the largest company in Asia in terms of industrial paint resin production capacity and ranks ninth globally in paint and resin sales.

The major competitors and their main products are as follows:

Eternal Materials Co., Ltd.	General resin, coating resin, unsaturated polyester resin, photoresist, vacuum laminating equipment, copper-clad laminate, UV light curing materials, epoxy resin packaging materials, and liquid compound molding materials
Qualipoly Chemical Corporation	UV light curing materials, unsaturated polyester resin, coating resin, PU resin, and casting resin
UNIEXPV Technology (China) Co., Ltd.	Coating resin, leather resin, adhesive, hardener, polyol resin, ink resin, water-based PU resin, and anti-static resin
Daily Polymer Corporation	Coating resin, alkyd resin, textile resin, unsaturated polyester resin, and LCD materials

Young Shun Chemical Co., Ltd.	Unsaturated polyester resin, polyester polyol resin, and FRP product
Lidye Chemical Co., Ltd.	PU polymer resin, polymer emulsion (synthetic leather, insulation foam, textiles use), polymer resin for ink, and polymer resin for coating (automobile, 3C product, and special construction)
Quick Stick Enterprise Co., Ltd.	Adhesive tape, double-sided tape adhesive, self-adhesive label glue, glue for protection laminating tape, advertising stickers, and self-adhesive glue for shoes
Asia Titan Chemical Co., Ltd.	Electronic tape, conductive glue, thermal adhesive, temperature-sensitive glue, optoelectronic glue, acetate cloth tape, flame-retardant glue, and anti-static adhesive
BASF	Coating resin, acrylic resin, and unsaturated polyester resin
ALLNEX	Coating resin, acrylic resin, and amino resin
Sumei Chemical Co., Ltd.	Water/oil-based pressure-sensitive adhesive, vinyl acetate coating, and curing hot-melt pressure-sensitive adhesive
Covestro Taiwan	Polyurethane material and system, thermoplastic polyurethane, polycarbonate and polycarbonate blends, coating, adhesive and medical polymer, textile coating, elastomers, and cosmetic materials
Dow Chemical	Special polymer, adhesive, coating, water-based flooring and protection coating, and personal care products
Kuo Tai Resin Industrial Co., Ltd.	Epoxy hardener, esterified epoxy resin, modified alkyd resin, water-based resin, unsaturated polyester resin, medium oil alkyd resin, urea and melamine formaldehyde resin, solid epoxy resin, rosin ester resin, and thermoplastic acrylic resin
Chanshieh Enterprises Co., Ltd.	Acrylic ester, waterborne PU ester, saturated polyester ester, vinyl acetate ester, hot melt adhesive
Coating P. Materials Co., Ltd.	Polyester polyol resin, PU synthetic resin, waterborne PU, TPU, moisture reactive polyurethane hot melt adhesive

(2) Electronic materials

A. Photoresist materials

Analysis of main products/sales territories/applications of the world's major dry film photoresist supplier:

Item	Supplier	Main Sales Territory	Major Product	Application
1	Eternal Materials	Taiwan, mainland China,	Dry film photoresist for etching, electroplating, MSAP, SAP,	Rigid PCB, HDI, FPC, RFPCB, IC

	Co., Ltd.	Southeast Asia, Japan, Europe, and North America	selective plating, HDI, and thick-film bump	substrate, and packaging
2	Showa Denko	Taiwan, mainland China, Southeast Asia, and Japan	Dry film photoresist for etching, electroplating, MSAP, SAP, and HDI	Rigid PCB, HDI, FPC, and IC substrate
3	Asahi Kasei Corporation	Taiwan, mainland China, Southeast Asia, and Japan	Dry film photoresist for etching, electroplating, SAP, and HDI	Rigid PCB and IC substrate
4	DuPont	North America	Electroplating and selective-based dry film photoresist	RPCB, HDI, and FPC
5	Others	Mainland China	Etching-based dry film photoresist	Rigid PCB

B. Copper clad laminate

The main products of copper-clad laminate include paper phenolic copper clad laminate (XPC, FR-1) and composite epoxy copper clad laminate (CEM-1). Eternal Material features FR-1 and CEM-1, positions itself as a critical third business strategy. Competitive advantage lies in superior technical service and clearly defined price-performance ratio to differentiate itself from competitors.

(3) Specialty materials

In response to an increasingly competitive environment, the Company has been committed to increasing the proportion of sales of high value-added products and expanding into new application areas. At the same time, the Company is also committed to reducing the production costs, optimizing its manufacturing process, making continuous improvement to maintain its competitive advantage, and developing new industries and applications to secure its long-term competitive advantages and market presence.

Major Product	Key Competitors
Specialty Materials	Allnex, Sartomer, Miwon, IGM, Miki Kougyou Zairyou, Riyoung, Qualipoly Chemical and Hau Huei, etc.
Special Coatings	Qualipoly Chemical, Momentive, Fujikura, Cashew Co., Ltd., Sun Origin, and Nissei, etc.
Organic Silicone Materials	Dow, Shin-Etsu, Evonik, Changji, and New Jiayi, etc.
Function	Henkel, Toyo Chemical, Nitto, Bostik Seal, Allnex, Sartomer, Duobai,

(III) Technology and R&D Overview

1. R&D expenses

In 2024, the expenditures on R&D amounted to NT\$1.601 billion.

R&D expenses incurred as of March 31, 2025: NT\$430 million.

2. R&D results in 2024

- (1) Moisture-permeable and waterproof functional film
- (2) Low carbon solutions: R-PET roll steel utilizing polyester resin
- (3) Water-based Acrylic/Polyester/Epoxy Dispersion
- (4) Polyurethane pressure-sensitive adhesive for protective films
- (5) BPANI Polyester Solutions for Food Packaging
- (6) High weather-resistant fluorocarbon emulsion for thermal insulation coatings
- (7) Silicone gel for cosmetics
- (8) Light-curing silicon release agent for electronic and labeling applications
- (9) Polyurethane pressure-sensitive adhesive for protective films in polarizing plates
- (10) Light-curing acrylic pressure-sensitive adhesive
- (11) Light-curing conformal coating for new energy vehicles
- (12) LF series silicon encapsulants for Mini LED applications
- (13) Light curing materials for functional printing ink
- (14) COVID-19 Antigen Rapid Test Kit / Dengue NS1 Antigen Test Kit
- (15) Low carbon footprint button resin
- (16) Offshore wind turbine hood FRP resin
- (17) Light curing trenchless pipeline repair resin applications
- (18) Photopolymeric overlay film with vacuum lamination machine for flexible board applications
- (19) Release film for encapsulation process
- (20) Thermal conductive gel
- (21) 900D high-precision 3D printing dental model material for 8K LCD
- (22) CTP photographic materials for printing with on-machine development
- (23) Advanced packaging process adhesive film
- (24) Binder for the negative electrode of lithium batteries materials

(IV) Long-term and Short-term Development

1. Long-term Business Development Plans

- (1) Synthetic resins
 - A. Coating resins
 - (A) Stabilize the fundamentals and improve capacity utilization.

- (B) Reduce costs and increase product profitability.
- (C) Adjust product mix to increase average gross profit.
- (D) Accelerate the marketization of new products with a project-oriented approach.
- (E) New applications, new products, and new industries.
- (F) Implement ESG with a commitment to net-zero emission.
- B. Unsaturated polyester resin
 - (A) Developing chemical materials required for the production of FRP composites.
 - (B) Developing high-end resin for carbon fiber reinforced plastics (CFRP) and derivative heterogeneous composite.
 - (C) Supply raw materials required for composites industry as a world-class manufacturer and supplier in Asia.
 - (D) Continuously promote eco-friendly products and expand the use of materials in the green energy industry.
- (2) Electronic materials
 - A. Photoresist materials
 - (A) Engage in integrated global R&D, production, and sales in order to optimize production capacity, output and sales for new products.
 - (B) Have a firm grasp of market trend in anticipation of the future needs of strategic clients in order to develop next-generation products/brand-new products ahead of the market.
 - (C) Continue to improve precision coatings production capability and to expand global precision coating OEM market.
 - B. Copper clad laminate
 - (A) Comprehensive control over changes in raw material market with a view to raw materials supply stability.
 - (B) Gradually plan to expand production capacity and increase product size to meet customer needs.
 - (C) Actively develop high-end products to solidify future growth.
 - C. Vacuum film laminator
 - (A) Adopt key core technologies and expanding the design and development of related process equipment, with a commitment to becoming a key process equipment manufacturer for IC carrier boards and packaging.
 - (B) Continue to expand sales of vacuum laminators in existing markets and explore opportunities in new markets and applications.
 - (C) Develop next generation products/new products to meet customers' application needs.

