



勝一化五股份有限公司
SHINY CHEMICAL INDUSTRIAL CO., LTD.

Shiny Chemical Industrial Co., Ltd.

2024 Annual Report

Notice to readers

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

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<http://mops.twse.com.tw>

Shiny Chemical Industrial Co., Ltd. Annual Report is available at:

<http://www.shinychem.com.tw/>

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Name: WANG HSING CHIA

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International Commercial Bank

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Jhongshan Dist., Taipei City

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Website:

<https://stocktransfer.tssco.com.tw/introduction>

Auditors

Crowe (TW) CPAs Accounting Firm

Auditors: Kuo Ming Lee, Ching Ling Lee

Address:

Tel.: 886-7-3312133

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Overseas Securities Exchange: None

Corporate Website

<http://www.shinychem.com.tw/>

Headquarters, Branches and Plant

Headquarters

Address: No.5, Yeong Gong 1stRd, Yeong An
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Tel: 886-7-8619171

Yong-An Plant One

Address: No.5, Yeong Gong 1stRd, Yeong An
Dist., Kaohsiung

Tel: 886-7-8619171

Yong-An Plant Two

Address: Address: No.18, Yeong Gong 1stRd,
Yeong An Dist., Kaohsiung

Tel: 886-7-8619171

Yong-An Plant Three

Address: Address: No.14, Yeong Gong 1stRd,
Yeong An Dist., Kaohsiung

Tel: 886-7-8619171

Changhua Coast Plant

Address: No. 3, Xiangong S. 2nd Rd., Xianxi
Township, Changhua County

Tel: 886-4- 7588555

Qianzhen Plant

Address: No.2, Liye Street, Qianzhen Dist.,
Kaohsiung City

Tel: 886-7- 8217190

**Intercontinental Storage and
Transportation center**

Address: No.8, Zhoucang 2nd Rd., Xiaogang
Dist., Kaohsiung City

Tel: 886-7- 8711299

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1. Chairman's Address

2024 Operating Results

The Company's consolidated operating revenue in 2024 was NTD 11,056,943 thousand, an increase of 12.22% from NTD 9,852,910 thousand in 2023; The consolidated net profit in 2024 was NTD 1,803,653 thousand, an increase of 14.27% compared to NTD 1,578,461 thousand in 2023. In 2024, the consolidated profit rate before tax was 19.89%, and the EPS before tax was NTD 8.80; the consolidated profit rate after tax was 16.31%, and the EPS after tax was NTD 7.21.

The annual R&D achievements in 2024 are as follows:

1. Integration of semiconductor solvent processes drives production efficiency improvement.
2. Development of formulas for electronics industry.
3. High-purity electronic-grade solvent analysis technology upgrade.
4. Simulation software application and production process optimization.
5. Functional coating product development and trial production.
6. ISO 50001 energy management system successfully introduced.

2025 Business Plan Overview

Based on the industrial environment and market supply and demand, and considering our production capacity and business development, the Company plans to sell approximately 153,703 tons of products in 2025, an increase of 15.67% from 132,881 tons in 2024

Future Development Strategies & The effect of external competition, the legal environment and the overall business environment

Facing the rapid change of industrial technology and the demand diversification of customers, We will continue to expand the scale of research and development and areas, integrate resources effectively to strengthen R&D ability. In addition to provide diversified product to meet the needs of customers, and expand the market in different fields and create a new blue ocean in the market, in order to accelerate the growth of revenue and profit.

Finally, on behalf of SHINY CHEMICAL, we would like to express our gratitude to all shareholders for your support. We wish you all good health and good luck.

Chairman

Sun Jan Yen

General Manager

Sun Chi Fa

Accounting Manager

Huang Yeou Ching

2. Corporate Governance Report

2.1 Directors, Supervisors and Management Team

(1) Information of Directors and Supervisors

As of March 23, 2025

Title	Nationality or Place of Registration	Name	Gender	Date Elected (of Assumption)	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Current Positions in the Company and other companies	Executives, Directors or Independent Directors who are spouses or within the second degree of kinship			Remark
							Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding	Number of Shares	Shareholding			Title	Name	Relation	
Chairman	R.O.C.	NINGHAN DEVELOPMENT CO., LTD.		17-May-23	3 years	15-Apr-94	76,574,371	30.63	76,574,371	30.63	0	0.00	0	0.00	Faculty of Commerce, Waseda University, Japan Chairman, KUO FENG CORP	The company: Chairman Other company: Note 1	Director	SUN CHI-JYH	paternity	NOTE.4
	R.O.C.	SUN JAN-YEN	Male 88	-	-		10,820,672	4.33	7,488,672	3.00	1,306,545	0.52	0	0.00			Director	SUN CHI-FA	paternity	
Director	R.O.C.	NINGHAN DEVELOPMENT CO., LTD.		17-May-23	3 years	15-Apr-94	76,574,371	30.63	76,574,371	30.63	0	0.00	0	0.00						
	R.O.C.	SUN CHI-JYH	Male 54				2,792,331	1.12	1,979,331	0.79	0	0.00	0	0.00	Master of Business Administration, Shanghai Jiao Tong University Chairman, NINGHAN DEVELOPMENT CORP General Manager (Former), Shiny Chemical CORP	The company: Special assistant Other company: Note 2	Chairman Director	SUN JAN-YEN SUN CHI-FA	paternity brother	
Director	R.O.C.	NINGHAN DEVELOPMENT CO., LTD.		17-May-23	3 years	15-Apr-94	76,574,371	30.63	76,574,371	30.63	0	0.00	0	0.00						
	R.O.C.	SUN CHI-FA	Male 51				3,812,202	1.52	3,419,202	1.37	0	0.00	0	0.00	Master of Science And Engineering, Tokyo Institute Of Technology, Japan Vice General Manager, Shiny Chemical CORP	The company: General Manager Other company: Note 3	Chairman Director	SUN JAN YEN SUN CHI-JYH	paternity brother	NOTE.4
Director	R.O.C.	YU KUO PLYWOOD CORP.		17-May-23	3 years	19-May-80	31,049,352	12.42	31,049,352	12.42	0	0.00	0	0.00	Department of English, Tokyo Tanaka College Director, SAN HOR SHEN ENTERPRISE CORP	Director, SAN HOR SHEN ENTERPRISE CORP	None	None	None	
	R.O.C.	CHEN, YIH-LING	Female 66		-		655,191	0.26	304,191	0.12	0	0.00	0	0.00						
Director	R.O.C.	WONG, DUEN-HONG	Male 75	17-May-23	3 years	8-Jul-98	488,373	0.20	438,373	0.20	100,000	0.04	0	0.00	Pharmacy and Science, Chinan University Director, YU KUO PLYWOOD CORP	Director, YU KUO PLYWOOD CORP	None	None	None	

Independent Director	R.O.C.	MA, CHEN-CHI	Male 79	17-May-23	3 years	15-Sep-08	0	0.00	0	0.00	0	0.00	0	0.00	PhD, Chemical Engineering, North Carolina State University Chair Professor, Department of Chemical Engineering, National Tsing Hua University	Chair Professor, Department of Chemical Engineering, National Tsing Hua University Independent Director of TOPKEY CORPORATION Independent Director of Wah Hong Industrial Corp	None	None	None
Independent Director	R.O.C.	WU, HSIAO-YEN	Female 69	17-May-23	3 years	22-Jun-11	0	0.00	0	0.00	0	0.00	0	0.00	Master of Law, National Chung Cheng University Director of Chien Yeh Law Offices Kaohsiung Office	Director of Chien Yeh Law Offices Kaohsiung Office Independent Director, Kao Hsing Chang Corp. Director, YUNG CHI PAINT Corp	None	None	None
Independent Director	R.O.C.	CHEN, TING-KO	Male 87	17-May-23	3 years	7-Jun-17	0	0.00	0	0.00	0	0.00	0	0.00	PhD In Business Administration, University of Michigan Charity Chairman of Chinese Academy of Business	Distinguished Chair Professor of Business at Chinese Culture University, Independent Director of SINO-AMERICAN SILICON PRODUCTS INC., Independent Director of Namchow Chemical	None	None	None
Independent Director	R.O.C.	PENG, YU-MIN	Male 67	17-May-23	3 years	17-May-23	0	0.00	0	0.00	0	0.00	0	0.00	Ph.D. in Materials Engineering, University of Manchester, UK Vice President of the Industrial Technology Research Institute	Director of Shin Kong Financial Holdings Independent Director of Guimeng International LCY is an independent director of C&Y Technology	None	None	None

Note 1: SUN JAN-YEN is currently the chairman of Unishine Chemical, the chairman and general manager of E-Shine Advanced Chemical, the chairman of Zhangjiagang Trans-Ocean Enterprise, the chairman of Youyi Enterprise, the chairman of Ninghan Enterprise, the chairman of Jin Hesheng, the director of Singapore KENWELL, the director of AZOTEK CO., LTD., the director of Shanghai Liansheng Chemistry, the director of Maxihub Company Limited, the director of Elsom Development Ltd., the director of Spring World Holdings Ltd., the director of Shanghai

Haosheng Chemical Technology.

Note 2: SUN CHI-JYH is currently the director of Ninghan Enterprise, the director of Ma Yuansheng, the director of Elsom Development Ltd.

Note 3: SUN CHI-FA is currently the director and general manager of E-Shine Advanced Chemical, the director of Ninghan Enterprise, the director of Shanghai Liansheng Chemistry, the director of Shanghai Haosheng Chemical Technology, the director of Unishine Chemical, the supervisor of Youyi Enterprise, the director of Zhangjiagang Overseas, the director of Ma Yuansheng, the director of Hezhong Technical Services.

Note 4: The company is in the business growth period. In order to increase decision-making efficiency and improve business performance, the chairman and the general manager are first-degree relatives. In addition, in order to take into account corporate governance, the company has increased the number of independent directors from 3 to 4 as a response.

(2) Major Institutional Shareholders

As of March 23, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholders	
YU KUO PLYWOOD CORP.	WENG, HUI-YING	Percentage 16%
	SAN HOR SHEN ENTERPRISE CORP.	Percentage 17%
	CHEN, YI-LING	Percentage 10%
	WANG, ZHAO-RONG	Percentage 10%
NINGHAN DEVELOPMENT CO., LTD.	SUN JAN YEN	Percentage 27%
	SUN CHI-JYH	Percentage 17%
	SUN CHI-FA	Percentage 17%

(3) Major Shareholders of the Company's Major Institutional Shareholders

As of March 23, 2025

Name of Institutional Shareholder	Major Shareholders of Institutional Shareholder	
SAN HOR SHEN ENTERPRISE CORP.	CHEN, YI-LING	Percentage 33%
	WANG, JUN-YAO	Percentage 26%

(4) Disclosure of information on the professional qualifications of directors and the independence of independent directors

Condition Name	Professional qualifications and experience(Note 1)	Independence situation (Note 2)	concurrently serve as other public offerings Number of independent directors of the company
SUN JAN-YEN	<p>Possess more than five years of work experience required for petrochemical industry management, leadership decision-making, and industry knowledge.</p> <p>He successively served as the chairman of Guofeng Xingye and E-Shine Advanced Chemical.</p> <p>None of the provisions of Article 30 of the Company Law apply.</p>		None
SUN CHI-JYH	<p>Possess more than five years of work experience required for petrochemical industry management, leadership decision-making, and industry knowledge.</p> <p>He successively served as the chairman of Ninghan Enterprise and the former general manager of Shiny Chemical.</p> <p>None of the provisions of Article 30 of the Company Law apply.</p>		None
SUN CHI-FA	<p>Possess more than five years of work experience required for petrochemical industry management, leadership decision-making, and industry knowledge.</p> <p>He has successively served as the vice general manager of Shiny Chemical and the vice general manager of E-Shine Advanced Chemical.</p> <p>None of the provisions of Article 30 of the Company Law apply.</p>		None
WONG, DUEN-HONG	<p>With the work experience required in the business and chemical industries, he has served as a director of Yuguo Plywood (stock).</p> <p>None of the provisions of Article 30 of the Company Law apply.</p>		None

CHEN, YIH-LING	Possess more than five years of work experience required by the company's business. She successively served as director of Sanheshun Investment (stock) and director of Yuguo Plywood (stock). None of the provisions of Article 30 of the Company Law apply.		None
MA, CHEN-CHI	Possess more than five years of work experience required by the company's business. He has served as Chairman, The Polymer Society, Taipei, Deputy R&D Director of the R&D Office of National Tsing Hua University, Honorary Professor, Distinguished Professor of the Department of Chemical Engineering and National Lecture Host of the Ministry of Education. None of the provisions of Article 30 of the Company Law apply.	He/She is an independent director and meets the conditions of independence, including but not limited to himself, his spouse, relatives within the second degree of kinship, not serving as a director, supervisor or employee of the company or its affiliated companies; not holding the number of shares in the company; The company has directors, supervisors or employees of specific related companies; the company or its related companies have not provided business, legal, financial, accounting and other services in the past two years.	2 (Independent director of Wah Hong Industrial Corp. and TOPKEY)
WU, HSIAO-YEN	Possess more than five years of work experience required by the company's business. She served as the director of Jianye Law Firm. None of the provisions of Article 30 of the Company Law apply.		None
CHEN, TING-KO	Possess more than five years of work experience required by the company's business. He has successively served as Charity Chairman, Chinese Academy of Business None of the provisions of Article 30 of the Company Law apply.		2 (Independent Director of Namchow Group and Taiwan Specialty Chemicals Corporation)
PENG, YU-MIN	Possess more than five years of work experience required by the company's business. Formerly served as the Vice President of the Industrial Technology Research Institute. None of the provisions of Article 30 of the Company Law apply.		2 (Independent Director of KUEI MENG and LCY GROUP)

Note 1: Professional qualifications and experience: state the professional qualifications and experience of individual directors and supervisors. If they are members of the audit committee and have accounting or financial expertise, they should state their accounting or financial background and work experience. There are cases under Article 30 of the Company Act.

Note 2: Independent directors should state the conditions of independence, including but not limited to whether the person, spouse, and relatives within the second degree serve as directors, supervisors, or employees of the Bank or its affiliated companies; The number and proportion of bank shares held by relatives (or in the name of others); Directors, supervisors or employees; the amount of remuneration received by the bank or its affiliates for providing business, legal, financial, accounting and other services in the last two years.

Note 3: The company's board of directors consists of 7 male and 2 female seats. The number of female directors is less than one-third. The board intends to increase the number of female directors in the 2026 election. See page 31 for details on the diversity of the board of directors.

(5) General manager, deputy general manager, assistant manager, department and branch supervisor information

As of March 23, 2025

Position	Nationality	Name	Gender	Inauguration Date	Current Shareholding		Spouse and Minors Shareholding		Shareholding by Nominee Arrangement		Education and Experience	Other Current Assignments/Positions	Spouse or Relative within the Second Degree of Relationship Holding A Position as Manager, Director or Supervisor			Notes
					Number	%	Number	%	Number	%			Title	Name	Relationship	
general manager	R.O.C.	SUN CHI-FA	Male	Jul.16,2024	3,419,202	1.37	0	0.00	0	0	Master of Science and Engineering, Tokyo Institute of Technology, Japan Vice General Manager, Shiny Chemical CORP	Note1	president	SUN JAN - YEN	paternity	
deputy general manager	R.O.C.	WANG, HSING-CHIA	Male	Jul.16,2024	0	0.00	10,000	0.00	0	0	PhD. Polymer chemistry, University of Massachusetts Director of LCY CHEMICAL CORP.	Note2	None	None	None	
deputy general manager	R.O.C.	HUANG YEOU - CHING	Male	Jul.16,2024	24,998	0.01	0	0.00	0	0	Department of Accounting, Tokai University The manager of HORWATH CHIEN HSING	Note3	None	None	None	
special assistant	R.O.C.	SUN CHI-JYH	Male	Jul.16,2024	1,979,331	0.79	0	0.00	0	0	Master of Business Administration, Shanghai Jiao Tong University Chairman, NINGHAN DEVELOPMENT CORP	Note4	None	None	None	
manager	R.O.C.	CHU, NENG-HUI	Male	Apr.01,2008	5,000	0.00	1,000	0.00	0	0	Masters of Materials Science and Engineering, I-SHOU University. Sales Manager of LYONDELLBASELL TAIWAN CO., LTD.	None	None	None	None	
manager	R.O.C.	TSENG, YUNG-SHAN	Male	May.01,2016	26,216	0.01	12,783	0.01	0	0	Master of Chung yuan university chemical engineering Assistant manager of logistics department, SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None	
manager	R.O.C.	WU, TSAI-HSING	Male	Jul.16,2024	0	0.00	14,500	0.01	0	0	Department of Chemical and Materials Engineering, Tamkang University Supervisor of export department, SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None	
manager	R.O.C.	SUN, MING-LANG	Male	Jul.16,2024	30,000	0.01	0	0.00	0	0	Master of Chemistry, NCKU Supervisor of manufacturing department 3, SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None	
manager	R.O.C.	WONG, WEI-REN	Male	Aug.01,2023	0	0.00	0	0	0	0	Master of Business Administration, Yunlin University of Science and Technology Supervisor of Electricity Section., SHINY CHEMICAL INDUSTRIAL CO., LTD.	Note5	None	None	None	
assistant manager	R.O.C.	YANG, TUNG-CHIEH	Male	Jul.01,2018	6,000	0.00	22,000	0.01	0	0	Department of Transportation Management, National Cheng Kung University Supervisor of General Affairs Department, SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None	

assistant manager	R.O.C.	ZHANG,RUI-HONG	Male	Jul.01,2020.	1,000	0.00	1,000	0.00	0	0	Master of Environmental and Safety Hygiene, Kaohsiung First University Supervisor of manufacturing department 2,SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	LIU,CANG-HONG	Male	Jul.01,2021.	24,342	0.01	7,205	0.00	0	0	Master of Materials Engineering, National Taiwan University Supervisor of manufacturing department 1,SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	CHEN,JING-YI	Male	Jul.01,2022	0	0.00	0	0.00	0	0	Department of Huanyuan, Pingtung University of Science and Technology Supervisor of Environmental Section.2,,SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	LIN,JIAN-LONG	Male	Nov.01,2022	0	0.00	0	0.00	0	0	Master of Chemical Engineering, National Cheng Kung University Supervisor of Materials Dept. SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	TSAY, YI-JIN	Male	Jul.16,2024	1,000	0.00	1,000	0.00	0	0	Master of Chemistry, NCHU Supervisor of manufacturing department 1,SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	LIN,SHI-REN	Male	Jul.16,2024	0	0.00	0	0.00	0	0	Master of Chemistry, Kaohsiung First University Supervisor of manufacturing department 2,SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None
assistant manager	R.O.C.	ZHAN,MEN-G-XUN	Male	Jul.16,2024	0	0.00	0	0.00	0	0	Master of Computer Science, University of Southern California Senior Specialist, General Manager's Office, SHINY CHEMICAL INDUSTRIAL CO., LTD.	None	None	None	None

Note 1: SUN CHI-FA is currently the director and general manager of E-Shine Advanced Chemical, the director of Ninghan Enterprise, the director of Shanghai Liansheng Chemistry, the director of Shanghai Haosheng Chemistry Technology, the director of Unishine Chemical, the supervisor of Youyi Enterpris, the director of Zhangjiagang Trans-Ocean Enterprise, the director of Ma Yuansheng, the director of union tank container management CO., LTD.

Note 2: WANG, HSING-CHIA is currently the director of Ninghan Enterprise, director of E-Shine Advanced Chemical, director of Shanghai Liansheng Chemical Technology, director of Shanghai Haosheng Chemical Technology.

Note 3 SUN CHI-JYH is currently the director of Ninghan Enterprise, the director of Ma Yuansheng, the director of Elsom Development Ltd.

Note 4: HUANG YEOU-CHING is currently Supervisor of E-SHINE ADVANCED, Supervisor of Jin Hesheng, Supervisor of Unishine Chemical.

Note 5: The Company does not issue employee stock warrants.

