



2024  
OUCC

## Annual Report

本年報內容可於公司網站：<https://www.oucc.com.tw>及

公開資訊觀測站：<https://mops.twse.com.tw> 查詢

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**Overseas Securities Exchange and Relevant Info: N/A****Corporate Website**

<https://www.oucc.com.tw>

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*The English version is the translation of the Chinese text and if there is any discrepancy between the English version and the Chinese text of this document, the Chinese text shall prevail.*

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# **I. Letter to Shareholders**

## **I. Foreword**

In view of 2024, the elevated purchasing power from the mitigation of global inflation sustained the commodity demand and service and stabilized the global trade volume with a growth rate of 3.5%, estimated by OECD. However, the intensified geopolitical issues, which resulted in the energy price fluctuations, supply constraints, and global supply chain disruptions, weakened the expected manufacturing export momentum and mitigated the overall economic growth, especially the Chinese market, which significantly impacted the global economy with a growth rate of 3.2% estimated by IMF in 2024. Taiwan benefited from the accelerated expansion of AI emerging technology and the like, driving the production and export growth. Taiwan's economic growth rate in 2024 was 4.59%, according to Directorate-General of Budget, Accounting and Statistics.

The crude oil market was also volatile in 2024 due to impact such as the geopolitical issues, OPEC+ oil production cuts and the expected oil production resumption of the US. The global petrochemical industry, on the other hand, underwent a severe imbalance between supply and demand, resulted from the market sluggish on account of macroeconomic uncertainties as well as the successive expansion of large-scale petrochemical refining system of China in recent years. The petrochemical industry of Taiwan, part of the global supply chain, wasn't spared.

To cope with the rapidly changing environment and strict challenges, the Company has dedicated relentlessly to the manufacturing process improvement, cost structure optimization, strengthening advantage across the strait, and advanced proactively in the high value-added product through its proprietary technology, base of ethylene oxide and axes in green, electronic and new materials. In 2024, the consolidated revenue reached NT\$23.8 billion, an increase of 14% from the previous year. The net profit after tax attributable to the Company was NT\$20 million, earnings per share (EPS) NT\$0.02.

## **II. Operating Performance Review**

### **1. Safety, Health, and Environment**

Aiming at the green and sustainable development, the Company practices circular economy, attaches great importance to issues such as industrial safety, health and environmental protection, and improves persistently the process design, equipment investment, and recycles homogeneous waste to reduce the impact on environment for the balanced development between industry production and environment protection.



Not only has the Company embarked, at an early stage, on its own carbon capture and utilization (CCU) technology to recycle and produce the high purity CO<sub>2</sub> for industrial, food and electronic businesses. CO<sub>2</sub> can then be further processed to produce ethylene carbonate (EC) for manufactures of polycarbonate (PC), composite materials, and electrolyte of lithium battery. Apart from the Company's outstanding solvents of ethanolamine and ethylenediamines, which feature in the carbon capture for downstream customers, the Company also strives to develop the CO<sub>2</sub>-imbedded chemicals, technologies and products of plastic recycling and biodegradability to counteract the global CO<sub>2</sub> emission issues.

## **2. EG Business**

With China's massive capacity impact, the Company's ethylene glycol (EG) product line was affected by the unbalanced supply and demand, which weakened the EG prices. In 2024, the EG output across the strait totaled 510 thousand tons, an increase of 11% over 2023, while sales of 530 thousand tons, of 10% increase; the total output of ethylene oxide (EO) was 310 thousand tons, a decrease of 7% over 2023, and sales of 200 thousand tons, of 5% decrease.

## **3. Gas Business**

In response to the growth and decline of downstream gas industry applications, the Company continued to leverage its advantage in pipeline gas sales within the industrial park and expanded its strategy to diversified industrial customers of liquefied gas. Sales remained stable or slightly decreased. Liquefied CO<sub>2</sub> (LCO<sub>2</sub>), targeted by many industries for reduction of carbon emissions under its current trend. Driven by the CO<sub>2</sub> recycling process trend, the market supply sustained growing, and prices remained stable to slightly downward.

In 2024, besides for self-use, the total oxygen sold on both sides was 73 thousand tons, a decrease of 13%; the nitrogen sold totaled 329 thousand tons, a decrease of 2% over 2023; while sales of CO<sub>2</sub> totaled 106 thousand tons, of 221% increase, amongst which the total sales volume of FUPY grew from the 2.3 thousand tons in 2023 to 76 thousand tons in 2024.

## **4. Specialty Chemicals Business**

The Company's overall performance of specialty chemicals in 2024 declined due to the sluggish global demand and regional tariff barriers. The total production volume across the strait was 190 thousand tons, a decrease of 3% compared to 2023; sales volume totaled 180 thousand tons, of 5% decrease.

As highly correlated to the overall economy growth, the 2024 overall market demand of ethylene oxide derivatives (EOD), which were supplied to the downstream industries such as daily chemicals, electronics, resin synthesis, textile auxiliary and concrete, underwent both price and volume reduction, resulted from the slow global economy growth and low-priced product dumping incurred by China's overcapacity.

As to the solvents and amines chemicals, which include ethanolamine (EAs), ethylene glycol butyl ether (EBs), and ethylene carbonate (EC) product series, the import reliance on EA in China was diminished due to the new production launch locally, so were the expanded capacity of EB and EC. The increase of the lithium battery electrolyte demand though boosted the demand of EC but also amplified the supply and demand competitiveness thereof. The Company optimized its product channels as the hedge against risks, developed and increased product applications of high purity grade, securing its domestic sales and product differentiation strategy, achieving a better performance than global peers.

The amine derivatives series include ethylenediamines (EDAs) and polyetheramines (PEAs), which can be widely applied in chelating agents, agriculture, papermaking, textiles, and electronic cleaning agents among many other domains. With its marketing strategy featured in the flexibility of amine series portfolio and market structure, the Company was able to release its pressure from low-priced product dumping, due to China's EDA new capacity launched in 2024, and secured the applications from domestic and overseas customers. PEAs, on the other hand, were focused on new applications and terminal market development, according to the established sales strategy based on the differential in molecular weights, to seek market recognition and support, and further strengthen global market advantage.

### **III. 2025 Business Goals and Future Outlook**

#### **1. Overview of 2025 Business Plan**

##### **(1) EG Business**

To cope with the EG oversupply as expected in 2025, the Company shall maximize its profit, by means of the high-efficiency catalysts employed by both EG plants across the strait for operation, as well as adjusting operation loads and EO/EG production ratios based on the latest market conditions. Moreover, with its coastal ethylene storage tank to enhance operative flexibility, the Company shall maintain optimal operation, implement thermal system integration, reduce manufacturing costs, and improve EG product competitiveness.

##### **(2) Gas Business**

In 2025, the gas business will be based on existing pipeline and liquefied gas customers, actively seeking orders based on the growth of the electronics/semiconductor industries and promoting niche products to develop new customers. The Company will increase its direct supply of ultra-high purity CO<sub>2</sub> products to end customers, adjust product portfolio strategies, gradually increase supply to electronic and semiconductor customers to enhance profitability, and demonstrate its strength in low-carbon process.

### **(3) Specialty Chemicals Business**

The EOD chemicals department will continue to promote existing bio-based products and collaborate with customers to introduce low-carbon chemicals and formulated functional products from recycled plastics (rPET) and carbon capture materials. Additionally, with the global awareness of environmental protection and the highlighted carbon reduction issues, the construction chemicals will be under development of a series of carbon reduction and new high-performance concrete water-reducing agents, strengthening the green concept and advancing with customers towards environmental sustainability.

The ethanolamine (EA) and ethylene glycol butyl ether (EB) product lines will continue development in electronic chemicals, increase semiconductor-grade product customers, and optimize sales channels to maintain market leadership. The ethylene carbonate (EC) product line will be based on the polycarbonate (PC) market, seize opportunities in the lithium battery electrolyte market, and develop high value-added products of high-purity ethylene carbonate (HPEC) and polycarbonate diol (PCDL).

The ethylenediamines (EDAs) and polyetheramines (PEAs) products of the amine derivatives department will continue to expand markets in the Americas and Northeast Asia, leveraging independent technology advantages to focus on developing high-specification amine chemicals and formulas, providing market with carbon reduction and chemical formulation solutions, and consolidating the Company's product market competitiveness to avoid the impact of low-priced new capacity in China. Following the continuous growth of global demand over various domains, the growth momentum of amine derivatives sales will sustain.

In general, with the advantages of EO raw materials and independent technology development, the Company will continue to promote high-value specialty chemical products, provide differentiated services, and focus on product quality and application services in 2025. Revenue and profit growth are expected.

## **2. Prospects for Future Operations**

Looking ahead to 2025, the global economic environment continues to encounter multiple uncertainties such as geopolitical tensions, trade protectionism, extreme climate events, and carbon pricing. To effectively respond to these changes, the Company will continue to improve process efficiency, strengthen competitive advantages, and actively explore diverse product applications. Specifically, we will focus on optimizing our product portfolio, reducing the revenue share of bulk petrochemicals, and expanding the market share of highly differentiated, high value-added products to consolidate the core product position of the Company and enhance product value.



In terms of production, we will continuously improve production technology, enhance production line efficiency, and actively conserve energy consumption, moving towards more environmentally friendly green chemicals. At the same time, to actively respond to the transition to a low-carbon economy and achieve sustainable operations, the Company has incorporated environmental sustainability into its enterprise risk management system and formulated a green sustainable development strategy, investing in the research and development of green products and processes such as carbon capture and reuse, as well as plastic recycling.

Furthermore, the Company will continue developing key chemicals in line with the rapid development of the energy storage and AI industries, focusing on high-potential domains such as battery materials, electronic chemicals, high-purity gases, and specialty application materials. To further enhance overall operational efficiency, the Company will also actively promote the digitalization of operational management and introduce AI technology to optimize product services and functions.

Looking to the future, the Company will continue to drive innovation through research and development, grasp global technological development trends, and accelerate corporate transformation. Adhering to the principle of steady operation, the Company is committed to creating shared value for shareholders, customers, and employees, with the long-term vision of achieving carbon neutrality by 2050.

Chairman of the Board

徐旭東



## II. Corporate Governance

### 1. Information on the Company's Directors, President, Vice Presidents, Assistant Vice Presidents, and heads of all company divisions and branch units

#### 1.1 Directors

##### 1.1.1 Directors Information

March 21, 2025

Job title	Nationality or residence registered	Name	Gender / Age	Date on which current position was assumed	Term of office	Commencement date of the first term	Shares held when appointed		Shares held currently		Shares held by spouse and minor children		Shares held in another person's name		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Other heads, directors, or supervisors as spouse or kinship of second degree		
							Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion			Job title	Name	Relationship
Chairman of the Board	R.O.C.	Douglas T. Hsu	M / Age over 70	2024.6.12	3 years	1979.2.10	1,664,781	0.19%	1,664,781	0.19%	0	0.00%	0	0.00%	Honorable PhD in Management, NCTU; Master of Arts in Univ. of Notre Dame, and post graduate of Economics in Columbia Univ., USA	Chairman of Far Eastern New Century Corp., Asia Cement Corp, U-Ming Marine Transport Corp, Far Eastern Department Stores, and Fetnet, and Vice Chairman of Far Eastern International Bank	Vice Chairman of Board	Johnny Shih	A relative by marriage within second degree
Vice Chairman of the Board	R.O.C.	Representative of Far Eastern New Century Corp: Johnny Shih	M / Age over 70	2024.6.12	3 years	1988.5.18	81,217,005	9.16%	81,217,005	9.16%	0	0.00%	0	0.00%	Master's in Computer Science, Columbia University, USA	Vice Chairman of Far Eastern New Century, Chairman of Everest Textile Co. Ltd., Director of Asia Cement Corp., and CTCI Corp.	Chairman of Board	Douglas T Hsu	A relative by marriage within second degree
							560,871	0.06%	560,871	0.06%	0	0.00%	0	0.00%					
Director	R.O.C.	Representative of Far Eastern New Century Corp: Humphrey Cheng	M / Age 60-69	2024.6.12	3 years	1991.5.30	81,217,005	9.16%	81,217,005	9.16%	0	0.00%	0	0.00%	Master's in International Business, National Taiwan University	President of Administration HQ of Far Eastern New Century Corp., Director of Far Eastern International Bank, and Chairman of Tong Fu Investment Corporation	N/A	N/A	N/A
							941	0.00%	941	0.00%	0	0.00%	0	0.00%					
Director	R.O.C.	Representative of Far Eastern New Century Corp: Kao-Shan Wu	M / Age over 70	2024.6.12	3 years	2009.6.3	81,217,005	9.16%	81,217,005	9.16%	0	0.00%	0	0.00%	Bachelor's in Chemistry, Chinese Culture University	President of Petrochemical HQ of Far Eastern New Century Corp., Director of Everest Textile Co. Ltd. and Oriental Petrochemical Corporation	N/A	N/A	N/A
							0	0.00%	0	0.00%	0	0.00%	0	0.00%					

Job title	Nationality or residence registered	Name	Gender / Age	Date on which current position was assumed	Term of office	Commencement date of the first term	Shares held when appointed		Shares held currently		Shares held by spouse and minor children		Shares held in another person's name		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Other heads, directors, or supervisors as spouse or kinship of second degree		
							Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion			Job title	Name	Relationship
Director	R.O.C.	Representative of Yue Ming Trading Co Ltd: Justin Tsai	M / Age over 70	2024.6.12	3 years	2014.7.1	440,000	0.05%	440,000	0.05%	0	0.00%	0	0.00%	EMBA, National Chengchi University, Bachelor's in Chemical Engineering, Tunghai University	Director and President of Tong Fu Investment Corporation, Director of Far Eastern Union Petrochemical (Yangzhou) Ltd., and Oriental Petrochemical Corporation	N/A	N/A	N/A
Director	R.O.C.	Representative of Da Chu Chemical Fiber Co. Ltd.: Eric Chueh	M / Age over 70	2024.6.12	3 years	2021.7.15	1,000,000	0.11%	1,000,000	0.11%	0	0.00%	0	0.00%	EMBA, National Chengchi University	Director and President of Oriental Petrochemical Corporation, COO of Petrochemical Business Unit of Far Eastern New Century Petrochemical HQ	N/A	N/A	N/A
Director	R.O.C.	Representative of Yu Li Investment Corporation: Bing Shen	M / Age over 70	2024.6.12	3 years	2021.7.15	4,861,781	0.55%	4,861,781	0.55%	0	0.00%	0	0.00%	Bachelor's in Public & Int'l Affairs, Princeton Univ., Master of Harvard Business School, USA	Director of Elite Material Co. Ltd.	N/A	N/A	N/A
Director	R.O.C.	Representative of Yu Li Investment Corporation: Alan Tsai	M / Age 50-60	2024.6.12	3 years	2024.6.12	4,861,781	0.55%	4,861,781	0.55%	0	0.00%	0	0.00%	EMBA and master's in Laws, National Chengchi University	Directors of Ding Yuan Investment Co. Ltd., Far Eastern Union Petrochemical (Yangzhou) Ltd., Far Eastern Industries (Shanghai) Ltd., and Sr. VP of Far Eastern New Century Corp.	N/A	N/A	N/A
Independent Director	R.O.C.	Walt Cheng	M / Age 60-69	2024.6.12	3 years	2015.6.9	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor's in Chemical Engineering, National Cheng Kung University	Independent Director of TSEC Corporation	N/A	N/A	N/A
Independent Director	R.O.C.	Ping Lih	F / Age over 70	2024.6.12	3 years	2018.6.8	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's in Accounting, Texas University, USA	Director of T N Soong Foundation	N/A	N/A	N/A
Independent Director	R.O.C.	An-Ming Wu	M / Age 60-69	2024.6.12	3 years	2024.6.12	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's in Accounting, Soochow University	Independent Director of Ahoku Electronic Company	N/A	N/A	N/A

**1.1.2 Major shareholders of corporate shareholders**

March 21, 2025

Name of corporate shareholders	Major corporate shareholders (shareholding %)
Far Eastern New Century Corporation	Asia Cement Corp (24%), Oriental Institute of Technology (5%), Cathay MSCI Taiwan ESG Sustainability High Yield ETF Account (4%), Far Eastern Medical Foundation (4%), Far Eastern Y Z Hsu Science and Technology Memorial Foundation (3%), Yuanta Taiwan High Yield ETF Account (3%), Yuan Ze University (3%), Chunghwa Post Co Ltd (2%), Douglas Tong Hsu (2%), Der Ching Investment Corp (2%)
Yue Ming Trading Co Ltd	Yuan Ding Investment Co Ltd (45.5%), Da Chu Chemical Fiber Co Ltd (38.2%), Pai Ding Investment Co Ltd (15.5%), Ding Ding Business Consultation Co Ltd (0.3%), Yuan Ding Co Ltd (0.3%)
Yu Li Investment Co Ltd	U-Ming Marine Transport Corp (68%), U-Ming Marine Transport (Singapore) Pte Ltd (32%)
Da Chu Chemical Fiber Co Ltd	Yuan Ding Investment Co Ltd (42%), Yue Ding Industries Co Ltd (30%), Yi Li Investment Co Ltd (19%), Yue Ming Trading Co Ltd (9%)

**1.1.3 Major shareholders who are corporations**

March 21, 2025

Name of corporation	Major corporate shareholders (shareholding %)
Asia Cement Corporation	Far Eastern New Century Corp (21%), Far Eastern Medical Foundation (5%), Yuanta/P Taiwan High Dividend Fund Account (5%), KGI Life Insurance Co Ltd (3%), Labor Pension Committee of Far Eastern New Century Corp (2%), Yuan Ding Investment Co Ltd (2%), Far Eastern Department Stores (1%), Yuan Ze University (1%), Chunghwa Post Co Ltd (1%), Far Eastern Y Z Hsu Science and Technology Memorial Foundation (1%)
Chunghwa Post Co Ltd	Ministry of Transportation and Communications (100%)
Der Ching Investment Corporation	Asia Cement Corporation (99.99%), Asia Investment Corp (0.01%)
Yuan Ding Investment Co Ltd	Far Eastern New Century Corp (100%)
Pai Ding Investment Co Ltd	Far Eastern Department Stores (67%), Pai Yang Investment Co Ltd (33%)
Ding Ding Business Consultation Co Ltd	Yue Tung Investment Co Ltd (40%), Da Chu Chemical Fiber Co Ltd (34%), Fu Da Transport Corp (16%), Asia Engineering Enterprise Co Ltd (5%), Pai Ding Investment Co Ltd (5%)
Yuan Ding Co Ltd	Far Eastern New Century Corp (37.1%), Asia Cement Corp (35.5%), Der Ching Investment Corp (14.5%), Yuan Ding Investment Co Ltd (12.9%), Yue Ming Trading Co Ltd (0.002%), Far Eastern Department Store (0.001%)

Name of corporation	Major corporate shareholders (shareholding %)
U-Ming Marine Transport Corporation	Asia Cement Corp (39%), Taiwan Cooperative Bank (1%), Yuan Ding Investment Co Ltd (1%), Yue Yuan Investment Co Ltd (1%), Asia Investment Corp (1%), HSBC entrusted with Mitsubishi UFJ Morgan Stanley Securities Exchange Account (1%), Cathay Life Insurance (1%), JPMorgan Chase Bank Taipei Branch entrusted with Japan Securities Finance Account (1%), DBS entrusted with JPMorgan Chase Account under the custody of Standard Chartered Bank (1%), Ya Li Transportation Corp (1%)
U-Ming Marine Transport (Singapore) Pte Ltd	U-Ming Marine Transport Corp (100%)
Yue Ding Industries Co Ltd	Fu Da Transport Corp (26.95%), Yue Tung Investment Co Ltd (25.36%), An He Apparel Co Ltd (15.66%), Ding Yuan International Co Ltd (13.20%), Tong Fu Investment Corporation (4.61%), Ya Li Precast Pre-stressed Concrete Industries Corp (3.89%), Da Chu Chemical Fiber Co Ltd (3.89%), Yuan Ding Investment Co Ltd (2.59%), Pai Ding Investment Co Ltd (2.31%), Ding Shen Investment Co Ltd (1.53%), Far Eastern Apparel Co Ltd (0.01%)

#### 1.1.4 Information of the Directors

##### (1) Disclosure of Directors' professional qualifications and Independent Directors' independence

Requirement Name	Professional qualifications & experiences	Independence	Concurrently serving as an Independent Director of another listed company
Douglas T. Hsu Chairman of the Board	Please refer to p6-p7, p10-p11 "Directors Information" for professional qualifications and experiences of Directors.  No Director is under any of the categories stated in Article 30 of the Company Act.	Not applicable	0
Johnny Shih Vice Chairman of the Board			0
Humphrey Cheng Director			0
Kao-Shan Wu Director			0
Justin Tsai Director			0
Eric Chueh Director			0
Alan Tsai Director			0
Bing Shen Director			1
Walt Cheng Independent Director		All the Independent Directors are fully complied with the following: (1) All the relevant stipulations pursuant to Article 14-2 of Securities & Exchange Act and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies of Financial Supervisory Commission. (2) Not an Independent Director, spouse or kinship within 2 <sup>nd</sup> tier holds a position as Director, Supervisor, or employee at the Company or its affiliate. (3) Not an Independent Director (or in others' name), spouse or underage child hold stock of the company. (4) Provided no business, legal, financial and accounting services to the company or its affiliates and/or rewarded with remuneration in the last two years.	1
Ping Lih Independent Director			0
An-Ming Wu Independent Director			1

#### ① Board diversification

##### Diversification policy:

The Company's Board is composed of 11 Directors, including 3 Independent Directors, one of which is female, targeting the respective independent and female Directors achieving one third of the Board seats. Current female Director is elected based on the individual expertise and dedication to the Company. Future election will be prioritized on female nomination to meet with the aforesaid target.

The Board members are experienced mostly in the operation of petrochemical and some in other industries, such as legal, accounting, finance, economy, marketing, and the like, in conformity with corporate governance goal in diversity. The Company adopts a candidate nomination system for Board election, evaluating the academic and career experiences of each member, in compliance with the "Procedures for Board of Director Election" and the "Corporate Governance Principles" to ensure diversity, independence and the integrity of stakeholders' opinions are taken into account.

Implementation:

Each Director is aware of and identified with the Company's overall management concept and business status, by way of his/her seasoned experiences in global political & economic status, law compliance, and international operation & manufacturing management.

To adapt to the changing of business environment, the Company's implementation status is as follows.

The Company has stipulated in Chapter 3 "Strengthening the Functions of the Board of Directors" of the "Corporate Governance Principles" that the composition of the Company's Board of Directors should consider diversity and possess the knowledge, skills and qualities necessary to perform their duties. Relevant exclusive courses are planned for the Board members to enhance their capability to achieve the ideal goal of corporate governance and keep pace with the times.