(3) Specialty materials

A. Special materials and coatings

- (A) Continue to develop eco-friendly products, high-end products and high value-added products.
- (B) Continue to develop new core technologies and promote the diversified development of public institutions.
- (C) Strengthen product development and market promotion in emerging application industries.
- (D) Develop new materials and biomass materials for applications such as UV water-based, LED curing, EB curing, metal substrate protective coating, new energy battery coating, etc., and actively expand into non-UV applications and other fields.

B. Organic Silicone-Related Materials

- (A) Continue to develop new core technologies and promote the diversified development of public institutions.
- (B) Continuously developing high-value silicon materials for electronics, communications, and automotive applications.
- (C) Continuously improving the manufacturing capabilities and expanding the production capacity of various silicon materials while complying with industry-specific management standards and regulations.

C. Function Adhesives

- (A) Keeping pace with market trends and product development, enhancing product performance, aligning with market demands, and providing comprehensive product services.
- (B) Enter and continue to gain a solid foothold in new industries such as new energy, medicine, and electronics.
- (C) Create new core technologies in order to create high-value-added products.
- (D) New regional partnerships and resource investments to expand markets outside of China.

2. Short-term Business Development Plans

(1) Synthetic resins

A. Coating resins

The Company engages in a diverse range of markets, each characterized by its own distinct industries and product attributes.

- (A) Steady progress in Greater China: With demand within and outside the Greater China market being sluggish, it is expected to be challenging to return to a high growth trend in the short term. In the face of intense competition, the Company is making efforts to

consistently develop products that meet market demand and enhance customer penetration in order to maintain a satisfactory level of operational efficiency.

- (B) The ASEAN region has experienced significant growth. In an effort to mitigate global political and economic risks, downstream industries have strategically established their presence in the ASEAN market. Since the establishment of the Malaysia Factory in 2017, the Company currently has subsidiaries or offices in several ASEAN countries. Sales are expected to continue growing steadily.
- (C) India is gradually establishing itself as a beneficiary of foreign investment and the relocation of industrial chains. However, the Indian market is vast and has a lower level of industrialization and average income. While the compound growth rate of each industry in the country is expected to be higher than in other regions, India is a low-price market with lower requirements for product performance. The Company will continue to gain a solid foothold in the Indian market through our Indian subsidiary, with a focus on targeting specific niche market segments.
- (D) Seeking opportunities to expand into the North American region: The short supply chain created during the pandemic, coupled with factors such as decoupling from China induced by the U.S.-China trade war and soaring manufacturing costs across Europe and the U.S., has evidently benefited the Company's comprehensive market expansion plan. The Company will improve our service capabilities and bolster our ability to take orders in the American market through our U.S. subsidiary.

B. Unsaturated polyester resin

- (A) Promoting unsaturated polyester resin and vinyl resin worldwide.
- (B) Establish and expand operations in Southeast Asia to take advantage of the new plant capacity in Malaysia.
- (C) Strengthening the development and sales of niche-based (mechanical molding/eco-friendly) resins.
- (D) Continue to promote high value-added products in order to increase profit margins.
- (E) Continue to promote the use of high-performance thermoplastic composite materials.

(2) Electronic materials

A. Photoresist materials

- (A) Increase market share in niche markets (such as DF, DFSM, and

PIC/PSPI for LDI, ENIG, HDI, FPC, IC substrate, and WLP processes).

- (B) Strengthening the production and sales in mainland China in response to the trend of market growth.
 - (C) Actively expand Southeast Asian market (such as Thailand, Vietnam and Malaysia) and India.
 - (D) Controlling the source of key materials to keep the cost of materials under control.
- B. Copper clad laminate
- (A) Continue to cultivate Southeast Asian market (such as Thailand, Vietnam) and India.
 - (B) Increase market penetration among home appliance brands in mainland China
 - (C) Seek new applications.
 - (D) Continue to obtaining certifications for new models from international electronic manufacturers.
- C. Vacuum film laminator
- (A) Continue to expand sales of vacuum laminators in existing markets and explore opportunities in new markets and applications.
 - (B) Increase revenue through the synergy of technological collaboration and strategic alliances.
 - (C) Establish a robust management framework, control production costs, and minimize expenses.
- (3) Specialty materials
- A. Special materials and coatings
- (A) Seize industry development trends of mainland China, expand industry coverage, and continuously maintain a leading position in the Chinese market.
 - (B) Strengthen the functions of marketing as well as deepen local technical services and inventory supply capabilities to increase our market share in the Americas.
 - (C) Improve the planning and distribution of our operating locations and expand our market presence in Southeast Asia, India, and Japan.
 - (D) Expand into overseas markets such as Europe and Middle East, etc.
 - (E) Integrate resources at our business units to increase the proportion of sales of high value-added products.
 - (F) Expand into non-UV application markets and the UV water-based materials market, while increasing market share in industries such

as printing, 3C daily chemicals, and wood coatings.

B. Organic Silicone-Related Materials

- (A) Adjusting the product structure of silicon materials and increasing the proportion of high value-added products. Increase the sales of PSQ microspheres and UV organic silicon release agents.
- (B) Accelerate Mini LED market share growth to ensure that multi-industry and technological solutions meet market demands.
- (C) Continue collaboration with leading market brands on existing projects and new initiatives.
- (D) Expand the technology product platform and sales in the personal care, cosmetics, and medical industries.

C. Function Adhesives

- (A) Speed up the rollout and expansion of related products in the medical, automotive, and new energy industries, capture the mainland China market, and continue to develop new products.
- (B) Respond to geopolitical uncertainties by closely following the trend of industry migration to the south and deeply cultivating the Southeast Asian market.
- (C) Deepen our brand image in the American market and increase sales.
- (D) Enhance technical services for applications to provide customers with all-round product application services.

II. Market and Sales Overview

(I) Market Analysis

1. Sales regions for major products:

Sales territories and sales of main products for the most recent two years are as follows:

Unit: NT\$ thousands

Sales Territory	2023		2024	
	Amount	%	Amount	%
Taiwan	4,415,666	10	4,327,654	10
Mainland China	25,734,559	61	25,585,305	58
Other regions	12,301,351	29	14,278,166	32
Total	42,451,576	100	44,191,125	100

2. Main Competitors and Market Share

The Company's main competitors include BASF, Dow, Miki Kougyou Zairyou, Miwon, Qualipoly Chemical, Sartomer, Allnex, Shin-Etsu, Dow Corning, Asahi Kasei, Kingboard (KB), and DuPont.

The Company's global market share is as follows:

Business Line	Market Share
Synthetic resins	2.08%
Specialty materials	18.42%
Electronic materials (dry film photoresist)	29.31%

3. Future Demand and Supply Conditions and Market's Growth Potential

The Company has a wide range of products that cover various industries and are closely related to the daily demand of the people. In response to the development of global mainstream industries, the Company has striven to develop related key materials, strengthen the supply chain, and provide timely services to stay competitive. The main products of the Company are described as follows:

(1) Synthetic resins:

As coating resins is a midstream and upstream material used in people's daily necessities, including food, clothing, housing, transportation, entertainment, it is closely related to various industries, including construction, woodworking, automobile manufacturing, industrial production, shipbuilding, electrical appliances manufacturing, packaging, textiles, leather products. It is estimated that the average annual compound growth rate of the overall market from 2024 to 2028 will range from 3% to 4%, but will vary by country and industry. As the poor economic situation in Mainland China has impacted the construction industry, which is related to the real estate market; the woodware industry, which is related to decoration and renovation; and the electrical appliances and automobile industries, which are essential to people's livelihood, the growth of these industries will be quite conservative. On the contrary, the heavy corrosion protection industry, which is related to public works and wind power, and China's market share of the first shipbuilding industry, is still expected to maintain better growth. In addition to the Chinese market, other regions can also expect growth rates of 4-6% across various industries.