(6) Remuneration for payment instructions, supervisors, and general managers in 2025

1. Directors' remuneration

Unit: NT\$ thousand

Title	Name	Director's Remuneration								The total amount of A, B, C, and D and the ratio of the total amount to the net profit after tax (%)		Remuneration for part-time employees								A, B, C, D, Seven E, F and G Total items after tax net profit ratio (%)		Receipt of remuneration from subsidiary reinvested business or parent company			
		remuneration(A)		resign pension (B)		Director's Remuneration(C)		business execution cost (D)				Salary, bonus and special expenses, etc. (E)		resign pension (F)		resign pension (F)									
		Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	cash amount	stock amount	cash amount	stock amount		Our company	All companies in the financial report	
Chairman	NINGHAN DEVELOPMENT CO., LTD	-	-	-	-	65,160	65,160	-	-	3.61	3.61	-	-	-	-	-	-	-	-	-	-	-	3.61	3.61	None
	Representatives : SUN JAN-YEN	150	150	-	-	-	-	-	-	0.01	0.01	3,180	5,880	-	-	-	-	3,450	-	5,050	-	-	0.38	0.61	None
Director	NINGHAN DEVELOPMENT CO., LTD	-	-	-	-	1,810	1,810	-	-	0.10	0.10	960	960	-	-	-	-	800	-	800	-	-	0.20	0.20	None
	SUN CHI-JYH	150	150	-	-	-	-	-	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	None
Director	NINGHAN DEVELOPMENT CO., LTD	-	-	-	-	1,810	1,810	-	-	0.10	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10	0.10	None
	SUN CHI-FA	150	150	-	-	-	-	-	-	0.01	0.01	2,130	2,970	-	-	-	-	2,450	-	3,250	-	-	0.26	0.35	None
Director	YU KUO PLYWOOD CORP.	-	-	-	-	1,810	1,810	-	-	0.10	0.10	-	-	-	-	-	-	-	-	-	-	-	0.10	0.10	None
	CHEN,YIH-LING	150	150	-	-	-	-	-	-	0.01	0.01	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	None
Director	WONG,DUEN-HONG	150	150	-	-	1,575	1,575	-	-	0.11	0.11	-	-	-	-	-	-	-	-	-	-	-	0.11	0.11	None
Independent Director	WU,HSIAO-YEN	744	744	-	-	-	-	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04	None
Independent Director	MA,CHEN-CHI	744	744	-	-	-	-	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04	None
Independent Director	CHEN,TING-KO	724	724	-	-	-	-	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04	None
Independent Director	PENG,YU-MIN	744	744	-	-	-	-	-	-	0.04	0.04	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04	None

1. Please describe the policy, system, standard and structure of remuneration payment for independent directors, and explain the correlation with the amount of remuneration according to the responsibilities, risks, investment time and other factors:

The Company has set out the remuneration policy, scope, type and regular review mechanism of independent directors in the remuneration payment standards, and the remuneration of independent directors shall be submitted to the Remuneration Committee for consideration on a case-by-case basis and submitted to the Board of Directors for approval of the total amount of remuneration taking into account the degree of participation of the independent directors in the Company's operations, the value of their contributions and the level of their peers. The Company regularly evaluates the remuneration of independent directors.

2. In addition to the above table, the remuneration received by the directors of the company for providing services (e.g. acting as consultants to non-employees) of all companies in the financial report in the most recent year : None.

3. In addition to salaries, bonuses and special expenses SUN JAN-YEN,SUN CHI-FA and SUN CHI-JYH also provided NT 5,669 thousand, NT 2,500 thousand and NT 2,530 thousand of vehicles for business execution..

2. Remuneration of General Manager and Deputy General Manager

Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement pension (B)		bonus and Special expenses, etc. (C)		Employee compensation amount (D)				The total amount of A, B, C, and D and the ratio of the total amount to the net profit after tax (%)		Receipt of remuneration from subsidiary reinvested business or parent company
		Our company	All companies in the financial report	Our company	All companies in the financial report	Our company	All companies in the financial report	Our company		All companies in the financial report		Our company	All companies in the financial report	
								cash amount	stock amount	cash amount	stock amount			
general manager	SUN CHI-FA	2,130	2,970	-	-	-	-	2,450	-	3,250	-	0.25	0.34	None
deputy general manager	WANG, HSING-CHIA	2,118	2,118					2,450		2,450		0.25	0.25	None
deputy general manager	HUANG YEOU-CHING	1,626	1,626					2,250		2,250		0.21	0.21	None

Note: In addition to salary, bonus and special expenses, SUN CHI-FA also provided NT\$ 2,500 thousand of vehicles for business execution.

3. The name of the manager who distributes employee remuneration and the situation of distribution

Unit: NT\$ thousand

2024	Title	Name	stock amount			cash amount	total	Proportion of total amount to net profit after tax (%)
			number of shares	market price	amount	amount		
manager	chairman	SUN JAN-YEN	—	—	—	13,059	13,059	0.72
	general manager	SUN CHI-FA						
	deputy general manager	WANG, HSING-CHIA						
	deputy general manager	HUANG YEOU-CHING						
	special assistant	SUN CHI-JYH						

4. Compare and explain the analysis of the total remuneration paid by the company and all companies in the consolidated financial statements to the company's directors, independent directors, general managers and deputy general managers in the last two years as a percentage of the net profit after tax of the individual or individual financial reports, and explain the remuneration policy, Criteria and portfolio, procedures for determining remuneration, and its relationship to business performance and future risks:

Title	2023	2024
		The total amount of remuneration paid by the company and all companies in the consolidated statements to the company's directors, independent directors, general managers and deputy general managers accounted for the proportion of net profit after tax
Director	5.17%	5.27%
Independent Director		
president and vice president		

- (1) The remuneration paid by the company to directors and independent directors is mainly for the performance of duties and the remuneration for directors provided in accordance with the company's articles of association. The remuneration payment policy is based on the degree of its participation in the operation and the value of its contribution, and is paid with reference to the industry standard; and the remuneration provided according to the articles of association is based on the principle of not exceeding 3% of the profit of the current year.

- (2) Article 32 of the company's articles of association stipulates that if the company has a profit in the year, it should allocate no less than 6% as employee compensation. The remuneration of managers includes salary and bonuses, among which salary refers to the standard of the same industry and items such as title, rank, education (experience), professional ability and responsibilities, etc. The bonus is based on the performance evaluation items of managers, including financial indicators (such as company operating revenue, the achievement rate of pre-tax net profit and after-tax net profit) and non-financial indicators (such as major deficiencies in legal compliance and operational risk matters), and submit the suggestions to the board of directors for discussion in accordance with the principle of distribution recommended by the Compensation and Compensation Committee , on the principle of sustainable operation of the company.

2.2 Implementation of Corporate Governance

(1) Board of Director's Operations

The Board of Directors met 6 times in the most recent year(A); the attendance of Directors is as follows:

Title	Name	Number of Attendance(A)	Number of Actual Attendance(B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Chairman	NINGHAN DEVELOPMENT CO.,LTD SUN JAN-YEN	6	6	0	100%	
Director	NINGHAN DEVELOPMENT CO.,LTD SUN CHI-JYH	6	5	1	83%	
Director	NINGHAN DEVELOPMENT CO.,LTD SUN CHI-FA	6	5	1	83%	
Director	YUKUO PLYWOOD CORP., CHEN YIH-LING	6	6	0	100%	
Director	WONG DUEN-HONG	6	6	0	100%	
Independent Director	WU HSIAO-YEN	6	6	0	100%	
Independent Director	MA CHEN-CHI	6	6	0	100%	
Independent Director	CHEN TING-KO	6	5	1	83%	
Independent Director	PENG, YU-MIN	6	6	0	100%	

Other matters to be recorded:

- I. Matters listed in Article 14-3 of the Securities and Exchange Act and other matters resolved by the board of directors with objections or reservations from independent directors and with records or written statements: None.
- II. The execution of Directors abstaining from resolution in which they hold stakes: None.
- III. Objectives for strengthening the functions of the Board (such as the establishment of the Audit Committee and improvement of information transparency) during the current year and the latest year and the execution evaluation: None.
- IV. The operation of the board of directors and the implementation of relevant resolutions in the most recent year and as of the date of publication of the annual report are explained on page 57.

(2) Execution of the Board's evaluation

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Content of evaluation
Executed once a year	The year ended 31 December, 2024	Board of Directors	The self-evaluation method is adopted.	(1) Level of participation in corporate operations. (2) Improving the quality of the Board's decision-making. (3) Composition and structure of the Board. (4) Election and continuing education of Directors. (5) Internal control.
Executed once a year	The year ended 31 December, 2024	Individual Directors	The self-evaluation method is adopted.	(1) Understanding of the Company's goals and tasks. (2) Understanding of the duties and functions of Directors. (3) Level of participation in corporate operations. (4) Internal relationship management and communication. (5) Professional and continuing education for Directors. (6) Internal control.
Executed once a year	The year ended 31 December, 2024	Functional committee.	The self-evaluation method is adopted.	(1) Level of participation in corporate operations. (2) Understanding of the duties and functions of the functional committee. (3) Improving the quality of the functional committee's decision-making. (4) Composition of the functional committee and election of committee members. (5) Internal control.

(3) Operations of the Audit Committee

The Audit Committee met 5 times in the most recent year(A) , and the attendance of Independent Directors is as follows:

Title	Name	Number of Actual Attendance(B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A)	Remarks
Independent Director	CHEN TING-KO	4	1	80%	Convener
Independent Director	WU HSIAO-YEN	5	0	100%	
Independent Director	MA CHEN-CHI	5	0	100%	
Independent Director	PENG, YU-MIN	5	0	100%	

Other matters to be recorded:

- I. When any of the following circumstances occurred during the operations of the Audit Committee, the meeting date, period, content of resolutions, the resolution results made by the Audit Committee, and measures adopted by the Company in response to the opinions from the Audit Committee shall be specified:
 - (1) Matters specified in Article 14-5 of the Securities and Exchange Act: Please see the table 4. below.
 - (2) Except for the previously mentioned matters, other matters that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors: None.
- II. For the execution of Independent Directors abstaining from resolution in which they hold stakes, the names of the Independent Directors, the content of the resolutions, the reason of abstention due to the conflict of interests, and the participation in voting: None.
- III. Communication between Independent Directors and chief internal auditor and CPAs:
 - (1) The audit supervisor attends the company's regular audit committee and makes audit business reports, and the independent directors have no objection.
 - (2) The independent directors communicate with the accountants face to face and in writing on a quarterly basis on a regular basis.
 - (a). Communication between independent directors and the head of internal audit:
 1. When the internal audit supervisor convenes the audit committee quarterly, he will separately explain to the independent directors the implementation of the internal audit and the operation of the internal control (both accountants and financial executives are absent).
 2. The board of directors is held quarterly. Both independent directors and audit supervisors participate in the board of directors. The audit supervisor also attends and reports the internal audit business situation at each board meeting.

3. 2024 Summary of separate communication with the head of internal audit:

Date	Attendees	Item	Communication results
2/21/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Audit Supervisor GUO JIE-JHEN	2023 Audit plan execution and abnormal improvement tracking. 2023 The internal control system is self-assessed and implemented	No objection.
4/24/2024 The Audit Committee	Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Audit Supervisor GUO JIE-JHEN	Internal audit business situation from 2023 & 2024	No objection.
7/16/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Independent director PENG, YU-MIN Audit Supervisor GUO JIE-JHEN	2023 Audit plan execution and abnormal improvement tracking. Internal audit business situation from 2024.	No objection.
10/23/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Independent director PENG, YU-MIN Audit Supervisor GUO JIE-JHEN	2023 Audit plan execution and abnormal improvement tracking. Internal audit business situation from 2024.	No objection.
12/18/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Independent director PENG, YU-MIN Audit Supervisor GUO JIE-JHEN	Internal audit business situation from 2024. 2025 Audit Plan Risk Assessment Process.	No objection.

(a). Communication between independent directors and accountants:

1. The accountants report to the independent directors at least once a year on the financial status and overall operation of the company and the domestic and overseas reinvestment companies, and the internal control audit situation, and

fully communicate and explain whether the amendments to the laws and regulations will affect the accounting situation (the audit supervisor and the financial supervisor). all leave to avoid):

2. Summary of separate communication with accountants in 2024:

Date	Attendees	Communication items	Communication results
2/21/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Accountant SU BING-JHANG	2023 Standalone and Consolidated Financial Statements.	No objection.
12/18/2024 The Audit Committee	Independent director CHEN TING-KO Independent director MA CHEN-CHI Independent director WU HSIAO-YEN Independent director PENG, YU-MIN Accountant SU BING-JHANG	2024 Annual Review Plan.	No objection.

Note: Since the 19th session of the board of directors, the company has established an audit committee to replace the supervisor.

2. Terms of Reference of the Audit Committee:

- (1) Fair representation of the company's financial statements.
- (2) Selection (dismissal), independence and performance of certified accountants.
- (3) Effective implementation of the company's internal control.
- (4) The company follows relevant laws and regulations.
- (5) Management and control of existing or potential risks of the company.

3. The annual work focus of the Audit Committee:

- (1) Evaluate the effectiveness of the internal control system Evaluate the policies and procedures of the company's internal control system (including financial, operational, control measures such as risk management, information security, legal compliance), and reviewed the company audit office and visa Accountants, as well as management's regular reports, including risk management and compliance.
- (2) To review the financial statements for the first to fourth quarters of 2024 which have been checked and completed by Crowe (TW) CPAs, and issued review reports and audit reports, that there is no discrepancy.

4. Audit Committee Resolutions:

Date	Content	Resolution result	The Company's Handling of the Audit Committee's Opinions
2024.02.21 4th Meeting of the 2ed. Committee	1. 2024 financial report and business report. 2. 2024 surplus distribution case. 3. "PM second plant" construction project 4. 2024 Internal Control System Statement."	All members of the committee approved.	Approved by all directors present in the committee.
2024.04.24 5th Meeting of the 2ed. Committee	1. Deliberation on the Consolidated Financial Statements for the First Quarter of the Year 2024. 2. Increase the endorsement and guarantee case for Unishine Chemical Company's loan limit.	All members of the committee approved.	Approved by all directors present in the committee.
2024.7.16 6th Meeting of the 2ed. Committee	1. Deliberation on the Consolidated Financial Statements for the First Half of the Year 2024. 2. Cooperate with the "internal rotation mechanism of accounting firms" to change the certification accountant. 3. Proposal to sell land to E-Shine Advanced Chemical Co., Ltd.	All members of the committee approved.	Approved by all directors present in the committee.
2024.10.23 7th Meeting of the 2ed. Committee	1. Deliberation on the Consolidated Financial Statements for the Third Quarter of Year 2024. 2. Proposal to operational equipment purchase of E-Shine Advanced Chemical Co., Ltd.	All members of the committee approved.	Approved by all directors present in the committee.
2024.12.18 8th Meeting of the 2ed. Committee	1. The company's 2025 business plan. 2. Assess the independence of the company's certification public accountant. 3. Cases on the reinvestment company's loan and performance guarantee amount and the company's handling of its endorsement guarantee. 4. Application for Bank Financing Limit for the Year 2025 by the Company. 5. Added the company's "Sustainable Information Management Operation Guidelines". 6. Formulate the 2025 internal audit plan.	All members of the committee approved.	Approved by all directors present in the committee.

(4) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Item	Operation		Description	Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No		
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The company has formulated a code of practice on corporate governance in accordance with the "Code of Practice on Corporate Governance of Listed Companies", which has been published on the Public Information Observatory and the company's website.	No significant difference.
II. Equity Structure and Shareholders' Interests of the Company (1) Has the Company established an internal operating procedure to process shareholders' recommendations, suspicions, disputes, and litigations and implemented such processing based on the procedure?	V		(1) The company has dedicated personnel to deal with issues such as shareholder recommendations or disputes.	No significant difference.

<p>(2) Does the Company possess the list of its major shareholders and the ultimate controlling parties of the major shareholders?</p>	V	<p>(2) The Company keeps abreast of the list of major shareholders' ultimate controlling companies at all times and the ultimate controllers of the major shareholders at any time by the stock agent.</p>	<p>No significant difference.</p>
<p>(3) Has the Company established and executed the risk control and firewall system with its affiliates?</p>	V	<p>(3) The company has formulated operating procedures for financial transactions with group companies, specific companies and related parties.</p>	<p>No significant difference.</p>
<p>(4) Has the Company established its internal regulations to forbid internal parties to use undisclosed information in trading securities?</p>	V	<p>(4) 1. The company has formulated internal material information processing and insider transaction prevention management procedures. Directors, managers and employees who know the company's internal material information shall not disclose the knowledge of the internal material information to others. The directors, managers and employees of the company are not allowed to inquire about the company's internal material information or collect undisclosed internal material information of the company that is not related to their personal positions. Material information must not be disclosed to others.</p> <p>2. Organizations or personnel other than the company should sign a confidentiality agreement due to their participation in the company's mergers and acquisitions, important memorandums, strategic alliances, other business cooperation plans or signing of important contracts, and must not disclose the company's internal material information that they know to others. .</p> <p>3. The company conducts education and publicity on the "Administrative Measures for Prevention of Insider Trading" and related laws for directors, managers and employees at least once a year; for new directors and managers within 3 months after taking office; For newly hired employees, the legal affairs will educate and publicize them during the new employee education and training.</p> <p>4. On October 4, 2024 and October 18, 2024, the company has arranged 3 hours of relevant education and publicity for the employee and director respectively, and the content of the course includes relevant laws and regulations of insider trading, formation reasons, standard objects, enterprise risks, constituent elements and Legal liability, etc., and the course materials have been placed on the company's internal website for reference.</p>	<p>No significant difference.</p>

<p>III. Composition and Responsibilities of the Board</p> <p>(1) Has the Board developed and implemented a diversification policy for its composition</p>	<p>V</p>	<p>(1) 1. The company's director diversity policy is set out in Article 5.5.1 of the "Shiny Chemical Co., Ltd. Code of Governance Practices". The directors of the company should generally have the knowledge, skills and qualities necessary to perform their duties. In order to achieve the ideal goal of corporate governance, the board of directors should have the following capabilities: (1) operational judgment; (2) accounting and financial analysis; (3) operational management; (4) crisis management; (5) industry knowledge; (6) international market outlook; (7) leadership; (8) decision-making ability. (9) knowledge and ability of risk management</p> <p>2. In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the company's policy stipulates that the composition of the board of directors should consider the needs of the company's operating structure, business development direction, future development trends, etc., and evaluate various aspects of diversity.</p> <p>3. The 9 directors of the 20th Board, which has 2 female directors and 7 male directors. All directors are good at business management and leadership decision-making. In terms of industry knowledge, they are SUN JAN-YEN, SUN CHI-JYH, SUN CHI-FA, CHEN YIH-LING, WONG DUEN-HONG, and MA CHEN-CHI; in financial accounting, CHEN TING-KO; legal affairs, WU HSIAO-YEN; environmental protection, MA CHEN-CHI, PENG, YU-MIN.</p> <p>4. 33% of the company's directors are employees, 44% are independent directors, and 22% are female directors. 3 independent director is for a term of more than 9 years, and the other one is 2 years. 7 directors are over 65 years old and 2 directors are between 45 and 65 years old. The company pays attention to gender equality in the composition of the board of directors. The target ratio of female directors is more than 20%, and this term it is 22%. The target has been reached, and it strives to increase the proportion of female directors on the board of directors in the future to achieve the spirit of gender equality.</p> <p>5. The board of directors formulates a diversity policy on the composition of the members and discloses it on the company's website.</p>	<p>No significant difference.</p>
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(2) Has the Company voluntarily established other functional committees in addition to the Remuneration Committee and the Audit Committee established according to the law?	V	(2) The Company established the Audit Committee and Remuneration Committee according to the law and studied the feasibility of having new functional committees.	No significant difference.
(3) Has the Company established the Regulations for the Performance Evaluation of the Board of Directors and its evaluation methods, regularly carried out the regular performance evaluation each year, reported to the Board regarding the results of the performance evaluation, and used the results as a reference for the remuneration and nomination for re-appointment of the individual Directors?	V	(3) On July 25, 2018, the board of directors of the company has passed the "Measures and Procedures for Board Performance Evaluation" to conduct the performance evaluation of the last year's board of directors in January each year, and the evaluation results are reported to the board of directors every year.	No significant difference.
(4) Has the Company regularly evaluated the independence of CPAs?	V	(4) The company evaluates the independence of the certified public accountants (Note 2) every year. In addition to confirming that the certified public accountants do not hold any shares in the company or hold any positions in the company, they also confirm that they meet the company's independence and suitability assessment standards, and have It was submitted to the board of directors for consideration on December 18, 2024.	No significant difference.