Name	Gender	Independent Directors Length of Tenure		Professional Knowledge & Skill			Diversified Core Strength								
		Under 6 years	3 to 6 years	Professional Background	Professional Qualification	Petrochemical Industry Experience	Operation Judgement	Management	Finance & Accounting	Commerce & Economy	Crisis Management	Industrial Knowledge	International Perspective	Decision-making Leadership	Chemical Engineering Chemistry
Douglas T Hsu	Male			Operation		V	V	V	V	V	V	V	V	V	V
Johnny Shih	Male			Operation		V	V	V	V	V	V	V	V	V	V
Humphrey Cheng	Male			Operation	Law	V	V	V	V	V	V	V	V	V	V
Kao-Shan Wu	Male			Operation		V	V	V	V	V	V	V	V	V	V
Justin Tsai	Male			Operation		V	V	V	V	V	V	V	V	V	V
Eric Chueh	Male			Operation		V	V	V	V	V	V	V	V	V	V
Alan Tasi	Male			Operation	Accountant	V	V	V	V	V	V	V	V	V	V
Bing Shen	Male			Finance		*	V	V	V	V	V	V	V	V	V
Walt Cheng	Male		V	Operation		V	V	V	V	V	V	V	V	V	V
Ping Lih	Female		V	Accounting	Accountant	*	V	V	V	V	V	V	V	V	V
An-Ming Wu	Male	V		Accounting	Accountant	*	V	V	V	V	V	V	V	V	

\* \* represents experience in other industry

## ② Board independence

The ratio of Independent Directors (3 persons) to the total Board of Directors (11 persons) is over one fourth of the Board.

## 1.2 Information on the Company President, Vice Presidents, Assistant Vice Presidents, and heads of all the Company divisions and branch units:

March 14, 2025

Job title	Nationality	Name	Gender	Date on which current position was assumed	Shares held when appointed		Shares held by spouse and minor children		Shares held in another person's name		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Managers as spouse or kinship of second degree		
					Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion			Job title	Name	Relationship
President	R.O.C.	Justin Tsai	M	2013.1.1	0	0.00%	0	0.00%	0	0.00%	President of Some Petrochemical Corporation EMBA, National Cheng Chi University Bachelor's in Chemical Engineering, Tunghai University	Director and President of Tong Fu Investment Corp., Director of Far Eastern Union Petrochemical (Yangzhou) Ltd., and Oriental Petrochemical Corp.	N/A	N/A	N/A
Chief Plant Manager Technical & Engineering Center Design & Engineering Dept. Instrument & Electrics Dept. Machinery Dept. QA & Analysis Dept. Vice President	R.O.C.	Y. S. Chang	M	2016.11.5	0	0.00%	0	0.00%	0	0.00%	Assistant Vice President of Technical & RD Center of OUCC Master's in Chemical Engineering, National Cheng Kung University	N/A	N/A	N/A	N/A
Deputy Chief Plant Manager Plant Administration Administration Dept. Procurement Dept. Logistics Dept. Assistant Vice President	R.O.C.	William Chen	M	2021.12.1	0	0.00%	0	0.00%	0	0.00%	Sr. Manager of Plant Administration Dept. of OUCC Master's in Science & Technology, National Kaohsiung University of Applied Sciences	N/A	N/A	N/A	N/A
Manufacturing Group I EOG Plant	R.O.C.	Martin Kuo	M	2018.3.20	1,073	0.00%	0	0.00%	0	0.00%	Sr. Manager of Manufacturing Group of OUCC	N/A	N/A	N/A	N/A



Job title	Nation-ality	Name	Gender	Date on which current position was assumed	Shares held when appointed		Shares held by spouse and minor children		Shares held in another person's name		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Managers as spouse or kinship of second degree		
					Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion			Job title	Name	Relationship
GAS Plant EA/EB/EC Plants Assistant Vice President											EMBA, National Cheng Kung University Bachelor's in Chemical Engineering, Feng Chia University				
Manufacturing Group II EDA Plants EOD Plants Utility Plant Assistant Vice President	R.O.C.	Y.T. Ko	M	2021.12.1	0	0.00%	0	0.00%	0	0.00%	Sr. Manager of Engineering Design Dept. of OUCC Master's in Mechanical and Electro-Mechanical Engineering, National Sun Yat-Sen University	N/A	N/A	N/A	N/A
R&D Center SC & Materials Dept. Advanced Process Dept. Pilot Plant Assistant Vice President	R.O.C.	Eric Hsu	M	2024.8.9	0	0.00%	0	0.00%	0	0.00%	Top R&D Engineer of Petrochemical Company Sr. Manager of Process Development Dept. of OUCC PhD in Chemical Engineering, National Tsing Hua University	N/A	N/A	N/A	N/A
HR & Administration HR Dept. IT Dept. Administration Dept. Assistant Vice President	R.O.C.	Daniel Yu	M	2021.12.1	45	0.00%	0	0.00%	0	0.00%	Deputy Chief Auditor of some transport company MBA of Cleveland State University, USA	Supervisor of Far Eastern Union Petrochemical (Yangzhou) Ltd, Director of Fu-Da Transport Corp. and Tong Fu Investment Corp.	N/A	N/A	N/A
Sales Division EOD Chemicals Sales Dept. Solvents & Amines Dept. Amine Derivatives Sales Dept.	R.O.C.	Wilson Lee	M	2023.8.14	50,000	0.00%	0	0.00%	0	0.00%	Sales Manager of some electronic chemical company Master's in Chemical Engineering, National Taiwan University	N/A	N/A	N/A	N/A

Job title	Nationality	Name	Gender	Date on which current position was assumed	Shares held when appointed		Shares held by spouse and minor children		Shares held in another person's name		Work experience (academic degree)	Position(s) held concurrently in the Company and/or in any other company	Managers as spouse or kinship of second degree		
					Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion			Job title	Name	Relationship
EOG Sales Dept. GAS Sales Dept. Assistant Vice President															
Finance Dept. Assistant Vice President	R.O.C.	David Chiang	M	2023.8.10	0	0.00%	0	0.00%	0	0.00%	Financial Officer of some textile company Master's in Accounting, National Taipei University	Supervisor of Tong Fu Investment Corporation	N/A	N/A	N/A
Accounting Dept. Assistant Vice President	R.O.C.	Allen Yu	M	2018.3.20	0	0.00%	0	0.00%	0	0.00%	Assistant VP of Admin. Dept. of Far Eastern Apparel Co. Ltd. EMBA, National Cheng Chi University	N/A	N/A	N/A	N/A
Audit Dept. Manager	R.O.C.	Vince Chou	M	2024.3.1	0	0.00%	0	0.00%	0	0.00%	Sr. Executive Specialist of Audit Dept. of OUCC Master's in Finance, Chang Jung Christian University	N/A	N/A	N/A	N/A
S.H.E. Dept. Sr. Manager	R.O.C.	Simon Chen	M	2022.8.16	0	0.00%	0	0.00%	0	0.00%	Manager of S.H.E. Dept. of OUCC Master's in Naval Architecture, National Taiwan University	N/A	N/A	N/A	N/A

## 2. Remuneration paid to Directors, Presidents, and Vice Presidents in the most recent year

### 2.1 Remuneration of Directors (Independent Directors included)

Currency unit: NTD thousand

Job title	Name	Remuneration of Director								The sum of A, B, C and D in proportion to Earnings	Remuneration in the capacity as employee								The sum of A, B, C, D, E, F and G to Earnings		Whether remuneration from any reinvestees other than subsidiaries is received?		
		Remuneration (A)		Pension (B)		Retained Earnings Distribution (C)		Professional practice (D)			Salaries, bonus and special subsidies (E)		Pension (F)		Employee bonus from earnings (G)								
		the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement		the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company		Companies included in the financial statement			the Company	Companies included in the financial statement
																	Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Director	Douglas T. Hsu																						
	Representatives of Far Eastern New Century: Johnny Shih, Humphrey Cheng, Kao-Shan Wu																						
	Representatives of Yue Ming Trading Co Ltd: Justin Tsai	0	0	0	0	0	0	984	984	984	984	20,194	20,314	0	0	0	0	0	0	21,178	21,298		
	Representative of Da Chu Chemical Fiber Co Ltd: Eric Chueh																			105.95 %	106.55 %	120,282	
	Representative of Yu Li Investment Co., Ltd.: Bing Shen, Alan Tsai																						
Independent Director	Walt Cheng																						
	Ping Lih	2,310	2,310	0	0	0	0	374	374	2,684	2,684	0	0	0	0	0	0	0	0	2,684	2,684		
	An-Ming Wu									13.43%	13.43%									13.43%	13.43%	0	
Remarks:																							
1. The remuneration paid by the Company to the Directors is in accordance with the provisions of the Company's Articles of Incorporation, and after the resolutions have been approved at the Remuneration Committee and the Board of Directors, it will be reported accordingly. The remuneration of Independent Directors shall be fixed according to their responsibilities. If they are concurrently the convener of the functional committee or a member of the Remuneration Committee, another fixed amount will be added. Directors' professional practice fees listed refer to fixed travel expenses.																							
2. Except as disclosed in the above table, the remuneration received by the Directors of the Company in the most recent year for providing services (such as serving as a consultant to non-employees of the parent company /all companies listed in the financial report /re-investment enterprises, etc.): None.																							
3. The professional practice fees listed above refer to the actual amount paid in 2024; no remuneration for Directors and employees is allocated on account of the loss before income tax in 2024.																							
4. The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonus.																							

## Breakdown of remuneration

Breakdown of remuneration of Directors	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	the Company	Companies included in the financial statement (H)	the Company	All investees (I)
Less than NT\$1,000,000	Douglas T. Hsu Representatives of Far Eastern New Century Corp: Johnny Shih, Humphrey Cheng, Kao-Shan Wu Representative of Yue Ming Trading Co Ltd: Justin Tsai Representative of Fu Da Transport Corporation: Eric Chueh Representative of Yu Li Investment Co Ltd: Alan Tsai Representative of Yu Li Investment Co Ltd: Bing Shen An-Ming Wu	Douglas T. Hsu Representatives of Far Eastern New Century Corp: Johnny Shih, Humphrey Cheng, Kao-Shan Wu Representative of Yue Ming Trading Co Ltd: Justin Tsai Representative of Fu Da Transport Corporation: Eric Chueh Representative of Yu Li Investment Co Ltd: Alan Tsai Representative of Yu Li Investment Co Ltd: Bing Shen An-Ming Wu	Representative of Fu Da Transport Corporation: Eric Chueh Representative of Yu Li Investment Co Ltd: Bing Shen Representative of Yu Li Investment Co Ltd: Alan Tsai An-Ming Wu	Representative of Yu Li Investment Co Ltd: Bing Shen An-Ming Wu
NT\$1,000,000 (inclusive)~NT\$2,000,000	Walt Cheng, Ping Lih	Walt Cheng, Ping Lih	Walt Cheng, Ping Lih	Walt Cheng, Ping Lih
NT\$2,000,000 (inclusive)~NT\$3,500,000			Representatives of Far Eastern New Century Corp: Johnny Shih, Humphrey Cheng, Kao-Shan Wu	
NT\$3,500,000 (inclusive)~NT\$5,000,000				
NT\$5,000,000 (inclusive)~NT\$10,000,000			Douglas T. Hsu Representatives of Yue Ming Trading Co Ltd: Justin Tsai	Representative of Yue Ming Trading Co Ltd: Justin Tsai Representative of Fu Da Transport Corporation: Eric Chueh Representative of Yu Li Investment Co Ltd: Alan Tsai
NT\$10,000,000 (inclusive)~NT\$15,000,000				Representatives of Far Eastern New Century Corp: Johnny Shih, Humphrey Cheng, Kao-Shan Wu
NT\$15,000,000 (inclusive)~NT\$30,000,000				
NT\$30,000,000 (inclusive)~NT\$50,000,000				
NT\$50,000,000 (inclusive)~NT\$100,000,000				Douglas T. Hsu
NT\$100,000,000 above				
Total	11 persons	11 persons	11 persons	11 persons

## 2.2 Remuneration of President and Vice Presidents

Currency unit: NTD thousand

Job title	Name	Salary (A)		Pension (B)		Salaries, bonus and special subsidies (C)		Employee bonus allocated from earnings (D)				The sum of A, B, C and D in proportion to Earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?
		the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company	Companies included in the financial statement	the Company		Companies included in the financial statement		the Company	Companies included in the financial statement	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
President	Justin Tsai	7,867	7,867	0	0	4,163	4,163	0	0	0	0	12,030 60.18%	12,150 60.78%	21
Vice President	Y.S. Chang													

Note 1: The Company and all companies in the consolidated financial statement neither issue shares nor issue warrants and options for purchasing common shares to employees as bonuses.

### Breakdown of remuneration

Breakdown of remuneration of President and Vice President	Names of President & Vice President	
	the Company	Companies included in the financial statement (E)
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive)~NT\$2,000,000		
NT\$2,000,000 (inclusive)~NT\$3,500,000		
NT\$3,500,000 (inclusive)~NT\$5,000,000	Y. S. Chang	Y. S. Chang
NT\$5,000,000 (inclusive)~NT\$10,000,000	Justin Tsai	Justin Tsai
Total	2 persons	2 persons

### 2.3 Remuneration Allocation of the Managerial Officers

Currency unit: NTD thousand

	Job title	Name	Stock dividend	Cash dividend	Total	Proportion to earnings after tax (%)
Managerial Officer	President	Justin Tsai	0	0	0	0%
	Vice President of Technical & Engineering Center	Y.S. Chang				
	Assistant VP of Plant Administration	William Chen				
	Assistant VP of Manufacturing Group I	Martin Kao				
	Assistant VP of Manufacturing Group II	Y.T. Ko				
	Assistant VP of R&D Center	Eric Hsu				
	Assistant VP of HR & Administration	Daniel Yu				
	Assistant VP of SC Business Group	Wilson Lee				
	Assistant VP of President Office	David Huang				
	Assistant VP of Finance Dept.	David Chiang				
	Assistant VP of Accounting Dept.	Allen Yu				
	Manager of Audit Dept.	Vince Chou				

### 2.4 Specify and compare the remuneration of Directors, President and Vice Presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements over the last two years, and specify the policies, standards, combinations, and procedures of decision-making for remuneration and their correlation with business performance and future risk:

2.4.1 Specify and compare the remuneration of Directors, President and Vice Presidents of the Company in proportion to the earnings after tax in the entity or individual financial statement of the Company and companies included in the consolidated financial statements over the last two years:

Item	Total remuneration of Directors, President, and Vice Presidents in proportion to the earnings after tax:	
Year	the Company	Consolidated financial statements
2024	139.90%	140.50%
2023	13.32%	13.37%

2.4.2 The policies, standards, combinations, procedures of decision-making of remunerations and their correlation with business performance and future risk:

Pursuant to Company Law and Article 33 of Articles of Incorporation, when there is a profit at the end of the year, the Company shall distribute 1%-2% of the profit as remuneration for employees and no more than 1% as remuneration for Directors. However, should there be any accumulated loss, the loss should be offset in advance. The remuneration for employees can be in stock or cash. Its actual proportion, amount, form or number of stocks shall be resolved at the Board of Directors' Meeting, with the consent of over half of the least two thirds of total Directors' attendant, prior to the Shareholders' Meeting. Same shall be applied to the Directors remuneration. The remuneration of Directors, President, Vice Presidents and managerial officers shall be distributed in accordance with the actual operation status of the Company as well as with references from the associates and past experiences. The remuneration distributed will be subject to the changes in allocation measure, structure and system in view of actual operation status, and to the adjustment conforming to reenactment of relevant statute mainly according to factors such as job accountability, overall environment, operating risk and market standard.

The remuneration for the Directors will be set pursuant to the "Procedures for the Board Performance Evaluation," in view of the overall operation performance, future management risks and development of the Company, as well as individual performance achievement and contribution to the Company, considering his/her fulfillment of the task and target, accountability awareness, participation in the operation, internal relations management and communication, expertise and continued education, as well as the internal control, prior to submitting to the Remuneration Committee for the relevant performance assessment and justness evaluation prior to the Board Meeting for approval. To keep balance of the sustainability and risk management of the Company, the remuneration system shall be reviewed at any time in accordance with the status quo of operation and the relevant statute.

### 3. Implementation of Corporate Governance

#### 3.1 Operations of Board of Directors

The Board held five meetings during the recent year. The attendance record of Directors is listed below:

Job title	Name	Actual attendance (participation)	Attendance by proxy	Actual attendance (participation) (%)	Remark
Chairman of the Board	Douglas T. Hsu	5	0	100%	Reelected. Date of reelection: 2024/6/12
Vice Chairman of the Board	Representative of Far Eastern New Century: Johnny Shih	5	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Far Eastern New Century: Humphrey Cheng	5	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Far Eastern New Century: Kao-Shan Wu	5	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Yue Ming Trading Co Ltd: Justin Tsai	5	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Da Chu Chemical Fiber Co Ltd: Eric Chueh	5	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Yu Li Investment Co Ltd: Bing Shen	5	0	100%	Reelected. Date of election: 2024/6/12
Director	Representative of Yu Li Investment Co Ltd: Alan Tsai	3	0	100%	Elected. Date of election: 2024/6/12
Independent Director	Walt Cheng	5	0	100%	Reelected. Date of reelection: 2024/6/12
Independent Director	Ping Lih	5	0	100%	Reelected. Date of reelection: 2024/6/12
Independent Director	An-Ming Wu	3	0	100%	Elected. Date of election: 2024/6/12

Other items to be specified:

- (1) Should one of the following occur, the meeting date, period, content of the resolution, opinions of all Independent Directors, and the Company's handling of the opinions of the Independent Directors shall be clearly stated:
  - i. All the listed items in Article 14-3 of the Securities and Exchange Act: please refer to the Board resolution on p56-p57.
  - ii. In addition to the items in board resolutions regarding which Independent Directors have voiced opposing or qualified opinions on the record or in writing: The Independent Directors voiced no opposing or qualified opinions on any of the Board's resolutions.
- (2) In instances where a Director's circumvention is due to conflict of interest, the minutes shall clearly state the Director's name, contents of the motion and resolution thereof, reason for such circumvention and the voting status: None
- (3) The assessment cycle, period, scope, measure and contents of Directors' self-appraisal are stated below:



Assessment Circle	Assessment Period	Assessment Scope	Assessment Measure	Assessment Content
Once every 3 years	Jan. 2024 to Dec. 2024	1. Board 2. Individual Director 3. Functional Committees (incl. Audit Committee and Remuneration Committee)	Board external assessment conducted by EY Business Advisory Services Inc.	Board assessment aspects, Structure, People, Process and Information, consist of Board structure, legal person and structure, role and duty, conduct and culture, continual education and development, risk control and supervision, declaration, disclosure and performance supervision.
Yearly	Jan. 2024 to Dec. 2024	1. Board  2. Individual Director  3. Functional Committees (incl. Audit Committee and Remuneration Committee)	Board internal assessment (Board Performance Appraisal Questionnaire)  Director's self-appraisal (Board of Director's Self-Appraisal Questionnaire)  Functional Committee internal assessment (Functional Committee internal assessment questionnaire)	Assessment aspects for the Board shall include the following: 1. Involvement in the Company's operation 2. Quality improvement of the functional committee's decision-making 3. Board composition and structure 4. Board election and continual education 5. Internal control  Assessment measures for the individual Director shall include the following: 1. Control of the corporate goal and mission 2. Cognition of Director's duty 3. Involvement in the Company's operation 4. Internal relation management and communication 5. The expertise and continual education of Directors 6. Internal control  Assessment measures for the functional committees shall include the following: 1. Involvement in the Company's operation 2. Cognition of functional committee's duty 3. Quality improvement of the functional committee's decision-making 4. The composition and assignment of the functional committee 5. Internal control

Measures undertaken during the current year and past year (including the establishment of the Audit Committee, improvement of info transparency, etc.) in order to strengthen the functions of the Board of Directors and assessment of such implementation: The important Board resolutions were notified at the Company's website, and Directors liability insurance were implemented, to improve the information transparency and secure shareholders' equity, as well as have the Audit Committee established for the supervision of Board's execution.

(4) The attendance record of the Independent Directors in 2024 and till the printing date of this annual report:

Date	2024/3/1	2024/4/30	2024/6/12	2024/8/5	2024/11/13	2025/3/3
Walt Cheng	V	V	V	V	V	V
Ping Lih	V	V	V	V	V	V
An-Ming Wu	-	-	V	V	V	V

Note: ‘ V ’ represents attendance, ‘\*’ attendance via proxy

An-Ming Wu was newly assigned on 12 June 2024.

### 3.2 Operations of the Audit Committee

The Audit Committee held six meetings during recent years. The attendance record of Independent Directors is listed below:

Job title	Name (Note 1)	Actual attendance (participation)	Attendance by proxy	Actual attendance (participation) (%) (Note 2)	Remark
Convener	C.T. Chan	6	0	100%	The Audit Committee of the company has been established since 8 June 2018. An-Ming Wu was newly assigned on 12 June 2024.
Independent Director	Ping Lih	6	0	100%	
Independent Director	An-Ming Wu	4	0	100%	

The Audit Committee of the Company, which consisted of all the Independent Directors, was established on 8 June 2018. The major issues regarding the Audit Committee meetings summoned quarterly at least included as follows:

- (1) The formulation or amendment of the Company’s internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
- (2) Efficiency evaluation of the Company’s internal control system.
- (3) The formulation or amendment of the Company’s major financial disposition procedures in regard to the acquisition or disposal of assets, engagement in the derivatives transactions, loans of funds, and endorsements and guarantees pursuant to Article 36-1 of the Securities and Exchange Act.
- (4) The interest inflicted issues concerning Directors of the Company.
- (5) The Company’s proposal on major assets or derivatives transactions.
- (6) The Company’s proposal on major loans of funds, endorsements and guarantees.
- (7) The Company’s proposal on offering issuance or private placement of equity-type securities.
- (8) The Company’s appointment, discharge or remuneration of the CPAs.
- (9) The Company’s appointment or discharge of financial, accounting or internal auditing officers.
- (10) The Company’s annual financial report.
- (11) The major issues of other companies or stipulation of competent authority.

➤ Financial statements review

The Board of Directors submitted the 2024 Business Report, Financial Statements, and the Resolution for the profit allocation, which were reviewed by the Audit Committee following the audition of CPAs, Wen-Ling Liu and Pai-De Chen of Deloitte & Touche. All were found in order.