(2) Electronic materials:

Dry film photoresist, related chemicals, and vacuum laminator: Due to the impact of politics, trade tensions, and supply-demand imbalances in the supply chain on the portable electronic devices, information, home appliances, communications, and automotive electronics, market demand for electronic products has been slightly weaker, but still continues to grow slightly. Following changes in the application patterns concerning electronic products such as AI, 5G, electric vehicles, and satellite communication, demand for PCBs required in the focus of new end-user trends will become a major growth driver. The Company's main production sites are located across Asia and the Greater China region, whereas both Taiwan and Mainland China have become the largest production bases for PCBs. In 2023, the production territory of the electronics industry gradually shifted to the ASEAN region. With ASEAN rapidly emerging as a focus of development for various countries, the region is expected to become the new center of electronics manufacturing. The main competitors are Asahi, Showa Denko, Dupont, Hong Rui, and Foster. The Company has a complete presence in this region and is the leading manufacturer of related applications.

(3) Specialty materials:

Featuring high-solids (100%), fast hardening (in seconds), and solvent contamination-free, UV light curing coatings have advantages of environmental protection, energy conservation, and efficient production. The growth rate of UV light curing coatings remains between 3% and 5%. In addition, the growth rate of UV-curing coatings in emerging markets such as India, Southeast Asia, and Central and South America exceeds 8% on average, making them a crucial region for future sustainable development and incremental growth. Mainland China is a key global market for LED lighting and LCD, growing at a rate of 3-5% annually. Additionally, new demands from the 5G industry are driving the continuous growth of the PSQ microsphere market. Light curing organosilicon release agent products have the characteristics of environmental protection, high efficiency, energy saving, market growth rate of about 8-10%, and has a good development potential in the replacement of part of the traditional heat setting release agent. On the supply side, the high growth of the UV-curable coating market has attracted competitors to expand production capacity. In order to cope with the increasingly competitive environment, the Company not only actively increases the proportion of sales of high value-added products, but also endeavors to continuously reduce production costs, with a view to not only consolidating our existing competitive position, but also proactively building our presence in new industries and regions with an emphasis on the development of materials and the expansion of applications, so as to build up a lasting and comprehensive competitive advantage and market position.

Functional adhesives have surpassed the simple role of "bonding" and have become an indispensable "industrial joint" in high-end manufacturing. Given the ongoing increase in demand for key industries such as new energy, electronics, and healthcare, the technological iteration and application expansion will continue to develop. The global adhesive market is expected to have a compound annual growth rate (CAGR) of 5%. In the next five years, the industry will continue to exhibit a development pattern characterized by "localization, greening, high performance, and multifunctionality."

4. Advantages and disadvantages of the development prospects and countermeasures

(1) Favorable factors:

- A. The products are diverse and correspond to a wide range of upstream and downstream industries. In addition to integrating key technologies for joint development, the focus will also be on strengthening research and development and marketing efforts to gain more space for growth. This will help address industry development trends, accelerate product structure adjustments and transformations, and mitigate the impact of downturns in any single industry.
- B. With well-established production facilities, stable operation management systems, cost advantages and good quality reputation in Taiwan and China, the Company can further strengthen our presence in the Greater China materials market. In order to further strengthen our presence in the ASEAN region, it is important for the Company to have a clear understanding of the strategic positioning of Taiwanese and Chinese

companies in the ASEAN and South Asian regions. Additionally, it is crucial for the Company to establish supply and service capabilities in these regions, with a particular focus on our operations in Malaysia. By doing so, the Company will be able to gradually enhance our market presence in the Asia Pacific region, thereby demonstrating our commitment to long-term development in Greater China and our strategic positioning in the Asia-Pacific region.

- C. The Company has actively made strategic alliances with internationally renowned companies to complete regional and global collaboration based on the idea of global expansion strategy adjustment, regionalization of supply chains, and robust industrial chains. The configuration of the production base is aligned with the needs of key customers and market trends, further enhancing the ability for timely delivery and partnerships.
- D. The Chinese market, which contributes significantly to the Company's revenue, is expected to benefit from the Chinese government's policies aimed at stimulating the economy and boosting domestic demand. We anticipate a gradual increase in market momentum. With our extensive production capacity and sales network, the Company will actively pursue the vast business opportunities in the Chinese market.
- E. As the conflict between Ukraine and Russia is expected to subside, opportunities for post-disaster reconstruction are gradually emerging, and the demand for related livelihood and industrial materials is anticipated to increase. The Company can leverage its global sales network to enhance marketing strategies, thereby further expanding sales opportunities and seizing this important market opportunity.
- F. Our strategy focuses on providing customers with high cost-performance products and comprehensive technical services, accelerating the development of new products and process technology in existing industries, and at the same time, in response to the needs of new industries, we will launch forward-looking new products and strengthen the development of emerging markets to increase our competitiveness and market share, thereby generating revenue and profits.
- G. As the scale of operations continues to expand, the Company's leadership position in the market is increasingly solidified. Leveraging our competitive advantage in superior quality, we will continue to strengthen our research and development capabilities for new products. By developing and integrating core technologies, the Company plans to effectively enhance the diversification of our product portfolio and tap into high value-added products, such as key materials and equipment for mainstream industries.
- H. By integrating upstream raw materials, engaging in strategic investments and mergers and acquisitions, and accelerating efforts to engage in “smart manufacturing” and “digital transformation,” along with a long-term talent development strategy, the Company is on course to achieve our vision of gaining a solid foothold in Taiwan, expanding our presence

across Asia, and embracing the world.

(2) Unfavorable factors:

- A. The global economic growth rate for the year 2024 was 3.2%. According to forecasts, the growth rate for 2025 will remain steady at 3.2%, while the growth in emerging markets is expected to be approximately 4.2%. The growth momentum of the global economy has slowed, and the increase in demand remains relatively conservative.
- B. The new President of the United States took office and immediately imposed high tariffs on Canada, Mexico, and China, claiming that he would gradually implement "reciprocal tariffs." This increases the likelihood of a global trade war between the United States and its allies and adversaries, which will undermine consumer and business confidence and pose significant risks to the global trade landscape.
- C. Due to the impact of issues such as the real estate market and local government debt, the economic momentum in the Mainland China region has shown signs of slowing down. In order to combat this downward trend, the Chinese government is continuously stimulating the economy through various policy measures and strengthening domestic consumption. The effectiveness of related policies still requires ongoing observation. The gradual stabilization of external demand and the increase in export orders will be important factors in assessing whether the pace of economic recovery can accelerate.
- D. The fluctuations in raw material prices and shipping costs continue to be influenced by various geopolitical factors, such as the Red Sea incident, and changes in oil prices. These factors will exert pressure on the Company's operations and profitability. In response to these challenges, the Company is continuously integrating upstream raw material manufacturing and actively seeking supply of raw materials from multiple international manufacturers to enhance its bargaining power with suppliers in procurement. Furthermore, regarding sales strategy, the Company will closely monitor fluctuations in raw material prices and will flexibly adjust its sales strategy based on market conditions to ensure stable operations and profitability.
- E. Some downstream customers relocating to mainland China and Southeast Asia have switched to local suppliers to shorten supply chain; others have relocated overseas to be close to their customers due to high tariffs and convenience of customer service. The Company has deployed our Malaysia Factory in the early stage and gradually expands our production capacity in the ASEAN region to avoid the associated risks.
- F. With the implementation of regional trade agreements, Taiwan's manufacturing facilities are facing increased tariff pressures regarding exports. Additionally, the impact of new U.S. policies on global trade has further complicated the situation. Eternal will continue to adopt countermeasures to mitigate the cost impacts resulting from increased tariffs. The Company will not only flexibly adjust the shipping

arrangements of its manufacturing facilities but will also enhance its research and development capabilities, as well as process improvements, to strengthen overall cost competitiveness and ensure stable development.