<p>IV. Has the listed company allocated an appropriate number of persons in charge of corporate governance who are appropriate for such positions and designated a chief of corporate governance to be responsible for affairs related to corporate governance (including but not limited to providing data required for the execution of businesses to Directors and supervisors, assisting Directors and supervisors in legal compliance, handling matters related to meetings of the Board and shareholders' meeting according to the law, carrying out company registration and alteration registration, and preparing meeting minutes for meetings of the Board and shareholders' meeting)?</p>	<p>V</p>	<p>(1). On July 25, 2018, the board of directors appointed HUANG YEOU CHING, the deputy general manager of the finance and administration department, to serve as a corporate governance officer to protect the rights and interests of shareholders and strengthen the functions of the board of directors. HUANG YEOU CHING is qualified as an CPA and has been engaged in the position of financial director of public companies for more than 10 years.</p> <p>(2) The main duties of the corporate governance officer include:</p> <ol style="list-style-type: none"> 1. Provide the information required by directors and supervisors to execute their business. 2. Assist directors and supervisors in compliance with laws and regulations. 3. Handle matters related to the meeting of the board of directors and the shareholders' meeting in accordance with the law. <p>(3) The business execution in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Assist independent directors and general directors to perform their duties, provide required information and arrange for further education for directors: <ol style="list-style-type: none"> (1) According to the latest revision and development of laws and regulations related to the company's business field and corporate governance, board members are provided when they take office and are regularly updated. (2) Review the confidentiality level of relevant information and provide the company information required by the directors to maintain smooth communication between directors and business executives. (3) In accordance with the Code of Practice for Corporate Governance, independent directors will assist in arranging relevant meetings when they need to communicate with the internal audit supervisor or accountants to understand the company's financial business. (4) Assist independent directors and general directors in arranging advanced training programs and courses according to the company's industry characteristics, directorship and experience background. 2. Assist in the procedures and resolutions of the board of directors and shareholders' meetings on legal compliance matters: <ol style="list-style-type: none"> (1) Report the operation of corporate governance to the board of directors, independent directors, or supervisors, and confirm whether the company's shareholders' meeting and board of directors are in compliance with relevant laws and corporate governance codes. 	<p>No significant difference.</p>
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		<p>(2) Assist and remind directors of the laws and regulations to be followed when conducting business or making formal resolutions of the board of directors.</p> <p>3. The board of directors shall be notified of the agenda 7 days in advance, convene the meeting and provide meeting materials. If the agenda needs to be avoided, it shall be reminded in advance, and the minutes of the board of directors shall be completed within 20 days after the meeting.</p> <p>4. Carry out the registration for the date of shareholders' meetings in advance according to the law, prepare meeting notices, meeting handbook, meeting minutes within the statutory period, and conduct alteration registration affairs for the amendment of Articles of Association or Director's re-election.</p> <p>(4) Refer to Note 3 for the 2024 training situation.</p>	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder section on the Company's website, and duly responded to significant issues of corporate social responsibility concerned by stakeholders?	V	The company has set up a spokesperson and an acting spokesperson to handle related matters, so that the communication with stakeholders can be smooth.	No significant difference.
VI. Has the Company appointed a professional stock affair agency to process affairs related to shareholders' meetings?	V	The Company has appointed a professional stock affairs agency to handle the affairs of the shareholders' meeting.	No significant difference.

<p>VII. Open Information</p> <p>(1) Has the Company established its website to disclose information on its financial operations and corporate governance?</p>	<p>V</p>	<p>(1) The company has set up a corporate website and set up a special area for investors, and instructed the relevant departments to maintain it so as to disclose the company's financial business and corporate governance information at any time. The website is as follows: www.shinychem.com.tw</p>	<p>No significant difference.</p>
<p>(2) Has the company adopted other methods for information disclosure (such as building an English website, appointing dedicated personnel to be responsible for the information collection and disclosure implementing a spokesman system, and uploading the course of investor conferences on the Company's website) ?</p>	<p>V</p>	<p>(2) The company has designated personnel to report various public information on the "public information observatory" on a regular and irregular basis according to regulations, and has set up spokespersons and acting spokespersons to speak to the outside world.</p>	<p>No significant difference.</p>
<p>(3) Has the Company published and declared its annual financial report within two months after the end of a fiscal year and published and declared its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?</p>	<p>V</p>	<p>(3) The company has announced and filed the 2024 financial report in advance within two months after the end of the fiscal year, and announced and filed the first, second and third quarter financial reports of 2024 and the operating conditions of each month in advance before the prescribed deadline.</p>	<p>No significant difference.</p>

<p>VIII. Is there any other significant information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employees' interests, care for employees, investor relations, supplier relations, rights of stakeholders, Directors and supervisors' continuing education records, the execution of risk management policies and risk evaluation standards, the execution of customer policies, and the purchase of responsibility insurance for Directors and supervisors)?</p>	<p>V</p>	<ol style="list-style-type: none"> (1) Employee rights and interests: Treat employees with integrity and protect the legitimate rights and interests of employees in accordance with the Labor Standards Act. (2) Employee care: Establish a good relationship of mutual trust and mutual trust with employees through a good employee welfare system and education and training system. (3) Investor Relations: Set up spokespersons and proxy spokespersons to deal with shareholder proposals. (4) Supplier relationship: The company has always maintained a good relationship with its suppliers. (5) Rights of Stakeholders: Stakeholders may communicate and make suggestions with the company to safeguard their legitimate rights and interests. (6) Situation of training for directors and supervisors: The directors of the company all have industry professional background and practical experience in operation and management. (7) Implementation of risk management policies and risk measurement standards: formulate various internal regulations and conduct various risk management and assessment. (8) Implementation of customer policy: The company maintains a stable and good relationship with customers to create company profits. (9) The company has purchased liability insurance for directors and supervisors. (10) Succession planning for board members and important management levels: <ol style="list-style-type: none"> 1. Succession planning of board members The company has a total of 9 directors (including 4 independent directors). The selection of directors is based on the results of performance evaluation and the needs of practical operation in addition to considering the overall ability of the board of directors and the diversity of members. , and adjust the composition of members in a timely manner. The succession planning of board members includes taking over by the company's internal senior executives, and recruiting external professionals in business management, law, accounting, industry, technology, and marketing. During the term of office, directors arrange at least 6 hours of continuous learning every year to help directors enrich new knowledge. 	<p>No significant difference.</p>
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		<p>2. Succession planning for important management levels</p> <p>The company defines the required positions and talent needs based on future development strategies, and in response to changes in operations and strategies, explores potential and talented supervisors as candidates for succession planning, and establishes a complete training mechanism and talent development Plan to give training. Each supervisor regularly trains through various courses including human resources, financial risks, environmental issues, operation management, etc., to cultivate the ability to judge various decisions in the future.</p> <p style="text-align: center;">2024 Training Hours of Supervisor</p> <table border="1" data-bbox="528 667 1310 770"> <tr> <td data-bbox="528 667 715 725">Total hours.</td> <td data-bbox="715 667 852 725">Human Resources</td> <td data-bbox="852 667 973 725">Financial risk</td> <td data-bbox="973 667 1150 725">Environmental issues</td> <td data-bbox="1150 667 1310 725">Operation management</td> </tr> <tr> <td></td> <td style="text-align: center;">130.5</td> <td style="text-align: center;">56</td> <td style="text-align: center;">27</td> <td style="text-align: center;">163.5</td> </tr> </table>	Total hours.	Human Resources	Financial risk	Environmental issues	Operation management		130.5	56	27	163.5	
Total hours.	Human Resources	Financial risk	Environmental issues	Operation management									
	130.5	56	27	163.5									

IX、Please explain the improvement situation in the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation Limited in the most recent year, and propose priority strengthening matters and measures for those who have not yet improved. (No need to fill in if not listed in the rated company)

In order to strengthen corporate governance, in addition to updating the "Measures for the Evaluation of the Board's Performance", the Company has set up a corporate governance officer to be responsible for related affairs, in addition to regularly assessing the performance of the Board of Directors every year. In addition, the company will continue to maintain an effective corporate governance mechanism at all levels of operation in the future, and enhance the transparency of information disclosure.

Note 1: The implementation of the diversification policy on Board composition

Core Items for Diversification Name of Director	Basic Composition						Industrial Experience and Background			Professional Skills		
	Gender	Serve concurrently as employee of the company	Age		Length of tenure of independent directors		Management	Leadership decision	Industry knowledge	Financial Accounting	Law	Environmental protection
			45 to 65	65 and above	3 to 9	9 and above						
NINGHAN DEVELOPMENT CO.,LTD (SUN JAN-YEN)	Male	✓		✓			✓	✓	✓			
NINGHAN DEVELOPMENT CO.,LTD (SUN CHI-JYH)	Male		✓				✓	✓	✓			
NINGHAN DEVELOPMENT CO.,LTD (SUN CHI-FA)	Male	✓	✓				✓	✓	✓			
YUKUO PLYWOOD CORP., (CHEN YIH-LING)	Female			✓			✓	✓	✓			
WONG DUEN-HONG	Male			✓			✓	✓	✓			
WU HSIAO-YEN	Female			✓		✓	✓	✓		✓		
MA CHEN-CHI	Male			✓		✓	✓	✓	✓			✓
CHEN TING-KO	Male			✓		✓	✓	✓		✓		
PENG, YU-MIN	Male			✓			✓	✓	✓			✓

Note 2: The company's certified public accountant independence assessment criteria.

Evaluation items	Yes	No	Illustrate
1. Not an employee of a company or affiliated enterprise.	✓		After the assessment, there is no such situation as listed left in the appointment of the CPA, which confirms that the CPA is independent and the reliability of the financial report issued is safe.
2. Non-directors or supervisors of the company or its affiliated companies (except if they are independent directors of the company or its parent company, or an independent director of a subsidiary in which the company directly or indirectly holds more than 50% of the voting shares).	✓		
3. Non-person shareholders who are not themselves and their spouses, minor children, or other natural person shareholders who hold more than 1% of the company's total issued shares or hold the top ten shares in the name of others.	✓		
4. Spouses, relatives within the second degree of kinship, or lineal blood relatives within the third degree of kinship of persons not listed in the preceding three paragraphs.	✓		
5. Directors, supervisors or employees of legal person shareholders who do not directly hold more than 5% of the total issued shares of the company, or directors, supervisors or employees of the top five legal person shareholders holding shares.	✓		
6. Non-director (council), supervisor (supervisor), manager or shareholder holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company.	✓		
7. There is no relationship between spouses or relatives within the second degree of kinship with other directors.	✓		
8. None of the conditions in Article 30 of the Company Law.	✓		
9. In the last two years, he shall not be a director, supervisor, manager, or any position that has a significant influence on the audit case of the company.	✓		

*The board of directors evaluates the independence and competency of accountants by referring to the audit quality indicators (AQIs) for regular evaluation every year.

Note 3: The training situation of the company's full-time governance personnel

Year of study: 2024					
Name: HUANG YEOU CHING					
Appointed as the Company's Corporate Governance Officer Date: July 25, 2018					
Number	Learning institutions	Course Title	During training		Study hours
			Start	Finish	
1	Independent Director Association Taiwan	The Application and Challenges of Generative AI from ChatGPT	7/16/2024	7/16/2024	3
2	The Republic of China Accounting Research Development Foundation	Accounting Director of Issuer Securities Firm Stock Exchange Continuing Refresher course	6/17/2024	06/18/2024	12
3	The Foundation of Securities and Futures Market Development in the Republic of China	2024 Annual Insider Trading Prevention Seminar	10/04/2024	10/04/2024	3
4	The Digital Governance Association of Taiwan	Generative AI Management Practices: A Guide for Enterprises to Master Future Technologies	10/23/2024	10/23/2024	3

(5) Composition, responsibilities, operations and resolutions of the Remuneration Committee**1. Remuneration Committee Member Information**

Identity	Condition Name	Professional qualifications and experience	Independence Attribute (Note 1)	Number of other publicly listed companies in which the member concurrently holding the position as a member of the remuneration committee
Independent Director	WU HSIAO-YEN	Ms. WU HSIAO-YEN holds a Master of Laws from National Chung Cheng University. She is qualified as a lawyer in Taiwan and has more than 10 years of practice experience as the director of a law firm.	√	0
Independent Director	MA CHEN-CHI	Mr. MA CHEN-CHI is a Ph.D. in chemical engineering from North Carolina State University. He has more than 10 years of experience in chemical industry at home and abroad, and more than 35 years of chemical teaching experience. He is now an honorary professor of the Department of Chemical Engineering of National Tsing Hua University.	√	2
Independent Director (convener)	CHEN TING-KO	Mr. CHEN TING-KO holds a Ph.D. in Business Administration from the University of Michigan. He has served successively as the Dean of the Department of Business at National Taiwan University, the Dean of the School of Management at Tamkang and Asia University, and the Distinguished Chair Professor of various business schools. Chairman of Bank Securities Co., Ltd., general consultant of Runtai Group, etc., with rich experience in the industry.	√	2

Independent Director	PENG, YU-MIN	Mr. PENG, YU-MIN holds a Ph.D. in Materials Engineering from the University of Manchester in the United States. He has served as Vice President and Special Expert of the Industrial Technology Research Institute, Director of the Materials and Chemical Technology Division of ITRI, Vice Chairman of the Taiwan Chemical Industry Association, and Chairman of the Chinese Institute of Technology Management. Additionally, he serves as Chairman of the Board of Patriots Green Energy Technology Co., Ltd., and Strategic Chief Advisor of Jin-Zhao-Hong Technology Co., Ltd. With extensive experience in the industry, Mr. Peng brings valuable expertise to his roles.	√	2
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Note 1: If the members of the Compensation and Remuneration Committee meet the following conditions for independence, please tick "√" in the space below each condition code.

- (1) Whether I, my spouse, or relatives within the second degree act as directors, supervisors or employees of the company or its affiliated companies: None.
- (2) The number and proportion of the company's shares held by myself, my spouse, relatives within the second degree (or in the name of others): All are 0 shares and 0%.
- (3) Whether he is a director, supervisor or employer of a company that has a specific relationship with the company (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed on Stocks or Trading at the Business Office of a Securities Firm): None.
- (4) The amount of remuneration obtained from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last two years: both are NT\$0.

2. Operations of the Remuneration Committee

- (1) There are 4 members in the Company's Remuneration Committee.
- (2) Term of office of the current members: 3 meetings (A) were held for the Remuneration Committee from May 17, 2023 to May 16, 2026, and the qualification and attendance of the members are as follows:

Title	Name	Actual Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note)	Remarks
Convener	CHEN TING-KO	2	1	67%	
Committee Member	MA CHEN-CHI	3	0	100%	
Committee Member	WU HSIAO-YEN	3	0	100%	
Committee Member	PENG, YU-MIN	3	0	100%	

Other matters to be recorded:

- I. When the Board declines to adopt or amend the recommendation of the Remuneration Committee, the Board shall specify the date of the meeting of the Board, period, the content of the resolution, results of the resolution made by the Board, and measures adopted by the Company in response to the opinions from the Remuneration Committee (e.g., for the remuneration passed by the Board being more favorable than the recommendations from the Remuneration Committee, the deviation and the reasons thereof shall be specified): None.
- II. For resolutions of the Remuneration Committee, members who expressed opposition that was recorded or declared in writing, the date of the meeting of the Remuneration Committee, period, the content of the resolution, all members' opinions, and the measures adopted for the opposing members' opinions be specified: None.

3. Terms of reference of the Remuneration Committee:

- (1) Periodically review this regulation and propose amendments.
- (2) Formulate and regularly review the company's directors and managers' performance goals and salary policies and system standards standard and structure.
- (3) Regularly evaluate the achievement of the performance goals of the company's directors and managers, and determine their individual salaries content and amount.

4. The annual work priorities of the Remuneration Committee:

- (1) Review the monthly salaries and remuneration paid by the managers of the company.
- (2) Review the company's managers and employees to receive year-end bonuses.
- (3) Other matters referred by the board of directors.

5. Resolutions of the Remuneration Committee

Date	Proposal item	Resolution result	The company's handling of the opinions of the Compensation and Remuneration Committee
2ed. Meeting of the 5th Committee 21, February 2024	1. Review of the fixed monthly compensation for managers of the company. 2. Review of the employee remuneration and director remuneration for the year 2023 of the company.	All members of the committee approved	Approved by all directors present
3rd. Meeting of the 5th Committee 16, July 2024	1. Review of the company's managers and employees receiving year-end bonuses.	All members of the committee approved	Approved by all directors present
4th. Meeting of the 5th Committee 18, December 2024	1. Managers and employees receive year-end bonus cases.	All members of the committee approved	Approved by all directors present

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

Item	Operation		Description	Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
I. Has the company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	V		<p>1. Following the vision and mission of the company's ESG policy, the company established the Corporate Social Responsibility Committee in 2015 and changed its name to the "Corporate Sustainable Development Committee" in 2021. The chairman of the committee is the chairman, and the first-level supervisors of each department are the chairmen of the committee. Member, there is a secretarial office under the committee responsible for the operation of the committee, and three groups (business governance, environmental sustainability and social participation) are established according to the company's important substantive.</p> <p>2. The "Sustainable Development Committee" acts as a cross-departmental communication platform integrating top and bottom and horizontally connecting. Each group will jointly discuss sustainable issues related to company operations and stakeholders, formulate corresponding strategies and work guidelines, and plan annual plans. According to the nature of the plan, they will be assigned to each group for implementation, and other groups will track the implementation. The results ensure that the sustainable development strategy is fully implemented in the company's daily operations.</p> <p>3. The "Sustainable Development Committee" reports to the Board of Directors at least once a year on the implementation results and future plans of sustainable development. The report includes:</p> <p>(1) Identify issues that need attention and formulate corresponding action plans;</p> <p>(2) Goals and policy revisions on sustainability-related issues.</p> <p>(3) Supervise the implementation of sustainable management matters and evaluate the implementation.</p> <p>4. The company's board of directors regularly listens to reports from the management team (including ESG report), the management must propose corporate strategies to the board of directors, For example: in response to the government's 2050 net zero plan, the international carbon neutral trend. In view of the trend of carbon reduction and the trend of carbon reduction, the company formulates relevant policies and develops and implements strategies and reports to the board of directors who have to judge the strategy possibilities, the progress of the strategy needs to be reviewed frequently, and the timely urge the management team to make adjustments.</p>	No significant difference.

<p>II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?</p>	<p>V</p>	<p>2. (1). The company has formulated a code of practice for corporate social responsibility and disclosed it on the company's website. The policy of expressing sustainable development is to implement and promote corporate governance, develop a sustainable environment, participate in the promotion of social welfare, and strengthen the disclosure of sustainable development information.</p> <p>(2). The company has formulated the "Quality, Environment and Occupational Safety and Health Manual" and "Labor Work Environment Monitoring Measures" to identify environmental, health and safety and labor practice risks related to operations, and determine each risk through risk identification and assessment. , formulate risk management countermeasures, propose corresponding solutions, including prevention, transfer, avoidance or assumption, etc. to control risks, and implement appropriate procedures and substantive controls through adequate communication and supervision mechanisms of company information to ensure compliance. Control the identified risks.</p> <p>(3) Based on the principle of materiality, the risk management strategy after assessment is as follows:</p> <p>(1) Environmental issues (covering Yongan No.1, No.2 factories, Qianzhen factory and Intercontinental Storage and Transportation Center)</p> <table border="1" data-bbox="523 920 1134 1845"> <thead> <tr> <th data-bbox="528 920 719 1016">Risk Assessment Project</th> <th data-bbox="719 920 1129 1016">Strategy</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1016 719 1507">energy manage</td> <td data-bbox="719 1016 1129 1507"> <p>1.Strengthen equipment maintenance, replace equipment, purchase additional energy-saving and high-efficiency equipment, and formulate energy-saving goals to continuously reduce the unit electricity consumption of products.</p> <p>2.Promot improvement measures such as process energy consumption reduction, energy reuse, waste heat recovery into steam input into process technology, equipment efficiency improvement, and energy management.</p> </td> </tr> <tr> <td data-bbox="528 1507 719 1845">Water Resource management</td> <td data-bbox="719 1507 1129 1845"> <p>1.Expand water storage tanks to alleviate water shortages shock.</p> <p>2.Promote energy-saving and water-saving improvement projects to Reduce energy and water costs.</p> <p>3.Understand the water supply status of each factory area and arrange transportation vehicles to deliver water to water-deficient factories.</p> </td> </tr> </tbody> </table>	Risk Assessment Project	Strategy	energy manage	<p>1.Strengthen equipment maintenance, replace equipment, purchase additional energy-saving and high-efficiency equipment, and formulate energy-saving goals to continuously reduce the unit electricity consumption of products.</p> <p>2.Promot improvement measures such as process energy consumption reduction, energy reuse, waste heat recovery into steam input into process technology, equipment efficiency improvement, and energy management.</p>	Water Resource management	<p>1.Expand water storage tanks to alleviate water shortages shock.</p> <p>2.Promote energy-saving and water-saving improvement projects to Reduce energy and water costs.</p> <p>3.Understand the water supply status of each factory area and arrange transportation vehicles to deliver water to water-deficient factories.</p>	<p>No significant difference.</p>
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Risk Assessment Project	Strategy
Greenhouse Gas Emissions Management	<ol style="list-style-type: none"> 1. Conduct product carbon emission surveys and develop relevant countermeasures for high carbon emission products. 2. Invest in the development of low-carbon products to reduce carbon emissions in the company's manufacturing process. 3. Calculate the annual carbon emissions, and compare different departments of the same nature, and promote the departmental carbon reduction action competition, so as to achieve a large-scale carbon reduction action for the whole company. 4. Carry out carbon footprint inventory, set short-, medium-, and long-term carbon emission goals, and achieve the goal of <u>greenhouse gas management</u>.
Air pollute management	<ol style="list-style-type: none"> 1. Replacing the boilers that use heavy oil to burn into steam to use natural gas to burn into steam, and the natural gas is changed from outsourcing to self-made steam, improving the operating efficiency of boilers and indirectly reducing greenhouse gas emissions and various air pollutant emissions. 2. Purchase monitoring equipment (FID) to monitor the leakage of equipment components in each factory and the emission and quality of air pollution, and have personnel monitor the emission of the factory area at any time to achieve management purposes.
Climate change	For the collection and analysis of climate change, energy risk and other information, refer to the ISO14001 risk identification procedure, identify and evaluate and formulate reduction and energy-saving strategies to reduce the possible impact of climate change.