➤ Appointment of CPAs

The independence and competence of the CPAs were evaluated by both the Audit Committee’s meeting and Board of Directors’ meeting held respectively on 29<sup>th</sup> and 30<sup>th</sup> April 2024. The CPAs have no interest or kinship of any kind with the Company and provide professional services with a fair and objective attitude. A Declaration of Independent in Fact of the CPAs as regulated was also provided by Deloitte & Touche.

Other items to be specified:

1. If the operation of the Audit Committee falls under any of the following circumstances, the date, session, motion of the Audit Committee meeting, the Independent Directors' objections, qualified opinions or major recommendations, resolutions of the Audit Committee, and the Company's response to the opinions of the Audit Committee shall be stated and dealt with.

(1) All the listed items mentioned above are pursuant to Article 14-5 of the Securities & Exchange Act.

Term of the Audit Committee Meeting	Major resolution & follow-up action	Items regarding Article 14-5 of Securities & Exchange Act	Audit Committee's resolution results and the Company's opinion on the follow-up
11 <sup>th</sup> meeting of 2 <sup>nd</sup> term 2024.2.29	1. Approval of the acquisition and disposal of the Company's assets 2. Approval of the Company's proposal on credit line agreements with the financial institutes 3. Approval of the Company's 2023 financial report (including individual report) 4. Approval of the Company's 2023 profit allocation 5. Approval of the Company's 2023 business report 6. Approval of the Company's Q4/2023 auditing report 7. Approval of the Company's 2023 Internal Control System Declaration 8. Approval of the Company's amendment to the "Meeting Rules of Board of Directors" 9. Approval of the Company's amendment to the "Audit Committee Charter" 10. Approval of the Company's change of Audit officer	V V V V V V V V V V	The proposals were passed unanimously by the Audit Committee and reported to the Board of Directors and approved unanimously.
12 <sup>th</sup> meeting of 2 <sup>nd</sup> term 2024.4.29	1. Approval of the acquisition and disposal of the Company's assets 2. Approval of the Company's proposal on credit line agreements with the financial institutes 3. Approval of the Company's guarantee proposal on the reinvestee's credit line with the financial institutes 4. Approval of the Company's periodical assessment of the CPAs' independence and competence 5. Approval of the Company's consolidated financial report Q1/2024 6. Approval of the Company's Q1/2024 auditing report	V V V V V V	
1 <sup>st</sup> meeting of 3 <sup>rd</sup> term 2024.6.12	1. Approval of the election of the 3 <sup>rd</sup> term of Audit Committee meeting convener and meeting chairperson		
2 <sup>nd</sup> meeting of 3 <sup>rd</sup> term 2024.8.2	1. Approval of the acquisition and disposal of the Company's assets	V	
	2. Approval of the Company's proposal on credit line agreements with the financial institutes 3. Approval of the Company's proposal on customers' credit line control	V	

Term of the Audit Committee Meeting	Major resolution & follow-up action	Items regarding Article 14-5 of Securities & Exchange Act	Audit Committee's resolution results and the Company's opinion on the follow-up
	4. Approval of the Company's consolidated financial report Q2/2024 5. Approval of the change of the Company's CPAs 6. Approval of the Company's Q2/2024 auditing report 7. Approval of the proposal for the EB debottlenecking project in Linyuan plant 8. Approval of the proposal for the EA debottlenecking project in Linyuan plant 9. Approval of the proposal for the recycling improvement of HPEO project in Linyuan plant	V V V V V	
3 <sup>rd</sup> meeting of 3 <sup>rd</sup> term 2024.11.12	1. Approval of the acquisition and disposal of the Company's assets 2. Approval of the Company's proposal on credit line agreements with the financial institutes 3. Approval of the Company's consolidated financial report Q3/2024 4. Approval of the Company's Q3/2024 auditing report 5. Approval of the amendment to the Company's "Rules Governing Financial and Business Matters between the Company and Its Related Parties" 6. Approval of the amendment to the Company's "Procedures for the ESG Report Preparation and Assurance" 7. Approval of the Company's 2024 auditing plan	V V V V V V	
4 <sup>th</sup> meeting of 3 <sup>rd</sup> term 2025.2.27	1. Approval of the acquisition and disposal of the Company's assets 2. Approval of the Company's proposal on credit line agreements with the financial institutes 3. Approval of the Company's 2024 financial report (including individual report) 4. Approval of the Company's 2024 profit allocation 5. Approval of the Company's 2024 business report 6. Approval of the Company's Q4/2024 auditing report 7. Approval of the Company's 2024 Internal Control System Declaration	V V V V V V V	

(2) Any other item which was not approved by the Audit Committee, yet resolved by two thirds of the Board of Directors, is necessary for the date, session, and motion of the Board meeting, and the resolution of the Audit Committee as well as the Company's response to the opinion of the Audit Committee to be specifically stated:  
N/A

2. In instances where an Independent Director's circumvention is due to the conflict of interest, the minutes shall clearly state the Independent Director's name, contents of the motion and resolution thereof, reason for such circumvention and the voting status: N/A

3. Communication between Independent Directors and internal audit officer and CPAs: (e.g. the material items, methods and results of the discussion regarding the Company's financial and business status)

- (1) In addition to each audit report submitted to the Independent Directors the following month upon completion, the audit officer reported on the auditing execution, the important internal audit issues at each quarterly held Audit Committee meeting. A meeting minutes would be composed of and forwarded to the Audit Committee before reporting to the Board. The Independent Directors and audit officer kept in good communication.
- (2) The CPAs of the Company communicated with Independent Directors quarterly regarding the review results of the quarterly financial statements and shall report instantly to the Audit Committee if any of the unusual may occur. In 2024, The Audit Committee and the CPAs were kept in good communications, with none of the unusual occurred.

Date of the Meeting	Communication status with the auditing officer	Communication status with the CPAs
2024.2.29	The Company's Q4/2023 audit report The Company's 2023 Internal Control System Declaration	The Company's 2023 financial report audit
2024.4.29	The Company's Q1/2024 audit report	The Company's Q1/2024 consolidated financial report audit The Company's periodical assessment of the CPA's independence and competence according to AQIs
2024.8.2	The Company's Q2/2024 audit report	The Company's Q2/2024 consolidated financial report audit
2024.11.12 (Individual communication)	The Company's Q3/2024 audit report The Company's 2025 internal audit plan	The issues communicated: 1. Declaration of Independence 2. Audit scope and measures 3. Major accounting policy, estimation, pivotal incident or trade 4. Other communication issues 5. Annual audit plan 6. Notable risks 7. Critical audit issues 8. Stipulations update
2025.2.27 (Individual communication)	The Company's Q4/2024 audit report The Company's 2024 Internal Control System Declaration	The issues communicated: 1. Declaration of Independence 2. Audit scope and measures 3. Major accounting policy, estimation, pivotal incident or trade 4. Critical audit issues 5. Other communication issues

### 3.3 Corporate Governance Execution Results and Deviations from “Corporate Governance Best-Practice Principles for TWSE / GTSM Listed Companies”

Item	Implementation Status			Deviations from “Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies” and reasons
	Yes	No	Summary	
1. Has the Company formulated and disclosed its own corporate governance best-practice principles in accordance with “Corporate Governance Best-Practice Principles for TWSE-GTSM Listed Companies”?	V		The Company has formulated “Corporate Governance Principles” and reviewed regularly to strengthen its system and structure. The same has also been disclosed through the Company’s website accordingly.	None
2. Shareholding Structure & Shareholders’ Equity				
(1) Has the Company established internal operating procedures to handle shareholder proposals, doubts, disputes, and litigation-related issues, and practically implemented such procedures?	V		(1) The Company has had a specific section of the Corporate Governance Principles regarding to the implementation of securing shareholders’ equity, and established communication channels with the investors through its website, and with dedicated spokesman and IR representative to respond to shareholders’ proposals and questions. Shareholders and investors’ opinions or business enquiry can also be raised via Investment section on the website ( <a href="https://www.oucc.com.tw">https://www.oucc.com.tw</a> ).	None
(2) Has the Company kept the lists of its major shareholders and the ultimate owners of such major shareholders?	V		(2) The Company’s Financial Dept. holds the lists of its major shareholders and such ultimate owners, and reports for the info update pursuant to regulation of the listed companies.	
(3) Has the Company established risks control and firewall mechanism with its affiliates?	V		(3) The operating management and financial operation between the Company and its affiliates run independently and are carried out in accordance with "Regulations Governing Transactions with Related Parties," "Procedures for Acquisition or Disposal of Assets," "Procedures for Capital Lending to Others" and "Procedures for Endorsements/Guarantees." Adequate risks control and firewall mechanism have been established.	
(4) Has the Company established the internal rules to prohibit its insiders from trading securities by using info not yet disclosed to the market?	V		(4) The Company has formulated and posted on its website the “Procedures for Handling Material Inside Information,” prohibiting its insiders from trading securities by using undisclosed info, as well as “Codes of Ethics” and “Best Practice Principles”	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			established to guide and constrain the conduct of its employees and advocates and applies such concepts to its day-to-day operation. Recruit need to sign a NDA when report to work.	
3. Composition and Responsibilities of the Board of Directors				
(1) Have the Board members formulated diverse policies and operative goals for implementation accordingly?	V		(1) The Company has established the candidate nomination system according to its Corporate Governance Principles to assess the candidate's academic and professional experiences in terms of the Board member nomination and selection and follows the "Procedures for the Board Election" and "Corporate Governance Principles" to ensure the diversity, independence of the Board member and the opinions of the stakeholders will be considered. The Company's Board members of the 17 <sup>th</sup> term have been seasoned in business management, strategic leadership and industry related know-how. Some of the members are experienced in chemical industry management, law and accounting, etc. Please refer to p10-p11 for detailed diverse policies implementation.	None
(2) In addition to the Remuneration Committee and Audit Committee, has the Company established any other types of functional committee?	V		(2) The Company has established the Remuneration Committee and Audit Committee as stipulated.	Other functional committees will be established accordingly.
(3) Has the Company established Board performance assessment method and has the performance evaluated annually, and reported to the Board, which will be referenced as base for remuneration and nomination of each Director?	V		(3) According to the Corporate Governance Best Practice Principles of the Listed Companies, the Company has formulated the Assessment Method for the Board Performance and had it approved at the 6 March 2017 Board meeting. Periodical evaluation meeting conducted by Board members and the Board meeting organizing unit will be held annually by way of self-appraisal, following the five aspects: involvement in the Company's business operation, enhancement of the Board's decision-making, Board's	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(4) Has the Company evaluated the independence of CPAs on a regular basis?	V		<p>composition and structure, Directors' appointment and continued training, and internal control, etc. So has the functional committee's performance assessment been established after being approved by the Board meeting held at 7 November 2019. The performance assessment result of the Board and functional committees in 2024 were rated as "All Good," as the Board, functional committees and Board members were all fully aware of their accountabilities, the corporate operation and environment, and enhanced the overall quality in decision-making. Additionally, the Board held on 7 Nov 2019 approved the Assessment Method for the Board Performance to be assessed by professional, independent institute or scholars externally at least every 3 years. The Company had its Board external assessment conducted by EY Business Advisory Services Inc. in 2024, featuring aspects of Structure, People, Process and Information, and was scored "Advanced", "Advanced" and "Benchmarked" respectively, with recommendations in line with involvement in operation engagement, obligation cognition, decision-making quality, goal and mission control, composition and structure, assignment and continual education, and internal control, which were reported to the Remuneration Committee meeting held in 27 Feb. 2025. Relevant countermeasures for improvement, enforcement of Board structure, necessity assessment for the establishment of Risk Management Committee and Sustainability Committee, as well as the Board composition diversity strengthening regarding candidates lists and numbers upon the reelection as regulated.</p> <p>(4) The Company evaluates the independence and competence of the CPAs once a year and reports to the Board of the results prior to the discussion and approval of the Audit</p>	None



Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			Committee. In addition to the CPA's requested "Declaration of Independence in Fact", an assessment referring to Audit Quality Indicators, stating that the CPA has no interest or kinships with the Company, and provides professional services in fair and objective manner, in line with independence and competence as stipulated, and further approved by the Board meeting held on 30 April 2024. Please refer to Note 1 for details.	
4. Has the Company allocated competent and appropriate numbers of corporate governance personnel, and assign corporate governance officer in charge of the corporate governance related businesses, which include but not limited to the provision of Directors and Supervisors' execution info, the proceeding of Board and Shareholders' meetings and the related pursuant to the regulation, as well as the producing of the Board and Shareholders' meetings minutes, and so on?	V		<p>The Company's Board has approved of the establishment of Corporate Governance Officer, the top officer of HR &amp; Administration, to be in charge of corporate governance related affairs at the meeting held on 18 March 2021. The Officer is responsible for the convening of Board and Shareholders' meetings, production of the Board and Shareholders' meeting minutes, assisting in terms of assignment and continued training program of Directors, and provision of required information for business operation, as well as compliance of laws and regulations for the Board. The corporate governance implementation in 2024 included:</p> <p>(1) The Board meeting and the related: 5 times  (2) The Audit Committee meeting and the related: 5 times  (3) The Remuneration Committee meeting and the related: 2 times  (4) Arrangement for Directors continual training program: 11 persons &amp; 81 hours in total  (5) Submission of CSR report.</p> <p>The mandatory training for the Corporate Governance Officer, Daniel Yu of HR &amp; Administration, within a year since appointed is 18 hours at least the first year and followed by a minimum of 12 hours annually afterwards.</p>	None
5. Has the Company established a communication channel for the stakeholders (including but not limited to the shareholders, employees, clients and suppliers, etc.), a company website dedicated to stakeholders, and responded appropriately to the social responsibility issues which are critical to stakeholders?	V		<p>The Company has delegated a spokesman, acting spokesman, investor relations, and a company stock service agent, and assigned a CSR section on the company website (<a href="https://www.oucc.com.tw/en/csr-99-page470">https://www.oucc.com.tw/en/csr-99-page470</a>) with a questionnaire and a contact email address to be responded by the designated personnel of the IR.</p>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
6. Has the Company commissioned a professional stock agent to handle shareholders' affair?	V		The Company has commissioned a professional stock agent Oriental Securities Corporation to handle shareholders' affairs.	None
7. Information Disclosure				
(1) Has the Company established a website for info disclosure on financial, business and corporate governance?	V		(1) The Company has established a website in both Chinese and English ( <a href="https://www.oucc.com.tw">https://www.oucc.com.tw</a> ) for info disclosure on financial, business, corporate governance, and other important info.	None
(2) Has the Company also adopted other disclosure measures such as English website, dedicated personnel for collecting & disclosing of company info, implemented spokesman system, and uploaded the institutional investor conference presentations on the Company's website?	V		(2) The Company has established a Chinese and English website, and dedicated personnel in charge of collecting and disclosing info regarding finance, business, institutional investor conference and the related, as well as implemented spokesman system by delegating spokesman, acting spokesman, and investor relations.	
(3) Has the Company announced and declared the annual financial report within two months after end of the fiscal year, and announced Q1, Q2, Q3 financial report and monthly operating performance within prescribed time limit?	V		(3) The Company announced and declared its annual financial report in advance and announced the quarterly financial report and monthly operating performance pursuant to the law and regulation.	
8. Does the Company have other critical information which can help others to understand the implementation of corporate governance (including but not limited to employee welfare, staff care, investor relations, supplier relations, stakeholder rights, Director training status, risk management policies, implementation statuses of risk measurement standard and customer policy, as well as the Company's purchase of liability insurance for Directors)?	V		For further details of the corporate governance operation of the Company and its subsidiaries, please refer to 3.8 <i>Other information enabling a better understanding of Company corporate governance</i> on p49-p54.	None
9. Please state the improvement status quo of the latest Corporate Governance Evaluation results announced by the Corporate Governance Center of TWSE, and the prioritized items and measures to be adopted:				
1. In 2024, the Company held a hybrid shareholders meeting, supported by video conference.				
2. The Company's Board Meeting held on 13 November 2024 approved the amendment to the Rules Governing Finance and Business Matters between OUCC and its Related Parties.				

Note 1: Evaluation standards for CPAs independence (in accordance with the Norm of CPAs Professional Ethics)

Evaluation Items	Evaluation Result	Whether to meet w / independence (yes or no)
1. Whether or not the CPAs have direct, or indirect, critical financial interest related to the Company.	No	Yes
2. Whether or not the CPAs involve in any financing or guarantees with the Company of its Directors.	No	Yes
3. Whether or not the CPAs are related to the Company in regard to business or potential employment.	No	Yes
4. Whether or not the CPAs or his/her auditing team have been appointed as Director, managerial officer or other posts which have had material influence on the auditing of the Company in the last two years.	No	Yes
5. Whether or not the CPAs provide non-auditing services, which may have a direct impact on the auditing conducted to the Company.	No	Yes
6. Have the CPAs been the agency of the Company's stocks or other securities?	No	Yes
7. Have the CPAs defended or represented the Company in coordinating the conflicts with the third party?	No	Yes
8. Whether or not the CPAs are relatives to the Director, managerial officer or other post which has material influence on the auditing of the Company.	No	Yes

Evaluation standards for CPAs competence (in accordance with the AQIs assessment report)

Evaluation Items	Evaluation Results	Whether to meet w / competence (yes or no)
1. Professionalization: audit experience, training hours, turnover rate, professional support	The team's experiences and training are superior to that of the associates.	Yes
2. Quality control: CPA workload, audit dedication, project quality control rectification and approval, and quality control support capability	Dedicated time for auditing and supervision provided are superior to that of the associates.	Yes
3. Independence: non-audit services, client familiarity	With high familiarity with customers, and low ratio in non-auditing services.	Yes
4. Supervision: external audit deficiency and discipline, notification for improvement from competent authority	No occurrence of deficiency in recent year.	Yes
5. Innovation: innovative planning or advocacy	Introduced cloud platforms and tools to enhance efficiency.	Yes

### 3.4 Establishment, functions, and operations of the Remuneration Committee:

#### 3.4.1 Members of the Remuneration Committee

ID	Requirements Name	Professional qualifications & experiences	Independence criteria	Number of other public companies where the person holds the title as Remuneration Committee member
Convener & Independent Director	An-Ming Wu	Please refer to table 1 of Directors Information on page 10-11 for relevant information.	All members of the Remuneration Committee meet the following requirements: 1. Comply with Article 14-6 of the Securities and Exchange Act and the relevant provisions of the "Regulations on the Establishment and Exercise of Powers of the Compensation Committee of Companies with Listed or Over-the-Counter Securities Transactions" promulgated by the Financial	1
Independent Director	Walt Cheng			1
Others	J. W. Huang	Ex-AVP of HR Department of Far Eastern Department Stores		1

ID	Requirements	Professional qualifications & experiences	Independence criteria	Number of other public companies where the person holds the title as Remuneration Committee member
	Name			
			Supervisory Commission. 2. Not an employee of the Company or its affiliated enterprises. 3. No remuneration received for providing business, legal, financial, accounting, etc. services to the Company or its affiliated companies in the past two years.	

### 3.4.2 Operations of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.
- (2) Current term of office: August 3, 2024~June 12, 2027. The Committee held 2 meetings (A) in the recent year and the attendance of the Committee members is summarized as follows:

Job title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remark
Convener	An-Ming Wu	1	0	100%	Newly assigned on August 5, 2024
Member	Walt Cheng	2	0	100%	
Member	J. W. Huang	2	0	100%	
Other notes:					
1. Should the Board of Directors adopt or rectify no suggestions of the Remuneration Committee, the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions shall be specified (If the remuneration ratified by the Board of Directors is superior than that suggested by the Remuneration Committee, the deviation and reasons thereof should be stated): N/A					
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions should be stated: N/A					

### (3) The proposals and resolutions of the Remuneration Committee meetings in 2024

Term of the Remuneration Committee Meeting	Major resolution & follow-up action	Remuneration Committee's resolution results and the Company's opinion on the follow-up
6 <sup>th</sup> meeting of 5 <sup>th</sup> term 2024.2.29	1. The implementation report of the 2023 Board performance evaluation of the Company 2. The Company's proposal on the 2023 Board of Directors remuneration and employees' compensation	The proposals were passed unanimously by the Remuneration Committee and reported to the Board of Directors and approved unanimously.
1 <sup>st</sup> meeting of 6 <sup>th</sup> term 2024.11.12	1. The 2023 remuneration of the Company in comparison with petrochemical industry associates	
2 <sup>nd</sup> meeting of 6 <sup>th</sup> term 2025.2.27	1. The implementation report of the 2024 Board performance evaluation of the Company 2. The amendment to the Company's Articles of Incorporation 3. The Company's proposal on the 2024 Board of Directors remuneration and employees' compensation	

**3.5 Implementation of Sustainable Development and Deviations from Sustainable Development Best Practice Principles for Listed Companies and reasons thereof**

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
1. Has the Company established the sustainable development governance unit as full-time (part-time), of which in-charge top management is authorized and supervised by the Board?	V		<p>(1) The Company has set up an ESG Development Committee, which consists of sustainable environment, product responsibility, social inclusion, corporate governance teams based on the materiality for relevant risk assessment of corporate operation, and responsible for formulating corporate sustainability policies, coordinating and promoting corporate sustainability action plans. The Board of Directors, as ESG top guiding unit to which the ESG Development Committee reports regularly on the ESG implementation and plan, supervises the promotion of the Company's sustainable development strategies. In 2024, the ESG Development Committee held 3 meetings</p> <p>(2) The Board's supervision on sustainable development : The Board stipulated relevant risk management policy or strategy regarding sustainable environment (water resource management and carbon footprint certification), product responsibility (green procurement), social inclusion (friendly workplace), corporate governance (IT security), as well as the ESG report implementation, to facilitate the Board's supervision and control of the relevant ESG issues, according to the risk assessment report submitted by ESG Development Committee at the Board meetings held on 5 August and 13 November 2024 respectively. (Please refer to OUCC ESG report at <a href="https://www.oucc.com.tw/csr">https://www.oucc.com.tw/csr</a>)</p>	None
2. Has the Company conducted risk assessments on environmental, social and corporate governance issues according to the principle of materiality, and formulated relevant risk management policies or strategies?	V		To strengthen corporate governance and enable robust risk management, the Company formulated the Risk Management Policies. The risk assessment and analysis conducted on environmental, social and corporate governance issues are based on the principle of materiality, and a countermeasure proposal will be formulated in line with the sustainable development goals in short-, mid-, and long-term. (please refer to the Company's ESG report for details)	None