- G. The global trend of net-zero emission will have an impact on the development and cost of petrochemical products. The Company minimizes our negative impact on the environment through product carbon footprint inventory, carbon reduction targets setting, use of renewable energy, and evaluation of the introduction of biomass raw materials, while proactively investing in R&D of related materials in an effort to seek business opportunities arising from the carbon reduction trend.

(II) Production Procedures of Main Products

1. Usage:

- (1) Coating resins: Architectural coatings, Waterproof coatings, Wood coatings, Coil coatings, Rigid packaging coatings, Automotive coatings, Automotive repair paints, Marine coatings, General industrial coatings, Plastic coatings, Leather finishes, Textile adhesives and inks, Solar backplane materials. In addition to coating resins, we are also developing functional additives for coatings, environmentally friendly solvents, and polyurethane polyols for the polyurethane industry. In the future, we will continue to align with emerging trends and develop new materials that can be utilized across various industries.
- (2) Unsaturated polyester resin: Using hand lamination, spraying, vacuum infusion, winding, pultrusion, molding and other processes, applied to chemical resistance, corrosion resistance, fire protection and other products-lighting board, storage tank, yacht, fishing boat, wind turbine cabinet cover, transportation vehicle (rail, passenger vehicles, automobiles); and general industrial products - buttons, artificial marble, injection-molded arts, furniture coating bases, topcoats, car repairs, etc.
- (3) Acrylic monomer & acrylic oligomer: Paper varnish, wood bottom/topcoat, plastic spray finish, plastic vacuum plating/topcoat, CD protective varnish, optical coating, printing inks, digital printing inks, photoresist or anti-solder green paint for PCB, optical film coating, special optical adhesives, UV pressure-sensitive adhesives, resin synthetic crosslinkers, UV water-based coatings, 3D printing, and acrylic lenses.
- (4) Special coatings: UV printing coatings, vacuum plating primers, headlight coatings, decorative and optical film coatings, thermoset lens strengthening fluids, UV-curing hard coatings, UV-curing 3D printing profiles, photosensitive adhesives for processless printing plates, and UV high specific gravity adhesives.

- (5) Organic silicone materials: Light-diffusing agent, cosmetic grade organic silicone microsphere, modified organic silicone products, UV silicon release agent, display LED packaging adhesive, and liquid silicone rubber.
- (6) Copper-clad laminate: Applied to PCBs for high-end home appliances, such as calculator, telephone, LCD TV, and remote control, keyboard, mouse, digital multi-purpose optical disc drive, LED and traditional lighting power supply board, and other electrical appliances.
- (7) Photoresist materials: Photoresist for image transfer process of printed circuit boards, text ink and dry film anti-humidity photoresist, and dry film transparent photoresist for display applications.
- (8) Vacuum Pressure Molding Machine: Primarily utilized in the manufacturing process of IC substrates and specialized packaging processes. It is also applied in the pressure molding processes for PCB, LED, and other specialized industries.
- (9) Adhesive materials: Water-based and oil-based acrylic adhesives for various tapes and labels, solvent-free UV hot melt and pressure sensitive adhesives, solvent-free UV laminating adhesives for home decoration panels, protective adhesives for panel and metal chassis manufacturing process, optical adhesives for cell phones and energy vehicles, structural adhesives for 3C electronic and automotive electronic components, solvent-free UV conformal coatings, and UV dual curing adhesives.

2. Manufacturing processes:

Resins are mostly polymer reactions such as condensation and free radical polymerization. Electronic materials and specialty materials are produced through precision dust-free film coating technology, polymerization, organic-inorganic hybridization or nanotechnology, depending on the products.

(III) Supply Status of Main Materials

Main Raw Materials	Source of Supply	State of Supply
SM - Styrene	Formosa Chemicals & Fibre Corporation, Taiwan Styrene Monomer Corporation, Grand Pacific Petrochemical Corporation, and mainland China	Good
MPA - Phthalic Anhydride	UPC Technology Corporation, Nan Ya Plastics Corporation, and mainland China	Good
AA - Methacrylate	Formosa Plastics Group, Arkema, mainland China	Good
Xylene	Hongyang Enterprise and Chi Mei Trading Co., Ltd.	Good
Polyester Film	Japan, South Korea, Indonesia, and mainland China	Good
Methacrylate Monomer	Formosa Plastics Corporation, Kaohsiung Monomer Company, Nippon Shokubai, Roehm, Sumitomo, and mainland China	Good
MA - Maleic	EXCEL Chemical Corporation, Nan Ya Plastics	Good

Anhydride	Corporation, OOSB, and mainland China	
MPG - Propylene Glycol	Dow Chemical Company, Shell, LyondellBasell Industries, and Mainland China	Good
PENTA - Pentaerythritol	LCY Chemical Corporation, Perstorp, and mainland China	Good
AA - Adipic Acid	Japan AKC, Europe RADICI, and mainland China	Good

(IV) List of Major Suppliers and Customers in the Most Recent Two Years

1. List of major suppliers in the most recent 2 years:

Unit: NT\$ thousands

Item	2023				2024				Q1 2025			
	Name	Amount	Percentage of Total Procurement in the Year	Relationship with the Issuer	Name	Amount	Percentage of Total Procurement in the Year	Relationship with the Issuer	Name	Amount	Percentage of Total Procurement in the First Quarter of the Year	Relationship with the Issuer
1	Supplier A	1,491,065	6%	None	Supplier A	1,766,615	7%	None	Supplier A	366,504	6%	None
	Others	21,748,743	94%	None	Others	23,435,948	93%	None	Others	5,455,103	94%	None
	Net procurement	23,239,808	100%	-	Net procurement	25,202,563	100%	-	Net procurement	5,821,607	100%	-

2. List of Major Customers Accounting for 10% or More of Total Sales Amount in the Most Recent Two Years: None.

III. Information on Employees

Year		2023	2024	As of March 31, 2025
Number of employees (Note)	Direct labor	1,182	1,188	1,197
	Indirect labor	3,669	3,672	3,688
	Total	4,851	4,860	4,885
Average Age		39.55	40.61	40.65
Average Year of Services		11.31	11.90	11.90
Distribution Ratio of Education		1.81%	1.79%	1.72%
	Master's degree	13.36%	13.70%	13.70%
	Bachelor's degree	36.78%	36.83%	37.01%
	Junior college	16.12%	17.04%	16.93%
	Senior High School or Below	31.93%	30.64%	30.64%

Note: The number of employees includes regular employees, contract employees, and foreign employees (excluding temporary workers).

IV. Information on Environmental Protection Expenditure

(I) Total Losses and Punishments for Violations of Environmental Regulations during the Current Year up to the Date of Publication of the Annual Report:

Date	Punishment file number	Violation of provisions	Content of violation	Content of punishment	Factory Type
2024.2	L.Z.S.Z. No. 1130202700	Occupational Safety and Health Act	No signage or protective barriers have been established in the hazardous area.	Fine NT100,000	Ping-Nan Factory
2024.4	(Z.) Y.J.G. [2024] No. 4	Regulations for the Registration and Management of Hazardous Chemicals	Failure to Register Changes for Imported Hazardous Chemicals	Fine RMB10,000	Guangdong Factory
2024.4	(J) Y.J.F. (2022) No. -3-007	Regulations on Safety Administration of Hazardous Chemicals	Storage of hazardous chemicals does not meet standards	Fine RMB80,000	Tianjin Factory
2024.6	Kaohsiung City Environmental Protection Bureau Document No. 11333951800	Toxic and Concerned Chemical Substances Management Act	Detection and alarm equipment has not been re-submitted for review as required	Fine NT100,000	Da-Fa Factory

(II) Future response strategies and potential expenditure:

In compliance with the government's environmental regulations and self-regulation requirements, safety and environmental expenditures include the operation and maintenance of pollution prevention equipment, waste treatment, environmental monitoring and training. To the extent of technological feasibility, the Company will budget for purchase and replacement of related equipment. In 2025, the Company expects to invest NT\$680,893 thousand in reducing emissions, improving the efficiency of energy and resources, and strengthening production safety.