(2) Social issues (covering Yongan No.1, No.2 factories, Qianzhen factory and Intercontinental Storage and Transportation Center):

Risk Assessment Project	Strategy
Workplace Safety and health	<ol style="list-style-type: none"> 1. Build a safe and hygienic working environment, conduct hazard identification and risk assessment in a timely manner, and conduct risk reduction measures and emergency response drills to reduce the risk of occupational accidents for employees. 2. Continuously conduct special health checks for high-risk employees, and carry out health classification management and tracking according to the results. 3. Well-planned contingency protection measures for epidemic infectious diseases, taking into account the health of employees and smooth operation. 4. Promote the "Prevention Plan for Unlawful Infringement in the Execution of Duties", prevent workplace bullying, understand the sources of workplace violence, care for employees and deal with violence, and ensure the physical and mental health of employees.

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				processes and enhance competitiveness to reduce operational risks.	
			Practicing Morality	Formulate various ethical codes of conduct (such as the code of integrity management) and regularly hold lectures on integrity and ethics, and establish a good corporate governance and risk control mechanism, that is, assess the risk of dishonest behavior, and formulate relevant preventive measures accordingly, and implement Promote integrity management policy.	
			Legal compliance	The legal department grasps the changes in policies and regulations to respond immediately, formulates contract system models, and conducts legal compliance education and training, etc., in order to reduce legal risks.	
			Information security	<ol style="list-style-type: none"> 1. Formulate an internal information security management system to standardize and improve the behavior of internal personnel. 2. Irregular information security risk inspections to ensure that the implementation of information security policies is true. 3. Regularly hold information security policy-personnel education and training, and have quizzes in class to ensure that everyone has information security crisis awareness. 4. Information security personnel receive regular external training to understand the latest information security policies and knowledge. 5. Build information security management equipment and implement information security management measures. 	

Risk Assessment Project	Strategy
Finance risk	In line with the demand for foreign currency funds and the trend of the foreign exchange market, flexibly adjust strong and weak foreign currency positions to improve the efficiency of fund utilization and effectively reduce exchange risk.
Raw material supply risk	<ol style="list-style-type: none"> 1. Prudently evaluate suppliers and actively develop new material sources to avoid being monopolized by a few suppliers. 2. Continue to improve the process technology to reduce the consumption of raw materials. 3. Actively develop new products, strengthen the integrity and diversification of product portfolio. 4. Develop green products with high added value.
Industry Safety and transport risk	<ol style="list-style-type: none"> 1. In the process of product manufacturing, implement the safety management policy of the working environment to ensure that every link meets the requirements of industrial safety. 2. Improve the process machinery shaft-sealed pump and update it to a non-sealed type to prevent leakage and fire. 3. Establish an emergency automatic shutdown system for solvent factories to improve on-site Emergency response capabilities and enhance process safety. 4. During the Transportation of raw materials and products, transporters are required to follow the strictest transportation safety regulations and choose the safest transportation channels and methods.

<p>III. Environmental issues</p> <p>(1) Has the Company set up an appropriate environmental management system based on the characteristics of the industry in which it operates?</p>	V	<p>(1) The company obtained ISO14001 Environmental Management System, OHSAS18001 and ISO45001 Occupational Safety and Health Management System certification in 2017 and 2020 respectively, fulfilling its commitment to environmental policy.</p>	No significant difference.								
<p>(2) Has the Company endeavored to improve the utilization rate of various resources and use renewable materials that have lower impacts on the environmental load?</p>	V	<p>(2) 1. The company adheres to the concept of "Equal emphasis on green production, service and environmental protection", and expects to improve product development, production, use and disposal (process) through active process improvement, water resources management, waste pollution reduction, and environmental monitoring. and emergency response measures to achieve the goal of low energy consumption, low pollution and environmental friendliness.</p> <p>2. The company recycles and reuses waste solvents to achieve the purpose of resource regeneration and recycling and waste reduction.</p> <p>Recycling the waste solvent B produced by product A to make product C::</p> <table border="1" data-bbox="507 1014 1153 1115"> <thead> <tr> <th>Item</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>B waste solvent usage:</td> <td>14,178 MT</td> <td>10,591 MT</td> <td>10,858 MT</td> </tr> </tbody> </table>	Item	2022	2023	2024	B waste solvent usage:	14,178 MT	10,591 MT	10,858 MT	No significant difference.
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B waste solvent usage:	14,178 MT	10,591 MT	10,858 MT								
<p>(3) As the Company evaluated current and future potential risks and opportunities arising from climate change and adopted responding measures for issues related to climate?</p>	V	<p>(3) The company pays attention to the impact of climate change on operating activities, and completes the inventory of greenhouse gas emissions in accordance with ISO 14064-1, which has been verified by the Central Bureau of Standards and Inspection.</p> <p>1. Potential risks of climate change:</p> <p>(1) Total Greenhouse Gas Control</p> <p>(2) Water and electricity supply is unstable</p> <p>(3) Development cost of low-carbon energy-saving products</p> <p>(4) Impact on company image</p> <p>(5) Typhoon</p> <p>2. Potential financial impact:</p> <p>(1) Limited capacity expansion and increased operating costs.</p> <p>(2) Production was impacted and operating costs increased.</p> <p>(3) The development cost of low carbon energy-saving products is low, and the development cost of carbon energy-saving products is high.</p> <p>(4) Failure to meet the expectations of stakeholders, resulting in damage to the company's reputation or image.</p> <p>(5) Production is affected, resulting in financial losses and decreased revenue.</p>	No significant difference.								

<p>(4) (4) Has the Company prepared statistics on its GHG emissions, water use, and the total weight of wastes for the past two years and established management policies related to energy-saving, carbon emission reduction, GHG reduction, water use reduction, or other wastes?</p>	<p>V</p>	<p>3. Climate Opportunities: (1) Renewable energy plan, carbon reduction and energy saving plan. (2) Improve water resource reuse efficiency and self-produce electric energy. (3) Develop or expand energy-saving products and services. (4) Enhance the long-term investment willingness of investors. (5) Improve the ability to resist natural disasters.</p> <p>4. Response measures: (1) Purchasing environmentally friendly biomass energy to supply the steam required for production, which can reduce carbon by about 25,000 tonnes of CO₂ per year. (2) Change the source of the cooling system (from water-cooled to air-cooled), build a flow meter to control water consumption, and build a solar photovoltaic system. (3) Invest in the development of energy-saving products. (4) Release relevant news to stabilize the market. (5) Build a perfect drainage system and increase the height of the workshop.</p> <p>(4) 1. GHG consumption in the last three years:</p> <table border="1" data-bbox="491 891 1185 1160"> <thead> <tr> <th>YEAR</th> <th>Scope 1</th> <th>Scope 2</th> <th>Scope 3</th> <th>Total emissions (tons of CO₂e)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>52,562</td> <td>8,895</td> <td>16,928</td> <td>78,385</td> </tr> <tr> <td>2023</td> <td>50,866</td> <td>8,472</td> <td>461,989</td> <td>521,327</td> </tr> <tr> <td>2024</td> <td>55,066</td> <td>11,096</td> <td>476,626</td> <td>542,788</td> </tr> </tbody> </table> <p>Note:1.2022 and 2023: Scope 1 to 3 cover Yongan No.1 and No.2 plants and Qianzhen Plant. (Obtain third-party certification) 2024: Scope 1 to Scope 3 cover Yongan No.1 and No.2 plants and the Intercontinental Storage and Transportation Center. (The company will conduct its own investigation and expects to obtain third-party certification in September 2025)</p> <p>2. In 2024, the increase in Scope 1 emissions was due to increased production capacity, increased natural gas usage and increased process gas generation. Scope 2 emissions were mainly from purchased electricity, which increased due to the addition of intercontinental storage and transportation centers. Scope 3 emissions are increased due to downstream transportation and goods distribution, and purchase of goods.</p> <p>3. In response to climate change and to promote the company's sustainable operation, the company will continue to negotiate and purchase renewable energy and energy-saving equipment in the future, hoping to achieve a net zero carbon emission plan by 2050.</p>	YEAR	Scope 1	Scope 2	Scope 3	Total emissions (tons of CO ₂ e)	2022	52,562	8,895	16,928	78,385	2023	50,866	8,472	461,989	521,327	2024	55,066	11,096	476,626	542,788	<p>No significant difference</p>
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2023	50,866	8,472	461,989	521,327																			
2024	55,066	11,096	476,626	542,788																			

		<p>4. In order to implement the implementation of greenhouse gas management, the company has formulated the "Greenhouse Gas Management Measures" for compliance, and established the "Greenhouse Gas Promotion Committee" to promote the management of greenhouse gas emissions.</p> <p>5. Achievements in energy saving and carbon reduction: In 2024, the office lighting fixtures of Yongan Factory No. 1 will be updated to LED and other energy-saving measures, saving 133,768 kilowatt hours of electricity, with an annual power saving rate of 1.71%, which can reduce approximately 68 metric tons of carbon emissions. Yongan No. 2 Plant added an inverter to the vacuum machine motor and took measures such as load reduction and power saving, saving 108,566 kilowatt hours of electricity, with an annual power saving rate of 1.05%, which can reduce approximately 55 metric tons of carbon emissions.</p>																	
		<p>2. Water consumption in the last three years:</p> <table border="1" data-bbox="571 757 1114 913"> <thead> <tr> <th>YEAR</th> <th>Tap water consumption (tons)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>375,040</td> </tr> <tr> <td>2023</td> <td>382,920</td> </tr> <tr> <td>2024</td> <td>417,839</td> </tr> </tbody> </table> <p>Note: 1. 2022 and 2023: The tap water consumption covers Yongan No.1 and No.2 plants, Qianzhen Plant. 2024: Tap water consumption covers Yongan No.1 and No.2 plants, Qianzhen Plant and Intercontinental Storage and Transportation Center.</p> <p>2. Important water resources management measures include: installing flow meters at places with large amounts of water to collect and count water consumption data; controlling the discharge of cooling water towers according to water quality conditions; changing the process cooling system from water-cooled to air-cooled, etc.</p> <p>3. Electricity consumption in the last three years:</p> <table border="1" data-bbox="545 1328 1114 1451"> <thead> <tr> <th>YEAR</th> <th>Electricity consumption (kWh)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>16,759</td> </tr> <tr> <td>2023</td> <td>17,149</td> </tr> <tr> <td>2024</td> <td>22,597</td> </tr> </tbody> </table> <p>Note: 1. 2022 and 2023: The electricity consumption covers Yongan No.1 and No.2 plants, Qianzhen Plant. 2024: electricity consumption covers Yongan No.1 and No.2 plants, Qianzhen Plant and Intercontinental Storage and Transportation Center.</p> <p>2. In order to promote the use of renewable energy, Yongan No. 2 Factory installed a 49.6kw solar photovoltaic power generation system in 2015, with an annual power generation of about 65,000 kWh and a total investment of NT\$2.93 million. The 2022 generating capacity is 56,284kWh.</p>	YEAR	Tap water consumption (tons)	2022	375,040	2023	382,920	2024	417,839	YEAR	Electricity consumption (kWh)	2022	16,759	2023	17,149	2024	22,597	
YEAR	Tap water consumption (tons)																		
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2022	16,759																		
2023	17,149																		
2024	22,597																		

3.Replacing equipment and updating the process: in 2019, the vacuum machine with high power consumption was replaced every year 91,238 kilowatt-hours of electricity can be saved; the high-power cooling water pump is replaced in 2020, and 53,222 kilowatt-hours of electricity can be saved every year. In 2024, the cooling fan induction motor was replaced with a variable frequency motor, which can save 176,841 kWh of electricity per year. The SOL-4 vacuum pump motor of Yongan Plant 2 was changed to variable frequency, with an annual electricity saving rate of 0.08%; the boiler water feeding system process was integrated, reducing the operation of one pump (29.9 kWh), with an annual electricity saving rate of 0.76%.

4.The amount of waste in the last three years:

YEARS	waste solvent	Household garbage	organic sludge	waste oil mixture	Total weight
2022	760.34	63.93	5.68	0.92	830.87
2023	582.47	74.02	12.23	0.16	668.88
2024	617.13	82.58	9.24	-	708.95

Note:1.2022 and 2023: The amount of waste covers Yongan No.1 and No.2 plants, Qianzhen Plant.

2024: the amount of waste covers Yongan No.1 and No.2 plants, Qianzhen Plant and Intercontinental Storage and Transportation Center.

2.The company's production process is equipped with an independent organic compound recovery tower to reduce the generation of waste solvents, and control the waste generated in the production process, and store them in a classified manner. The recyclable waste will be processed After reuse.

3.In addition to controlling the waste generated during the production process, the company continues to recycle and process waste solvents generated by the technology industry, and use them as part of alternative raw materials to achieve the goal of waste recycling.

4.Encourage employees to implement garbage sorting and resource recycling, and develop good habits.

5.The electronic grade solvent produced by the solvent field is initially provided to customers in small packaging materials for testing and use. In response to demand, in order to reduce the use of packaging materials, when the official supply of goods is provided in cooperation with customers, the materials are supplied in reusable containers to reduce the use of packaging materials.

<p>IV. Social issues (1) Has the Company established appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?</p>	<p>V</p>	<p>(1) 1.The company abides by relevant labor laws and regulations and respects internationally recognized labor rights norms/principles, formulates personnel rules and human rights policies, provides relevant labor/health insurance and group insurance for all employees, and provides pensions to protect the legitimate rights and interests of employees and Employment policies, non-discriminatory treatment, etc., establish appropriate management methods and procedures and implement them.</p> <p>2.The company has created a workplace environment with equal rights for both genders in accordance with the Gender Equality at Work Law. Employees enjoy benefits such as physiological leave, maternity leave (paternity leave), parental leave without pay, family care leave and other benefits, and implement the equality of remuneration and employment conditions, training and promotion.</p> <p>3.In terms of management policies and procedures, the company has established "communication, participation and consultation management methods", "improvement proposal system and reward implementation methods", "model worker selection methods", "labor-management meeting implementation methods", "sexual harassment prevention measures, complaint and punishment methods" and "personnel review committee establishment methods", etc., and is committed to creating a high-quality working environment to protect the rights and benefits of employees, ensure non-discrimination and prohibit inhumane treatment, and treat all employees fairly regardless of race, religion, gender, age, nationality, etc.</p> <p>4.In terms of implementation, the main specific measures include: education and training for new employees, with 29 training sessions and a total of 232 hours; promoting a friendly and equal workplace culture and creating a gender-friendly workplace; in establishing a mechanism for communicating with employees, the company values the voices of all employees and has set up an employee mailbox, which will be handled by a dedicated department of the company so that the voices of employees can be heard and responded to.</p>	<p>No significant difference</p>
<p>(2) Has the Company established and implemented reasonable employee welfare measures (including remuneration, paid leaves, and other benefits) and reflected its operating performance or results in employees' remunerations</p>	<p>V</p>	<p>(2) Employee remuneration: The company has set working rules and relevant personnel management rules The content covers the basic wages, working hours, vacations, pension benefits, labor and health insurance benefits, occupational accident compensation, etc. The company's remuneration policy is based on personal ability, contribution to the company, and performance, which is positively correlated with business performance. There is also an annual salary adjustment plan, with an average salary adjustment rate of 3%, to improve the company's salary level, motivate employees to improve their personal performance, and maintain overall salary competitiveness. Employee Welfare Measures: Set up an Employee Welfare Committee to operate through the employee-elected welfare committee to handle various welfare matters, such as: employee travel subsidies, Spring Festival gift vouchers, labor day gift vouchers, subsidies for social and cultural activities, birthday gifts, marriage allowances, Maternity allowance, funeral allowance, education allowance for employees and their children, etc.</p>	<p>No significant difference.</p>

<p>(3) Has the Company provided a safe and healthy working environment for employees and organized training on health and safety for its employees on a regular basis?</p>	<p>V</p>	<p>(3) In order to provide employees with a safe and healthy working environment, the company has formulated the "Code of Practice for Safety and Health", which includes rights and responsibilities, maintenance and inspection of machinery, equipment or appliances, work safety and health standards, education and training, health guidance and management measures , first aid and rescue, preparation, maintenance and use of protective facilities, accident notification and reporting, etc., and submit them to the Occupational Safety and Health Department for verification. Smoking is prohibited in the offices and factories, and it is required to maintain the cleanliness of the workplace. Access control and security monitoring systems are installed in the workplace to ensure worker safety. For occupational safety and health management and obtain ISO45001 certification (valid to May 18, 2026). and regularly work safety education and training, establishment of breastfeeding rooms, establishment of staff cafeterias, etc.</p> <p>Regarding the health of employees, the company conducts physical examinations for new recruits and annual employee health examinations, and has factory care personnel; it has also held weight loss activities, walking activities, etc. to promote employee health.</p> <p>The number of occupational accidents in 2024 was zero.</p> <p>There were no fire incidents in 2023 and 2024, and the company regularly holds self-defense firefighting training every year.</p> <p>In 2024, work safety education and training is 613 hours ,through the promotion of safety education and training, workers are more preventive and alert to workplace safety.</p>	<p>No significant difference.</p>
<p>(4) Has the Company established effective career development training plans for its employees?</p>	<p>V</p>	<p>(4) The company implements education and training according to the plan every year, according to individual differences</p> <p>Seek to strengthen the professional and management skills that personnel need at work, and establish individualized learning training and development.</p> <p>In order to discover potential and talented supervisors, the company has established a comprehensive training mechanism and a talent development plan to provide training. Each supervisor regularly trains through various courses including human resources, financial risks, environmental issues and operational management to cultivate the ability to judge various decisions in the future.</p> <p>The total number of training hours for employees across the company in 2024 is 9,325 hours; The total number of training courses for executives in 2024 is 377 hours (130.5 hours for human resources, 56 hours for financial risks, 27 hours for environmental issues and 163.5 hours for operations management.)</p>	<p>No significant difference.</p>
<p>(5) Has the Company complied with relevant laws and international standards and established policies related to the protection of consumers' interests and complaint procedures for customers' health and safety, customer privacy, marketing, and label of its products and</p>	<p>V</p>	<p>(5) The company's marketing and labeling of products and services comply with relevant laws and international standards. The company's products are mainly electronic grade solvents and industrial grade solvents. The products meet the EU RoHS/REACH inspection standards.</p> <p>The company has no violations in 2024 related to health and safety regulations for products and services. In addition, a spokesperson and an acting spokesperson are set up to handle related matters, and a separate area for stakeholders is set up to facilitate smooth communication with stakeholders.</p>	<p>No significant difference.</p>

<p>(6) Has the Company established its supplier management policies to require suppliers to observe relevant regulations on issues related to environmental protection, occupational safety and health or labor human rights, as well as their implementation?</p>	<p>V</p>	<p>(6) 1.The company cooperates with + suppliers and is committed to improving the sustainable development of the enterprise. The requirements for raw material suppliers are not limited to performance and quality, whether they are based on quality (ISO9001), environmental management (ISO14001), occupational safety and health management (ISO45001) and other system certifications, and there is also a "Supplier Evaluation Procedure" as a reference for selecting suppliers; actively purchase office supplies and affairs with energy-saving labels, low energy consumption, and green energy. Machinery, information equipment, lighting equipment and related products, etc.</p> <p>2.The company conducts supplier evaluation every year, and regularly dispatches personnel to conduct on-site audits to ensure that it complies with relevant laws and regulations such as the Environmental Protection Law, the Occupational Safety and Health Law, and the Labor Standards Law; When the sustainable development policy has a significant impact on the environment and society, through different methods of guidance and communication, urge them to continue to improve, to ensure that their behavior complies with laws and regulations and the company's regulations, hoping to enhance the spirit of sustainable development, if the manufacturer If the improvement standard cannot be met, the contract may be terminated or rescinded at any time.</p>	<p>No significant difference.</p>
<p>(7) Has the Company referred to internationally common standards or guidelines for the preparation of reports to prepare reports disclosing non-financial information of the Company, such as CSR report? Have the reports mentioned obtained certifications or assurance opinions from any certifying institution?</p>	<p>V</p>	<p>The Company's "2023 Years Sustainability Report" has been prepared with reference to Global Reporting Initiative reporting standards and has been certified by Crowe Horwath Certified Public Accountants.</p>	<p>No significant difference.</p>
<p>Where the Company has established its Corporate Social Responsibility Best Principles according to the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and the deviation from the Principles established: None.</p>			

VII. Other significant information to facilitate a better understanding of the Company's corporate social responsibility operations

1. The company regularly conducts quality inspection and monitoring for the community environment, and greens and beautifies the factory.
2. In order to comply with the government's energy conservation and carbon reduction policies, equipment replacement and process updating can save approximately 350,000 degrees of energy and reduce carbon emissions by approximately 178 metric tons each year.
3. In order to promote the use of renewable energy and reduce greenhouse gas emissions, a 49.6kw solar power generation system is set up, with an annual power generation capacity of about 56,000 degrees.
4. Carry out industry-university cooperation with various universities, hold chemical process summer camps, and take root in the cultivation of chemical talents.
5. Support local employment, the company does not employ foreign labor, 629 employees are all locals, with an average working experience of 9.7 years, including 516 males and 113 females. In addition to creating employment opportunities, it can also stimulate local consumption and enhance social vitality.
6. Establish good community relations and participate in local good-neighborly activities from time to time. The company has always cared about the development of the locality and the community. There are traces of the company's participation in the local villages, from sponsoring local temple fairs and other folk activities, to sponsoring Chongyang Respect for the Elderly and Model Mothers, sponsoring primary and secondary school sports games and graduation ceremonies, and even donating A batch of fire hoses to the Tianliao fire brigade was added to the disaster relief equipment.
7. Respect human rights, guarantee the equal rights of men and women for employees, comply with the provisions of the Labor Standards Act, and provide health care and other welfare measures for employees.
8. Provide a variety of education training and training programs, from professional training, management training to personal interest learning. Diversified learning resources help employees improve their professional abilities and develop their potential. The company's total training hours are 9,325 hours.
9. In order to promote employment opportunities for the physically and mentally handicapped, the company provides job vacancies to give priority to disadvantaged groups. At present, 4 people with disabilities have been hired.