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
3. Environmental issues				
(1) Has the Company established an environmental management system appropriate to the characteristics of its industry?	V		(1) According to its industry characteristics, the Company has formulated the complete SHE implementation measures and fulfilled the "ISO-45001 Occupational Health & Safety Management System" and "ISO-14001 Environmental Protection Management System" with continuous certification from the third-party unit.	None
(2) Has the Company been striving to reinforce its resource usage efficiency, improving its use of recyclable materials to reduce the impact on the environment?	V		(2) The Company has been dedicating to the recycling of resources, which includes the implementation of ethylene recycling system, which raises the production efficiency and reduces raw material consumption rate, and the investment in wastewater & exhaust gas recycling, targeting at the recycle of 70% wastewater and 90% CO <sub>2</sub> generated during production.	
(3) Has the Company assessed the current and potential impact of climate change on its operations, and adopted countermeasures on such regard?	V		(3) The Company actively counteracts to the risks resulted from climate change, adopts the "Task Force on Climate-related Financial Disclosure" framework (TCFD) to inventory, evaluate and disclose the impact of climate change, and formulate energy conservation and carbon reduction utilization strategies, reduce the impact of natural disasters on the factory caused by extreme climate or related external forces, and continue investment on the improvement of process energy consumption, as the action plan of the Company in response to the climate change, so as to reduce the possible impact of climate change risks on the operation.	
(4) Has the Company analyzed its GHG emission, water consumption volume, and total waste weights in the last two years, and developed management policies in such regard?	V		(4) The figures analyzed in such regard for the past 2 years are disclosed in the annual ESG report. The relevant policies for energy saving, GHG and water usage reduction, as well as waste management have also been formulated.	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
4. Social issues				
(1) Has the Company formulated management policies and procedures according to the related laws and int'l covenants on human rights?	V		(1) The Company safeguards the basic human rights of its employees pursuant to the labor laws and regulations, supports and complies with the int'l conventions on human rights, including the Universal Declaration of Human Rights (UDHR), the United Nations Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, in the hope of eliminating any acts that may infringe or violate the human rights and enhancing the human rights awareness of both its personnel and the stakeholders.	None
(2) Has the Company formulated and applied reasonable welfare measures, such as salary, vacation leaves and other benefits, and had the Company's operating performance or results incorporated appropriately in the salary of employees?	V		(2) Employee welfare measures: The Company's employee welfare committee handles various welfare activities, including organization of employee tours, establishment of badminton club, softball club, etc., in addition to the allocation of proportioned welfare fund for the subsidies of birthday, marriage, funeral, childbirth, festivals and the like. The operation performance reflected in employee remuneration: Pursuant to Article 33 of Articles of Incorporation, when there is profit at the end of the year, the Company shall distribute 1%-2% of the profit as remuneration for employees and no more than 1% as remuneration for Directors. However, should there be any accumulated loss, the loss should be offset in advance. With the established remuneration-related management measures and policy regularly reviewed, the Company has both its operating results, and the employee performance properly linked.	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Has the Company provided its employees with a safe and healthy work environment, and regularly implemented employee safety and health education?	V		<p>(3) In order to ensure employee safety and health effectively, implement relevant education and promulgation, the Company has set up fire protection measures, as well as a clinic on plant site with contracted physician, professional nursing staff and equipment, with employee health examination conducted each year.</p> <p>a) Promote incentive system for proposals of false alarm and safety recommendation, to eliminate the potential jeopardy of the workplace and enhance safety.</p> <p>b) Establish a vocational care program to conduct employee health checks, health management &amp; improvement, and have a doctor stationed at plant site once per month to provide health consultation.</p> <p>c) Conduct SHE trainings such as instances of occupational incidents, comprehension improvement for chemical damage and precautionary measures.</p> <p>d) Total vocational accident in 2024: 1</p> <p>e) Total fire accident in 2024: 0</p> <p>The number of casualties and their ratio to the total headcount: 0</p> <p>Fire accident countermeasure: N/A</p>	None
(4) Has the Company developed an effective career planning and training program for its employees?	V		<p>(4) The Company values its human resource development, and has complete training programs of short, mid and long term planned for its employees according to the demand of each position, to improve employee's professional skill. The program includes new employee training, position required training, professional training, and mandatory training. The total internal and external training in 2024 is 11,416 hours.</p>	
(5) Has the Company provided health and safety to customers in terms of products and services, customer privacy, marketing and labeling in accordance with relevant regulations and international standards, and formulated policy and grievance procedure for the protection of consumer or customer rights and interests?	V		<p>(5) The Company attaches great value to its product quality and customer rights and interests, obtains ISO-9001 Quality Management certification, and formulates the management policy and grievance procedure in conformity with the relevant regulations and international standards to protect consumer rights and interests.</p>	



Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(6) Has the Company formulated the supplier management policy to request for the regulation compliance of supplier in terms of issues in environmental-friendliness, vocational safety & health, and labor rights, and such implementation status?	V		(6) The Company has formulated the supplier management policy on request of the suppliers' regulation compliance in terms of issues in environmental-friendliness, vocational safety & health, and labor rights, and disclosed the implementation and results in its annual ESG report and at the company website.	None
5. Has the Company taken reference of international principles or guidelines for ESG compilation to disclose non-financial information in its ESG report? Whether or not such report was verified or reassured by the third-party unit?	V		The published ESG reports of the Company were compiled in accordance with the Global Reporting Initiative (GRI) Standards Guideline, SASB Index for Chemicals, and AA1000 (2008) standards, and verified by SGS-Taiwan and EY Business Advisory Services Inc. in conformity with the GRI Standards (Core Option), AA1000 AS Type I intermediate assurance level, and ISAE 3000 independent assurance.	
6. If the Company has established its best-practice principles in accordance with the ESG Best-Practice Principles for TWSE/GTSM Listed Companies, please clearly describe the functioning of such principles and any discrepancies: Pursuant to the aforementioned Principles, the Company has its "Corporate Sustainability Development Policy" enacted and approved by the Board in 2022, to fulfill its corporate social responsibility to advance the development in economy, society, environmental balance and sustainability through its efforts in the green products development, obtaining eco-friendly certifications for environmental protection, as well as participating in the social public welfare activities. All the relevant info is publicized at the Company's website and the MOPS.				
7. Other important information to facilitate a better understanding of the Company's sustainability development practices: (1) The working environment and employee's personal safety protection measures: a) To prevent occupational disasters and ensure employee safety, the Company has established "contingency plans", perform practice drills, so to take rapid and systematic measures against fire, leakage, typhoon, earthquake, war, traffic accidents, reporting, as well as for evacuation and recovery, to mitigate injury and loss as much as possible. b) All the substance safety data sheets for raw materials, supplies and products are available throughout the premises, and accessible on intranet to help personnel take any necessary corrective action and ensure the safety of the personnel as well as the factory. c) The production process zones are equipped with fire protection equipment such as automatic sprinkler systems which may be automatic, manual or remote controlled, to ensure the safety of the personnel as well as the factory. d) Monitoring stations for combustible gas, EO, NH3, H2, and wastewater (COD, pH) are installed within the production areas, so that any leakage or abnormal situation may be detected and remedied/eliminated immediately. e) Established procedures for hot/hazardous work, and confined space entrance to ensure the safety of personnel and equipment. f) Implement the contractor's safety training and requirements according to employee safety criteria to ensure the safety of personnel accessing the factory. g) Organize health examinations for employees to detect health problems as early as possible and take prompt action to protect employees' health.				

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
<p>(2) Safety, Health, and Environmental (SHE) Policy</p> <p>a) To Commit to SHE and Comply with Laws and Regulations To ensure commitment in conformity with laws and regulations, or other requirements in regard with SHE.</p> <p>b) To Commit to Continuous Improvement of the SHE Management System To establish the SHE performance evaluation index for the company, and to continue enhancing the SHE management performance through monitoring, review and improvement.</p> <p>c) To Implement Full Participation and Continuous Improvement To attend to the SHE requirements and improve SHE performance through the consultation and participation mechanism for the workers or their representatives, and by means of regular monitoring, review and management.</p> <p>d) To Eliminate Hazards to Reduce SHE Risks To implement hazard identification and risk assessment, strengthen sources management, and eliminate hazards to reduce risks by means of engineering control or management measures.</p> <p>e) To Conform to Environmental Protection and Implement Pollution Prevention To ensure commitment to continuous improvement in pollution prevention, creating a higher quality and environmentally friendly work environment.</p> <p>f) To Provide Safe Environment and Healthy Workplace To establish an intrinsically safe work environment and develop a friendly and healthy workplace as a cultivation of SHE.</p> <p>g) To Disclose to Stakeholders To value bilateral communications and divulge proactively the company's SHE policy and related information to employees, contractors, customers, suppliers, and other stakeholders to impel positive changes of SHE.</p> <p>(3) Verification of SHE management system The Company obtained certification of ISO-14001 in 1999, and regained it in 2020, whereas OHSAS-18001 obtained certification in 2002, regained in 2020 after its transformation to ISO-45001, as well as in 2023. Far Eastern Union Petrochemical (Yangzhou) Ltd. (FUPY) completed the certificate renewal of the IMS for safety, environment and quality in May 2024, as well as certificate audit of safety production standardization in December. An inspection of material hazard source management was conducted by the emergency organization of Jiangsu Province in June, with no hidden dangers found. Moreover, permits of safety production, hazardous chemical operation, installation of mobile pressure containers, and hazardous chemical registration were obtained and renewed in 2024.</p> <p>(4) Community participation, social service and social public welfare The total amount of donation to the public welfare group in 2024 exceeded NTD4.10 MM, including a subtotal of NTD3.97 MM sponsored for community activities.</p> <p>a) The Company takes its responsibility and obligations as a member of the Taiwan Responsible Care Association seriously and participates in regular training and other activities.</p> <p>b) As a member of the Industrial Safety and Health Association of the ROC and TIGA, the Company shares ideas and experiences in the promotion of SHE with other members from time to time.</p> <p>c) The Company subscribes to the good-neighbor fund operated jointly by Linyuan Factories each year to sponsor local celebrations over the Lunar New Year holidays, Dragon Boat and Moon Festivals, and other social activities (including environmental protection, economic construction and cultural observation).</p> <p>(5) For the review of the Company’s ESG Report, please refer to the website at <a href="https://www.oucc.com.tw/en/csr-107-page472">https://www.oucc.com.tw/en/csr-107-page472</a>.</p>				

### 3.6 Company's Climate-related Information

#### 3.6.1 Implementation of Climate-related Information

Item	Implementation Status		
1. Description of the oversight and governance by the Board of Directors and the management on climate-related risks and opportunities	<p>To cope with the high uncertainty of climate and the rapid changes in policies and markets, and to timely grasp and estimate the possible impacts of climate change, the Company regularly convenes senior executives from various departments to identify major climate risks and opportunities. At the same time, the risks of floods, droughts, typhoons and high temperatures which may bring to each operating location are further assessed for the Company's comprehensive planning over its operational strategy in line with the climate change and market dynamics of the external environment.</p> <p>The Board of Directors, as the highest level of climate governance, oversees the company's climate change-related strategies and management policies, and has established a "Corporate Sustainability Development Committee" with the President as the convener. The production, business and administrative departments jointly promote the climate risk mitigation and adaptation and low-carbon transformation of the Company's production business; greenhouse gas and energy management-related businesses are coordinated by the SHE Department and the President's Office; the Corporate Sustainability Development Committee is responsible for summarizing various sustainability performance and regularly reporting climate change-related issues at the Board meetings and internal meetings.</p> <p>To fully understand the impact of climate-related risks and opportunities on the Company's production business, a climate risk and opportunity management system has been established. The Corporate Sustainability Development Committee is responsible for promoting the management of climate-related risks and opportunities and regularly reporting to the governance level to implement a top-down tracking and supervision mechanism from the Board of Directors.</p>		
2. Description of how the identified climate risks and opportunities affect the businesses, strategies, and finances of the Company (in the short, medium, and long term)	<p>To strengthen the organization's climate resilience, the Company is seeking proactively the solution to the impact of operation and finance from climate change. The potential impact on the Company's operation and finance assessed and relevant action plans are divided as short term (2025), medium term (2026-2030) to long term (2031-2050).</p> <p>According to TCFD framework, the Company has established complete identification procedures of climate-related risks and opportunities in terms of financial factors.</p>		
	Financial Factors impacted	Financial Factors	Financial Impact
	Financing channel	The capital the Company acquires for daily operation or expansion	The multiple impact of climate change on the financing channel includes the increase of financing demand, the change of financing cost and conditions, the adjustment of financial market and government policy, which the Company is fully aware of and plan accordingly.
	Expenditure cost	Expenses for fixed assets procurement, improvement or maintenance	To achieve the request of 1% annual power saving, the plant premises need to improve facility energy efficiency, and introduce relevant energy saving management plan, which requires procurement for equipment/process improvement or maintenance, increasing the expenditure cost of the Company.

Item	Implementation Status		
	Financial Factors impacted	Financial Factors	Financial Impact
	Profit	Income gained from the main business activities of the Company	Though the R&D endeavor in innovative technology, the Company steps into the domain of high-level technique and high-valued specialty chemicals, to meet with customers' demand in sustainable/green products, which increase more high value-added product selections and profitability.
	Direct cost	Relevant direct cost for production or services	With one-stand consolidated services for various industries, customers, specialty chemical project teams, as well as integrated information platform established, the Company provides its global customers with complete technical services and reduces effectively its operation cost. To effectively reduce production cost, the Company continues its process improvement, equipment investment, and innovative recycling solution promotion, based on the idea of green recycling production. To cope with the 2050 net zero emission trend, the Company's active seeking renewable energy proposal, purchasing green electricity or establishing renewable energy generator shall raise its direct cost.
3. Description of the financial impact arising from extreme weather events and transitional actions	<p>1. The financial impact on the Company's production and business due to extreme weather events (physical risks) and transitional actions (transitional risks and opportunities) is stated as aforesaid.</p> <p>2. According to the identified outcome, the Company has developed strategy on material climate risks and opportunities for its production and businesses, as well as reactive proposal and inventory, implemented tracking, management and evaluation.</p>		
4. Description of how the climate risk identification, assessment, and management processes are integrated into the overall risk management system	<p>The Board of Directors, as the highest decision-making body for risk control, directly oversees the risk governance structure of each company within the Group. In order to improve risk assessment and strengthen management functions, the Company has established a "Corporate Sustainability Development Committee" to identify and manage the risks of corporate operations, including the physical and transformation risks resulted likely from climate change, and to initiate the planning of relevant response measures to control the risks that may arise from various businesses within an acceptable range and establish sound risk management operating principles. The Company conducts risk identification and analysis in seven major perspectives, including operations, finance, country, legal compliance, ESG, human resources and information security, and updates the annual major risk identification matrix. Based on the risk identification results, each department will carry out response strategy planning, integrate and manage risks that may affect operations and profits. The Company submits the management execution and risk control reports to the Board of Directors at least once a year, supervises and tracks the risk management execution of the management team, to strengthen the Company's robustness.</p>		

Item	Implementation Status
<p>5. Description of the scenarios used, parameters, assumptions, analysis factors, and main financial impacts if scenario analysis is used to analyze or assess the resilience against climate change risks</p>	<ol style="list-style-type: none"> <li>1. The Company refers to the scientific reports issued by the Intergovernmental Panel on Climate Change (IPCC) and the International Energy Agency (IEA) to fully understand the transition risks, physical risks and opportunities that may be resulted from future climate change in the production &amp; businesses. In addition, to conduct an in-depth analysis of the actual impact of climate change events on the operational characteristics of production &amp; businesses, the TCFD Chemical Sector Preparer Forum proposed by the World Business Council for Sustainable Development (WBCSD) for the chemical industry, as well as the results of climate change risk and opportunity identification by domestic and foreign peers are also referred. In conjunction with the timeline of the Company's GHG reduction path, evaluation of the transition risks, physical risks and opportunities that may be encountered in the short, medium and long term is conducted, and a list of climate risk and opportunity issues that can represent the operational characteristics of the Company's production &amp; businesses is thereby established.</li> <li>2. As the risks and opportunities of climate change are diverse and the impact of each issue varies, we use international scientific reports to understand the risks and opportunities that may be encountered in different scenarios, and refer to the corporate risk assessment process to measure the "impact time", "likelihood of occurrence" and "impact level" of each issue to assess the impact and influence, and screen out major risks and opportunities for the Company's production &amp; businesses.</li> <li>3. In the face of the uncertain climate change issue, in order to enable the Company to respond to the most extreme risks and take advantage of the greatest potential opportunities and business opportunities, two extreme scenarios are set to identify climate risk opportunities, namely the most stringent warming scenario SSP5-8.5 and the net zero scenario NZE, which is the most active low-carbon transformation scenario in the world, to simulate the risks and opportunities that the Company's production &amp; businesses may encounter, and formulate relevant measures and tracking mechanisms based on the scenarios to ensure its ability to operate sustainably under the influence of extreme climate change.</li> </ol>
<p>6. Description of the content as well as the metrics and targets used for any transition plan to identify and manage physical risks and transition risks for any transition plan to respond or manage climate-related risks</p>	<ol style="list-style-type: none"> <li>1. GHG emission reduction indicators and goals: GHG emission reduction actions implemented as countermeasures to the risks and opportunities from extreme weather, in line with global perspectives.   2023 Results: With 2015 as the base year, 1% reduction as the average annual target  Carbon reduction approx. 1,297 t-CO<sub>2</sub>e/year, of 0.4% target achievement rate  Cumulated reduction of 2017-2023 totaled 86 thousand t-CO<sub>2</sub>e, of actual reduction rate 26.9%, target achieving rate 100%. The RECs procured 446,000 kWh.   Short-term goal (2024)  With 2015 as the base year, 1% reduction as the average annual target   Medium-term goal (~2028)  With 2015 as the base year, 1% reduction as the average annual target  Evaluating and planning high-efficiency, low-carbon cogeneration system, and to procure RECs   Long-term goal (~2032)  2030 carbon emission reduced by 35% compared to 2015  Planning achievable goals in compliance with the Climate Change Act and the carbon reduction and net zero emissions schedules proposed by the government's Industrial Response Team</li> </ol>

Item	Implementation Status
	2. According to the inventory data, 36% of the Company's GHG emission came from power. The Company set a "power-saving" goal by promoting a series of power-saving measures, seeking suitable fuel- and steam-saving solutions. With effective management, the actual power saved in 2023 was approx. 2.621 million kWh, of 0.59% power-saving rate. Relevant short-, medium- and long-term power management goals, strategy and action plan may be referred to by the following table 1-2 stated at p44-45.
7. Description of the basis for pricing if an internal carbon price is used	No internal carbon pricing plan has been adopted yet. However, the increase or decrease volume of carbon emission will be calculated according to the current carbon pricing system applicable in Taiwan upon investment evaluation.
8. Description of the activities covered, scope of greenhouse gas emissions, timeframes planned, annual progress and so on if climate-related targets are set; description of the sources and quantity of carbon credits or the quantity of renewable energy certificates (RECs) for offset if carbon offset or RECs are employed to achieve relevant targets	1. The Company anticipates accomplishing its carbon reduction goal of 35% by 2032, and net zero emission by 2050. 2. To reduce GHG emissions, the Company procured REC of 7,700,000 kWh and obtained T-RECs of 7,700.
9. GHG inventory, assurance, reduction goal, strategy and action plan (state in detail per below)	The Company's GHS inventory, assurance, reduction goal, strategy and action plan for 2022 and 2023 are stated below.

## 1-1 Greenhouse Gas Inventory and Assurance Status for the past two years

### 1-1-1 Greenhouse Gas Inventory and Assurance Status

Item	2023	2022	Info covered boundary
Scope 1	28,261 t-CO <sub>2</sub> e	30,437 t-CO <sub>2</sub> e	Individual company
Scope 2	317,270 t-CO <sub>2</sub> e	316,225 t-CO <sub>2</sub> e	Individual company
Scope 3	547,831 t-CO <sub>2</sub> e	456,940 t-CO <sub>2</sub> e	Individual company
Total emission (scope 1+2)	345,531 t-CO <sub>2</sub> e	346,662 t-CO <sub>2</sub> e	Individual company

Item	2023	2022	Info covered boundary
Total emission (scope 1+2+3)	893,361 t-CO <sub>2</sub> e	803,603 t-CO <sub>2</sub> e	Individual company
Operating Revenue	10,347 NTD M	12,770 NTD M	Individual company
Intensity (scope 1+2)	33 t-CO <sub>2</sub> e / NTD M	27 t-CO <sub>2</sub> e / NTD M	Individual company
Intensity (scope 1+2+3)	86 t-CO <sub>2</sub> e / NTD M	63 t-CO <sub>2</sub> e / NTD M	Individual company

1-1-2 Greenhouse Gas Assurance information (For details please refer to the Company's ESG report at <https://www.oucc.com.tw/csr-107-page4720>)

No.	Indicator	Info Disclosed in 2023	Info Disclosed in 2022	Applicable Norm
1	Total energy consumption, percentage of purchased electricity, the utilization rate of renewable energy, and total self-generated and self-consumed energy	<b>(1) Total Energy Consumption:</b> 3,153,367.222 GJ <b>(2) Percentage of purchased electricity:</b> 100 % <b>(3) Renewable energy usage rate:</b> 0 % <b>(4) The total amount of self-generated and self-consumed energy:</b> 0 GJ	<b>(1) Total Energy Consumption:</b> 2,834,659.82 GJ <b>(2) Percentage of purchased electricity:</b> 100 % <b>(3) Renewable energy usage rate:</b> 0 % <b>(4) The total amount of self-generated and self-consumed energy:</b> 0 GJ	Articles 4-2-1~7 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
2	Total water intake, total water consumption, and waste (sewage) discharge according to legal requirements or voluntary disclosure	<b>(1) Total water intake volume:</b> 1,581,808 m <sup>3</sup> <b>(2) Total water consumption volume:</b> 1,186,564 m <sup>3</sup> <b>(3) Total water discharge volume:</b> 394,472 m <sup>3</sup>	<b>(1) Total water intake volume:</b> 1,990,891m <sup>3</sup> <b>(2) Total water consumption volume:</b> 1,507,473 m <sup>3</sup> <b>(3) Total water discharge volume:</b> 483,418 m <sup>3</sup>	
3	The "total amount of hazardous waste" produced by the "product production process" required by law or voluntarily disclosed, and the "recycling percentage."	<b>(1) The weight of hazardous waste produced by the product production process:</b> 0.03 MT <b>(2) Recycling percentage of hazardous waste produced by the product production process:</b> 100 %	<b>(1) The weight of hazardous waste produced by the product production process:</b> 0.03 MT <b>(2) Recycling percentage of hazardous waste produced by the product production process:</b> 100 %	
4	Explain the number of occupational accidents and the rate.	<b>(1) Number of occupational accidents:</b> 1 person <b>(2) Occupational accident rate:</b> 0.3035 %	<b>(1) Number of occupational accidents:</b> 0 person <b>(2) Occupational accident rate:</b> 0 %	

No.	Indicator	Info Disclosed in 2023	Info Disclosed in 2022	Applicable Norm
5	Operating activities that have significant actual or potential negative impacts on local communities.	The chemical processes employed by OUCC and others in the same industry will pollute the air during the production process. If this is not managed properly, it can have an actual or potential negative impact on local communities.	The chemical processes employed by OUCC and others in the same industry will pollute the air during the production process. If this is not managed properly, it can have an actual or potential negative impact on local communities.	Articles 4-2-1~7 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies
6	The specific and effective mechanisms and actions taken by the enterprise itself and its suppliers to reduce the negative impact on the environment or society.	For relevant info please see ESG report ( <a href="https://www.oucc.com.tw/cs/r-107-page472">https://www.oucc.com.tw/cs/r-107-page472</a> ) 4-3 Environmental Prevention Mechanism 4-4 Social Inclusion 5-3 Transportation Zero Accident Details	For relevant info please see ESG report ( <a href="https://www.oucc.com.tw/cs/r-107-page472">https://www.oucc.com.tw/cs/r-107-page472</a> ) 4-3 Environmental Prevention Mechanism 4-4 Social Inclusion 5-3 Transportation Zero Accident Details	
7	Product output by product category	<ul style="list-style-type: none"> <li>Ethylene oxide and ethylene glycol products: 278,850 MT</li> <li>GAS products: 602,415 MT</li> <li>Ethanolamine products: 30,664 MT</li> <li>Ethylene glycol butyl ether products: 40,593 MT</li> <li>EC products: 47,463 MT</li> <li>EOD products: 37,445 MT</li> </ul>	<ul style="list-style-type: none"> <li>Ethylene oxide and ethylene glycol products: 348,021 MT</li> <li>GAS products: 686,100 MT</li> <li>Ethanolamine products: 26,599 MT</li> <li>Ethylene glycol butyl ether products: 36,231 MT</li> <li>EC products: 43,563 MT</li> <li>EOD products: 40,547 MT</li> </ul>	

Authorized Organization: EY Business Advisory Services Inc.