V. Labor Relations

(I) Any Employee Benefit Plans, Continuing Education, Training, Retirement Systems, and the Status of Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests

The Company offers a variety of "employee benefits", including allowances for childbirth, marriage, and funerals, travel subsidies, group insurance, birthday and festival bonuses, senior employee reward, regular health examination, year-end bonus, employee cafeteria, shuttle bus service, dormitory, and library access.

According to the "Labor Standards Act", the years of service of regular employees before

the implementation of the "Labor Pension Act" on July 1, 2005 and the years of service to which the regular employees choose to apply the "Labor Standards Act" after the implementation of the "Labor Pension Act" shall be included in the calculation of the years of service for retirement. In addition, the Company appropriates 10% of total salaries to the designated account at the Bank of Taiwan and reviews the balance every month. If the balance is insufficient to pay the statutory retired employees in the following year, the Company will complete the appropriation by the end of the following March to ensure the rights and interests of the retired employees. Since July 1, 2005, new recruits shall apply to the "Labor Pension Act", which stipulates that the Company shall appropriate 6% of an employee's salary to the employee's account at the Bureau of Labor Insurance every month as the pension. In addition, subsidiaries in Mainland China are required to pay pension insurance every month in accordance with the local government regulations.

Labor-management meetings are held on a regular basis to improve communication regarding agreements and maintenance of employee rights and ensure harmonious labor relations.

1. Managerial officers' participation in corporate governance training in 2024 is detailed below:

Title	Name	Date	Organizer	Course Name	Hours
President and Chief Operating Officer	Mao Hui-Kuan	2024/12/12	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
President and Chief Operating Officer	Mao Hui-Kuan	2024/12/12	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Pan Chin-Cheng	2024/11/12	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Vice President	Pan Chin-Cheng	2024/12/1	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Pan Chin-Cheng	2024/7/26	Taiwan Corporate Governance Association	Starting with TIPS: Discussion on How Enterprises Develop Strategies for Intellectual Property Risk Prevention and Control	3.0
Vice President	Pan Chin-Cheng	2024/6/21	Taiwan Corporate Governance Association	Legal Regulations of the Sustainability Report	3.0
Vice President	Hung Chao-Cheng	2024/11/17	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Vice President	Hung Chao-Cheng	2024/12/25	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Chu Jui-Hsin	2024/12/12	Information Management Department	Information Security Promotion (Mid to Senior Management) - Service Management and	2.5

				Information Security	
Vice President	Chu Jui-Hsin	2024/11/19	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Vice President	Chu Jui-Hsin	2024/12/9	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Chu Jui-Hsin	2024/9/5 、 9/6	Hogan Assessment Systems	Hogan Assessments Certification Workshop	15.0
Vice President	Chen Hung-Yi	2024/12/9	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Chen Hung-Yi	2024/11/17	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Vice President	Yeh Mao-Jung	2024/11/29	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Yeh Mao-Jung	2024/11/17	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Vice President	Hsieh Yen-Fen	2024/12/12	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Vice President	Hsieh Yen-Fen	2024/11/6	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Kao Chih-Yu	2024/11/6	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.2
Assistant Vice President	Kao Chih-Yu	2024/12/3	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Kao Chih-Yu	2024/12/12	Information Management Department	Information Security Promotion (Mid to Senior Management) - Service Management and Information Security	2.5
Assistant Vice President	Kao Chih-Yu	2024/8/2 、 8/21	Research & Development Division	JMP and DOE Design Training Course	12.0
Assistant Vice President	Weng Chin-Yi	2024/11/5	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Weng Chin-Yi	2024/11/29	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Weng Chin-Yi	2024/2/27	Research & Development Division	Self-Assembly of Urea Molecules in Polyester Resin Systems: A Computer Simulation and Experimental Analysis of Microstructures	2.5

Assistant Vice President	Lin Chao-Kun	2024/11/5	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Lin Chao-Kun	2024/11/29	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Lin Chao-Kun	2024/9/13	Human Resources Department	Thai Culture Seminar: A Discussion with Hong Bo on Thailand	3.0
Assistant Vice President	Chang Chi-Kang	2024/11/20	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Chang Chi-Kang	2024/12/5	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Chang Chi-Kang	2024/4/9	Corporate Business Development Department	Market Size Statistics and Inference	4.0
Assistant Vice President	Wang Hong-Yu	2024/11/26	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Wang Hong-Yu	2024/12/16	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Lin Chen-Yi	2024/11/13	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Lin Chen-Yi	2024/12/3	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Shen Hsiao-Tsung	2024/11/6	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.2
Assistant Vice President	Shen Hsiao-Tsung	2024/12/12	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.4
Assistant Vice President	Tai Ming-Te	2024/12/19	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Tai Ming-Te	2024/12/19	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President	Yu Ching-Wen	2024/11/6	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President	Yu Ching-Wen	2024/12/16	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.2
Assistant Vice President	Yu Ching-Wen	2024/12/12	Information Management Department	Information Security Promotion (Mid to Senior Management) - Service Management and Information Security	2.5

Assistant Vice President	Yu Ching-Wen	2024/9/13	Human Resources Department	Thai Culture Seminar: A Discussion with Hong Bo on Thailand	3.0
Assistant Vice President	Yu Ching-Wen	2024/7/5、7/6、8/16	Shiuhli Foundation	Satir Coaching Model Workshop II	21.0
Assistant Vice President	Yu Ching-Wen	2024/4/12	Hogan Assessment Systems	Establishing a High-Performance Team Coaching Workshop	7.0
Assistant Vice President and Financial Manager and Corporate Governance Officer	Liu Bing-Cheng	2024/11/29	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President and Financial Manager and Corporate Governance Officer	Liu Bing-Cheng	2024/11/18	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President and Accounting Manager	Su Hui-Fang	2024/11/11	Human Resources Department	2024 Workplace Prevention of Illegal Infringement and Complaint Channel Promotion	0.1
Assistant Vice President and Accounting Manager	Su Hui-Fang	2024/12/17	Finance Department	Prevention of Insider Trading and Promotion of Ethical Corporate Management 2024	0.1
Assistant Vice President and Accounting Manager	Su Hui-Fang	2024/10/16、10/19	Securities & Futures Institute	Continuing Education for Accounting Officers	12.0

Note: For continuous education of Corporate Governance Supervisor, please refer to item 5 of (III) State of Operations of Corporate Governance, Any Departure from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and the Reason for Such Departure

2. Employee education and training:

The Company spares no effort in investing in employee development. In addition to a sound training system, the Company budgets for internal and external training and language training every year to improve employees' work skills and knowledge. Training required for each level and position is also clearly defined, including management training, functional training, and core competency training; in addition, differentiated personal development plans are made for specific employees. The Company has established related training regulations and makes and implements training plans on a yearly basis.