(7) Climate-Related Information of TWSE/TPEX Listed Company

Item	Operation		Description	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	V		(1) The company has established promotion managers according to the promotion areas of environmental protection (E), social responsibility (S) and corporate governance (G), and established a corporate sustainable development committee. It is a cross-department promotion group, and has an environmental sustainability group for climate change, and a rights and responsibility group for managing issues related to energy and climate change. In line with corporate policy promotion, reaching carbon neutrality by 2050 is a long-term goal. Work meetings are held from time to time to discuss the company's energy conservation and carbon reduction policies and plans, and report implementation results to the board of directors.	No significant difference.
II. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term)	V		(2) For analysis of climate change risk issues, please refer to P.35 of the 2023 Sustainability Report.	No significant difference.
III. Describe the financial impact of extreme climate events and transition actions.	V		(3) Identify the impact of acute climate extremes (heavy rainfall, prolonged drought) and chronic climate trends on financial risks. Replace old equipment with new ones to reduce carbon emissions. Plan to introduce renewable energy to reduce carbon emissions in the manufacturing process. Please refer to P.38-39of the 2023 Sustainability Report.	No significant difference.
IV. Describe how climate risk identification, assessment and management processes are integrated into the overall risk management system.	V		(4) Independently identify pollution prevention situations by implementing environmental management systems and regular internal and external audits. Formulate laws and regulations related to environmental safety and health and identify the latest regulations, and regularly collect laws and regulations from competent authorities and international trends as a basis for compliance and adjustment of management policies.	No significant difference.

<p>V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.</p>	<p>V</p>	<p>(5) Understand the impact of climate change on Shiny Chemical through scenario analysis. In accordance with environmental protection policies on climate change, we evaluate and plan existing equipment, with priority given to reducing environmental load. For risk scenario analysis, please refer to P.38-39 of the 2023 Sustainability Report.</p>	<p>No significant difference.</p>
<p>VI. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks.</p>	<p>V</p>	<p>(6) None.</p>	<p>No significant difference.</p>
<p>VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>V</p>	<p>(7) None.</p>	<p>No significant difference.</p>
<p>VIII. If climate-related goals are set, information such as the activities covered, greenhouse gas emission scope, planning schedule, annual achievement progress, etc. should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, information such as Explain the source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed.</p>	<p>V</p>	<p>(8) None.</p>	<p>No significant difference.</p>
<p>IX. Greenhouse gas inventory and assurance, reduction targets, strategies and specific action plans.</p>	<p>V</p>	<p>(9) Greenhouse gases comply with ISO 14064-1: 2018 Greenhouse Gas Inventory and have been inspected by the Taiwan Branch of Lloyd's Register Quality Assurance, LRQA. Please refer to the 2023 Sustainability Report.</p>	<p>No significant difference.</p>

(8) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE Listed Companies and the Reasons:

Item	Operation		Description	Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No		
I. Establishment of ethical management policies and programs				
(1) Has the Company established its ethical management policies that are passed by the Board, and expressively declared its ethical management policies and measures in its rules and documents for external parties, and the commitments made by the Board and the senior management to actively implement the operating policies?	V		(1) In 2014, the board of directors of the company passed the "Code of Integrity Management" and strictly abides by the Company Law, the Securities Exchange Law, the Commercial Accounting Law and other relevant laws and regulations that listed companies should follow, as the basis for the implementation of integrity management.	No significant difference.
(2) Has the Company established an evaluation system for the risk Yes of unethical behaviors, regularly analyzed and evaluated operating activities with higher risks of unethical behaviors within its scope of business, and established an unethical behavior preventive plan that at least covering the preventive measures for behaviors set out in paragraph 2 under Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(2) The company requires directors, managers and employees to prevent bribery or taking bribes, and provide illegal political donations in the process of business conduct; and expressly stipulate that they must not directly or indirectly provide or accept any unreasonable gifts, entertainment or other improper interests, to prevent employees from sacrificing the rights of the company for personal interests, etc.	No significant difference.
(3) Has the Company stated the operating procedures, behavioral guidelines, punishments for violations, and the complaint system in its unethical behavior preventive plan, duly implemented the plan, and regularly examined and amended the abovementioned plan?	V		(3) The "Integrity Management Code" established by the company has included plans for preventing dishonest behavior, operating procedures, behavioral guidelines, and disciplinary and complaint systems for violations, and has been implemented.	No significant difference.

II. Realize ethical management				
(1) Has the Company evaluated business counterparties' ethical records and include clauses related to ethical management in contracts with business counterparties?	V		(1) The company gradually strengthens the provisions of good faith clauses in the commercial contracts signed.	No significant difference.
(2) Has the Company established a dedicated department supervised by the Board to be in charge of corporate ethical management? Has the dedicated department regularly (at least once a year) reported to the Board regarding the ethical management policies, unethical behavior preventive plan, and the execution of supervision?	V		(2) The management department of the company is responsible for promoting the integrity management of the enterprise, compiling and reviewing the implementation, interpretation, consultation and other related operations related to integrity management by various units of the company and supervising the implementation, and reporting to the board of directors once a year. The company's promotion this year is mainly to revise the "Management Measures for Integrity Management Operations" in line with laws and management needs, and to establish relevant codes of integrity management and laws and regulations publicity courses on the company's employee education and training platform.	No significant difference.
(3) Has the Company established policies to prevent conflicts of interest and provide appropriate communication channels, and implemented such policies?	V		(3) The company has established "operational procedures for handling material internal information", which clearly stipulates that directors, supervisors, managers and employees shall not disclose material internal information they know to others, and shall not disclose material internal information of the company to anyone who knows material information inside the company. Investigate or collect undisclosed internal material information of the company that is not related to personal duties, and shall not disclose to others the undisclosed internal material information of the company that is not known because of the execution of business.	No significant difference.
(4) Has the Company established effective accounting systems and internal control systems to implement ethical management, with the internal audit department being responsible for devising relevant audit plans based on the evaluation results of the risk of involvement in unethical behaviors, and examined, accordingly, the compliance with the unethical behavior preventive plan, or engaged CPAs to carry out the audit?	V		(4) In order to ensure the implementation of honest management, the company has established an effective accounting system and internal control system, and internal auditors have regularly checked the compliance of the preceding system.	No significant difference.

IV. Improve information disclosure (1) Has the Company disclosed the content of its Ethical Management Principles and the results of its implementation on the Company's website and MOPS?	V	The company has disclosed relevant information on the company's website and public information observatory.	No significant difference.
V. Where the Company has established its Ethical Management Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its operations and the deviation from the Principles: None.			
VI. Other important information to facilitate a better understanding of the Company's ethical management operations: None.			

(9) Other important information sufficient to enhance the understanding of corporate governance operations: Not applicable.

(10) Implementation status of internal control system

1. Internal Control Statement: Please refer to page 62.
2. Those who entrust an accountant to review the internal control system shall disclose the accountant's review report: Not applicable.

(11) Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report

1. Resolutions of the shareholders' meeting

date	Motion Item	Execution situation
2024/05/15 (regular meeting)	1.2023 annual business report and financial report. 2.2023 Annual surplus distribution case. 3.The case of lifting restrictions on the competitive conduct of new directors and their representatives.	1. All proposals have been handled in accordance with the resolutions. 2. All motions have been handled in accordance with the resolutions.

2. Matters resolved by the board of directors

Date	Motion Item	Execution situation
5th meeting of the 20th session 2024/2/21	1. Review the salary and remuneration case of the company's managers who receive a fixed monthly payment. 2. Review the company's 2023 employee remuneration and director remuneration case. 3. 2023 financial reports and business reports. 4. 2023 Year surplus distribution case. 5. "PM Second Plant" construction project. 6. 2023 "Statement of Internal Control System" case. 7. Convene the company's 2023 annual shareholders' meeting related matters.	1. All proposals were passed without objection by all attending directors (including independent directors). 2. All motions have been handled in accordance with the resolutions.
6th meeting of the 20th session 2024/4/24	1. Review the consolidated financial statements for the first quarter of 2024. 2. Case of increasing the Unishine Chemical Corp.'s bank borrowing limit	

7th meeting of the 20th session 2024/5/15	1. Authorize the chairman to set the 2023 allotment capital increase base date, dividend base date and release date.
8th meeting of the 20th session 2024/7/16	1. Cooperate with the "internal rotation mechanism of accounting firms" to change the CPA case. 2. Review the consolidated financial statements for the first half of 2024. 3. Revise the 2024 business plan. 4. Resolution to sell the land to E-Shine Advanced Chemical Co., Ltd. 5. Appointment of general manager, deputy general manager, special assistant to the chairman and first-level supervisor. 6. Finalized the salary and remuneration package for the Chairman of the Board of Directors.
9th meeting of the 20th session 2024/10/23	1. Review the consolidated financial statement for the third quarter of 2024. 2. Operating equipment purchase case. for E-Shine Advanced Chemical Co., Ltd.
10th meeting of the 20th session 2024/12/28	1. The company's 2025 business plan. 2. Evaluate the independence of the company's certified accountants. 3. Case of borrowing from a reinvested company and endorsement guarantee for its loan 4. The company's 2025 bank financing quota application case 5. Added the company's "Sustainable Information Management Operation Guidelines". 6. Formulated a 2025 audit plan. 7. Managers and employees receive year-end bonus cases.

(12) If directors or independent directors have different opinions on important resolutions passed by the board of directors in the most recent year and as of the date of publication of the annual report, and there are records or written statements, the main content: None.

2.3 Information Regarding the Company's Audit Fee and Independence

Unit: NT\$ thousand

Name of CPA's Firm	Name of CPAs	Audit Period	Audit fees	Non-audit fees	Total	Remarks
Crowe (TW) CPAs	Kuo Ming Lee	2024.1.1-2024.12.31	2,780	200	2,980	Note
	Ching Ling Lee					

Note: Non-audit public fees include NT\$ 110 thousand for transfer pricing report, NT\$ 10 thousand for VAT direct deduction report, and NT\$ 80 thousand for IFRS9 fair value report.

2.4 Information on the Change of CPAs: None.

2.5 Information on the Chairman, General Manager, Managers Responsible for Financial or Accounting Affairs of the Company Taking Office in the Accounting Firm of the CPAs or its Affiliates: None.

2.6 Changes in Equity Transfer and Pledge of Equity by Directors, Managers, and Shareholders with Shareholdings Over 10% for the Latest Year and as of the Date of Publishing the Annual Report

(I) Changes in the equity of Directors, managers, and major shareholders:

Unit: Share

Title	Name	2024		As of 23 March 2024,	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	NINGHAN DEVELOPMENT CO.,LTD	0	0	0	0
	SUN JAN-YEN	(1,717,000)	0	(15,000)	0
Director	NINGHAN DEVELOPMENT CO.,LTD	0	0	0	0
	SUN CHI-JYH	(413,000)	0	0	0
Director	NINGHAN DEVELOPMENT CO.,LTD	0	0	0	0
	SUN CHI-FA	(213,000)	0	0	0
Director	YUKUO PLYWOOD CORP.,	0	0	0	0
	CHEN YIH-LING	(351,000)	0	0	0
Director	WONG DUEN-HONG	(50,000)	0	0	0
Independent Director	WU HSIAO-YEN	0	0	0	0
Independent Director	MA CHEN-CHI	0	0	0	0
Independent Director	CHEN TING-KO	0	0	0	0
Independent Director	PENG YU-MIN (Note)	0	0	0	0
General manager	SUN CHI-FA	(213,000)	0	0	0
Deputy general manager	HUANG YEOU -CHING	0	0	0	0
Deputy general manager	WANG, HSING-CHIA	0	0	0	0
Accounting Supervisor	HUANG, HYEOU CHING	0	0	0	0
Others	HUANG, HYEOU CHING	0	0	0	0
Major shareholder	HUANG, HYEOU CHING	0	0	0	0
Major shareholder	NINGHAN DEVELOPMENT CO.,LTD	0	0	0	0

(II) Information on the counterparty to the equity transfer is a related party: None.

(III) Information on equity pledge: None.

2.7 Relationships between Shareholders with Top Ten Shareholdings

23 March, 2025

Name	Current Shareholding		Shareholding of Spouses and Minor		Shareholding in the Name of Others		Title or name and relations among top ten major shareholders who are related parties to one another, or spouse, or relatives within the second degree of kinship		Remarks
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Title	Relation	
NINGHAN DEVELOPMENT CO.,LTD	76,574,371	30.63	0	0.00	0	0.00	SUN JAN-YEN SUN CHI-JYH SUN CHI-FA	NINGHAN DEVELOPMENT CO.,LTD Chairman NINGHAN DEVELOPMENT CO.,LTD Director NINGHAN DEVELOPMENT CO.,LTD Director	
YUKUO PLYWOOD CORP.,	31,049,352	12.42	0	0.00	0	0.00	None	None	
Mingjing Investment limited company	10,577,777	4.23	0	0.00	0	0.00	SUN JAN-YEN	Chairman of Ninghan Enterprise	
SUN JAN-YEN	7,488,672	3.00	1,306,545	0.52	0	0.00	NINGHAN DEVELOPMENT CO.,LTD Mingjing investment Co., Ltd SUN CHI-JYH SUN CHI-FA SUN JHEN	Chairman Chairman Father and son Father and son Brother and sister	
LEE CHIN-YEN	6,523,113	2.61	2,476,053	0.99	0	0.00	None	None	
Chang Sheng Enterprise Co., Ltd.	4,814,236	1.93	0	0.00	0	0.00	SUN CHI-FA	Supervisor	
SUN JHEN	4,057,413	1.62	0	0.00	0	0.00	SUN JAN-YEN	Brother and sister	
SHENG MEI Investment	3,830,101	1.53	0	0.00	0	0.00	None	None	

Co., LTD									
LIN CHUN-WEN	3,541,666	1.42	0	0.00	0	0.00	None	None	
SUN CHI-FA	3,419,202	1.37	0	0.00	0	0.00	NINGHAN DEVELOPMENT CO.,LTD Chang Sheng Enterprise Co., Ltd. SUN CHI-JYH LIN MEI-NIAN SUN CHI-JYH	Director Supervisor Father and son Mother and son Brother	

2.8. Shareholdings of the Company, the Company's Directors, Managers, and Companies Directly or Indirectly Controlled by the Company in the Same Investee Companies

December 31, 2024

Investee Company	Investment of the Company		Investments in companies directly or indirectly controlled by Directors, Independent Directors, and managers		Total Investments	
	Number of Shares	Number of Shares%	Number of Shares	Number of Shares%	Number of Shares	Number of Shares%
Unishine Chemical Corp.	28,491	49.98	-	-	28,491	49.98
Elsom Development Ltd.	39,244	100.00	-	-	39,244	100.00
Spring World Holdings Ltd.	4,450	100.00	-	-	4,450	100.00
E-Shine Advanced Chemical Co., Ltd.	80,000	100.00	-	-	80,000	100.00

SHINY CHEMICAL INDUSTRIAL CO., LTD.

Statement of Internal Control System

Date: 26 February 2025

Based on the results of the self-evaluation on the internal control system for 2024, the Company hereby stated as follows:

1. The Company acknowledges that establishing, implementing, and maintaining the internal control system is the responsibility of the Company's Board and managers. The Company had established the system. The purpose of which is to provide reasonable assurance on the achievements of objectives such as effects and efficiency of operations (including profits, performance, and protection of assets' safety), credibility, timeliness, and transparency of reports, compliance with relevant regulations and relevant laws, regulations, and rules.
2. An internal control system has inherent limitations. Regardless of the comprehensive design, an effective internal control system may merely provide reasonable assurance on achieving the three objectives mentioned above. Moreover, the effectiveness of an internal control system is subject to changes in the environment and circumstances. Nevertheless, the Company's internal control system contains self-monitoring mechanisms, and the Company adopts immediate remedial actions in response to any identified deficiencies.
3. The Company established the determination items for the effectiveness of its internal control system based on the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (the "Regulations") to determine whether the design and execution of its internal control system is effective. The determination items for the internal control system adopted by the "Regulations" divide the internal control system into five key components based on the course of management and control: 1. control environment; 2. risk evaluation; 3. control operations; 4. information and communications; and 5. supervisory operations. Each key component includes certain items. Please refer to the requirements of the "Regulations" for the aforementioned items.
4. The Company adopted the abovementioned determination items for the internal control system to evaluate the effectiveness of the internal control system's design and execution.

5. Based on the evaluation results above, the Company considered that the design and execution of the internal control system (including supervision and management of subsidiaries) as at 31 December, 2024 are effective (including the understanding of the level of achievement regarding the objectives of operations' effects and efficiency, credibility, timeliness, and transparency of reports, compliance with relevant regulations and relevant laws, regulations, and rules), and the internal control system is able to provide reasonable assurance on the achievement of the above objectives.

6. The Statement is a major part of the Company's annual report and prospectus that is disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.

7. The Statement was passed at the meeting of the Board on 26 February 2025.
It is hereby stated that among eight attending Directors, none of them held opposing opinions, and the remaining Directors have agreed on the content of the Statement.

SHINY CHEMICAL INDUSTRIAL CO., LTD.