Assurance Criteria: International Standard on Assurance Engagements 3000 (ISAE 3000)

Opinion Issued: No major issues were found and needed for verification according to the applicable norm and the implementation, procedures and the proving facts gained.

## 1-2 GHG Reduction Goal, Strategy and Action Plan

### (1) GHG Reduction Goal

Base Year	Base Year Carbon Emission	Carbon Emission Reduction Goal
2015	320,946 t-CO <sub>2</sub> e	Carbon Emission Reduction by 35% in 2030



(2) GHG Reduction Strategy, Action Plan and Achievement

According to the inventory data, 36% of the Company's GHG emission came from power. The Company set a "power-saving" goal by promoting a series of power-saving measures, seeking suitable fuel- and steam-saving solutions. With effective management, the actual power saved in 2023 was approx. 2.621 million kWh, of 0.59% power-saving rate.

The power management goal and action plan are stated below:

Timetable	Goal	Action Plan & Achievement
Short-term (2024)	Annual power saving rate 1%	<ul style="list-style-type: none"> <li>(1) Projects of semiconductor grade CO<sub>2</sub>, rooftop solar energy and program-controlled electricity distribution (2023-2024 inter-year)</li> <li>(2) EOG plant recycle water pump (PP-201N) renewal project (2023-2024 inter-year)</li> <li>(3) EOG plant recycle gas compressor energy conservation project (2023-2024 inter-year)</li> <li>(4) ASU#2 main air compressor (MAC) efficiency improvement (2023-2024 inter-year)</li> <li>(5) EOG plant methane compressor (PR-110) renewal project (2023-2024 inter-year)</li> <li>(6) GAS plant II ice water system revamp project (2023-2024 inter-year)</li> <li>(7) EOG plant RTO energy conservation project</li> <li>(8) GAS plant II circulation compressor motor renewal project</li> <li>(9) LED lamps project to replace the high-pressure sodium lamps at R&amp;M building</li> </ul>
Medium-term (~2028)	Annual power saving rate 1%	<ul style="list-style-type: none"> <li>(1) Continue the introduction of power-saving equipment, such as frequency converters, inverter motor, and fans, etc.</li> <li>(2) Optimization of cooling water circulation to save electricity used by water pumps</li> <li>(3) OUCC has combined the management structure of the energy management system with a cloud-based "Plant Power Monitoring System Platform," to continuously monitor energy usage and seek for energy saving opportunities</li> <li>(4) Plans have been made to introduce a smart monitoring system to enable continuous process improvement and optimization to reduce product unit power consumption rate</li> <li>(5) Plans have been made for the construction of a co-gen system to reduce the use of outsourced electricity</li> <li>(6) Procurement of green energy and RECs, evaluation and construction of energy storage equipment.</li> <li>(7) All employees participate in energy conservation and carbon reduction management activities, continuous planning and implementation of energy-saving and carbon-reduction programs to reduce energy consumption and greenhouse gas emissions</li> </ul>
Long-term (~2032)	Annual power saving rate 1%	<ul style="list-style-type: none"> <li>(1) Continual improvement in energy efficiency and carbon reduction management</li> <li>(2) Evaluation of the installation of waste heat recovery &amp; power generation facility</li> </ul>

### 3.7 Implementation of Business Conduct Policy

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
1. Establishment of business conduct policy and plan				
(1) Has the Company adhered to the business conduct policy explicitly set out in its regulations and external documents, supported by the active commitment of the Board of Directors and Management to its implementation?	V		(1) The Company has the amendments to the "Best Practice Principles" and "Codes of Ethics" approved at the Board meeting. For implementation, the Company has both publicized on the Company website and promoted it through internal meetings and daily operation.	None
(2) Has the Company established risk assessment mechanism for regular analysis and evaluation, as precautionary measures against the high-risk unethical business activities according to Article 7-2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(2) The Company's precautionary measures against unethical business include: a) The standards for offering or acceptance of unjust interests. b) The procedure for offering legitimate political donations. c) The procedure for offering righteous charity donations or sponsorship. d) The stipulation for the avoidance of conflicts of post-related interests. e) The non-disclosure stipulation on procured business confidentiality or sensitive commercial information. f) The norm and procedures for suppliers, clients and business counterparties involving unethical business conduct. g) The procedure for the infringement of the business best practice principles. h) The discipline disposal for infringement. The Company has relevant management procedures stipulated according to the above-mentioned measures, for risk prevention.	
(3) Has the Company taken and carried out any precautionary measures, conducted guidelines, disciplines or grievance to prevent unethical business?	V		(3) The Company has established the business culture in the best practice and precaution against unethical business by promoting periodical employee training and requiring the compliance and respect of stakeholders on the ethics and best practice principles. Relevant stipulations are disclosed at the Company website. ( <a href="https://www.oucc.com.tw">https://www.oucc.com.tw</a> )	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
2. Implementation of the Codes of Business Conduct				
(1) Does the Company get the access to the ethical conduct records of its counterparts and specify "ethical clauses" in business contracts?	V		(1) The Company, on the premises of Codes of Business Conduct, complies with the relevant laws & regulations governing listed companies to fulfill ethical business. The legitimacy of the Company's agents, vendors, clients or business counterparties is taken into consideration before trading to avoid the occurrence of unethical business in advance. If ever the counterparts violate the codes, all the rights and cooperation thereof shall be terminated.	None
(2) Has the Company established a dedicated unit under supervision of the Board to promote corporate ethical management and to report, once a year at least, to the Board of implementation status?	V		(2) Pursuant to The Company's Best Practice Principles, the corporate governance officer, which is assigned by the Board, and the HR department oversee the formulation and supervision of the best practice policy and precautionary measures to prevent any unethical manners and risks. In accordance with the Best Practice Principles approved by the Board, the Company organizes its internal structure and accountability to reduce the risk of unethical conduct, implement the best practice policy promulgation and training, and the whistle-blowing mechanism to help with the evaluation for the Board and the management, prior to reporting to the Board on 13 November 2024.	
(3) Does the Company promulgate policies to prevent conflicts of interests and offer channels for reporting such conflicts?	V		(3) The Company has stipulated the "Discipline and Remedy for Violation of Codes of Ethics and Best Practice Principles," as a guideline. The Company tolerates no violation. Any employee obtains, or intends to obtain, improper benefit for oneself and others at the cost of the Company by using one's position or authority shall be dismissed and shall unconditionally indemnify the Company for all losses occurred.  An appeal system has been established in the Company. Any of the employees accused of violating the Guidelines may appeal for remedy via the system.	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(4) Has the Company established an effective operation of the accounting and internal control system, and periodically conducted internal audits by internal auditors, or audited by CPA?	V		(4) The Company has set up a strict accounting system and dedicated accounting unit, and has its financial report reviewed or audited by CPAs to ensure the info validity and transparency. Pursuant to "Regulation Regarding Establishment of Internal Control Systems by Listed Companies" and the "Best Practice Principles," the internal auditing dept. has set up the internal control system and report periodically the compliance results based on the annual audit plan and risks assessment examination and submitted it to the Audit Committee and Board of Directors.	None
(5) Does the Company periodically conduct internal and external training on ethical management?	V		(5) The Company conducts periodically the training and promulgation for the sales units and the business engaged personnel, to manifest its implementation in ethical management to the stakeholders. The "Best Practice Principles", "Codes of Ethics" and relevant rules are publicized at the Company's website.	
3. Establishment of Reporting Channels for Violations of the Codes of Business Conduct				
(1) Has the Company established a specific reporting and reward system through convenient channels for lodging complaints? And does the Company assign the dedicated personnel to attend to the matter?	V		(1) The Company has established multi-channels of communication for reporting unethical business conduct, following the guideline of the stipulated Discipline and Remedy for Violation of Codes of Ethics and Best Practice Principles. The personnel who discover the violation of such may report to the department manager, internal audit officer, HR department or other appropriate officer of the Company.	None
(2) Has the Company established the standard operation procedure for investigating and proceeding of the report in a confidential manner?	V		(2) The Company's whistle-blowing methods are abided by the Discipline and Remedy for Violation of Codes of Ethics and Best Practice Principles. The whistle-blowing issue may be reported to the email box	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Does the Company adopt measures to protect whistle blowers from reprisals for having filed the complaint report?	V		designated for the Audit Committee on the website for the Independent Directors supervision of the investigation, which is conducted through independent channel to assure the confidentiality of the report.  (3) The Company preserves the ID of the whistle blower and the content of the report in confidential to keep the whistle blower from improper disposal. All the reported issues will be verified through the independent channel to secure to protection of the whistle blower.	None
4. Enforcement of Information Disclosure  Has the Company disclosed its "Best Practice Principles" and the implementation through its official website or the Market Observation Post System?	V		The "Best Practice Principles" and "Codes of Ethics" of the Company are fully disclosed on its official website ( <a href="https://www.oucc.com.tw/en/governance-73-page85">https://www.oucc.com.tw/en/governance-73-page85</a> ) and the Market Observation Post System.	None
5. If the Company has established its ethical business best practice principles in accordance with the "Ethical Business Best-Practice Principles for TWSE/GTSM Listed Companies," clearly describe the function of such principles and any discrepancies in ethical business best-practice principles: None				
6. Other important information regarding the Company's operation in ethical business best-practice, such as the reviewing and amending of the Company's business best-practice principles and so on:  The Company adheres to its management philosophy for integrity, transparency and responsibility, to formulate the policy based on ethical business, and establish fair corporate governance and risks control mechanisms to create and sustain the business environment.  Before engaging in any business transactions, the Company will consider the validity of agents, vendors, customers or other trading counterparties and whether they hold an ethical business record or not. The Company will avoid engaging in transactions with any party that has an unethical business record.				

### **3.8 Other information enabling a better understanding of Company corporate governance:**

- 3.8.1 Employee rights and interests: The Company not only secures employees' legal rights and interests pursuant to the law, but also provides all sorts of welfare, on-the-job trainings, and pension & retirement plan.
- 3.8.2 Staff care: The Company provides employees with an annual health examination, employee group insurance, safety & health training, and encourages various club activities, offers urgent relief measures, attends to colleagues' physical and mental health as well as life balance through a Vocational Labor Welfare Commission.

- 3.8.3 Investor relations: The Company has delegated spokesman, acting spokesman, and stock service agent Oriental Securities Corporation to handle suggestions or questions from shareholders. An investor relation section has also been established at the Company's website for the delegated IR to respond to investors enquiries.
- 3.8.4 Vendor relations: Apart from the formulated supplier management procedures requiring vendors' compliance to the issues of environment protection, safety and health, etc., suppliers are also requested to sign the Statement of Suppliers Collaborative Dedication to the Enhancement of Corporate Social Responsibility.
- 3.8.5 The rights of stakeholders: The dedicated investor relation section on the website provides stakeholders with questionnaires and email contact, for the IR representatives' compilation and response to the critical issues. To ensure the communication channel is unobstructed, all stakeholders may contact the IR of the Company at any time.
- 3.8.6 The status of advanced education of Directors:

(1) The continued advanced program of Directors is as follows:

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Chairman of the Board	Douglas T. Hsu	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
Vice Chairman of the Board	Johnny Shih	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.8.2	2024.8.2	Independent Director Association Taiwan (TIDA)	AI Application and Challenges for ChatGPT	3hrs
Directors	Humphrey Cheng	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
	Kao-Shan Wu	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
	Justin Tsai	2024.5.10	2024.5.10	Taiwan Corporate Governance Association (TCGA)	The Board's Supervision on Corporate Risk and Crisis Management	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
	Eric Chueh	2024.9.6	2024.9.6	Taiwan Corporate Governance Association (TCGA)	Strategic Thinking on the Restructure of Group Affiliates	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Directors	Bing Shen	2024.5.3	2024.5.3	Independent Director Association Taiwan (TIDA)	2024 World Economic Trend, Risk Indexes and Countermeasures	3hrs
		2024.8.2	2024.8.2	Independent Director Association Taiwan (TIDA)	AI Application and Challenges for ChatGPT	3hrs
	Alan Tsai	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.8.15	2024.8.15	Accounting Research and Development Foundation	Strengthening Internal Control Defense & Board Operation Mechanism and Fraud Case Study	6hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
Independent Directors	Walt Cheng	2024.8.7	2024.8.7	Taiwan Investor Relations Institute (TIRI)	International Carbon Managing Development Trend	3hrs
		2024.11.6	2024.11.6	Taiwan Investor Relations Institute (TIRI)	Development of Internationally Voluntary Carbon Markets, Offset Standards, and Carbon Rights Application	3hrs
	Ping Lih	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs
	An-Ming Wu	2024.7.3	2024.7.3	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – The Carbon Pricing Era Vs. Corporate ESG Actions	3hrs
		2024.9.6	2024.9.6	Securities and Futures Institute (SFI)	Promulgation of Inside Trading Prevention	3hrs
		2024.10.7	2024.10.7	Chinese National Association of Industry and Commerce (CNAIC)	2024 Taishin NetZero Forum	3hrs
		2024.10.8	2024.10.8	Taiwan Stock Exchange (TWSE)	Digital Finance and Sustainable Finance Concerto under the Booming of AI	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs

(2) The advanced program of Corporate Governance Officer is as follows:

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Assistant VP of HR & Admin. (Corporate Governance Officer)	Daniel Yu	2024.1.17	2024.1.17	Securities and Futures Institute (SFI)	2024 Economic Perspectives and Industrial Trends	3hrs
		2024.5.2	2024.5.2	Securities and Futures Institute (SFI)	Sustainability Disclosure Workshop	9hrs
		2024.10.4	2024.10.4	Securities and Futures Institute (SFI)	Promulgation of 2024 Inside Trading Prevention	3hrs
		2024.10.8	2024.10.8	Taiwan Stock Exchange (TWSE)	Digital Finance and Sustainable Finance Concerto under the Booming of AI	3hrs
		2024.11.27	2024.11.27	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Transition from Digital to AI	3hrs

Remark: Pursuant to the regulation, the Company's Corporate Governance Officer shall take at least 18 hours of advanced training within the first year and followed by a minimum of 12 hours per year.

### 3.8.7 The implementation in risks management policy and measuring standard

The Company's implementation in risks management and each accountable unit:

- (1) Audit: Set up a risk-oriented annual auditing plan, accountable for revision of the internal control system and the proceeding of auditing.
- (2) Financial affairs: Established an electronic financial platform to provide clear financial info, operation analyses and credit management review.
- (3) The Company has established "Credit Commission," which is chaired by President the Chief Commissioner and composed of the management of Auditing Dept., Finance Dept., Accounting Dept., and Sales Dept., to review customers' status before deciding the credit ratings and allowances on regular basis. The commission is also in charge of the continual monitor and control of each credit account and account receivables, to achieve the target of "zero bad debt".
- (4) IT security: please refer to p86-p87 Information and Telecommunication Security Management for detail.

3.8.8 The implementation status of customer policy: The Company adheres to a management philosophy that highlights "Sincerity, Diligence, Thrift, Prudence and Innovation," and traces products and service satisfaction as a reference for the continuous improvement of business strategies, also maintains fair and stable cooperative relationships with customers.

3.8.9 The Company's purchase of liability insurance for Directors: The Company's Directors have been conducting according to law. The Company has amended its Articles of Incorporation and Corporate Governance Principles prior to the purchase of liability insurance for Directors as well as Management.



### 3.8.10 Employees codes of conduct and ethics

“Sincerity, Diligence, Thrift, Prudence and Innovation” not only as the management philosophy of the Company, but the conduct principle to the employees. The Company has its codes of conduct and ethics, which is followed by the Company and its employees, notified publicly after resolved by the Board, and submitted to the Shareholders’ Meeting for approval.

- (1) All employees joining the company shall sign the “Letter of Undertaking” which shall be included in the employees’ personnel file. The Undertaking primarily declares the employees' consent to comply with Company regulations, personnel management rules and non-disclosure with respect to Company business confidentiality. The contents of public information are accessible to all employees.
- (2) The employees codes of conduct and ethics are summarized as below:  
The work rules include: (a) general provisions (b) employment (c) service, vacation leave, breaks, special leave (d) application for leave (e) salary and wages (f) year-end bonus (g) safety, health, welfare, pension, occupational disaster compensation (h) discipline (i) performance and reward & punishment (j) resignation, termination of employment, lay-offs (k) retirement (l) supplementary provisions.
- (3) The non-disclosure agreement consists of: (a) definitions of confidential information (b) non-disclosure obligation (c) legal consequence and liability of default (d) effect of termination of employment (e) concession of rights (f) applicable laws and jurisdiction.
- (4) Upon resigning, employees are required to sign a "Resignation Clarification", stating that they are obliged to keep confidential the business secrets or business data they acquire during their employment, and the consequences when they fail in the obligations and cause losses to the Company, which shall preserve the right to claim compensation according to relevant laws and regulations.

### 3.8.11 Succession plan for Board of Directors and important management level of the Company:

#### (1) Succession plan for Board of Directors

The company's current Board of Directors is composed of 11 Directors (including 3 Independent Directors), all of whom have chemical or accounting-related majors and experience, as well as outstanding capabilities in operational judgment, management, international market perspective, and crisis management. Additional social performance index for Directors self-appraisal is included as the extension of Directors integrity and ethics values through enhanced instruction, action and conduct for the support of Internal Control System operation issues, for instance, the specific measure adopted by the Board, responsible action key tones on ethics, society, environment or other form, covering GHG emission, sustainable production process, community disaster relief, and the like.

To ensure that diversity, independence, and the opinions of stakeholders are taken into consideration, the Company includes a female Director and adopts a candidate nomination system for its Board election, by evaluating the academic & vocational experiences of each member, pursuant to the "Election Procedures of the Board" and "Corporate Governance Principles". The applied Director’s succession plan is focused on the outstanding abilities in expertise and diversity. With respect to the diversified talent policy, the Company also schedules the exclusive courses in corporate governance and the like, for Directors to cope with the volatile international management environment and laws accordingly. The latest

courses of the Corporate Governance Forum included Carbon Pricing Era Vs. Corporate ESG Actions and Transition from Digital to AI.

(2) Succession plan for important management level

To achieve the goal for sustainability, the Company's current major management officers including President, Vice Presidents and Managers evaluate discreetly the managerial succession plan in accordance with the annual overall business objectives and the medium and long-term development needs of the Company.

The Company continues to integrate its manpower to implement the development of succession echelon, strengthen the smooth operation of each department, adjust the organizational structure in a timely and appropriate manner, and mobilize potential talents, to cultivate successor talents' understanding of the expanded depth and breadth of their positions. The successor candidates possess outstanding professional strength, potential for multi-faceted development and the ability for decision-making and judgments. Their values must also conform to the Company's corporate spirit of "Sincerity, Diligence, Thrift, Prudence and Innovation". As to cultivation, a strategic workshop and a joint meeting of the Group's affiliate members were held for the top management (incl. President), organized with diversified professional and business management courses and practices to facilitate the establishment of a robust inheritance for a promising future.

3.8.12 The Company passed the "Procedures for Handling Material Inside Information" at the 2<sup>nd</sup> meeting of the Board of Directors of the 15th term on August 7, 2018. The Company has also propagated the following:

- (1) The "Procedures for Handling Material Inside Information" shall be provided to new Managers upon signing the "Letter of Undertaking".
- (2) When reporting any changes in equity the Company should provide the Managers with the "Procedures for Handling Material Inside Information" and the relevant laws and regulations governing insider trading.
- (3) The Company's Managers and employees shall also sign the non-disclosure agreement when report to work and be provided with the "Procedures for Handling Material Inside Information".

3.8.13 Relevant licenses issued by the competent authority to the personnel related to transparency of the financial information of the Company and its subsidiary:

Category	Licenses	Number of Person
Accounting / Taxation	The R.O.C. CPA	1
	The P.R.C. CPA	1
	International internal auditor	5
	International internal control self-assessment specialist	1
	The R.O.C. bookkeeper	5
Finance	Securities investment analyzer	3
	Senior securities specialist	2
	Securities specialist	4
	Futures specialist	2
	Trust personnel	3

### 3.9 Status of internal control system

#### 3.9.1 Internal Control Declaration

Please refer to MOPS/Corporate Governance/Internal Control/Internal Control Declaration for relevant request.