The Group's training expenses for 2024 are listed below:

Unit: NT\$

Factory	Training Expense	Percentage (%)
Headquarters	4,269,006	44%
Subsidiaries in mainland China	4,704,324	48%
Subsidiaries in other regions	761,761	8%
Total	9,735,090	100%

3. In 2024, persons in charge of financial information transparency obtained the following certifications designated by the regulators:

Name of Person Obtaining Certification in 2024	Number of People
Certified Public Accountant (CPA) of the Republic of China	5
Accredited Bookkeeper of the Republic of China	1
Certified Public Accountant (CPA) of Malaysia	1
CPA of the People's Republic of China	4
Certified Tax Agent (CTA) of the People's Republic of China	3
Financial Risk Manager (FRM)	1
Certified Internal Auditor (CIA) organized by the Internal Audit Association	1
Basic Proficiency Test on Business Internal Control organized by Securities & Futures Institute	3

4. Code of Conduct or Code of Ethics:

The Company has established the following policies based on the corporate culture of compliance, trust, and integrity to keep employees' conduct in line with its requirements. The regulations have been announced in the internal information platform for employees' access. The purpose of each regulation is described as follows:

- (1) "Ethical Corporate Management Principles of Eternal Materials Co., Ltd.":
To develop a sound structure of business operations and fulfill the corporate culture of compliance, trust, and integrity.
- (2) "Corporate Governance Best-Practice Principles of Eternal Materials Co., Ltd.":
To establish a comprehensive corporate governance system that ensures shareholder rights, strengthens the functions of the Board of Directors, and fulfills social responsibilities.
- (3) "The Management Rules for Internal Material Information Handling and Insider Trading":
To develop an internal material information handling and disclosure system that prevents the improper leak or use of information and ensures the consistence and correctness of information disclosure.
- (4) "Regulations Governing Trade Secrets and Intellectual Property Rights":
Trade secrets are the intellectual property of the Company. The regulations are established to protect trade secrets from leakage or disclosure, maintain

competitiveness of the Company, and manage intellectual property rights in a proper manner.

(5) "Personal Information Protection Regulations":

To comply with and implement the regulations relating to personal information protection and ensure that the collection, processing, and use of personal information is properly protected and managed.

(6) "Regulations Governing Safety and Health and Environmental Protection":

The regulations define the overall principle of safety, health, and environmental requirements and the scope of safety, health, and environmental management, providing the guidelines for the structure of safety, health, and environmental management.

(7) "Procedures for Workplace Grievances":

To provide employees a work environment free of violation and avoid any physical and mental abuse during the performance of duties; the procedures also define the preventive, corrective, and disciplinary action and response measures against sexual harassment to protect the rights and privacy of parties concerned.

(8) "Directives for the Administration of Employee Rewards and Punishments":

To direct the rewards and punishments for employees' conduct.

- (II) Losses arising as a result of labor disputes in the recent year up and as of the printing date of this annual report and disclosure of potential current and future losses and countermeasures: None.

VI. Cyber Security Management

- (I) Describe the cyber security risk management framework, the cyber security policy, the specific management plan and the resources invested in the cyber security management, etc.

1. Cyber security risk management framework:

- (1) The Company has appointed Chief Information Security Officer, established an information security office, and assigned an information security manager and personnel, with an organizational structure of four (see the company organization chart).
- (2) The Information Security Office is responsible for the planning and promotion of the Group's information security system, technical evaluation, education and training, supervision and auditing to strengthen information security risk control.
- (3) Cyber security management task: The Information Security Office is responsible for promoting cyber security management to implement cyber security management control measures.

2. Cyber Security Policy:

- (1) To improve employee awareness, prevent data leakage, and implement daily maintenance to ensure the confidentiality, integrity, availability, and compliance of the core system management business.
3. Specific management plan:
 - (1) The Information Security Office shall organize regular information security risk assessments, set priorities based on the magnitude of the risk impact and the cost required to reduce the risk, adopt the Plan-Do-Check-Act (PDCA) approach to structure multi-layer information security defense, and establish information security key performance indicators.
 - (2) By joining the Joint Security Organization, we can obtain external information sharing and information security incident assistance channels in a timely manner.
 - A. Taiwan Information Security Officers Consortium (CISO)
 - B. Taiwan Computer Emergency Response Team / Coordination Center (TWCERT/CC)
 - C. Science Park Information Sharing and Analysis Center (SPISAC)
 - (3) We continue to promote information security awareness among our employees.
4. Cyber Security Management Practices:
 - (1) Regular server and PC-related vulnerability patching is performed to reduce the risk of equipment exposure.
 - (2) Vulnerability scanning and penetration testing
 - A. We conduct annual vulnerability scanning and penetration testing of the Group's network equipment, applications and products.
 - (3) Annual cyber security education training, and anti phishing drills
 - A. The Group conducts education and training on cyber security, educates employees on the identification of phishing emails, conducts phishing drills, and analyzes the results of the drills to develop improvement measures to continuously raise the awareness of all employees on information security.
 - B. Every year, senior management will receive cyber security education training to integrate the awareness of information security into daily management.
 - (4) We improve our speed of identifying and responding to network security incidents through network traffic visibility.
 - (5) Weekly cybersecurity operations meetings are conducted to review incident alerts and logs, identify any abnormal activities or potential threats, and ensure the effective functioning of the cybersecurity monitoring system.
 - (6) An annual report on information security risk management and execution status is presented to the Board of Directors, and improvements are made based on

the Board's suggestions. The 2024 report was submitted to the Board of Directors on December 27.

- (II) List the losses suffered due to major cyber security incidents in the most recent fiscal year up to the publication date of the annual report, and the possible impact and countermeasures. If the amount cannot be reasonably estimated, facts of which estimation cannot be made shall be explained: For the most recent year up to the date of publication of the annual report, the Eternal Group had no material information security incidents and no financial loss or operational impact caused by information security incidents.

VII. Important Contracts

Nature of Contract	Contracting Party	Commencement Date and Expiration Date	Major Content	Restrictive Clause
Supply Contract	Grand Pacific Petrochemical Corporation	2025.01.01-2025.12.31	Raw material supply	None
	Taiwan Styrene Monomer Corporation	2025.01.01-2025.12.31		None
	Formosa Chemicals & Fibre Corporation	2025.01.01-2025.12.31		None
	Jiangsu Chemical Fertilizer Co., Ltd.	2025.01.01-2025.12.31		None
	Kunshan Juchuan Chemical Co., Ltd. (Note 1)	2025.02.01-2025.01.31		None
	Wanhua Petrochemical (Yantai) Co., Ltd. (Note 2)	2024.12.25-2025.12.31		None
	Formosa Industries (Ningbo) Co., Ltd. (Note 3)	2025.01.01-2025.12.31		None
	Roehm (Shanghai) Co., Ltd. (Note 4)	2025.01.01-2025.12.31		None
	Sinochem Petrochemical Distribution Co., Ltd. (Note 5)	2025.01.01-2025.12.31		None
	PERUSAHAAN KIMIA GEMILANG SDN. BHD. (Note 6)	2025.02.01-2026.01.31		None
Joint Loan Agreement	E.SUN Commercial Bank and the Syndicates	2021.08.27-2026.08.27	Repayment of financial institution loans and replenishment of working capital	None
	Syndicate banks including CTBC Bank (Note 7)	2023.12.29-2028.12.29	Replenishment of medium-term working capital and repayment of existing liabilities	None
	E.SUN Commercial Bank and the Syndicates	2024.06.28-2029.11.04	Replenishment of medium-term working capital and repayment of existing liabilities	None

Loan Contract	Syndicate banks, including First Commercial Bank	2022.08.23-2029.06.03	Repayment of financial institution loans and replenishment of working capital	None
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Note 1: Signed by the subsidiary Eternal Chemical (China) Co., Ltd. with the other contracting party

Note 2: Signed by subsidiaries Eternal Chemical (China) Co., Ltd., Eternal Materials (Guangdong) Co., Ltd., Eternal Chemical (Tianjin) Co., Ltd., Eternal Synthetic Resins (Changshu) Co., Ltd., and Eternal Chemical (Chengdu) Co., Ltd. with the other contracting party.

Note 3: Signed by subsidiary Eternal Materials (Guangdong) Co., Ltd. with the other contracting party.

Note 4: Signed by subsidiaries Eternal Specialty Materials (Suzhou) Co., Ltd., Eternal Specialty Materials (Zhuhai) Co., Ltd., and Eternal Materials (Guangdong) Co., Ltd. with the other contracting party.

Note 5: Signed by subsidiary Eternal Synthetic Resins (Changshu) Co., Ltd. with the other contracting party.

Note 6: Signed by subsidiary Eternal Materials (Malaysia) Sdn. Bhd. with the other contracting party.

Note 7: Signed by Eternal Nanyang Investment Co., Ltd. with the other contracting party.

VIII. Work Environment and Personal Safety Protection Measures

(I) Specific measures for safety and health management

1. Formulate safety and health policies

The Company has established the EHS policy based on the corporate culture and business philosophy and continuously improved with the idea of PDCA in the hope of reducing the occupational hazard incident number to zero.