Chairman: SUN JAN-YEN

President: SUN CHI-FA

3. Capital Overview

3.1 Capitals and shares

1. Source of capital stock

Unit: Share; NT\$ thousand

Year/month	Par Value (NTD)	Authorized capital stock		Paid in capital		Remarks	
		Shares	Amount	Shares	Amount	Source of capital stock	Remark
1979/01	10	1,000	10,000	1,000	10,000	set up	
1980/06	10	10,000	100,000	10,000	100,000	Cash capital increase of 90,000 thousand	
1986/05	10	14,800	148,000	14,800	148,000	Capital increase of 48,000 thousand from surplus	
	10	15,000	150,000	15,000	150,000	2,000 thousand was converted into capital increase from capital reserve	
1987/10	10	18,300	183,000	18,300	183,000	Capital increase of 33,000 thousand from surplus	
1990/03	10	32,000	320,000	32,000	320,000	Capital increase of 137,000 thousand from surplus	Note 1
1991/04	10	40,000	400,000	40,000	400,000	Capital increase of 80,000 thousand from surplus	Note 2
1993/12	10	52,000	520,000	52,000	520,000	Capital increase of 1200,000 thousand from surplus	Note 3
1995/12	10	120,000	1,200,000	75,400	754,000	Capital increase of 234,000 thousand from surplus	Note 4
2001/09	10	120,000	1,200,000	80,000	800,000	Capital increase of 46,000 thousand from surplus	Note 5
2005/10	10	120,000	1,200,000	100,000	1,000,000	Capital increase of 200,000 thousand from surplus	Note 6
2006/09	10	120,000	1,200,000	105,000	1,050,000	Capital increase of 50,000 thousand from surplus	Note 7
2007/11	10	200,000	2,000,000	115,500	1,155,000	Capital increase of 105,000 thousand from surplus	Note 8
2007/12	14	200,000	2,000,000	120,300	1,203,000	Cash capital increase of 48,000,000 thousand	Note 9
2009/02	16	200,000	2,000,000	133,500	1,335,000	Cash capital increase of 132,000 thousand	Note 10
2014/08	10	200,000	2,000,000	150,000	1,500,000	Capital increase of 165,000 thousand from surplus	Note 11
2020/07	10	200,000	2,000,000	180,000	1,800,000	Capital increase of 300,000 thousand from surplus	Note 12

2021/09	10	200,000	2,000,000	200,000	2,000,000	Capital increase of 200,000 thousand from surplus	Note 13
2022/07	10	400,000	4,000,000	250,000	2,500,000	Capital increase of 500,000 thousand from surplus	Note 14

Note 1: Approved by the Securities and Futures Commission on December 9, 1989, Taiwan Finance Certificate (1) No. 02493 letter.

Note 2: Approved by the Securities and Futures Commission on December 26, 1990 with the letter of Taiwan Finance Certificate (1) No. 03551.

Note 3: Approved by the Securities and Futures Commission on July 19, 1993 with the letter of Taiwan Finance Certificate (1) No. 30407.

Note 4: Approved by the Securities and Futures Commission on June 29, 1995, Taiwan Finance Certificate (1) No. 38007 Letter.

Note 5: Approved by the Securities and Futures Commission on July 16, 2001 with the letter of Taiwan Finance Certificate (1) No. 145519.

Note 6: Approved by the Financial Supervisory Commission on August 30, 2005 by the Financial Supervisory Certificate (1) No. 0940136297 Letter.

Note 7: Approved by the Financial Supervisory Commission on August 23, 2006 by the Financial Supervisory Certificate (1) Letter No. 0950137515.

Note 8: Approved by the Financial Supervisory Commission on October 24, 2007 in the Financial Regulatory Commission (1) Letter No. 0960058649.

Note 9: Approved by the Financial Supervisory Commission on October 24, 2007 in the Financial Regulatory Commission (1) Letter No. 0960058650.

Note 10: Approved by the Financial Supervisory Commission on January 12, 2009 in the Financial Regulatory Commission (1) Letter No. 0970072224.

Note 11: Approved by the Financial Supervisory Commission on June 27, 2014 in the Letter No. 1030024536.

Note 12: Approved by the Financial Supervisory Commission on June 2, 2020.

Note 13: Approved by the Financial Supervisory Commission on July 6, 2021.

Note 14: Approved by the Financial Supervisory Commission on June 13, 2022.

2. Type of Stock

Unit: Share; NT\$ thousand

Type of Stock	Authorized capital stock			Remarks
	Issued Shares (Note 1)	Unissued Shares	Total	
Registered Common Stocks	250,000	150,000	400,000	The company's stock was listed and traded on February 27, 2009

3. Information about the general reporting system: not applicable °

(2) Company's dividends policy and implementation thereof

1. dividend policy

If there is a surplus in the annual final accounts of the company, in addition to paying all taxes and making up for previous annual losses, 10% of the balance should be deposited as statutory surplus reserve, but the statutory surplus reserve has reached the company's paid-in capital. If there is any remaining balance and accumulated undistributed surplus with the previous year, the board of directors will reserve part of the surplus according to the business situation, and plan to use the surplus reserve. If there is a profit distribution proposal, the shareholders' meeting shall be submitted to resolve the distribution of dividends and dividends to shareholders.

The company's industry is in the growth stage of operation, with stable profits and a sound financial structure. There is still a major expansion plan in the next few years. However, considering that the company should be able to obtain sufficient funds from the outside to cover the major capital expenditures, it should be among the dividends distributed in the year, cash dividends shall not be less than 10% of the total dividends.

2. Distribution of dividends at the Shareholders' Meeting

Unit: NT\$ Dollar

ITEMS	Amount	
	Subtotal	Total
Distributable surplus		
Undistributed surplus in the previous period		3,573,528,300
Actuarial profit and loss adjustment for the previous period		17,245,524
Net profit after tax		1,803,653,089
Special surplus reserve		47,461,690
Statutory surplus reserve		-182,089,861
Distributable surplus		5,259,798,742
Assign items:		
Shareholder cash dividend (NT\$2.5 per share)	625,000,000	
Shareholder stock dividend (NT\$2.0 per share)	500,000,000	
Total distribution		1,125,000,000
Undistributed surplus at the end of the period		4,134,798,742

3. Dividend payout ratio over the years

Unit : %

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
payout ratio	73.53	76.48	78.50	80.65	71.19	70.55	68.07	49.32	50.71	62.41

(3) The impact of the free allotment proposed at this shareholders' meeting on the company's operating performance and earnings per share:

According to the "Regulations on the Handling of Public Financial Forecast Information of Public Issuing Companies", the Company does not need to disclose financial forecast information, so it is not applicable.

(4) Compensation of employees and directors

1. The percentage and scope of remuneration for employees and directors as stated in the company's articles of association

If the company has a profit in the year, it should allocate no less than 6% as employee compensation and no more than 3% as director compensation. However, when the company still has accumulated losses, it should reserve the amount in advance to make up for it.

The remuneration of the employees in the preceding paragraph may be in stock or cash, and the recipients of the payment may include employees of subordinate companies who meet the conditions set by the board of directors. The remuneration of directors and supervisors in the preceding paragraph may only be in cash.

The first two paragraphs shall be implemented by a resolution of the board of directors and reported to the shareholders' meeting.

2. In 2024, the estimated basis for the estimated remuneration of employees and directors, the basis for calculating the number of shares for employee compensation distributed by stock, and the accounting treatment when the actual distribution amount is different from the estimated amount:

The company's 2024 employee and director's remuneration assessment amount is the most appropriate estimate based on past experience on the amount of employee and director's remuneration that may be paid, and it is recognized as an expense. When there is a difference between the figures, it is regarded as a change in accounting estimates.

3. Information on the proposed distribution of remuneration approved by the board of directors:

(1) Employee remuneration and director remuneration amount distributed in cash or stock
It is proposed to distribute cash remuneration of 175,339 thousand to employees, and remuneration of 72,400 thousand to directors.

(2) The amount of employee compensation distributed in stock and its proportion to the total net profit after tax and total employee compensation in the current period's standalone or individual financial report: There is no stock-based compensation for employees.

4. Actual distribution of remuneration for employees and directors in the previous year
The company's 2023 earnings distribution plan was approved by the board of directors and shareholders' meeting, and the amount used to distribute employee remuneration and directors'

remuneration is no different from the actual distribution situation. The total distribution of employee remuneration was 162,927 thousand, and the directors were distributed. 63,000 thousand.

(5) Share re-purchases: None

3.2 Corporate bonds: None.

3.3 Preferred stock: None.

3.4 Global depositary receipts (GDR): None ◦

3.5 Employee stock options/warrants: None.

3.6 Restricted stock awards (RSA): None.

3.7 Acquisition or transfer of other newly issued shares from other companies: None.

3.8 Capital utilization plan

As of the quarter before the publication date of the annual report, the company has completed the previous issuance of securities, and the benefits of the plan have been real

4. Operational Highlights

4.1 Business activities

(1) Business scope

1. The main content of the business

- a. Basic chemical industries.
- b. Petrochemical raw material manufacturing industry.
- c. Precision chemical materials manufacturing industry.
- d. Synthetic resin and plastic manufacturing industry.
- e. Other chemical materials manufacturing industry.
- f. Industrial auxiliary manufacturing.
- g. Electronic component manufacturing industry.
- h. International trade.
- i. Warehousing.
- j. Real estate leasing industry.
- k. Leasing Industry.

1. In addition to licensed businesses, businesses that are not prohibited or restricted by laws and regulations may be operated.

2. Proportion of sales of major products

Unit : Thousand

Item \ Year	2023		2024	
	Amount	%	Amount	%
Solvent series products	7,647,759	77.62	8,853,751	80.08
Raw material sales	1,973,929	20.03	1,822,479	16.48
Others	231,222	2.35	380,714	3.44
Total	9,852,910	100.00	11,056,944	100.00

3. The Company's current product (service) collections

Category	Product	Use range
Solvents (Electronic solvents)	PM、PMA、GAA、NBAC、ANONE、P series of mixed solvents (SEP)	<ul style="list-style-type: none"> ●Thin film transistor process as a wetting agent, photoresist remover, photoresist viscosity adjuster, and process equipment cleaning. ●Cleaning and stripping of the three RGB base colors in the color filter production process. ●Cleaning agent, stripping agent, photoresist buffer and etching process chemicals for semiconductor IC industry.
Solvents (Industrial solvents)	PM、NBAC、ST、GBL、PMA、NPAC、BCS、PMP、IBAC、DPM	<ul style="list-style-type: none"> ●Solvents and thinners for coatings and synthetic resins. ●Inks and organic solvents for printing. ●Organic solvents for leather processing.
Methanol	Formalin (F24%~44%)、Urea	<ul style="list-style-type: none"> ●Antiseptic perfume、disinfectant. ●Adhesive.

	Glue	●Synthetic resin raw materials, other organic chemical raw materials, etc.
Solvent raw material trading	MEOH 、 PM 、 NPA 、 BCS 、 NBA 、 GAA 、 IBA	●Supply resin factories, paint factories, electronics factories, etc. as solvents and other process applications.

4. New product (services) development projects:

- (1) Application and development of ether alcohol derivatives.
- (2) Specialization of green environmental protection and application development of daily necessities.
- (3) Development of electronic-grade solvents for advanced semiconductor manufacturing processes.
- (4) Development of recycling technology.
- (5) Development of substitutes for substances restricted by REACH.
- (6) Development of functional coating products

(2) Industry Overview

1. Industry status and development

The company's main products include electronic-grade solvents used for cleaning in the panel industry and semiconductor manufacturing processes, and industrial-grade solvents used in coatings, synthetic resins, printing inks, etc. It is closely related to the development trend of the optoelectronics industry and the coating industry. The current status of the main industries to which our company's products belong is described as follows:

(1) Electronic grade solvents industry

A. The development of Taiwan's panel industry can be roughly divided into the following stages:

(A). Start-up and technology introduction (1970s–1990s)

- 1970s: Taiwan began to develop the semiconductor and electronics industries, but panel technology still relied on countries such as Japan and the United States.
- 1980s: The government and businesses began to pay attention to LCD technology, and the Industrial Technology Research Institute conducted initial research and development to lay the foundation for the future panel industry.
- 1990s:
 - o In 1992, ITRI successfully developed TFT-LCD (Thin Film Transistor Liquid Crystal Display) technology and transferred the technology to enterprises.
 - o In 1996, Taiwan's first TFT-LCD production line was introduced by AUO (formerly Lianyou Optoelectronics), officially opening the era of the panel industry.
 - o In 1998, Chi Mei Electronics (later merged with Innolux) began to invest in TFT-LCD manufacturing, and Taiwan's panel industry entered a period of rapid development.

(B). Rapid industry growth and global competition (2000s)

- Early 2000s:

- o Taiwan has become a global TFT-LCD production powerhouse, competing with South Korea (Samsung, LG) and surpassing Japan to become the world's second largest panel producer.
 - o The rise of major companies: AUO, Chi Mei Optoelectronics (CMO), Innolux, CPT, HannStar and other companies have successively invested in panel production.
 - o Capacity expansion: Major panel manufacturers have established 4.5th, 5th, 6th, 7.5th and other generations of production lines to meet market demands for TVs, laptops, mobile phones, etc.
 - Impact of the 2008 global financial crisis:
 - o The panel industry requires huge investments, and the financial crisis has led to a decline in demand. Taiwan's panel manufacturers are beginning to face profit pressure.
 - o Chi Mei Electronics, Innolux Corporation, and Huaying Optoelectronics Corporation began to merge and adjust.
 - o In 2009, Innolux merged with Chi Mei Electronics and Toppoly Optoelectronics to become one of the top three panel manufacturers in the world.
- (C). Intensified competition and transformation (2010s)
- South Korea is developing OLED vigorously:
 - o Samsung and LG turned to OLED technology to seize the smartphone and high-end TV markets, while Taiwanese companies failed to follow suit and their competitiveness declined.
 - China's rise weakens Taiwan's advantage:
 - o Chinese companies such as BOE and TCL CSOT have invested heavily in expanding LCD production capacity and received government subsidies, gradually squeezing the Taiwanese market.
 - o After 2018, China became the country with the highest LCD production capacity in the world, and Taiwan's panel industry was under further pressure.
 - Taiwan panel factory transformation strategy:
 - o AUO and Innolux have begun to turn to high value-added products, such as automotive displays, medical displays, industrial displays, Mini LED and other fields.
 - o Develop Micro LED technology, hoping to occupy a place in the next generation of display technology.
 - o Strengthen smart manufacturing and improve production efficiency to reduce costs.
- (D). Recent Developments and Future Trends (2020s–Present)
- LCD market matures and competition becomes fierce:
 - o Global panel prices plummeted in 2021, and Taiwan's panel industry faced operational challenges. Innolux and AUO adjusted their manpower and production capacity.
 - o Although Taiwan's LCD industry still has a certain market share, its profit margins

have been reduced mainly due to the low-price competition from China.

- OLED and new technology layout:
 - AUO and Innolux are actively investing in Mini LED and Micro LED technologies, hoping to break through the competition from South Korea and China.
 - Automotive displays and medical displays have become growth focuses due to stable market demand and higher gross profit margins.
 - Transparent display and folding display technology have also become future development directions.
- Impact of global industry trends:
 - The Taiwanese government is promoting the integration of semiconductors and panels, hoping to improve competitiveness through cross-field cooperation such as driver ICs and display technologies.
 - Smart manufacturing, AI applications, and low-power display technology will be the focus of future development.

B. Overview of Semiconductor Industry Development

(A). In 1947, Bell Labs in the United States invented the transistor, which quickly replaced the traditional vacuum tube, but it only lasted for ten years. After Texas Instruments successfully developed the world's first semiconductor in 1958, transistors with relatively simple functions were immediately replaced by semiconductor products that were short, thin, power-saving, and increasingly integrated. Since then, various semiconductor products have been continuously developed, and the integration has also been rapidly improved, from 10 transistors per semiconductor to 109 transistors per semiconductor.

(B). Taiwan's semiconductor industry is one of the most competitive industries in the world, covering a complete industrial chain including wafer manufacturing, IC design, packaging and testing. Currently, Taiwan has a global leading position in wafer foundry and advanced process technologies, and also occupies an important market share in IC design, packaging and testing.

The following is the development history of Taiwan's wafer manufacturing industry:

1. 1970s–1980s: Industry start-up and technology introduction
 - 1974: The Executive Yuan established the Industrial Technology Research Institute (ITRI) and began to engage in semiconductor technology research.
 - 1976: ITRI established the "Electronic Industry Research Center", introduced MOS (metal oxide semiconductor) technology from RCA of the United States, and cultivated Taiwan's first batch of semiconductor talents.
 - 1977: ITRI established United Microelectronics Corporation (UMC), becoming Taiwan's first semiconductor company, initially operating under the IDM (Integrated Device Manufacturing) model, covering IC design and manufacturing.
2. 1990s: TSMC rises and establishes the wafer foundry model
 - 1987: TSMC was established as a joint venture between the government and Philips, focusing on pure wafer foundry, which was the world's first foundry model.
 - 1990s: TSMC began to cooperate with American IC design companies (such as

NVIDIA and Broadcom) to promote the rise of the global fabless industry.

- 1994: UMC transformed into a wafer foundry and became the world's second pure-play foundry company.
3. 2000s: Taiwan becomes a global foundry powerhouse
 - 2000: TSMC was the first to enter the 0.18-micron (180nm) process and quickly advanced to 90nm and 65nm, establishing its technological leadership.
 - 2003: UMC mass-produced 90nm process, on par with TSMC.
 - 2008: TSMC's 40nm process entered mass production, with customers including Apple and Qualcomm, becoming a key supplier of smartphone chip manufacturing.
 4. 2010s: TSMC dominates the world, UMC focuses on mature processes
 - In the mid-to-late 2010s, UMC gave up the competition for advanced processes and focused on mature processes such as 28nm, 22nm, and 40nm, becoming a key supplier of power management ICs, Wi-Fi, and automotive electronics.
 - 2011: TSMC's 28nm process entered mass production and won major customers such as Qualcomm and NVIDIA.
 - 2014: 16nm FinFET process went into mass production, with global market share exceeding 50%.
 - After 2015, the Chinese government vigorously supported Semiconductor Manufacturing International Corporation (SMIC) and Hua Hong Semiconductor, influencing Taiwan's mature process market.
 - 2018: 7nm process went into mass production, Apple's A12 chip and AMD's Ryzen processor both use TSMC's process.
 - 2019: TSMC was the first to mass-produce 5nm process, ahead of Samsung and Intel.
 - UMC is expanding its specialty processes (power semiconductors, RF radio frequency chips) in response to competition with the world's advanced companies.
 5. 2020s–Present: TSMC's continued leadership in wafer manufacturing and global expansion
 - 2020: 5nm process officially enters mass production, and Apple's A14 and M1 chips are both manufactured by TSMC.
 - 2022: 3nm process goes into mass production, and NVIDIA and Apple become major customers.
 - 2nm is expected to be mass-produced in 2025, and 1.4nm is expected to be challenged in 2027.
 - Set up wafer fabs in the United States, Japan, Germany, etc. to reduce geopolitical risks.
- C. Overview of the development of electronic-grade solvents
- (A). Organic solvents are used in almost every step of the panel industry and semiconductor manufacturing process. For example, photoresist cleaning, developer removal, etching solution and wafer cleaning are all used in large quantities. The main types are acetone, isopropyl alcohol, cyclopentanone, cyclohexanone, propylene glycol methyl ether, propylene glycol methyl ether acetate and mixed solvents.
 - (B). As the electronics industry is a major industry in the world, and Taiwan occupies an important position in global electronic products, the semiconductor manufacturing

industry continues to expand production, and the process nodes continue to advance, which will drive the demand for high-purity, high-quality (extremely low metal ion impurities and moisture) electronic-grade solvents to continue to increase, and the future prosperity can be expected to be optimistic.

(2) Industry of industrial grade solvent.

A. Development overview of coating industry.

(A). Paint and coating is one of the most important industries in the world. For example, buildings, furniture, automobiles, 3C products, etc., which are common in daily life, all have special functional coatings on the surface. , to provide the beautification of the appearance of the coated object, the protection of the original, and even give additional functions such as antistatic, heat insulation, etc.

(B). In recent years, the paint and coating industry has responded to the government's call to increase productivity, implement automation, strictly implement quality control, and improve production quality. The production energy of domestic paints and coatings has skyrocketed, and the products are of high quality and low price, which are well recognized by industrial and household users. With the development of national economic construction, major transportation construction related to the paint and coatings industry, construction of state houses, science parks, etc., will enable the paint and coatings industry to further develop and achieve the important goal of upgrading and transformation of the paint and coatings industry.

(C). At present, the major manufacturers of coatings in the world are mostly multinational conglomerates. In order to respond to rapid market changes, reduce cost pressure and increase market influence, major coatings manufacturers have carried out a series of mergers and acquisitions. The industry will move towards the trend of specialization and large-scale, in order to give full play to their respective advantages in technology, market sales, etc., to form the best combination of production and sales, technology, raw material supply and other elements. Since paint is a dependent or supportive industry, its demand is closely related to the prosperity of related industries, and its usage also reflects the degree of economic prosperity and progress of a country.