Web site: <https://mopsov.twse.com.tw/mops/web/t06sg20>

#### 3.9.2 The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A

### 3.10 Resolutions reached at a meeting of shareholders or by the Board of Directors during the recent year and up to the date of publication of this annual report:

#### 3.10.1 Shareholders Meeting

Meeting time	Major resolution	Status
2024.6.12	<p><u>Report</u></p> <p>(1) Business Report 2023</p> <p>(2) Financial Statements 2023</p> <p>(3) The Audit Committee's review report on 2023 Business Report and Financial Statements</p> <p>(4) The 2023 Directors bonus and employees' compensation</p> <p><u>Recognition</u></p> <p>(1) Approval of the Company's business report and financial statements 2023</p> <p>(2) Approval of the Company's 2023 profit allocation</p> <p><u>Election &amp; Discussion</u></p> <p>(1) Reelection of Board of Directors (incl. Independent Directors)</p> <p>(2) Approval of the release of relevant Directors of OUCC from non-competition restriction under Article 209 of Company Law</p>	<p>Approved and proceeded accordingly.</p> <p>Approved NT\$0.2 per share as cash dividend for allocation, with ex-dividend date scheduled on 8 July 2024. Cash dividend allocation was completed on 26 July 2024 and proceeded accordingly.</p> <p>Reelection upon expiration of tenure</p> <p>Approved and proceeded according to the decree dated 10 July 2024 of Jin-Sho-Sun-Tze No. 11330112120 of Ministry of Economic Affairs.</p> <p>Approved and proceeded accordingly.</p>

### 3.10.2 Board of Directors Meeting

Term of the Board/ Meeting Date	Major resolution	Items regarding Article 14-3 of Securities & Exchange Act	The objected or qualified opinion of the Independent Director
12 <sup>th</sup> meeting of 16 <sup>th</sup> term 2024.3.1	1. Approval of 2023 Directors' remuneration and employees' compensation 2. Approval of the Company's 2023 consolidated financial report 3. Approval of the Company's 2023 profit allocation 4. Approval of the Company's 2023 business report 5. Approval of the Company's 2023 Internal Control System Declaration 6. Approval of the amendment to the Company's "Meeting Rules of Board of Directors" 7. Approval of the amendment to the Company's "Audit Committee Charter" 8. Approval of the proposal for the Company's Board of Directors reelection upon the expiration of tenure 9. Approval of the date, place and method for the convening of the Company's 2024 annual shareholders meeting 10. Approval of the Company's 2024 operative and capital budget 11. Approval of the change of Company's chief Audit Officer	V  V V  V   V  V  V	Approved unanimously by the attended Directors
13 <sup>th</sup> meeting of 16 <sup>th</sup> term 2024.4.30	1. Approval of the Board of Directors nomination 2. Approval of the release of the relevant Board of Directors from non-competition restriction under Article 209 of Company Act 3. Approval of the change of CPAs and the Company's periodical assessment of the CPAs' independence and competence 4. Approval of the Company's consolidated financial report Q1/2024	V	
1 <sup>st</sup> meeting of 17 <sup>th</sup> term 2024.6.12	1. Approval of the appointment of the Company's President 2. Approval of the release of the relevant managerial of the Company from non-competition restriction under Article 209 of Company Act		
2 <sup>nd</sup> meeting of 17 <sup>th</sup> term 2024.8.5	1. Approval of the delegation of the Company's Remuneration Committee member 2. Approval of the Company's 2023 ESG report 3. Approval of the Company's consolidated financial report Q2/2024 4. Approval of the change of the Company's CPA 5. Approval of the proposal for the Company's EB debottlenecking project in Linyuan plant 6. Approval of the proposal for the Company's EA debottlenecking project in Linyuan plant 7. Approval of the proposal for the recycling improvement of HPEO project in Linyuan plant 8. Approval of the changes in the Company's organization structure & personnel	V V  V V  V	

Term of the Board/ Meeting Date	Major resolution	Items regarding Article 14-3 of Securities & Exchange Act	The objected or qualified opinion of the Independent Director
3 <sup>rd</sup> meeting of 17 <sup>th</sup> term 2024.11.13	1. Approval of the Company's consolidated financial report Q3/2024 2. Approval of the proposal for the 2025 expenditure capital budget 3. Approval of the amendment to the Company's "Rules Governing Financial and Business Matters between the Company and its Related Parties" 4. Approval of the Company's ESG Report compilation and assurance procedures 5. Approval of the Company's 2025 internal auditing plan	V     V	
4 <sup>th</sup> meeting of 17 <sup>th</sup> term 2025.3.3	1. Approval of the Company's 2024 financial report (incl. individual financial report) 2. Approval of the Company's 2024 profit allocation 3. Approval of the Company's 2024 business report 4. Approval of the Company's 2024 Internal Control System Declaration 5. Approval of the amendment to the Company's "Articles of Incorporation" 6. Approval of the date, place and method for the convening of the Company's 2025 annual shareholders meeting 7. Approval of the Company's 2025 operative and capital budget	V  V  V  V	Approved unanimously by the attended Directors

**3.11 Recorded or written statements of dissent made by any Director or Supervisor to important resolutions passed by the Board of Directors during the recent year and up to the date of publication of this annual report: N/A**

## 4. CPA professional fee

### 4.1 Breakdown of CPA professional fee

Currency unit: NTD thousand

Firm Name	CPA Name		Duration of Audit	Audit Fee	Non-Audit Fee	Total	Remark
Deloitte & Touche Taiwan	Wen-Ling Liu, CPA	Pei-De Chen, CPA	2024.01.01 ~ 2024.12.31	3,390	370	3,760	Taxation audit fees

**4.2 In the case of a change of CPA firm and the audit fees for the year of the change are less than those of the previous year, please specify the audit fees before and after the change, and the reasons for the change: Nil**

**4.3 In the case of the audit fees being 10% less than that of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A**

## 5. CPA replacement:

### 5.1 Former CPA

2023: Nil

2024:

Date of change	March & July 2024		
Reasons for the change and descriptions	Due to internal rotation the original Hsin-Wei Tai and Li-Wen Kuo were replaced by Pei-De Chen and Wen-Lin Liu by Q1 and Q3 of 2024 respectively.		
Termination by the appointer or CPA or rejection of the appointment	Client	CPA	Appointer
	Status		
	Voluntary termination of the appointment	√	
	Rejection (renewal) of appointment		
Audit report with opinions other than those audited reports with an unqualified opinion issued in the recent two years, and reasons for issue of the report.	No		
Dissidence with the issuer?	Yes		Accounting principles or practices
			Disclosure of financial statement
			Scope or step of audit
			Others
	No	√	
	Notes		
Other notes to be disclosed (those to be disclosed referred to article 10-6-1-4 ~ 7of the standards)	No		

### 5.2 Successive CPA

2023: Nil

2024:

Firm Name	Deloitte & Touche Taiwan	
CPA Name	Pei-De Chen	Wen-Ling Liu
Date of appointment	Approved at the Directors' meeting on 30 April 2024	Approved at the Directors' meeting on 5 August 2024
The accounting treatment or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report, prior to the formal engagement of the successive certified public accountant	N/A	
The successive CPA's written opinion regarding the matters on which the Company did not agree with the former CPA	N/A	

**5.3 The former CPA's response to the Article 10-6-1 and 10-6-2-3 of the Standards: N/A**

**6. Information regarding the Chairman, President, and Financial or Accounting Manager of the company who has worked with the CPA firm which conducts the Audit of the Company or an affiliate of said firm in the recent year: Nil**

**7. Any transfer of equity interests and pledge of, or change in equity interest, by a director, managerial officer, or shareholder with a stake of more than 10 percent.**

**7.1 Shareholding variation of Directors, managerial officers and major shareholders**

Unit: share

Job title	Name	2024		Ending March 21	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Chairman	Douglas T. Hsu	0	0	0	0
Director	Far Eastern New Century Corporation	0	0	0	0
Director	Yue Ming Trading Company	0	0	0	0
Director	Yu Li Investment Corporation	0	0	0	0
Director	Da Chu Chemical Fiber Co Ltd	0	0	0	0
Independent Director	Walt Cheng	0	0	0	0
Independent Director	Ping Lih	0	0	0	0
Independent Director	An-Ming Wu	0	0	0	0
Managerial Officer	Justin Tsai	0	0	0	0
Managerial Officer	Y. S. Chang	0	0	0	0
Managerial Officer	William Chen	0	0	0	0
Managerial Officer	Martin Kuo	0	0	0	0
Managerial Officer	Y. T. Ko	0	0	0	0
Managerial Officer	Eric Hsu	0	0	0	0
Managerial Officer	Daniel Yu	0	0	0	0
Managerial Officer	Wilson Lee	0	0	0	0
Managerial Officer	David Huang	0	0	0	0
Managerial Officer	David Chiang	0	0	0	0
Managerial Officer	Allen Yu	0	0	0	0
Managerial Officer	Vince Chou	0	0	0	0

**7.2 Shareholding transferred (while the counterparty is a related party): N/A**

**7.3 Shareholding pledged: N/A**

## 8. Top 10 shareholders and their relationships:

21 March 2025 unit: share

Name	Current shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code		Remark
	Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
Far Eastern New Century Corp	81,217,005	9.16%	0	0%	0	0%	Yuan Ding Investment Co Ltd Asia Cement Corp Yuan Tung Investment Co Ltd Kai Yuan International Investment Co Ltd Ding Yuan Investment Co Ltd An He Apparel Co Ltd	Note 1, Note 3 Note 1, Note 2, Note 3 Note 1 Note 1, Note 3 Note 1 Note 1	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	N/A	N/A	
Asia Cement Corp	63,766,522	7.19%	0	0%	0	0%	Far Eastern New Century Corp Yu Yuan Investment Co Ltd	Note 1, Note 2, Note 3 Note 1	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	N/A	N/A	
Yuan Ding Investment Co Ltd	56,254,684	6.35%	0	0%	0	0%	Far Eastern New Century Corp	Note 2, Note 3	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	N/A	N/A	
Yuan Tung Investment Co Ltd	49,942,396	5.63%	0	0%	0	0%	Far Eastern New Century Corp	Note 2	
Representative: C. C. Wang	0	0%	0	0%	0	0%	N/A	N/A	
Yu Yuan Investment Corp	33,224,017	3.75%	0	0%	0	0%	Asia Cement Corp	Note 2	
Representative: Peter Hsu	0	0%	0	0%	0	0%	N/A	N/A	
Kai Yuan International Investment Co Ltd	32,474,173	3.67%	0	0%	0	0%	Far Eastern New Century Corp	Note 2, Note 3	
Representative: Humphrey Cheng	941	0%	0	0%	0	0%	N/A	N/A	
Ding Yuan International Co Ltd	27,365,495	3.09%	0	0%	0	0%	Far Eastern New Century Corp An He Apparel Co Ltd	Note 2 Note 3	
Representative: Alan Tsai	0	0%	0	0%	0	0%	N/A	N/A	
Ding Shen Investment Co Ltd	16,840,000	1.90%	0	0%	0	0%	N/A	N/A	
Representative: Z. Y. Tang	0	0%	0	0%	0	0%	N/A	NA	



Name	Current shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code		Remark
	Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
Labor Pension Committee of Far Eastern New Century Corp	12,271,816	1.39%	0	0%	0	0%	N/A	N/A	
An He Apparel Co Ltd	11,204,000	1.26%	0	0%	0	0%	Far Eastern New Century Corp Ding Yuan Int'l Co Ltd	Note 1 Note 3	
Representative: Alan Tsai	0	0%	0	0%	0	0%	N/A	N/A	

Note 1: The investees who are evaluated under the equity method

Note 2: The investors whose investment in the Company is evaluated under the equity method.

Note 3: The Company for which the chairman or president is the chairman or president of another company, where a spouse or kin within the second tier is employed.

**9. The number of shares held by the Company and Company Directors, managerial officers and the entities directly or indirectly controlled by the Company in a single company and calculating the consolidated shareholding percentage of the above categories.**

21 March 2025 unit: 1000 shares

Investee	Invested by the Company		Invested by Directors, management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Quantity of shares	Shareholding	Quantity of shares	Shareholding	Quantity of shares	Shareholding
Tong Fu Investment Corporation	162,914	100%	0	0%	162,914	100%
Pacific Petrochemical (Holding) Ltd.	149	100%	0	0%	149	100%
OUCC (Bermuda) Holding Ltd.	104	100%	0	0%	104	100%

### III. Capital Overview

#### 1. Capital and shares

##### 1.1 Source of Capital

Unit: NTD thousand, 1000 shares

Year/ Month	Issuing Price	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
2012/08	10	1,000,000	10,000,000	885,703	8,857,031	Recapitalization of capital surplus: 805,185	-	Note

Note: Ching-Kuan-Fa-Tze No. 1010027826 dated June 22, 2012

Unit: share

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares (listed)	Unissued Shares	Total	
Common stock	885,703,029	114,296,971	1,000,000,000	—

##### 1.2 Overall Declaration System Related Info : Nil

##### 1.3 Major Shareholders

21 March 2025 unit: share

Major Shareholders	Quantity of shares	Total shares owned	Shareholding ownership %
Far Eastern New Century Corp		81,217,005	9.16%
Asia Cement Corp		63,766,522	7.19%
Yuan Ding Investment Co Ltd		56,254,684	6.35%
Yuan Tung Investment Co Ltd		49,942,396	5.63%
Yu Yuan Investment Co Ltd		33,224,017	3.75%
Kai Yuan Int'l Investment Co Ltd		32,474,173	3.67%
Ding Yuan International Co Ltd		27,365,495	3.09%
Ding Shen Investment Co Ltd		16,840,000	1.90%
Labor Pension Committee of Far Eastern New Century Corp		12,271,816	1.39%
An He Apparel Co Ltd		11,204,000	1.26%

Note: 1. Top 10 shareholders

2. A total of 885,703,029 shares

## **1.4 Dividend Policy and Implementation Status**

- 1.4.1 Pursuant to Article 34 of the Company's Articles of Incorporation, the Company's stock dividend allocation shall take into consideration of the changes in the outlook of Company business, and the life cycles of the various products or services, which have an impact on future capital needs and taxation. Unless the need should arise for improvement of the financial structure and reinvestment, and production expansion or other major capital expenditure, the stock dividend shall be no less than 50% of the total net profit after tax and deduction of deficit compensation, legal reserve and special reserve, whereas the cash dividend shall be no less than 10% of the total of the shareholder bonuses distributed in the same year.

As for the example of the last three years, the cash dividend allocated has been in conformity with the Company's Articles of Incorporation, i.e. no less than 10% of the total shareholder bonuses distributed, such is as follows:

Unit: NTD per share

Year	Net earnings per share (A)	Cash dividend from retained earnings (B)	Cash dividend from capital surplus (C)	Total cash dividend (D)=(B)+(C)	Cash dividend distribution rate (B+C)/D
2022	0.04	0.20	0	0.20	100%
2023	0.30	0.20	0	0.20	100%
2024	0.02	0	0	0	0%

- 1.4.2 No dividend allocation shall be proposed at the shareholders meeting 2025

## **1.5 Effect on Business Performance and EPS resulting from Stock Dividend distribution proposed by the 2025 Shareholders' meeting: N/A**

## **1.6 Remunerations for Employees and Directors:**

- 1.6.1 The numeral and range of the Board's remuneration according to the Articles of Incorporation of the Company

When there is profit at the end of the year, the Company shall distribute 1%-2% of the profit as remuneration for employees and no more than 1% as remuneration for Directors. However, should there be accumulated losses, the losses should be offset in advance. The remuneration for employees can be in stock or in cash. Its actual proportion, amount, form or number of stocks shall be resolved at the Board of Directors' meeting, with the consent of over half of the least two thirds of the total Director's attendant and be approved at the Shareholders' meeting. The same shall be applied to the remuneration for Directors.

- 1.6.2 The accounting transaction to be adopted when the estimation bases for the remuneration of employees and Directors differentiates from the calculated number of shares and actual amount allocated for employees: The adjustment will be booked into account the following year pursuant to the accounting estimation changes management.

- 1.6.3 The proposed 2024 remuneration allocation

The remuneration allocation approved by the Board meeting held on 3 March 2025 is as below:

- (a) No remuneration allocation is proposed due to the loss before income tax in 2024.



- (b) The discrepancy, cause and treatment thereof, between estimation and actual allocation of bonuses to employees and Directors resolved at a meeting of the Directors: N/A
- (c) Proposed percentage of employees' stock dividends over the aggregate of earnings after tax and total employee remuneration: N/A

1.6.4 2023 remunerations to employees and Directors:

- (a) Employees' remuneration: Proposed allocation amount NT\$6,094,182, actual amount NT\$6,094,182
- (b) Directors' remuneration: Proposed allocation amount NT\$3,047,091, actual amount NT\$3,047,091

**1.7 Repurchase of Company Stock**

None in the recent year and up to the date of publication of the annual report.

**2. Issue of Corporate Bonds: Nil**

**3. Preferred Stock: Nil**

**4. Issuance of Overseas Depository Receipts: Nil**

**5. Employee's Stock Options: Nil**

**6. Employee Restricted Stock Awards: Nil**

**7. Stock Issued for Mergers and Acquisitions: Nil**

**8. Implementation of Capital Utilization Plan**

The issued or private placement of securities not yet completed in the last quarter before the date of publication of the annual report, or plans completed in the recent three years with no return on investment: Nil

## IV. Operation Overview

### 1. Business Activities

#### 1.1 Business scopes

1.1.1 The Company's business lines are stated as following:

C801010	Basic chemical industry
C801020	Petrochemical engineering raw material manufacture
C801060	Synthetic rubber manufacture
C801100	Synthetic resin and plastics manufacture
C802060	Animal medication manufacture
CB01010	Machinery & equipment manufacture
F107070	Animal medication wholesale
F107200	Chemical raw material wholesale
F113010	Machinery wholesale
F401010	International trading
I103060	Management consultation
I501010	Product design
IC01010	Drug inspection
JE01010	Leasing
C802041	Western medicine manufacturing
C114010	Food additives manufacturing
ZZ99999	Any business unprohibited or restricted by laws or regulations, except for those that require special permission

1.1.2 Weight of consolidated company operations

Currency unit: NTD thousand

	2023		2024	
	Turnover	Operation ratio (%)	Turnover	Operation ratio (%)
EG	13,154,280	63	15,110,073	64
Gas	1,643,500	8	1,587,539	7
SC	5,995,147	29	7,038,144	29
Investment & others	24,004	—	48,864	—

1.1.3 Major business operations consolidated

- (1) Manufacture and sale of MEG, EO, DEG, etc.
- (2) Manufacture and sale of oxygen, nitrogen, argon, CO<sub>2</sub> and liquefied gas products
- (3) Manufacture and sale of specialty chemicals such as EA, EC, EB, AEO, PEG, MPEG, TA, TM, EDA, PEA etc.

#### 1.1.4 New products under development

To meet with customers' requirements, the Company is developing the high value-added EO derivatives to be applied to functional textiles, UV curing monomers, PU, daily chemicals and industrial auxiliaries, etc.

With requirements in terms of environmental-friendliness and carbon reduction, the Company is actively developing surfactants containing recycled PET, and various CO<sub>2</sub> contained chemical raw materials.

## 1.2 Industrial overview

### 1.2.1. EG

#### (1) Industrial overview and development

The MEG global capacity in 2024 totaled 60 million MT, an increase of 1.7 million MT, while the total MEG global demand was 38 million MT, an increase of 2.0 million MT. With China's MEG capacity expansion reduced in 2024, the product prices rebounded, and losses lessened on account of the demanding volume outnumbering the increased new capacity. A significant turning point for the industry.

#### (2) Correlation between up-, mid- and down-stream

The total global demand for ethylene was approx. 185 million MT in 2024, of which 15% was used to produce EO and EG, which of the latter is used up to 90% by polyester products, including chemical fibers, polyester for bottles and film slitters and so on.

#### (3) Overall economy, product development trend and competition

The 2024 global GDP 3.2% was slightly higher than the GDP 3.1% in 2023. As global geopolitical conflicts remained, inflation severed, and terminal consumption tightened, the challenges of petrochemical industry were stringent. The overall environmental unrest is expected to remain high in 2025, with Donald Trump's inauguration projecting more uncertainties into the market. To cope with the market status quo, the Company shall sustain its high-valued EODs development to secure profit.

### 1.2.2 Gas

#### (1) Industrial overview and development

Despite of the prolonged impact from Russia-Ukraine war and Sino-US trade conflicts, the disrupted supply chain due to strict inflation, the electronic supply chain in Taiwan remained intact, owing to the continued global demands for AI and semi-conductor products and overflowed orders, which accelerated the electronics capacity expansion and enlarged the electronics requirement for gases in 2024. China, on the other hand, was affected by the Sino-US trade policy conflict, which led to the market downturn and gas demand restraint.

In 2025, given that AI and semiconductor industries continual booming conduce to the incessant domestic expansion of electronics supply chain, Taiwan's economy shall stay flourishing, while gas demands keep thriving. As the domestic industrial grade CO<sub>2</sub> market becomes saturated due to continued capacity expansion, the supply and demand of CO<sub>2</sub> tend to be balanced. As to China, the dual control of energy consumption and the real estate storm have inflicted a downward pressure on its economy, impeding inevitably the growth of its gas market.

(2) Correlation between up-, mid- and downstream

In addition to the Company's gas output, which fully supplies internal ethylene glycol (EG) and specialty chemicals (SC) plants, oxygen and nitrogen are supplied to customers in Linyuan, Dalin and Dafa Industrial Zones, while the remaining liquefied products supplied mainly to domestic electronics, petrochemical, medical, food, steel and metal processing markets. To provide customers with instant and efficient services, the remote level gauge/pressure transmission systems are fully installed at the customers' storage tanks.

The oxygen of Far Eastern Union Petrochemical (Yangzhou) Ltd. provides its internal usage, while the nitrogen provides via pipelines to customers in Yizheng Chemical Park. The liquefied oxygen, nitrogen, argon and other products are sold to customers in Eastern China.

(3) Overall economy, product development trend and competition

In 2024, the booming of Taiwan's downstream electronics industry business extended in line with overloaded order, by virtue of the thriving of semiconductor industry, whereas the demands of domestic traditional manufacturing industries such as steel, petrochemical were slashed by the product dumping of China. LCO2 was oversupplied with prices sustained though feeble due to low domestic chemical operating rates, and the spotlighted issues of carbon reduction; the demand in H2/2024 decreased owing to the plunge of overall industrial demands, resulting from the multiple rises in interests, which incurred the soar of global material costs and decline of commodity demands.

With new capacity launch in H1/2025, gas prices shall stay competitive; however, gas demands are expected to rise by H2 with the aid of AI and semiconductor industries.