2. Regular review of EHS management system

(1) ISO 45001: 2018 Occupational Safety and Health Management System

Original verification date: September 24, 2018

Certificate validity period: August 2, 2026

(2) CNS 45001: 2018 Taiwan Occupational Safety and Health Management System

Original verification date: January 7, 2009

Certificate validity period: August 2, 2026

(3) ISO 14001:2015 Environmental Management System

Original verification date: July 23, 1999

Certificate validity period: July 22, 2026

(4) ISO 5001:2011 Energy Management System

Original verification date: December 14, 2021

Certificate validity period: November 29, 2026

3. Risk Assessment and Countermeasures

The Company conducts hazard identification and risk assessment, makes EHS management plans or controls based on the requirements for work safety, and reports the results of assessment to the safety and health review meetings for review.

4. Incident Reduction

To promote safety in the work environment and minimize the incidence of

occupational disasters, the Company encourages employees to improve hazardous factors in the work environment on their own initiative by proposing for improvement and reporting accident-free work hours.

5. Monitoring of Operating Environment

According to the Regulation Governing the Implementation of Environmental Monitoring, the Company has entrusted qualified environmental monitoring institutions to test for chemical and physical factors in the work environment and the compliance. Any abnormalities found in the test will be corrected to protect the health of employees.

6. Health Care and Management

According to the Regulations of the Labor Health Protection, the Company organizes health examinations for general operators and high risk operators, including chest X-ray, blood pressure, abdominal ultrasound, urine, and blood test. The Company also analyzes the results of health examinations and provides health promotion activities for employees with hypertension, hyperlipidemia, hyperglycemia, and abnormal body mass. For employees working in high risk environment, such as noise, organic solvents, and specific chemicals, additional exam items will be performed, and the employees will be graded for health management based on the results of special health exams. For employees suffering from work overload, ergonomic hazard, and for female employees, health evaluation and protection are provided to avoid the incidence of cardiovascular diseases, musculoskeletal injuries, and harm to babies. On-site physicians are also staffed to provide follow-up exams and medical advice.

(II) Work Safety Control Measures

1. According to the safety and health regulations and the results of hazard identification and risk assessment, the Company implements work permits and special controls over hot work, limited space operation, pipe flanges or disassembly and blind sealing, power outage (electrical isolation) and hot line work, overhead operations, hoisting operations, excavation, and waterjet cutting.
2. Before daily operations, the Company organizes a toolbox talk to remind employees of hazards; safety and health supervisors are also appointed to oversee and ensure the work safety during construction.
3. Hazardous equipment is regularly examined according to the regulations. Operators are required to obtain professional licenses and attend retraining on a regular basis. The Company conducts risk assessment of Class A hazardous workplaces every five years to ensure the work safety.
4. The Company investigates into injuries, non-injury accidents, and false alarms and takes corrective measures to eliminate the hazards caused by humans and working environments; in addition, the Company conducts the ad hoc inspections of equipment and operations and makes corrective plans to avoid injuries.
5. To avoid musculoskeletal injuries caused by long-term work on-site and improve productivity at the same time, the Company makes improvement plans for operations and equipment based on the analysis of ergonomics.
6. To ensure the production safety in the work environment, the Company has designated the explosion-proof areas, controlled the use and installation of electrical equipment, and evaluated the process safety; in addition, corrective action is taken against unacceptable risks.
7. In addition to external audits, the Occupational Safety & Environmental Protection Department organizes safety and health audits of the environment, equipment, and operations on a regular basis to ensure the compliance with operating procedures and work safety.

Chapter 5 Review and Analysis of Financial Position and Financial Performance

I. Financial Position

Unit: NT\$ thousands

Item \ Year	2023	2024	Amount of Increase (Decrease)	Percentage of Change
CURRENT ASSETS	33,029,925	34,218,594	1,188,669	3.60%
Property, plant and equipment	18,322,920	20,836,279	2,513,359	13.72%
Intangible assets	231,643	216,582	(15,061)	-6.50%
Other assets	6,953,766	7,148,028	194,262	2.79%
Total Assets	58,538,254	62,419,483	3,881,229	6.63%
CURRENT LIABILITIES	18,193,452	18,383,855	190,403	1.05%
NON-CURRENT LIABILITIES	15,128,833	15,044,652	(84,181)	-0.56%
Total liabilities	33,322,285	33,428,507	106,222	0.32%
Share capital	11,782,655	11,782,655	0	0.00%
Capital Reserve	664,785	1,353,668	688,883	103.62%
Retained Earnings	13,645,979	14,917,986	1,272,007	9.32%
Other Equity	(1,358,789)	260,102	1,618,891	119.14%
Non-controlling Interests	481,339	676,565	195,226	40.56%
Total equity	25,215,969	28,990,976	3,775,007	14.97%

Analysis of changes exceeding 20% in financial ratios:

1. Capital Reserve: Refers to the equity transaction impact recognized from the disposal of partial equity interests in subsidiaries.
2. Other Equity: Mainly due to the favorable difference in the conversion of the financial statements of foreign operating institutions this year.
3. Non-controlling interests: Mainly due to the disposal of partial equity in subsidiaries, resulting in an increase in non-controlling interests.

II. Financial Performance

Unit: NT\$ thousands

Item \ Year	Amount in 2023	Amount in 2024	Amount of Increase (Decrease)	Percentage of Change
Operating revenue	42,451,576	44,191,125	1,739,549	4.10%
Gross profit	8,147,266	8,824,477	677,211	8.31%
Profit from operations	1,914,767	2,169,818	255,051	13.32%
Non-operating income and expenses	267,707	574,279	306,572	114.52%
Profit before income tax	2,182,474	2,744,097	561,623	25.73%

- (I) Analysis of changes exceeding 20% in financial ratios:
1. Non-operating Income and Expenses: Mainly consists of the share of profits and losses from affiliated enterprises recognized using the equity method this year, as well as government subsidies from the Mainland region.
 2. Pre-tax net profit: primarily due to the benefits from increased sales and growth in non-operating income.
- (II) Reasons for changes in major business, existing or expected material changes in business strategies, market situation, economic environment or other internal or external factors and their possible effect on the Company's future finances and operations, and measures to be taken in response: N/A.
- (III) Estimated sales volume and the basis for the coming year and major factors in its continuous growth or decline: The Company's 2025 business plan to achieve stable revenue and profitable growth in the medium and long term. The management team will actively achieve the operational goals and work together to enhance corporate value.

III. Cash Flow

- (I) Analysis of changes in cash flow in the most recent year

Item \ Year	2023	2024	Increase (Decrease) (%)
Cash flow ratio	36%	25%	-31%
Cash flow adequacy ratio	98%	92%	-6%
Cash reinvestment ratio	8%	5%	-38%

- (II) Cash liquidity analysis for the coming year

Unit: NT\$ thousands

Cash balance, beginning of year (1)	Expected annual net cash flow from operating activities (2)	Expected Annual Cash Outflow (3)	Expected cash surplus (deficit)	Remedial measures for expected cash deficit	
			(1)+(2)-(3)	Investment plans	Financial plans
7,074,515	3,258,489	3,299,028	7,033,976	-	-

1. Analysis of changes in cash flow:
 - (1) Operating activities: Operating revenue is expected to continue to grow and a stable profitability will be maintained.
 - (2) Investment activities: Capacity expansion is expected to continue.
 - (3) Financing activities: Cash dividend is expected to be paid.
2. Remedial measures for expected cash deficit and liquidity analysis: N/A

IV. Effect of Major Capital Expenditures on Financial Operations for the Most Recent Year

- (I) Use and sources of funds for major capital expenditures

Unit: NT\$ thousands

Plan Item	Actual or Anticipated Source of Funds	Total Amount of Funds Required (2024 and 2023)	Actual use of funds	
			2024	2023
Land, building, and equipment	Private capital	6,735,920	3,586,869	3,149,051

(II) Expected potential benefits

These capital expenditures can meet the Company's operational growth needs, enhance core technologies, create product added value, and enhance the Company's overall industrial competitiveness.