B. Overview of Synthetic Resin Industry Development.

(A). Coating Resin

Architectural and industrial paints not only need to be easy to apply and adhere to the surface of the material for a long time to give a beautiful colorful appearance, they also need to be stain resistant and more durable, and must be able to resist all kinds of pollution from the surrounding environment. Resins such as alkyd, vinyl acetate, styrene/acrylic copolymer and pure acrylic are being developed and used, and water-soluble resins are also being used more and more for environmental reasons. The market for coating resins has been growing year on year as people seek to improve their quality of life, and the growth rate has been similar to that of GNP over the years.

(B). General-purpose resins

General-purpose resins are widely used, mainly used in adhesives, pastes for textiles, etc. In addition, they have been developed into special glues for electronic material

protection tapes, optical material tapes, etc.

(C). Unsaturated Polyester Resins

The global market has a total volume of 2.6 million tonnes, of which about 250,000 tonnes are in Taiwan, 170,000 tonnes in Japan and 700,000 tonnes in China. Except for the mainland China market which maintains an annual growth of 5-10%, other regions are mostly flat or declining, leading to increasingly fierce competition.

C. Overview of industrial grade solvents development

Industrial-grade solvents are widely used in coatings, synthetic resins, printing inks, cleaning, leather, etc. Since industrial-grade solvents are important necessities for people's livelihood, their applications are spread across all walks of life. Therefore, the future development of industrial-grade solvents will show a stable growth trend.

2. Relevance of industry, middle and downstream

(1). Electronic grade solvent

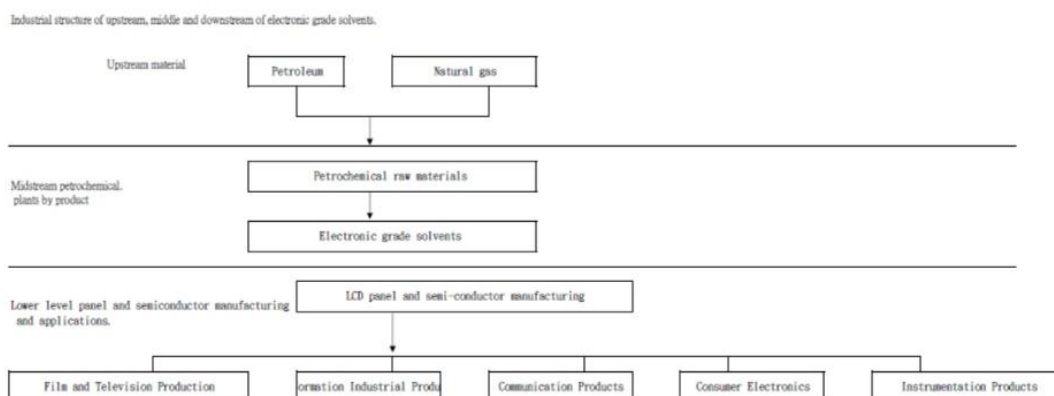
A. The company's electronic grade solvents are used in TFT-LCD panels and semi-conductor processes, with the following applications:

(A). Photoresist remover - used to remove photoresist from the edges of TFT-LCD glass substrates to avoid contamination of the production line due to flaking of the residual photoresist in other processes, thus requiring high solubility and fast volatility.

(B). The stripping solution is used for stripping off excess photoresist after line etching and is usually a mixture of DMSO, DBG or NMP. However, with the refinement of lines in the future, the traditional wet etching method is no longer sufficient and dry etching with gas etching is now being developed, and the stripping method will be changed to dry or combined wet and dry.

(C). Cleaning fluids are used to clean the substrate after each stage of the process. Generally, there are two main types of cleaning fluids, inorganic and organic.

B. The upstream, midstream and downstream industry structures are linked in the following diagram:



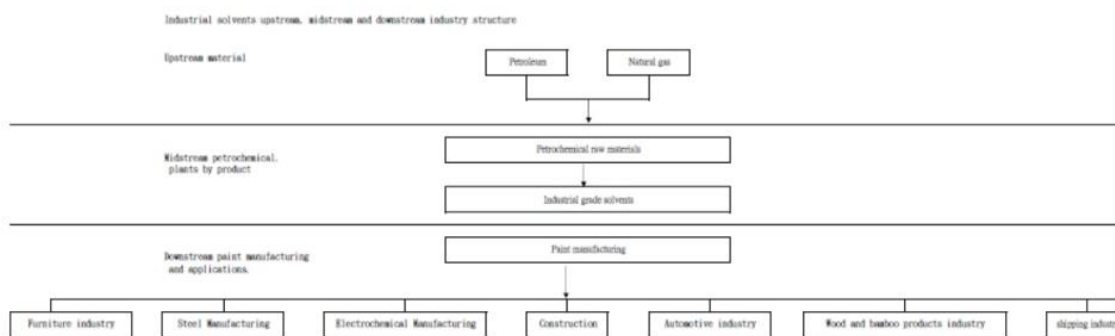
(2). Industrial grade solvents

A. Coating resin is the main component to improve the quality of the coating film. It is also a fixing agent for fixing the pigment to the coated material. It is used as a vehicle in paints

and coatings. The viscosity of the resin is usually It is very high, which is not conducive to the grinding of the abrasive and the mixing of the adjustment components in the later stage, and increases the difficulty of painting, so it is necessary to add solvents and thinners.

B. Generally, paints and coatings mainly rely on solvents to help the flow and coating properties of resins. Solvents have an impact on the viscosity, fluidity, drying speed and gloss of the paints and coatings. Volatile without leaving in the coating film.

C. The correlation diagram of the upper, middle and downstream industrial structure is as



follows:

3. Various development trends of products

(1) The use of organic solvents is mainly for the downstream processing products industry, such as coatings, electronics, home appliances, plywood, agriculture, textile industry, printing industry, chemical industry and other industries. In response to the diversified needs of downstream operators and industrial upgrading, solvent operators must continuously improve the added value of their products and research and development capabilities, and find niche markets, such as the electronic-grade solvent application market, to increase added value in order to respond The changing demands of downstream operators.

(2) From the perspective of the development trend of global organic solvents, under the increasingly stringent environmental protection requirements, in order to comply with environmental protection regulations and future trends, actively developing low-toxic, environmentally friendly organic solvents will gradually become a future trend.

4. Competition situation

The company's main product competitors are Changchun group, LCY Chemical Corp. group, etc. Due to the large number of products of each manufacturer and low overlap, and the company's strong management team, high-quality personnel, and rich experience, it has a certain competitive position in the industry and a certain of popularity.

(3) Technology and R&D Overview

1. Research and development costs and successful products developed in the latest year and up to the date of printing of the annual report

(1). R&D Cost Scenario

Year	2024	Current consolidated financial data ending March 31, 2025
nit: NT\$ thousand	301,300	72,221

(2). Technologies or products that have been successfully researched and developed in recent years

- A. Develop new esterification catalysts to increase the conversion efficiency of the process and increase the output.
- B. Research on improving PM synthesis reaction, reducing water content and catalyst selection.
- C. Research and development of new esters.
- D. Research and develop a new type of azeotroping agent, improve the esterification dehydration process, reduce the use of toxic substances, and reduce the impact on environmental pollution.
- E. Research and development of processes such as product recycling and distillation applications.
- F. Development of low-formaldehyde environmentally friendly adhesive (F1 grade).
- G. Research and development of high boiling point solvents.
- H. Development of ether alcohols process.
- I. Development of a new process for the synthesis and purification of ether alcohols.
- J. Application of Nanomaterials in Coatings.
- K. Development and trial production of functional coating products.
- L. The development of environment-friendly specialization and people's livelihood products.
- M. Development of additives to reduce diesel combustion pollution.
- N. Development of solvents for advanced semiconductor processes.
- O. Electronic Industry Chemical Formulation Development.

(3). Future research and development plans

- A. Application development of ether alcohol derivatives.
- B. Ultra-trace contamination control.
- C. Development of electronic-grade solvents for the semiconductor industry.
- D. Recycling technology development.
- E. REACH restricts the development of substitutes for substances.
- F. Development of functional coating products
- G. Development of special materials for semiconductor manufacturing process.
- H. Development of new battery electrolyte solvents (exploration of new dielectric technologies for advanced batteries).
- I. Development of low carbon solvents.

(4). Estimated amount of R&D investment in the next two years.

Year	2025	2026
Unit: NT\$ thousand	319,000	350,000

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

1. Short-term business development plan

- (1). Develop patented products and electronic grade solvent application market to increase added value.
- (2). Actively develop new products and strengthen the integrity and diversification of product portfolio.

- (3). Strengthen strategy application and marketing system, fully grasp customer development trends and trends, and strengthen customer relationships.
 - (4). Expanding market share by actively developing downstream customers.
 - (5). Continuous innovation and research, continuous improvement of process technology, in order to improve production capacity and production efficiency, and reduce product cost..
2. Long-term business development plan
- (1). Strengthen the training of business professional knowledge and strengthen internal management to improve business performance.
 - (2). Vertically integrate the research and development of upstream, mid-stream and downstream products in order to consolidate the supply of goods and sales channels, reduce costs and enhance product competitiveness.
 - (3). Strengthen strategic alliances with well-known domestic and foreign manufacturers, strengthen product competitiveness, and create greater operational performance.
 - (4). Continue to develop the application of electronic grade chemicals, in order to become the market leader of electronic grade solvents.

4.2 Market, production and sales overview

(I) Market analysis

1. Sales arena of main product (service)

Unit : NT\$ thousands

Year		2023		2024	
		Amount	Percentage (%)	Amount	Percentage (%)
Country					
	Taiwan	7,775,921	79.16	8,699,338	78.86
Export	Korea	650,830	6.63	756,771	6.86
	Vietnam	351,470	3.58	348,080	3.16
	Thailand	219,155	2.23	225,166	2.04
	Others	826,164	8.41	1,001,634	9.08
	Subtotal	2,047,619	20.84	2,331,651	21.14
Total		9,823,540	100.00	11,030,989	100.00

2. Market Share

The group's operating strategy is not only based on expanding turnover and increasing market share. By continuing to develop new application products, looking for niche markets, and after stable product sales, it is expected to further increase the company's market share.

3. Market Supply and Demand Outlook

(1) Supply and demand of Electronic Solvent

Electronic solvents use the inherent chemical properties of chemicals to perform lithography, etching and cleaning for electronic products. The fields of application are printed circuit boards, semiconductors and liquid crystal thin film display panels, especially semiconductor and liquid crystal thin film display panels. The most stringent requirements are for high-purity electronic solvents to prevent impurities from interfering with product performance. Thanks to the continued growth of the semiconductor and LCD industries, the growth rate of electronic grade solvents is expected to be much higher than the average annual growth rate of all chemicals.

(2) Supply and demand of Industrial Solvents

Since the amount of paint used will develop with economic growth, it will also directly affect the supply of the paint industry. In Europe and the United States, due to the flattening of economic growth, the growth rate of coatings supply is also limited, but Asia is a newly industrialized region, and the supply of coatings will increase substantially with economic growth. Since coatings are a kind of special chemicals, which are widely used in various industrial products, the demand for coatings in the world is increasing day by day, especially in newly industrialized countries such as Asia. A substantial increase. Therefore, looking forward to the future, the development trend of industrial-grade solvents is still growing steadily.

4. Development Prospects and Favorable and Unfavorable Factors Thereof

(1) Favorable factors

A. The group adheres to the concept of "R&D success, safety first, quality first, and customer satisfaction", and constantly innovates and researches, improves production processes, reduces waste and energy, and increases production capacity, and achieves product diversification, develops green products, meets customer needs, and enhances Competitiveness of the company's products.

B. Complete and diversified product portfolio

The related industries have a complete portfolio of raw materials and diversified products, and are little affected by changes in the prosperity of a single industry.

C. Electronic solvents for high value-added solvents

Actively invested in the development of electronic grade solvents and successfully entered the electronic industry market such as semiconductor and optoelectronics, and successively completed products such as butyl acetate, propylene glycol methyl ether and propylene glycol methyl ether acetic acid.

(2) Unfavorable factors

A. Domestic awareness of environmental protection and industrial safety is on the rise, and standards are becoming more and more stringent, which in turn leads to an increase in costs.

B. The economic and social structure has changed, employees are not keen on labor-based work, and manufacturers are generally lacking in labor, resulting in increased labor costs and rising production costs.

C. Due to labor, environmental protection, land and other issues, the downstream manufacturers of organic solvents continue to move out, resulting in increasingly fierce competition in the domestic market of organic solvents.

(3) Countermeasures

A. In order to implement the implementation of environmental protection and industrial safety, in addition to the establishment of a dedicated environmental protection and industrial safety unit to be responsible for environmental protection facilities and planning improvement, education and training of factory personnel, etc., it also has complete waste and waste liquid treatment equipment, and cooperates with professional institutions for regular inspections. And the introduction of advanced manufacturing process and technology, through the implementation of waste reduction measures to reduce processing costs, and meet the requirements of environmental protection and industrial safety to fulfill

social responsibilities.

B. By developing advanced manufacturing processes, we can reduce production time and improve production efficiency; we also strengthen the management and efficiency of production technicians to improve product quality and yield, thereby reducing production costs and increasing our relative competitiveness in the market.

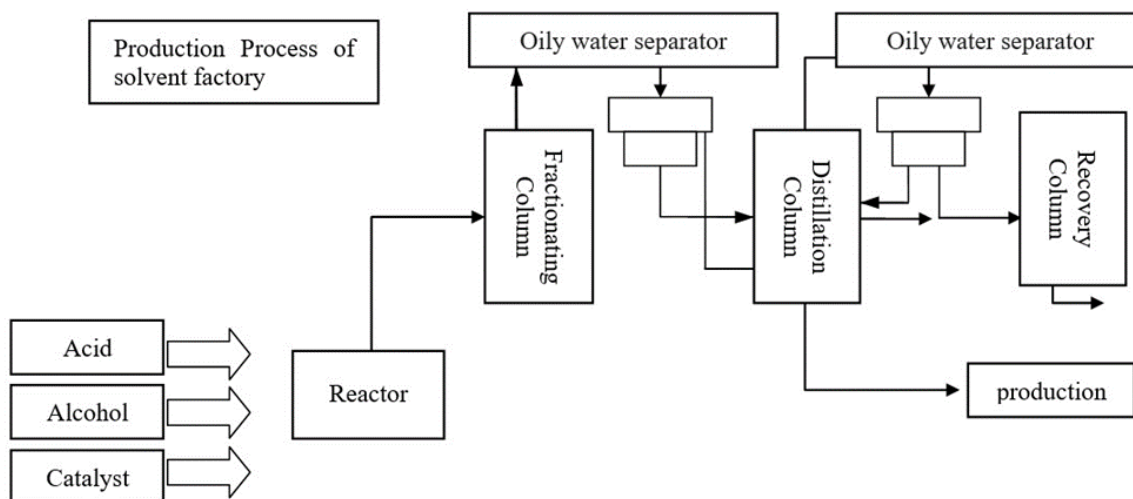
C. Actively expand overseas markets to increase market share and expand the company's business growth.

(2) Main products' important functions and production process

A. Main products' important functions

Main product of service	Main function
Solvent series (Electronic solvent)	1. The thin film transistor process is used as a wetting agent, a photoresist removal solution, a photoresist viscosity modifier, and the cleaning of the process equipment 2. RGB three primary colors photoresist removal solution, cleaning and stripping of piping equipment in the color filter process 3. Cleaning agents, strippers, photoresist buffers and etching process chemicals for the semiconductor IC industry process
Solvent series (Industrial solvent)	1. paint, synthetic resin 2. Printing ink, cleaning organic solvent 3. Leather organic solvent
Aldehyde series	1. Preservatives, Disinfectants 2. adhesive 3. Synthetic resin raw materials, other organic chemical raw materials, etc.

B. Production process of the main products



(3) Primary raw materials

Main raw material name	Main supplier	Supply situation
Acetic acid	Domestic	Stabilize
Butanol	Foreign	Stabilize
Ethylene glycol butyl ether	Foreign	Stabilize
Propylene Glycol Methyl Ether	Domestic	Stabilize
Methanol	Foreign	Stabilize

(4) Major suppliers and customers

1. Major suppliers with purchase amount and ratio that accounted for more than 10% of the total purchase in the past two years

Unit : NT\$ thousands

2023				2024			
Name	Amount	Annual net purchases (%)	Relationship with issuer	Name	Amount	Annual net purchases (%)	Relationship with issuer
Company A	1,076,380	19.54	none	Company A	603,708	9.72	none
Other	4,431,163	80.46		Other	5,605,844	90.28	
Net purchases	5,507,543	100.00		Net purchases	6,209,552	100.00	

2. Major customers with sales amount and ratio that accounted for more than 10% of the total sales in the past two years

Unit : NT\$ thousands

2023				2024			
Name	Amount	Annual net Sales (%)	Relationship with the issuer	Name	Amount	Annual net Sales (%)	Relationship with the issuer
Company A	2,995,761	30.40	none	Company A	3,575,721	32.34	none
Other company	6,857,149	69.60		Other company	7,481,223	67.66	
Net Sales	9,852,910	100.00		Net Sales	11,056,944	100.00	

4.3 Human Resources Overview

(I) Number of employees, average age and years of service at the Company in the most recent two years:

Year		2023	2024	On April 15 2025
Number of Employees	Production	245	242	238
	R&D	99	100	102
	Other	282	287	291
	Total	626	629	631
Average Age		39.25	39.51	40.83
Average Years of Service		9.17	9.36	9.79
Education level distribution ratio	PhD	11	12	13
	Master's degree	115	125	126
	Bachelor's degree	433	427	428
	High school	60	58	58
	Below high school	7	7	6

4.4 Disbursements for environmental protection

(I) Losses caused by pollution in the most recent year up to the publication date of this annual report

ITEM	2024	January 1, 2025 to April 15, 2025
pollution status	Violation of the Air Pollution Control Act	NONE
Punishment unit	Kaohsiung City Government Environmental Protection Bureau	NONE
Punishment situation	The fine amount is NTD 2,100,000	NONE

(II) Countermeasures : continue to carry out inspections according to the specifications set by the relevant units

4.5 Labor relations

(I) Various aspects of employee welfare measures, continuing education, job training, retirement system and its implementation, as well as labor agreements, labor rights and employment protection measures

1. Employee welfare measures and its implementation

The company's main welfare measures include domestic and foreign travel subsidies, annual gifts or gifts, hospital condolences for public and general injuries, funeral subsidies, education subsidies and scholarship subsidies, regular health checks, marriage subsidies, maternity subsidies, emergency aid subsidies, community subsidies, Labor education and training,

birthday gifts, employee group life insurance and accident insurance, etc. In addition, the company has general leisure facilities to enrich employees' leisure life and promote their physical and mental health.

2. Employee education and training and its implementation

The Group implements internal and external on-the-job training based on employees' work needs and considering the company's future operating conditions to enhance employees' ability to learn and improve work efficiency

3. Employees' retirement system and its implementation

In addition to formulating employee retirement management regulations in accordance with the Labor Standards Act, and providing monthly employee pensions and depositing them in the special office of the Central Trust Bureau, the company also cooperates with the implementation of the Labor Retirement Ordinance, which was revised on September 30, 1994. Employee Retirement Management Measures, starting from July 1, 1994, if employees who originally applied the old system chose to apply the new system for their service years or employees who took up the post after the implementation of the new system, their service years were changed to a fixed allocation system. The payment of pension shall be paid by the company at a monthly rate of not less than 6% of the monthly salary and deposited in the individual account of labor pension.

1. According to the Company's personnel management system, an employee, who is involved in any of the following situation, should be required to retire immediately:

A. Those who have worked for more than 15 years and have reached the age of 55.

B. Those who have worked for more than 25 years.

C. Those who have worked for more than 10 years and have reached the age of 57

D. Those who have served for more than 10 years and have reached the age of 60.

E. Those who have served in the company for ten years and are dispatched by the company to a related enterprise or subsidiary due to work requirements but when the affiliated enterprise or subsidiary is willing to bear the seniority of the employee, it shall not apply for retirement.

F. If an employee suffers from a serious illness, such as a tumor, which requires long-term hospitalization or long-term period of recuperation at home.

2. Compulsory retirement:

The company shall not compel an employee to retire unless he or she falls under any of the following circumstances:

A. For those who have reached the age of 65, the company may report to the central competent authority for adjustment to work with special characteristics such as

danger and strong physical strength, but must not be less than 55 years old.