1.2.3 SC

(1) Industrial overview and development

**EA :**

The combined ethanolamine (EA) production capacity totaled 100,000 MT, including 40,000 MT of FUPY (currently suspended). In addition to supplying downstream electronic solvents, detergents, resins, inks, textiles, cement and other industrial applications, the company's EA in Linyuan is also exported to Asia-Pacific, Europe, America, and Africa. Among which, monoethanolamine (MEA) provides flexible and instant supply services to domestic electronic lotion manufacturers, and users of triethanolamine (TEA) can no longer be subject to the cumbersome import procedures of the United Nations Chemical Weapons Control (CWC) and obtain the stable supply of raw materials. The EA used for the detergents, cosmetics, concrete additives remained competitive in the international market. In terms of market demand and application, the construction industry turned weak as demand of cement industry reclined, including China area, on account of the effect of global economy, while domestic demand of electronic lotion arose against all the odds. With additional capacity launched in succession in 2024, mostly in China, the supply and demand were out of balance. It is estimated that the overall demand in H1/2025 shall remain at a low level until H2 due to the post epidemic, unstable geopolitics and uncovered global economy. On such account, the company's sales volume in 2024 declined 8% in comparison with 2023; while product profit was superior to that of 2023 due to the optimal of sales channel. In 2025, the Company shall continue optimizing its channel for stable product promotion, relieve the export from reliance on single area marketing, launching ultra-clean and high-

purity ethanolamine products to provide customers of the semiconductor with process cleaning solvents in Taiwan and Asia, to create the best profit.

**EB:**

EB (Ethylene Glycol Butyl Ether) is applicable mainly to solvents for painting, printing ink, stamping ink, oil, resin, as well as metal detergent, paint remover, lubricant remover, automobile engine detergent, dry-clean solvent, and epoxy resin solvent, etc. As the market requirement remains stable, the Company's EB, the sole producer in Taiwan, shall undergo re-bottlenecking through current production capacity of 30,000 MT per annum. Although the global economy stayed stagnant in 2024, the solvents for painting and detergent demands sustained. The total global demand for ethylene glycol butyl ether was approx. 950,000 to 970,000 MT, of 1% growth rate. Among which, the demand in China was 240,000 MT (including self-use), an increase of 10%. It is expected that the overall demand shall slowly rebound in H2/2025 after its plunge in H1. Apart from the exceeding demands, China's additional capacity shall cast uncertainties into the market. The total sales volume in 2024 increased 65% after the completion of debottlenecking in 2023. The Company shall continue optimizing its sales channels, develop and enrich the application of high-purity products, and further increase sales to strive for the best profit.

**EC:**

The Company's Ethylene Carbonate (EC), used mainly by polycarbonate (PC) producers as a raw material for composite plastics, and other high-end applications, has stable market demand. With CO<sub>2</sub> recycled from its own EO process as feedstock, the company showcases its efforts in the development of sustainability by reducing the GHG emission. The total sales volume of EC in 2024 was reduced due to China's anti-dumping duties levied upon EC.

**EOD:**

The Company's two EOD plants, of total consolidated output capacity 146,000 MT, locate in Linyuan and FUPY Yangzhou. EOD products of the Company consist of AEO, which may be applied to synthetic detergent formulas and textile auxiliaries; PEG to the industries of daily chemicals, textiles, rubber, coating and pesticides as thickening, wetting, dispersing, vulcanizing aids and modifiers ; MPEG and HPEG used in concrete water reducers and paper pulp auxiliaries; TA as auxiliaries in pesticides and textiles; TM used in UV curing resin; and other EOD used in textile & dye process development and construction chemicals according to the strategic development of vertical integration of the Far Eastern Group, as well as new series of raw material and formulation required to be used in rubber latex, textile protection, agriculture, polyurethane, lubricant and the like. The EODs of the Company are primarily supplied to the downstream industries such as daily chemicals, electronic chemicals, synthetic resins, rubber, textile and construction chemicals, which are highly correlative to the overall economic growth. In recent years, the demand of EOD has continued to boost in Asia, especially the markets in China and Southeast Asia, following the escalating of the general consumption level. In order to strengthen its competitiveness and stay close to market demand, the Company has been developing in recent years the high-end materials and formulation technologies, new products of the special alcohol ether and polyol series, and provided functional products of safe antibacterial, functional cleaning, environmental protection, waste reduction, and recycling to meet customers diversified demands, conducting to the increase of



revenue and profit, with more completed product lines. However, overall sales in H2/2024 were impacted by the sluggish domestic demand in China and its massive dumping of products at low prices into overseas markets. The total annual sales volume was approx. 20% lower than in 2023.

The EOD plant of the FUPY in Yangzhou is to mainly supply the China domestic market. Following the China economic development in the recent years, with its market demand focused on the expansion for domestic requirement and the industrial upgrade, FUPY has been proceeding with the expansion of new product lines to further develop EOD products of high value and functionality, besides its original AEO/PEG/XPEG, to enhance the product competitiveness. The future prospect of FUPY could be well expected.

#### **Construction Chemical Additives:**

The launched product line of the Company's construction chemical additives in Linyuan, with capacity of 12,000 MT per annum and feedstock of its own EOD, traverses the construction chemical industry chain. The customers are all over Taiwan, Southeast Asia, Middle East, and Europe. Current market development extends to North America and India.

#### **Ethylenediamines and Polyetheramines:**

The Linyuan plants of ethylenediamines (EDAs) and polyetheramines (PEAs) were launched in 2024, with capacity of 20,000 and 6,000 MT respectively. EDAs, produced from the reaction of its own MEA and ammonia, are mainly applied as intermediates for other useful chemicals, such as asphalt additives, bleaching activators, chelating agents, corrosion inhibitors, drainage aids, elastic fibers, epoxy resin curing agents, fabric softeners, insecticides, hydrocarbon purification, lubricants and fuel additives, mineral processing aids, pharmaceuticals, plastic lubricants, polyamide resins, rubber processing aids, surfactants, textile additives, polyurethanes, wet strengthening resins of pulp industry and the like. As a new compound of amines, PEAs possess unique structures and outstanding functionalities to be widely applied to the domains of wind power generation, oil and gas extraction, coatings, adhesives and the like, of mostly high-end and eco-friendly applications with increasing importance.

#### **(2) Correlation between up-, mid- and downstream**

##### **EA:**

With EO as its major feedstock, the cost of EA highly correlates to the ethylene market, the upstream of EO. The applications of EA feature primarily on surfactants in household detergents, electronics solvents, wood preservatives, taurine, herbicides, textiles and cement auxiliaries. In particular, the market demands of electronics solvents, daily chemical auxiliaries, fluorescent whitening agents, and cement auxiliaries have been stable. Besides the Taiwan and China markets, the EA products are sold to Asia Pacific, the Middle East, Africa and Europe.

##### **EB:**

The costs of EO and n-butanol, raw materials of EB, are in fair correlation with the market status of the upstream ethylene and propylene. The main applications of EB include solvents, paint remover agent, lubricant remover agent, automobile engine detergent, dry-clean solvent, epoxy resin solvent and so on. The market demand is stable. The Company is the sole producer of EB in Taiwan.

**EC:**

The Company's EC plant adopts safe, eco-friendly and competitive production process using its own production of EO and recycled CO<sub>2</sub> and mainly produced to satisfy the stable demand of the downstream polycarbonate (PC) supplier, Chi Mei.

**EOD:**

With EO as a main feedstock self-supplied, coupled with other outsourced feedstock such as fatty amine and methanol for production. EOD can be widely used by mid- and downstream markets of daily chemicals, textile and industrial auxiliaries, pharmaceuticals, construction, resin paint and electronics.

**EDA:**

EDA and its derivatives are produced through the multiple reactions of the Company's own MEA and ammonia under high temperature and high pressure.

**PEA:**

PEAs are produced through high temperature and pressure reactions of polyether polyol and ammonia. The key to mass production lies in the procurement and operation of raw materials, the technologies of catalyst as well as processing of high temperature and pressure.

(3) Overall economy, product development trend and competition

**EA:**

For the time being, the Company is the only domestic EA producer, with competitive vantage using self-produced EO as feedstock. The Company owns 60% of the domestic market share, as EA demand from the electronics industry remains stable in Taiwan. The Company's future marketing strategy is to enhance domestic market share as well as the exports to Asia, Europe and America. The Company's primary rivals include Nippon Shokubai (Japan), Optimal-Petronas (Malaysia), Thai Ethanolamines (Thailand), Sabic and Sadara (Saudi Arabia), and some other manufacturers in China, Europe and America. EA sales objective in 2025, besides enhancing marketing through domestic and overseas channels to maintain stable demand and supply, aims at upgrading EA product to semi-conductor grade with high value for differentiated market sales, to survive the extreme competitiveness and optimize the profit.

**EB:**

With EO and n-butanol as feedstock, EB is widely used as solvents with mid to high boiling point, which covers paint, printing ink, stamping ink, oil, resin solvent, metal detergent, paint remover, lubricant remover agent, automobile engine detergent, dry-clean solvent, and epoxy resin solvent, etc.

**EC:**

Due to the stable market demand for PC, EC is in steady development. Despite PC, EC can also be applied to electrolyte of lithium battery, diesel additive, polyether polyols for polyurethane (PU), and so on. With its strengths in safe production and eco-friendliness, EC development obtains good potential.

**EOD:**

With self-owned EO as feedstock, the Company's EOD, produced with advanced processing equipment, coupled with stable quality and strong technical service capability, has established

its market share. Given that the domestic market scale is small and restricted, current EOD is prioritized to steadily supply domestic downstream customers, apart from exporting to Southeast Asia, New Zealand and Australia, Middle East and Latin America. With China's rapid economic growth, EOD product demand in daily chemicals remains growing followed by the booming of consumption capability and the continual capacity launch, resulting in an over-supplied market, in addition to the low-cost imported products.

In view of China's extreme competitive market, EOD plant of FUPY shall adjust product portfolio and keep high operation rate to sustain margin, endeavor in marketing, development of new products as well as customers, and expand business territory to enhance overall advantages.

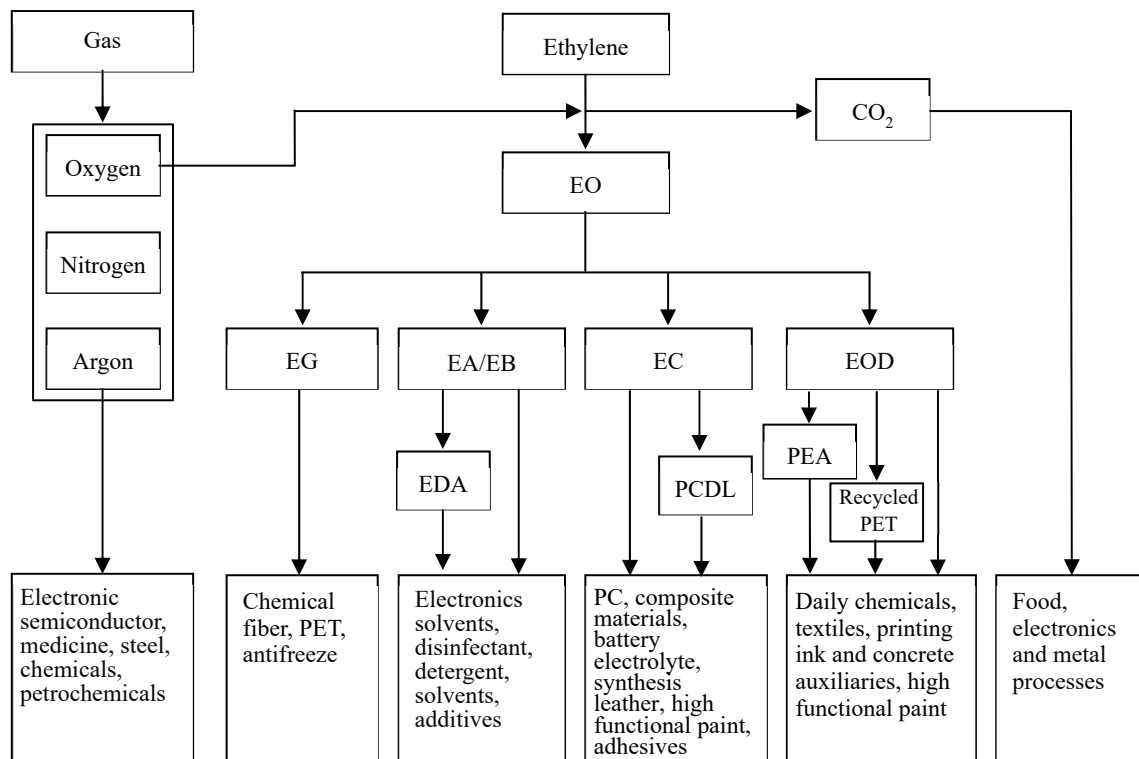
#### EDA:

The Company's EDAs, the co-products, shall be gradually increasing its market share, once under stable production, among Asia, with Japan's Tosoh as index, Europe, America, China and India.

#### PEA:

Under continuous production, the Company's PEAs focus mainly on di-amines of molecular weight of 230, which are sold to North America and Southeast Asia to avoid the impacts of Sino-US trade tariff barriers and the oversupply in China.

#### (4) Industry overview



### 1.3 Technology and R&D overview

The Company always highly value R&D and allots a substantial yearly budget for the purpose. The R&D expenditure in 2024 was NT\$ 229,057 thousand, and NT\$ 209,604 thousand in 2023.

The main customized new products of high-quality EOD/POD in 2024 included: PU/UV curing resin reactive monomer (TM15, TM20, PH6, PE122R), and polyoxyethylene polyoxypropylene ethers used in industrial oils (PE61A, HPE51A). Additionally, the functional additive formulated for low-form detergent (L77SADF) has been developed, with quality well received by downstream customers. In the future, the Company will continue to emphasize on customers' needs and launch more customized products, providing services on the existing basis.

As to constructure chemicals, the new products developed in 2024 include the highly efficient powder-type water-reducing agent (PWR01), air-entrained foam stabilizers for lightweight concrete (JDF03), and the CO<sub>2</sub>-contained reagent (RCXC1550) the Company's innovative development for concrete. With product applications in conformity with downstream customers' requirements and proactive promotion of sales in recent years, water-reducing agent WR04, slump agent SR04, highly efficient water-reducing agent HWR01 and deformer JDF05 have obtained verifications and positive comments from various domestic and overseas customers, and delivery volume and market share are enlarging.

In order to respond to the global goal of achieving net zero greenhouse gas emissions by 2050, the R&D has adopted the novel green chemical derivative application technology in 2024 and completed the new products include (1) CO<sub>2</sub>-derived polyethylene glycol PEG200FC10, PEGXC2020R, PEGXC2020SA, PEGUC2040SA, which are 10-20% carbon contained, energy-saving when used in liquid form at room temperature, and currently successfully applied in the formulation of daily dispersing additives and the synthesis of PU waterproof and breathable membranes; (2) CO<sub>2</sub>-derived detergent L79FC10, with CO<sub>2</sub> content of 10%, an overall green product in terms of production, application and waste, currently used in the formulations for industrial detergents and emulsifiers; (3) Recycled bottle flake label cleaner LRD01: It uses a green formula derived from recycled PET. The cleaning process is low-foam and environmentally friendly, and product performance has been certified by downstream customers; (4) Environmentally friendly detergent/emulsifier EMXC02: It uses a CO<sub>2</sub>-derived green formula and is currently used by customers as textile refining auxiliaries. In addition, the developed environmentally friendly detergent RPHB04, which has long been highly recognized by customers over the years, is expected to become the first environmentally friendly product of OUCC to obtain RCS (Recycled Claim Standard) certification in 2025. In the future, the Company will continue to develop more environmentally friendly products with functional advantages in response to customers' carbon reduction needs.

The Company is actively transforming and expanding the development and promotion of derivatives of existing products and continues to move towards the production and customization of petrochemical raw materials for high-valued fine chemicals. The R&D Center continues to aim at producing high-valued fine chemicals, and has developed and produced (1) special catalyst technology and ring-opening polymerization technology required for special polyether polyols; (2) polyether amine (PEAs) series products; (3) reductive amination catalysts and process technologies required for ethylenediamines (EDAs) series products and high-value polyamines; (4) electronic chemicals series products, focusing on the formulation of electronic product detergents and lithium battery electrolytes; (5) transesterification polymerization technology required for polycarbonate diol (PCDL) series

products that use soft segment modifiers to adjust the physical properties of polyurethane (PU); (6) alkylation technology required to produce N-methylethylene glycolamine(MDEA); and (7) Selective hydrogenation related technologies.

Special-spec. polyether polyols contain mainly PO or EO-PO, EO/PO-THF copolymer series of mono-, di-, tri-, tetra-, and hexa-functional groups. The molecular weights of each series of polyether polyols range 230-20000, and the physical properties of each polyether polyol series can be adjusted according to specific needs of the downstream customers. Various series of polyether polyols can be applied to various polyurethane (PU) resins as waterproof and moisture-permeable membranes, adhesives and sealants, elastomers, rigid foams and soft foams to improve their quality grades and physical properties, which have been verified by customers and already in sale.

The polyetheramine series are mainly mono-, di-, and tri-functional PO or EO-PO copolymer. The molecular weights of each polyetheramine series range 200-2000, which can mainly adjust and optimize the physical properties of the epoxy resin, polyurethane (PU), and polyamide fiber, suitable for wind blades, waterproof and anti-corrosion coatings, and high-strength structures with wear/weather resistance.

Ethylenediamine (EDA) series mainly include ethyleneamine (EDA), amineethylethanolamine (AEEA), diethylenetriamine (DETA), triethylenetetramine (TETA), piperazine (PIP), N-aminoethylpiperazine (AEP), N-hydroxyethylpiperazine (HEP), and the like, which can be used mainly in bleach activators, chelating agents, corrosion inhibitors, elastic fibers, disinfectants, lubricating oil and fuel additives, minerals processing aids, pharmaceuticals, plastic lubricants, polyamide resins, rubber processing aids, textile additives, polyurethane chemicals.

The electronic chemicals series mainly include high-purity ethylene carbonate (HPEC) and high-purity dimethyl carbonate (HPDMC), which are mainly used as electrolyte solvents for lithium secondary batteries. When combined with EMC, DEC, PC and various functional additives and lithium salts to form battery electrolytes, which strengthen batteries with high-power, high-energy density and long cycle life, to be widely used in smart mobile devices, electric transportation vehicles, renewable energy storage systems and other fields. In addition, with strong solubility for polymers, they can also be used as anti-corrosion layer stripping agents, cleaning agents, textile processing agents, organic solvents, organic synthesis raw materials, pharmaceutical synthesis intermediates, etc.

Polycarbonatediol (PCDL) series are mainly composed of respective C6, C4&C6, C5&C6 with carbonate. The molecular weights range 1000-2000. Compared with the diols of general polyester and polyether series, PCDL has excellent mechanical properties, hydrolysis resistance, thermal stability, weather resistance and solvent resistance, mostly used to improve the PU physical properties for durability, such as automotive water-based adhesives, sealants, high-grade synthetic leather, leather treatment agents, instrument panels, high-grade wood paints, surface treatment agents and thermal plastic resin. As PCDL trial production completed in 2023, the process parameters are persistently optimized. The currently available products include PCH101(molecular weight 1,000, C6), PCH201(molecular weight 2,000, C6), and PCBH101(molecular weight 1,000, C4&C6).

The core technologies related to selective hydrogenation cover olefin-to-alkane, nitro-transamination, cyano-transamination, imine-transamination, ester-to-alcoholization, and ether-to-alcoholization, among which the basic reaction systems of the first four items have been established and applied to relevant corresponding items, while the latter two are under continuous development.

With more than a decade of hard work on industrial transformation, OUCC has become a materials company with capability to develop and produce specialty chemicals. With relentless focused endeavors on environmental issues, the Company has successfully developed key raw materials for wind turbine blades and CCU technology for CO<sub>2</sub> recycling, as well as the technology to introduce CO<sub>2</sub> into products to form a complete carbon cycle. In addition, the Company recently been actively planning to apply low-energy process technology to develop related products of lithium battery electrolytes, and establish next-generation solid-state electrolyte technology, thus setting up a lithium battery test laboratory, from where the Company shall expand the lithium battery industry and continue investing more in the development of environmentally friendly green energy. This series of progress and transformation continues to receive outward recognition and support, and a total subsidy of over NTD160 million from the Ministry of Economic Affairs since 2017.

#### **1.4 Long- and short-term business development plans**

##### **1.4.1 EG operations**

Short term: Optimize current equipment capacity to satisfy domestic market demand.

Long term: To evaluate and plan for the security of energy resources in the territory where the energy is competitive, with the aim of expanding the core business base.

##### **1.4.2 GAS operations**

Short term: Elevate efficiency of production and sales to create profit.

Long term: Develop new product applications and products of high value.

##### **1.4.3 SC operations**

Short term: The Company will enhance business operations with end users, infuse new products into the market, and strengthen technical service ability to increase the market share; and reinforce cooperative relation with international leading manufacturers to enhance brand exposure, maintain strategic collaborative partnership in developing other customized EO derivatives to compete mutually through collaborative supply chain.

Long term: To proceed with plans for the diversified development of new specialty chemicals, fine chemicals and the related to enlarge the proportions of sales and profit of SC.

## 2. Market, Sale & Production Overview

### 2.1 Market Analysis

#### 2.1.1 Major products vs sales territories vs competitors and market share

(1) EG :

The MEG, DEG and EO from the EG plant were primarily produced for the domestic market. The current EG domestic market share is 30%.

(2) GAS :

The sale of industrial gas is also mainly for the domestic market. Domestic market share is 8%.

(3) EA :

As the only EA manufacturer in Taiwan, the Company's EA sales territories mainly include Taiwan, Asia Pacific, Middle East, Africa, Europe and America, etc. The EA domestic market share is approx. 60%.

(4) EB :

As the only EB manufacturer in Taiwan, the current sales territories of the Company's EB cover Taiwan, China, Asia Pacific, and Africa, etc. The EB domestic market share is approx. 70%.

(5) EC :

The EC supplied to Chi Mei to produce PC is primarily used as advanced plastic materials. To cope with the effect from China's anti-dumping duty, Chi Mei kept single line of its PC production, in line with the development of new sales channel and optimal product portfolio.

(6) EOD :

The AEO, PEG, MPEG, HPEG, TA, and TM from the EOD plant have extensive applications and account for 55% of domestic market share. Apart from the domestic market, the EOD products exported to Southeast Asia, New Zealand, Australia, Middle East and Latin America accounted for approx. 31% of total sales volume.

The AEO, PEG and HPEG from the FUPY EOD plant are sold mostly to Eastern China, while the rest to Northern and Southern China. Overall EOD market share is 5%.

(7) EDAs :

The Company's EDAs domestic market share is approx. 9%, and the rest proportion of 91% was exported mainly to North America, India, Southeast Asia, etc.

(8) PEAs :

The PEAs were sold mainly to North America, Japan, Southeast Asia and China for applications featuring in wind power compound and floor coatings.