V. Investment Policy in the Most Recent Year, Main Causes for the Profits or Losses, Improvement Plans and Investment Plans for the Coming Year:

The company's investments using the equity method are all based on long-term strategic goals. In 2024, the Company's investments using the equity method generated a profit of NT\$387,791 thousand on a consolidated basis, primarily due to the competitiveness of its products. Moving forward, the Company will continue to carefully evaluate investment plans, ensuring they align with long-term strategic goals.

VI. Risk Analysis and Evaluation

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future

1. The impact of interest rate changes of the most recent year on the Company's profit / loss and future measures:

Unit: NT\$ thousands

Item	2024
Net interest income (expense)	(350,187)
Operating revenue	44,191,125
PROFIT BEFORE INCOME TAX	2,744,097
Ratio of net interest income (expense) to operating revenue	(0.79%)
Ratio of net interest income (expense) to profit before income tax	(12.76%)

Effect: Net interest income and expense for 2024 was NT\$(350,187) thousand, which accounted for (0.79%) and (12.76%) of operating income and net income before tax for the year, respectively. Where the borrowings in 2024 are debts with fixed interest rates, there is no cash flow risk of interest rate changes; for debts with floating interest rates, changes in market interest rates will cause the effective interest rate to change accordingly, which will cause fluctuations in future cash flows, and leading to the fluctuation of market interest rates. An increase of 1% in market interest rate will increase the cash outflow in 2024 by NT\$180,616 thousand.

Countermeasures: Regularly assess market interest rates, maintain long-term and stable relations with financial institutions to obtain the most favorable borrowing rates, and flexibly use different financing instruments to raise low-interest funds.

2. The impact of exchange rate fluctuations on the Company's profit/loss and future measures:

Unit: NT\$ thousands

Item	2024
Net amount of foreign exchange gain or loss	46,390
Operating revenue	44,191,125
PROFIT BEFORE INCOME TAX	2,744,097
Ratio of conversion profit/loss to operating income	0.10%
Ratio of conversion profit/loss on net profit before tax	1.69%

The net conversion profit /loss in 2024 was NT\$46,390 thousand, accounting for 0.10% and 1.69% of operating income and net profit before tax for the year respectively. As export sales account for a large proportion of the Company's revenue, changes in the exchange rate between New Taiwan Dollar and US dollar may have a significant impact on the Company's profit / loss. Therefore, we always pay attention to exchange rate fluctuations in the international market and continue to implement the following measures:

- (1) The Finance Department maintains close contact with the foreign exchange department of the financial institution, and fully grasps the international exchange rate trend as a reference for daily foreign exchange settlement and foreign exchange hedging.
 - (2) Foreign currency assets are used to offset liabilities with a view to minimizing exchange rate risks, which has a natural hedging effect.
 - (3) For the net position after natural hedging, take hedging measures such as increasing foreign currency financing positions or buying and selling forward foreign exchange.
 - (4) The business unit formulates appropriate product export quotations for commodities based on the forecast of the exchange rate by the finance department.
- (II) Policy Regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

The Company does not engage in high-risk, high-leverage investments; for capital lending to others, endorsement guarantees and derivatives transactions, the Company has formulated complete internal control procedures, and all operations in 2024 and up to now have been handled in accordance with relevant regulations.

(III) Future Research & Development Projects and Corresponding Budget:

Unit: NT\$ thousands

Future R&D plans	Expected R&D investment
High frequency, high speed and high thermal conductivity materials	70,352
Semiconductor packaging materials	45,585

High-performance thermoplastic composites	62,104
Lithium battery and energy storage materials	23,753
Biomass materials and low carbon materials	28,497
Biomedical testing materials	44,206
Next generation display materials	23,623

Key factors influencing the success of future R&D:

1. Master the material development trend of mainstream industry.
2. Break through the technical bottleneck of formula and process, improve customer satisfaction with high-quality materials.
3. Customized technical ability and response speed.
4. Technology and price advantages over competitors.

(IV) Impact of changes of the important domestic and foreign policies and laws on the Company's finance and business, and countermeasures:

The Company has been always paying close attention to important domestic and foreign policies, political and economic environment changes. Relevant legal changes, legal affairs, accounting and other relevant professional units always pay close attention to the changes and timely provide evaluation, suggestions and plan measures, in order to comply with laws and reduce the impact on the Company's financial business. The Company has had no policy or legal change affecting its financial position in 2024 or up to the publication date of annual report.

(V) Impact of technological and industrial changes (including cyber security risks) on the Company's finance and business and corresponding measures:

The Company is committed to the research and innovation of deep cultivation technology, and invests a lot of resources in research and development every year. In line with industrial pulse and technological changes, the Company develops new materials and products to realize the sustainable operation and growth of the enterprise. In addition, it also continuously strengthens quality improvement and professional technical services for traditional products, so as to maintain existing customers and expand new markets. Please refer to "Operational Highlights - VI. Cyber Security Management" for details.

(VI) Effect of Changes in the Corporate Image on the Company's Crisis Management, and Response Measures: The Company strives to uphold the business philosophy of being law-abiding, trustworthy, honest, and responsible for the environment, with an aim to build a corporate image that is pragmatic, beneficial to society, and fulfills its corporate social responsibility.

(VII) Expected Benefits and Possible Risks Associated with Mergers and Acquisitions, and Response Measures: The Company did not engage in any major mergers and acquisitions in 2024.

(VIII) Expected Benefits and Possible Risks Associated with Factory Expansion, and Response Measures: The Company assessed the investment benefits based on the market prospects, needs, and core technologies, capabilities, and costs of capital. The Company also reviewed market and industry changes at any time to reduce possible risks.

(IX) Risks Associated with Consolidation of Purchasing or Sales Operations, and Response Measures: Raw materials used by the Company could be sourced from many suppliers in the market. Additionally, we take into account the transportation risks linked to these supply sources, ensuring that they are not concentrated in a single geographic area, and sales were not concentrated on few major customers; therefore, the risk of consolidation of purchasing

or sales operations was small.

- (X) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director, Supervisor, or Shareholder Holding Greater than a 10% Stake Has Been Transferred or Has Otherwise Changed Hands, and Response Measures: None in 2024 and as of the publication date of the annual report, and therefore there was no impact on the Company's operations.
- (XI) Effect on and Risk to Company Associated with Changes in Management Rights, and Response Measures: The equity of the directors of the Company is stable. There was no change in management rights in 2024.
- (XII) For any litigious or non-litigious matters, the Company and its directors, supervisors, presidents, person with actual responsibility in the Company, and major shareholders holding more than 10 percent of the Company's shares, shall be disclosed. If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that has been finalized or has remained pending, the report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case as of the publication date of this annual report: None.
- (XIII) Other significant risks and response measures:

Risks and impacts of information security on the Company and the countermeasures:

1. Operating procedures for entity and environmental safety management
2. Operating Procedures for Business Continuity Management
3. Operating Procedures for Information Asset Management
4. Operating Procedures for Risk Assessment Management
5. Operating Procedures for Personnel Safety Management and Education and Training
6. Operating Procedures for Information Operations Management
7. Operating Procedures for Supplier and Project Management
8. Operating Procedures for Security Incident Reporting and Handling
9. Operating Procedures for Network and Communication Operations Management
10. Operating Procedures for Information Security Management
11. Operating Procedures for System Development and Maintenance
12. Operating Procedures for Access Control Management

VII. Other Important Matters: None.

Chapter 6 Special Items to Be Included

I. Information on Affiliated Companies

- (I) Consolidated Business Report: None.
- (II) Consolidated Financial Statements: Please refer to the 'Market Observation Post System (MOPS) > Single Company > Electronic Document Download > Financial Reports/Related-Party Transaction Documents Section'.
- (III) Affiliation Report: None.

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

III. Other Matters Requiring Additional Description: None.

Chapter 7 Any of the Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act which Might

Materially Affect Shareholders' Equity or Price of the Company's Securities: None.