B. Mental loss or physical disability is too qualified to work.

3. Retirement payment standard:

A. The working years before and after the application of the Labor Standards Act and the choice to continue to apply the "Labor Standards Act" pension provisions in accordance with the Labor Pension Regulations or to retain the working years before the application of the Labor Pension Regulations. The standard of pension payment is based on the labor standard Articles 84-2 and 55 of the Act shall be calculated.

B. Persons with seniority in the preceding paragraph who are forced to retire in accordance with Paragraph 1, Subparagraph 2, Article 35, workers whose mental or physical disability is caused by the performance of their duties shall be subject to Paragraph 1, Subparagraph 2, Article 55 of the Labor Standards Act., additional 20% of payment shall be added according to the second paragraph of Article 55.

C. For employees who are subject to the pension regulations of the Labor Pension Act, the company will pay 6% of their wages to the individual pension account of the laborer on a monthly basis.

D. Pension payment:

Old system: The company should pay the pension to the employees within 30 days from the date of the employee's retirement.

New system: If the employee is over 60 years old, the employee should apply directly to the Bureau of Labor Insurance or the company will assist in the application.

4. Labor-management agreement and various employee rights protection measures

In addition to abiding by various laws and regulations and safeguarding the rights and interests of employees, the company's labor relations have fully communicated and promoted with employees before the implementation of various major policies to understand the needs of employees, so as to obtain employee support and jointly create a win-win and harmonious labor-management relationship. relation.

(2) In the most recent year and up to the date of publication of the annual report, the losses suffered due to labor disputes, and the estimated amount and countermeasures that may occur at present and in the future are disclosed: None.

4.6. Cyber security management

(1) The information security unit responsible for the company's information security is the Information Section, which has an information supervisor and several professional information personnel responsible for formulating internal information security policies, planning information security operations, and promoting and implementing information security policies. Every year, the audit office conducts regular inspections. If the inspection finds something

missing, it immediately requires the inspected unit to propose improvement measures, and regularly tracks the improvement results to reduce internal information security risks, and adopts the PDCA (Plan-Do-Check-Act) cycle management model , to ensure the achievement of reliability goals and continuous improvement.

The information security policy and the specific management plan are centered on three major aspects, which are system norms (establishing the company's information security management system and standardizing personnel operation behavior), technology application (building information security management equipment, and implementing information security management measures) and Personnel training (conducting information security education and training to enhance internal employees' awareness of information security), specific management measures and instructions are detailed in the investor section of the company's website.

(2) In the most recent year and as of the date of publication of the annual report, the company has not experienced any major information security incidents that have caused business damage. In the future, it will continue to strengthen the defense capabilities of information security management and enhance employees' awareness of information security, and regularly implement recovery plan drills every year, to protect the company's important systems and data security.

4.7 Important Contracts

(1) The long-term loan agreement is as follows:

Contractual nature	Company Name	Contract start and end date	Key content	Restrictions
Long-term borrowing	Far Eastern International Bank Co., Ltd. and 8 other credit-granting banks	2020.11.20~ 2028.02.03	Two-Year Line of Credit Floating rate	NONE

(2) Please refer to pages 66-67 of the Company's standalone financial report for 'Significant Contingent Liabilities and Unrecognized Contractual Commitments. '

5. Review of financial position and financial performance and risk management

5.1 Analysis of Financial Status

Unit: NT\$ thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	3,947,648	3,452,056	495,592	14.36
Property, plant and equipment	9,325,105	8,890,660	434,445	4.89
Intangible assets	11,310	8,397	2,913	34.69
Other assets	2,308,050	2,138,348	169,702	7.94
Total assets	15,592,113	14,489,461	1,102,652	7.61
Current Liabilities	3,464,954	2,828,666	636,288	22.49
Non-current liabilities	2,354,193	2,956,189	-601,996	-20.36
Total Liabilities	5,819,147	5,784,855	34,292	0.59
Equity attributable to owners of the Company	8,772,966	8,704,606	68,360	0.79
Share capital	2,500,000	2,500,000	-	-
Capital surplus	103,724	103,724	-	-
Retained earnings	7,194,008	6,173,110	1,020,898	16.54
Other equity	-24,766	-72,288	47,522	-65.74
Treasury stocks	-	-	-	-
Non-controlling interest	-	-	-	-
Total equity	9,772,966	8,704,606	1,068,360	12.27
<p>Please explain the reasons for the changes in various financial ratios in the last two years: (the change ratio is 20% and the change amount is NTD 10 million)</p> <ol style="list-style-type: none"> 1. The increase in current liabilities and the decrease in non-current liabilities were mainly due to the conversion of long-term liabilities into liabilities due within one year. 2. The rest did not reach the analysis standard. 				

5.2 Analysis of Operation Results

Unit: NT\$thousand

Item \ Year	2024	2023	Increased (Decreased) Amount	% change
Net operating revenue	11,056,943	9,852,910	1,204,033	12.22
Operating cost	7,454,524	6,697,290	757,234	11.31
Gross profit	3,602,419	3,155,620	446,797	14.16
Operating expenses	1,486,188	1,314,970	171,218	13.02
Operating income	2,116,231	1,840,650	275,581	14.97
Non-operating income and expenses	82,888	84,710	-1,822	-2.15
Net profit before tax	2,199,119	1,925,360	273,759	14.22
Income tax expense	395,466	346,899	48,567	14.00
Current net profit	1,803,653	1,578,461	225,192	14.27

Analysis and explanations for the changes in the increase or decrease ratios: (The change ratio is 20% and the change amount is NTD 10 million)

1. The decrease in non-operating income and expenses is mainly due to a reduction in equity method gains resulting from the economic downturn and a decrease in exchange gains on US dollar assets compared to last year.
2. The rest did not reach the analysis standard.

1. Reasons for changes in main business contents: None.
2. The expected sales volume in the next year and its basis and the main influencing factors of the company's expected sales volume to continue to grow or decline: The company expects that the sales volume of products in the next year will reach 153,703 tonnes, which is mainly based on the evaluation of the company's production capacity, forecasts of future economic changes and consideration of customer orders.

5.3 Analysis of Cash Flow

(1) Cash flow analysis for the recent years

Unit: NTS thousand

Cash balance at January 1, 2024	Cash flow from Operating activities	Cash flow from Investment activities	Cash flow from Financing activities	Effect of exchange rate changes on cash and cash equivalents	Net cash flow balance	Cash shortage contingency plan	
						Investment plan	Financing plan
278,614	2,345,374	-1,307,688	-945,984	2,763	373,079	-	-

1. Operating activities: The net cash inflow from operating activities was mainly due to the good operating conditions in the current period.
2. Investment activities: The net cash outflow used in investing activities was mainly due to the purchase of property, plant and equipment.
3. Financing activities: The net cash inflow from financing activities was mainly due to borrowings from banks for the expansion of factories.

(2) Liquidity Analysis

1. Liquidity analysis for the last two years

Item \ Year	2024	2023	% change
Cash flow ratio (%)	68	74.58	-8.82
Cash flow adequacy ratio (%)	73.59	64.27	14.50
Cash flow reinvestment ratio (%)	9.64	8.00	20.50

Analysis of changes ratio: (The change ratio is more than 20%)
Although the net cash flows from operating activities for the two periods are similar, the cash dividends decreased from 9 billion to 8 billion, resulting in a decrease in the cash reinvestment ratio.

2. Cash flow forecast analysis (2025)

Cash balance at January 1, 2025	Cash flow from Operating activities	Cash flow from Investment activities	Cash flow from Financing activities	Effect of exchange rate changes on cash and cash equivalents	Net cash flow balance	Cash shortage contingency plan	
						Investment plan	Financing plan
373,079	2,300,000	-1,500,00	-900,000	-	273,079	-	-

1. Cash flow forecast analysis
 - (1) Net cash inflow from operating activities: It is mainly expected to generate cash inflow from operations in the next year and deduct related operating expenses. The estimated net cash inflow for the year is NTS\$2,300,000 thousand.
 - (2) Estimated annual cash outflow: It is mainly the amount expected to increase capital expenditures and distribute dividends in the coming year.
2. Remedial measures for projected cash shortfalls and liquidity analysis: None.

5.4 Influence of major capital expenditure on financial position and operation in the most recent fiscal year: None.

5.5 Investment policies, main causes of profit or loss, and improvement plans in the most recent fiscal year, and investment plans in the next year

- (1) The company's outward reinvestment is mainly the professional extension of the same industry. Thanks to the vigorous economic development of Asian countries in recent years, the chemical industry, which is a basic industry, is also developing at a high level. The chemical industry is expected to have a prosperous future.
- (2) In 2024, the reinvestment income contributed about 0.3 to the company's EPS. On the premise that the market share and technical level still maintain the existing advantages, it is expected to show stable and favorable growth in the future. Therefore, the future investment plan will focus on maintaining the current industrial advantages, steadily and steadily expanding investment, in-depth operation and management, and improving the profitability of the reinvested company as the main direction.

5.6 Risk assessment

(1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate and response measures to be taken in the future.

1. Changes in interest rate

The interest expenses of the company and its subsidiaries in 2024 and 2023 were NT\$ 58,137 thousand and NT\$ 18,515 thousand respectively, which accounted for a small proportion of the company's net operating income. The company is based on a stable and conservative financial management foundation, and there are still many references in terms of interest rates. Research reports from various economic research institutions and banks at home and abroad, in order to grasp the future trend of interest rates, and maintain a smooth communication channel with the corresponding banks, so as to grasp the current interest rate level at any time, so as to control the cost of funds.

2. Changes in exchange rates

The exchange gains (losses) of the Company and its subsidiaries in 2024 and 2023 was NT\$ (16,233) thousand and NT\$ (5,563) thousand respectively, only -0.147% and -0.056% of the net operating income, respectively, and its impact was very low. As for the export of products, the company offsets each other with regular purchases and sales of foreign exchange funds, and collects information on exchange rate changes at any time, so as to fully control the exchange rate trend. Effectively reduce exchange risk.

3. Inflation

The company's products are not basic consumer goods for people's livelihood, and are less susceptible to inflation than ordinary consumer products. However, the company will still pay close attention to the development of the economic situation and make

appropriate responses in order to continue to expand its business.

- (2) **The company's policy regarding high risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.**

The company did not engage in high-risk, high-leverage investments in the most recent year, nor did it have funds to lend to others or trade in derivatives. As for the endorsement guarantee, it shall be handled in accordance with the relevant regulations formulated by the company.

- (3) **Research and development work to be carried out in the future, and further expenditures expected for research and development work**

1. In the future, the company will mainly focus on the R&D and production of energy saving and environmental protection, increase production capacity, reduce unit consumption and reduce the use highly toxic substances, and develop specifications with high added value to meet future market demands.

2. The R&D expenses expected to be invested in 2026 and 2025 are NT\$ 319,000 thousand and NT\$ 350,000 thousand respectively.

- (4) **Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad and measures to be taken in response.**

The company's daily operations are handled in accordance with relevant domestic and foreign laws and regulations, and it is always aware of domestic and foreign policy trends and changes in laws and regulations, and collects relevant information to provide decision-making reference for the management level, so as to adjust the company's relevant operating strategies. Up to now, the company has not been affected by important domestic and foreign policy and legal changes that affect the company's financial business.

- (5) **The impact of technological changes and industrial changes on the company's financial business and countermeasures:**

The company always pays attention to the technological changes and technological development and evolution of the industry in which it operates, and grasps industry dynamics and industry market information. In addition, it continuously improves product quality and manufacturing processes, actively expands production capacity and improves research and development capabilities, and also adopts a sound financial management strategy. , in order to maintain market competitiveness, so technological changes and industrial changes currently have no major impact on the company.

- (6) **Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response**

The company has always adhered to the use of high-quality management, in addition to research and development of environmentally friendly chemical products, continuous improvement, and provide a safe and healthy working environment to satisfy employees and customers, and then contribute to the society, develop the economy, benefit people, and enhance the company's corporate image. In the future, the company While pursuing the maximization of shareholders' rights and interests, we will also fulfill our corporate social responsibilities and enhance our corporate image.

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

At present, the company has no plan to acquire other companies, but if there is a plan to conduct mergers and acquisitions in the future, it will adhere to a prudent evaluation attitude and consider whether the merger can bring specific synergies to the company, so as to ensure the protection of the rights and interests of the original shareholders.

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

In order to expand production capacity and operation scale, the board of directors approved the new plant and equipment, which not only can increase production and sales, but also contribute to the improvement of gross profit margin and operating net profit margin. In order to avoid oversupply in the market, the company not only actively develops new customers, but also actively develops new process technologies and reduces costs, in order to maximize the benefits of capacity expansion and establish a long-term competitive advantage.

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

1. Purchasing

The company's main purchasers are large international chemical companies with long-term contacts. The relationship with the company has been very stable and good for a long time. They are also the main purchasers of the global industry. Therefore, the company's purchase situation is not abnormal. In addition, the company's main raw materials usually have an appropriate amount of inventory. If due to force majeure factors or emergencies, other alternative sources of raw materials can be found to support, so as to avoid the risk of shortage or interruption of supply due to the concentration of purchases.

2. Sales

In addition to establishing a good production and sales cooperative relationship with the existing customer base, the company actively develops new customers at domestic and abroad, and there is no risk of concentration of sales.

(10) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(12) List major litigious, non-litigious or administrative disputes that: None.

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

The company has established a complete network and computer security protection system to control or maintain the stable operation of the company's manufacturing, operation, accounting and financial functions.

The information system architecture establishes a high-availability host backup and off-site data backup mechanism according to its risk level to ensure uninterrupted services, and sends the

backup media to off-site storage for storage. The normal operation and data preservation of the system can reduce the risk of system interruption caused by unwarranted natural disasters and human errors, and ensure the system recovery meeting the target time expectedly. In order to restore business quickly and smoothly when information system damage occurs, and reduce possible losses and risks, through the regular implementation of information system disaster recovery plan drills on a quarterly basis, losses are minimized and normal operations can be resumed quickly.

For network attacks, illegally invade the company's internal network system, build a firewall and install anti-virus software to prevent illegal intrusion, destruction or theft of information, so as to avoid illegal use of the website and protect the rights and interests of users.

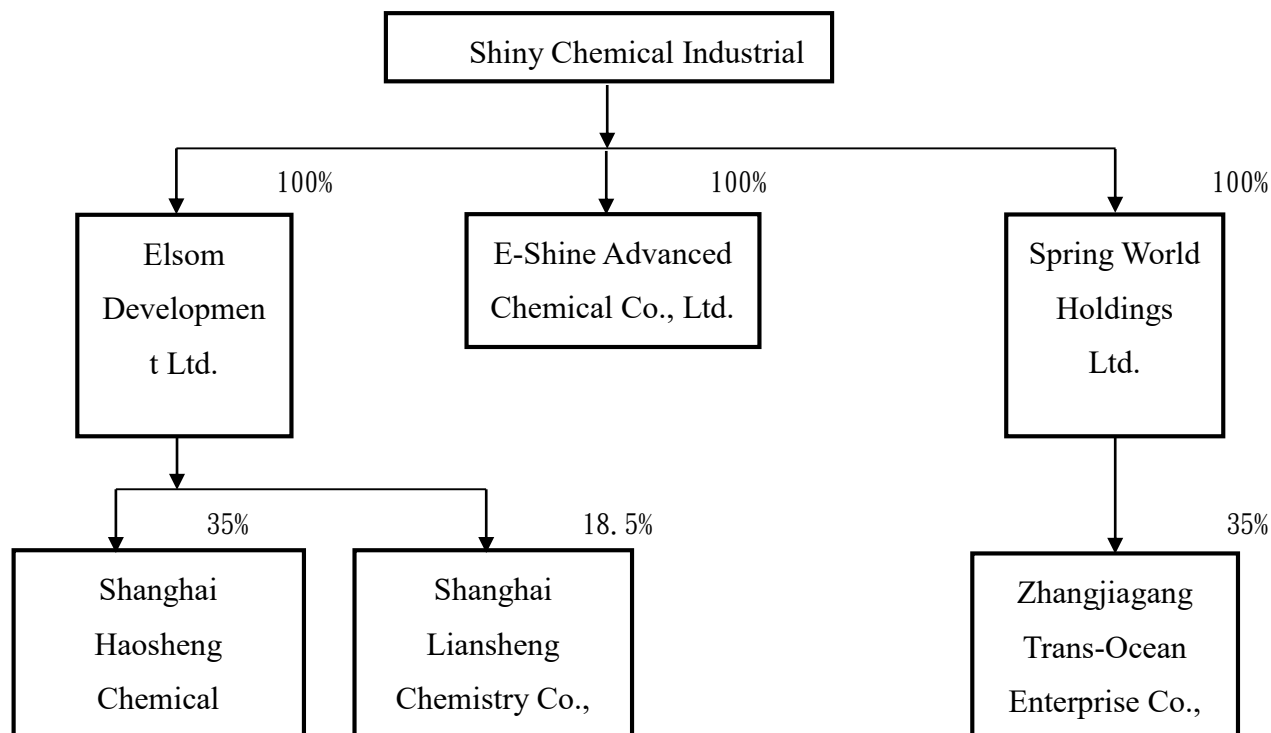
5.7 Other important matters: None.

6. Special disclosure

6.1 Information of affiliates

(1) Consolidated Business Report of affiliates

1. Corporate structure of affiliates :



2. Basic Information of affiliate companies:

Unit: NT\$ thousand

Company Name	Date of incorporation	Address	Paid in Capital	Type of business
E-Shine Advanced Chemical Co., Ltd.	2002.03.25	No. 3, Xiangong S. 2nd Rd., Xianxi Township, Changhua County 507001, Taiwan (R.O.C.)	NTD800,000	Chemical
Elsom Development Ltd.	1990.01.19	10/F, Diamond Exchange Building, 8-10 Duddell Street Central, HONG KONG	NTD162,451	Investments & trading
Spring World Holdings Ltd.	1995.07.24	Tropic Isle Building, P.O.Box438,Road,Town,Tortola,BVI	NTD147,227	Investments & trading

3. Shareholders presumed to have control and subordinate relationship with the same information: None.
4. Basic Information of affiliate companies: Chemical, Investments and Trading.
5. The names of the directors, supervisors, and general manager of each affiliate and the details of their shareholding or capital contribution in such affiliate:

Company Name	Title	Name or representative	Shares owned	
			Shares (In Thousand)	Percentage %
E-Shine Advanced Chemical Co., Ltd.	Chairman	Shiny Chemical Industrial Co., LTD. Representative: SUN JAN-YEN	80,000	100.00
	Director/ General Manager	Shiny Chemical Industrial Co., LTD. Representative: SUN CHI-FA		
	Director	Shiny Chemical Industrial Co., LTD. Representative: WANG HSING-CHIA		
	Supervisor	Shiny Chemical Industrial Co., LTD. Representative: HUANG YEOU- CHING		
Elsom Development Ltd.	Director	Shiny Chemical Industrial Co., LTD. Representative: SUN JAN-YEN	39,244	100.00
	Director	Shiny Chemical Industrial Co., LTD. Representative: LI HUAN-YI		
Spring World Holdings Ltd.	Director	Shiny Chemical Industrial Co., LTD. Representative: SUN JAN-YEN	4,450	100.00
	Director	Shiny Chemical Industrial Co., LTD. Representative: LI HUAN-YI		

6. Operating Status of affiliate companies:

Unit: NT\$ thousand

Company Name	Capital	Total Assets	Total Liabilities	Net worth	Operating revenue	Operating interest (loss)	Current income (loss) (after tax)	Earnings (loss) per share (NTD)
E-Shine Advanced Chemical Co., Ltd.	800,000	3,161,774	1,397,403	1,764,371	1,591,540	223,261	186,909	2.34
Elsom Development Ltd.	162,094	319,836	155	319,681	26,216	25,230	25,228	1.56
Spring World Holdings Ltd.	147,132	240,263	-	240,263	14,932	14,932	15,100	1.03

(2) Consolidated Business Report of affiliates

The list of companies required to be included in the 2024 consolidated financial statements of affiliated enterprises under “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” by the Company is identical to the list of companies already included in the consolidated financial statements, prepared in accordance with IFRS 10 endorsed by the FSC. Since all information required above has already been disclosed in the consolidated financial statements, the Company would not prepare a separate set of consolidated financial statements for affiliated enterprises.

6.2 Private placement in the most recent fiscal year and up to the date of publication of the annual report: None.

6.3 Holding or disposal of shares in the company by the company’s subsidiaries during the most recent fiscal year and up to the date of publication of the annual report: None.

6.4 Other matters that require additional description: none.

Shiny Chemical Industrial Co., Ltd.

Chairman Sun Jan Yen