#### 2.1.2 Future market overview

(1) EG :

The total domestic output is approx. 570,000 MT, imports 110,000 MT, exports 90,000 MT, and domestic demand 590,000 MT.

(2) EO :

The demand for EOD grows by 3% or more each year. The Company's EO fulfills internal demand for EA, EC, and EOD.

(3) DEG :

The domestic demand is approx. 60,000 MT, while the supply is approx. 70,000 MT. Export is necessary for the balance of DEG domestic market.

(4) GAS :

The Company competitors include Air Products San Fu, Linde LienHwa, Air Liquide Far Eastern and Taipei Oxygen and Gas. The Company will continue extending the pipeline business ratio and area and increase the sales of high-valued CO<sub>2</sub>.

(5) EA :

As the sole domestic manufacturer of EA, 65% of the production volume, besides the portion for self-use, goes to the domestic market, which used to rely totally on imports. The remaining 35% will be exported to Asia Pacific, Africa, Europe and America, etc.

(6) EB :

As the sole domestic manufacturer of EB, 20% of production volume goes to the domestic market, which used to rely totally on imports; while the remaining 80% is exported to China, Asia Pacific, and Africa, etc.

(7) EC :

As the sole domestic manufacturer of EC, which demand used to depend totally on the import, 90% of the Company's output will fulfill the domestic demand, while the rest 10% be exported to China, Pacific Asia, Europe and America, etc.

(8) EOD :

With diversified downstream applications to household industry such as detergent, textile auxiliary, coating resins, concrete water reducers, and so on, the Company shall increase gradually its technical services to customers, in hope that future EOD may grow in line with economic development, and seek long-term cooperation with leading SC manufacturers to further expand its domestic market share and increase export volume, aiming 60% of output at domestic market supply and 40% for export to Southeast Asia, Middle East, Europe and America, etc.

(9) EDAs & PEAs:

Due to the limited global supply, coupled with the restraint on output expansion of European and American producers, the future market will be mainly based on mature applications in Europe, America and Japan, supplemented by emerging growth areas such as India.

### 2.1.3 Advantages/Disadvantages and Countermeasure in Competitiveness and Future Development

(1) Advantages :

- (a) With the highly efficient catalyst now in use, the efficiency of the EG plant has been improving remarkably each year resulting in the saving of feedstock ethylene and oxygen as well as energy consumption. In addition, the produced high-purity EO is used not only to produce EA and EC, but also for the high value-added EOD.
- (b) With the steady internal oxygen demand and pipeline supply to Linyuan and Dafa Industrial zones, the gas production costs maintain stable; while the CO<sub>2</sub>, by-product of EG process retain competitive with high purity and low cost.



- (c) To effectively reduce energy consumption and improve the quality and competitiveness of the product, EA plant No. 2 has adopted the low water revamp process.
  - (d) Given that TEA is under the control of CWC of the United Nations and domestic production has released local TEA users from the almost inextricable and complicated import application procedures, the domestic demand and supply continue to grow.
  - (e) In addition to its use as feedstock for electrolyte of lithium battery and PC composite material, the production of EC under the environmentally protective non-phosgene process and the use of GHG CO<sub>2</sub> as feedstock, have earned the recognition of society and environmental conservation institutions, and supplied under contract to satisfy the downstream Chi Mei's requirement for PC marketing.
  - (f) With self-supplied feedstock EO, the EOD plant obtains its cost advantage and secures its high-quality products with far lower than average impurity content, which is highly regarded by the customers, due to its advanced equipment thereof. In addition, to create differentiated market opportunities, the Company continues to develop a series of carbon reduction products using self-recycled CO<sub>2</sub> to meet the market's growing awareness on environmental friendliness.
- (2) Disadvantages and countermeasures :
- (a) With CPC as primary supplier of ethylene, imports are necessary when there is a shortage.
  - (b) To deal with the disadvantages of costly transportation, the Company is working on the installation of an optimizing transportation dispatch system to ensure the steady and secure supply of gas products.

## 2.2 Applications and production processes of the major products

### 2.2.1 Applications for major products

- (1) MEG: is the raw material for polyester fibers, antifreeze, dehumidifiers, engineering plastics, PET bottles and brake fluid, etc.
- (2) DEG: is the raw material for dehumidifiers, lubricants, dye levelers, polyurethane and unsaturated polyester resins as well as solvents and grinding aids.
- (3) EO: is the major feedstock for EG, EB, EA and non-ionic surfactants and disinfectants.
- (4) Oxygen: is used in the aerospace industry, metal processing, papermaking and glass industries, chemistry and pharmaceuticals, industrial welding and cutting, wastewater treatment, incineration, hospitals and fisheries, etc.
- (5) Nitrogen: is mainly used in refineries, the glass, electronics and semiconductors, plastics industries, food preservation and packaging, low-temperature cutting, chemical industry, metal heat treatment, pharmaceuticals, low-temperature surgery, printing, metal, rubber and livestock industries as well as in medical research, etc.
- (6) Argon: is used in welding, the aerospace industry, lighting, window heat insulation, the electronics and semi-conductor industries, the metal and alloy manufacturing industry and in laser production and the processing industry.

- (7) CO<sub>2</sub>: is used in welding, fire extinguisher, electronics and semi-conductor industries, frozen foods and dry ice cleaning, etc.
- (8) MEA: is used in disinfection, anti-diarrheic, fluorescent whitening agents, surfactants, anti-corrosive agents, detergents, paints, and in acid gas absorbents and electronics solvents.
- (9) DEA: is used in herbicides, corrosion inhibitors, crosslink agents, engine antirust agents, detergents, surfactants, and in acid gas absorbents.
- (10) TEA: is used for cutting, cooling and anti-corrosion agents in metal processing; emulsion and neutralization in the cosmetics industry; grinding aids in cement processing, early strengthening and water reducing agents for concrete; and as surfactants and electroplate bonders.
- (11) EC: is used in the production of PC, which is then used to produce compact discs and engineering plastics, as well as lithium battery electrolyte.
- (12) EB: is used in paints, printing ink, stamping ink, oil, resin solvents, metal detergents, paint removers, lubricant remover agents, automobile engine detergents, dry-clean solvents, and epoxy resin solvents, etc.
- (13) PEG: is used as a fluorescent brightener in electroplating; in moistening and concentration for cosmetics; as a soldering flux, and as a mold release agent in rubber processing.
- (14) AEO: is a shampoo ingredient, a lubricant or anti-corrosion additive; is used as a biodegradable material for textile auxiliary; is a moisturizer or dispersant used in the preparation of colored dyes and pesticides; also used as a stabilizer in synthetic latex processing.
- (15) MPEG: is extensively used in construction, as a raw material for poly-carboxylate cement water reducers; as thickening agents and lubricant in textiles and daily chemical processes. It is also used as a pharmaceutical substrate for ointment, emulsifying gel, as a rinsing agent and in suppositories.
- (16) TA: is non-ionic in an alkali or neutral mediator, and cationic in an acid mediator. It has excellent emulsification and dye leveler properties. Extensively used in pesticides, the leather and textile industries, metal processing and plastics industries, such as textile auxiliaries, pesticides emulsifiers and metal anti-corrosion agents.
- (17) TM: ethoxylated trimethylolpropane is a tri-functional alcohol with quaternary structure and is a colorless transparent liquid at normal temperatures. TM is frequently used as a cross linker in polyurethanes, a precursor for UV curing coating reactive monomers and a composition of aqueous polymer.
- (18) EDAs: are widely applied as asphalt additives, bleaching activators, chelating agents, corrosion inhibitors, drainage aids, elastic fibers, epoxy resin curing agents, fabric softeners, insecticides, hydrocarbon purification, lubricants and fuel additives, mineral processing aids, pharmaceuticals, plastic lubricants, polyamide resins, rubber processing aids, surfactants, textile additives, polyurethanes, wet strengthening resins of pulp industry and the like.
- (19) PEAs: as a new compound of amines, with unique structures and outstanding functionalities to be widely applied to the domains of wind power generation, oil and gas extraction, coatings, adhesives, additives and the like.

## 2.2.2 Production processes

- (1) EG plant: After preheating, ethylene goes through the sulfur and acetylene removal units and is injected into the cycle gas loop with oxygen before being catalyzed with silver and reacts to form ethylene oxide (EO), carbon dioxide (CO<sub>2</sub>) and water. The EO is then absorbed by circulated water in the main absorbing column and pumped to the gas stripping column and EO recovery system to produce crude EO, which is partly processed later as high purity EO after the removal of aldehydes in HPEO column, while the rest is mixed with process water and reacts to glycols in the reactor, prior to the water and impurities removals at the multiple effect evaporators, the concentration and purification columns respectively, to produce high quality mono-, di-, and tri-ethylene glycol (MEG, DEG, TEG) products. The CO<sub>2</sub> from reaction will be then forwarded to the EC plant for purification, used as feedstock as well as for sale.
- (2) Air separation plant: Air is filtered to remove particulates and dust, compressed by the main air compressor, passed through molecular sieves to remove water, CO<sub>2</sub>, and light hydrocarbons by adsorption. The purified dry air passes through primary heat exchangers to reach liquefying temperature and enters the fractionation column where it is split into high purity oxygen (O<sub>2</sub>), nitrogen (N<sub>2</sub>) and argon (Ar). Liquefied products (LOX, LIN, LAr) are produced by compression-expansion of the gaseous O<sub>2</sub>/N<sub>2</sub>/Ar in the liquefiers.  
To secure the quality control of medical GOX and LOX, the medical oxygen has been produced through dedicated singular-use pipeline.
- (3) EA plant: EO reacts with the ammonia solution to produce ethanolamine solution. The solution goes through ammonia, water removal and vacuum distillation processes to produce mono- di-, tri- ethanol amines (MEA, DEA, TEA) and heavy TEA (TEAH) products.
- (4) EC plant: EO and purified CO<sub>2</sub> react in the high-pressure reactor to produce ethylene carbonate (EC), during which reaction the liquefied EC is catalyzed and proceeds with vacuum distillation. The purified CO<sub>2</sub> going through different equipment/product line/production area produces products of industrial-, food-, electronic- and semiconductor-grade, to meet requirements of respective customers.
- (5) EOD plant: EO reacts with various initiators such as PO, methanol, natural fatty alcohol, synthetic alcohols, DEG, methallyl alcohols, polyols, glycerin, fatty amine, trimethylpropanol, benzene rings, phenols and so on in the high pressure autoclaves to produce different ethoxylates (AEOs, TDK/TDE, MPEG, PEG, HPEG, TA, TM, PH1, TSP, PET, BPA, GLX, DH series, etc.) The batch reaction process undergoes catalyst addition, moisture removal, reaction, aging and neutralization steps in the facility which includes pre-treatment, reaction and post treatment vessels. The agricultural and textile emulsifiers, water treatment and contracture additives are formulated at the EOD plant with the base materials from the self-developed EOD series of the Company prior to packing. The concrete additive polycarboxylate (PCE) is transesterified and synthesized employing self-produced monomer of HPEG and 6-carbon alcohol as base materials, which are developed and formulated through self-owned technology.
- (6) To produce the ethylene glycol butyl ether, the butanol is to react with EO to produce glycol ether solution. Then, through the processes of butanol removal and the vacuum distillation there come the ethylene glycol butyl ether (EB), diethylene glycol butyl ether (DB), and

triethylene glycol butyl ether (TB), etc. Starting 2018, the developed products of the de-salt series, the polyethylene glycol butyl ether (HB) and the like provide outstanding functions to EB series in applications of solvents and non-ionic surfactants.

- (7) The production of ethyleneamine and its co-products (EDAs) is synthesized through a reductive amination reaction of monoethanolamine (MEA) and ammonia (NH<sub>3</sub>) in a reactor with high-pressure hydrogen circulation, followed by a separation and purification process to recover ammonia and ethanolamine, to separate the various products, which include ethylenediamine (EDA), piperazine (PIP), diethylenetriamine (DETA), triethylenetetramine (TETA), aminoethylethanolamine (AEEA), aminoethylpiperazine (AEP), and polyamine blend (HPAX), etc.
- (8) PEAs are produced by the reaction of polyol and ammonia, then the process of amination reduction synthesis through high-pressured hydrogen circulation.

## 2.3 Supply of major feedstock

### 2.3.1 Major feedstock of the EG Plant:

- (1) Ethylene: is primarily supplied by CPC in Taiwan. Any shortages are covered by imports mainly from Northeast Asia, Middle East and America.
- (2) Oxygen: self-supplied by the Company gas plant.

### 2.3.2 Gas feedstock is atmospheric air.

### 2.3.3 Feedstock of the EA plant:

- (1) EO: self-supplied by the OUCC EG plant.
- (2) Liquefied ammonia: supplied by the Taiwan Fertilizer Co.

### 2.3.4 Feedstock of the EC Plant: EO and CO<sub>2</sub> are both provided by the Company EG plant.

### 2.3.5 Feedstock of EB Plant: EO is provided by the Company EG plant, while n-butanol is provided mainly by Formosa Plastics Corporation, shortage by importers.

### 2.3.6 Major feedstock of the EOD plant:

- (1) EO: Supplied by OUCC EG plant. FUPY is supplied mainly by its own EG plant, while the rest is by local suppliers.
- (2) Fatty alcohols: Supplied by the Kao Group or other importers. FUPY is provided by Eastern China supplier.
- (3) DEG: Supplied by OUCC EG plant. FUPY is provided by its own EG plant.
- (4) PO: Supply is procured from abroad.
- (5) Other initiators: Procured from domestic and overseas suppliers, while FUPY from domestic suppliers.

### 2.3.7 Feedstock of the EDA plant:

The feedstock MEA is mainly from the Company's EA plant, shortage to be fulfilled by imports, while ammonia is supplied by Taiwan Fertilizer Co. till H2/2025, and by imports afterwards.

### 2.3.8 Feedstock of the PEA plant:

The feedstock of polyol is supplied by the Company's EOD plant, while ammonia is supplied by Taiwan Fertilizer Co. till H2/2025, and by imports afterwards.

## 2.4 The major suppliers and customers account for 10% or more of the Company's total acquisition and sales over the last two years

### 2.4.1 The major suppliers account for 10% or more of the Company's total acquisition:

Currency unit: NTD thousand

Item	2023				2024			
	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer
1	CPC	4,253,879	21	None	CPC	4,734,494	21	None
2	Nanking Chengzhi Yongchin Energy Technology Co.	3,931,694	19	None	Nanking Chengzhi Yongchin Energy Technology Co.	3,816,129	17	None
3	Others	12,294,432	60	None	Zhejiang Satellite Chemical Co., Ltd.	2,216,910	10	None
4					Others	11,922,805	52	None
	Net purchase	20,480,005	100		Net purchase	22,690,338	100	

### 2.4.2 The majority of customers account for 10% or more of the Company's total sales amount:

Item	2023				2024			
	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer
1	Sinopec Chemical East China Branch	2,985,397	14	None	Sinopec Chemical East China Branch	3,746,797	16	None
2	Others	17,831,534	86	None	Others	20,037,823	84	None
	Net sales	20,816,931	100		Net sales	23,784,620	100	

### 3. Employees

March 31, 2025

Year		2023	2024	2025 (Note)
Number of employees		665	638	638
Average age		39.64	40.70	40.70
Average seniority		8.33	9.12	9.32
Education Background %	Doctor	1.20%	1.10%	1.10%
	Master	20.90%	21.31%	21.00%
	Bachelor	66.62%	67.40%	67.56%
	High school and below	11.28%	10.19%	10.34%

Note: The information on consolidated companies is valid up to the date of publication of the annual report.

### 4. Environmental Protection Expenditure

#### 4.1 Incurred loss and punishment due to contamination of environment in recent years

##### 4.1.1 Linyuan premises

Item \ Year	2023	2024	Ending 31 March, 2025
Contamination classified	Waste Disposition Rule	Air Pollution Prevention Rule Waste Disposition Rule	N/A
Authorized Unit	Kaohsiung City Government	Kaohsiung City Government	N/A
Compensatory amount or discipline	NTD6,000	NTD525,000	N/A
Other losses	N/A	N/A	N/A

##### 4.1.2 Yangzhou premises

Far Eastern United Petrochemical (Yangzhou) Ltd., an important subsidiary of the Company, though caused no damage due to environmental pollution in 2023 and 2024, was found unauthorized to start construction of its green transformation project of carbon capture and comprehensive utilization of ethylene oxide unit on 13 February 2025 without the approval of safety facility review, and was fined RMB 410,000 by the Yizheng Emergency Management Bureau.

#### 4.2 Future countermeasures and expenditure

##### 4.2.1 To be adopted plan and countermeasures:

- (1) To strengthen the operation management of the anti-pollution facility, to ensure the compliance of pollutant emission pursuant to the regulation.
- (2) To enhance the operative capability of the anti-pollution facility by monitoring the management of operation and maintenance, to eliminate the accident occurrence.
- (3) To promote the industrial waste reduction plan, to diminish the generation of wastewater, gas, good through process development and improvement technology.
- (4) Review and advance all the measurements for water and energy saving, and CO<sub>2</sub> reduction.

4.2.2 Future and on-going expenditures in environmental protection and the improvement anticipated

- (1) The Company is investing NTD17.55 million in the improvement of specialty chemical wastewater by installing on-line analyzers to enhance the monitored quality of wastewater disposition.
- (2) The Company is investing NTD6.12 million in the renewal of the wastewater level 3 flotation unit of the EG plant to improve the flotation function.
- (3) The Company is investing NTD4.5 million in the renewal of air blowers for the wastewater of the EG plant.

**4.3 Implementation of GHG reduction**

4.3.1 Implementation

- (1) The catalyst renewal project of EOG plant is estimated to save power 8.793 million kWh and reduce 4,344t-CO<sub>2</sub>e annually.
- (2) The steam saving project of EB plant is estimated to save steam 20,000 MT and reduce 3,415t-CO<sub>2</sub>e annually.
- (3) The renewal of LED for the high-pressure sodium lamp at repair & maintenance building of Linyuan premises is estimated to save power 75,000 kWh and reduce 37t-CO<sub>2</sub>e a year.

4.3.2 Proceeded measures

- (1) The renewal project of the circulating air compressor of the 2<sup>nd</sup> GAS plant is estimated to save power 1.28 million kWh and reduce 607t-CO<sub>2</sub>e annually.
- (2) The renewal project of the high pressure demineralized water pump PP-1301 is estimated to save power 285,000 kWh and reduce 135t-CO<sub>2</sub>e annually.
- (3) The energy saving project of the RTO of EOG plant is estimated to save power 702,000 kWh and reduce 333t-CO<sub>2</sub>e annually.
- (4) The renewal of LED for the high-pressure sodium lamp at Gas plant in Linyuan is estimated to save power 80,000 kWh and reduce 38t-CO<sub>2</sub>e a year.

**4.4 The implementation of RoHS and its effect on investors' interests and rights:**

The Company has confirmed that no lead or cadmium is ever used as ingredients, or in formulation or processing pursuant to RoHS.

## 5. Labor-Management Relations

### 5.1 Employee welfare measures, labor-management agreements and employee rights and interests' protection measures:

5.1.1 The Company has established the Worker's Welfare Commission and contributes to welfare benefits in accordance with the Law, calls meetings periodically, attends to worker welfare affairs and organizes various welfare activities. Badminton, softball and fishing clubs have been founded, academic subsidies and travel allowances are provided, and an annual health examination for all employees as well as employees' group insurance are provided.

#### 5.1.2 Continual education and training

The Company values the training and development of human resources, and supports and invests in employee education and training, which improves expertise and skill and upgrades the Company's overall competitiveness. The Company plans and provides employees with the chance to continue their education and training each year by attending competency and executive management talent development programs, including finance & accounting, marketing and computer courses planned by the HR Development Center of Far Eastern New Century Corp, a Group affiliate. The various departments may also recommend that colleagues attend on-job training, labor safety training and training for licenses organized by the governmental apparatus and social organizations. These internal education and training seminars will be continued to enrich employee expertise and achieve the substantial goal for "to learn in order to practice". The 2024 internal and external education and training totaled 11,416 hours. For the ESG talents cultivation, the on-line classes regarding trend development, strategy planning, risk management, and low carbon transition were programed in 2024.

#### 5.1.3 Retirement system

The Company has established a Labor Pension Supervisory Committee to review and monitor the utilization of pensions. The Committee will contribute 10% of the pension reserve into a special and exclusive account maintained at the Trust Dept. of the Bank of Taiwan on monthly basis and pay employee pensions as required to ensure the interests and rights of retired employees.

Starting July 1, 2005, employees who have chosen the pension system under the "Labor Pension Act" shall pay a deposit of 6% of the insured value to the personal pension account at the Labor Insurance Bureau on monthly basis. The ratio of the pension system to the official employees is 100%.

#### 5.1.4 Insurance system

The Company handles employees' labor insurance, national health insurance, and appropriation of the new retirement pensions system in accordance with the law. In addition, the group insurance and a self-financed plan are provided to ensure the life and welfare of employees, promoting harmonious labor-management relations.

#### 5.1.5 Labor-management agreements and employees' interests and rights protection measures

The labor-management policies are made in accordance with the relevant laws and regulations and implemented fairly. Additions or amendments to the labor terms and conditions are implemented after labor-management negotiations to protect the interests and rights of the employees.

Through the labor-management meetings held regularly, the employees may voice opinions, communicate to solve problems, and achieve a well reactive and harmonious relationships.



5.1.6 The work environment and employee personal safety measures

- (1) To prevent occupational accidents and disasters and protect the safety of employees, the Company has defined various "urgent contingency plans," carries out regular drills and has countermeasures in place to handle fire, leakage, typhoon, earthquake, war, traffic accidents, reporting, evacuation and recovery, to limit and mitigate injury and loss caused by an accident or disaster as far, as fast, and as systematically as possible
- (2) The substance safety data sheets for raw materials, supplies and products throughout the factory are accessible to personnel, as well as being posted on-line, to ensure that all personnel have the knowledge, references and the relevant information necessary to take the proper corrective action to ensure the safety of employees and the factory.
- (3) The production process zones are all equipped with fire protection equipment and sprinkler systems which may be automatic, manual or remote controlled to ensure the safety of employees and the factory. Auto fire extinguishing systems (FM-200) are installed at the 15 sets of MCC to secure the safety of the electronics facility.
- (4) Monitoring stations for combustible gases, EO, NH<sub>3</sub>, H<sub>2</sub>, and wastewater (COD, pH) are installed within the production areas, any leakage or abnormal situation may be detected and rectified or eliminated immediately.
- (5) A hot/hazardous work permit procedure has been established and a permit system and procedure for entry into confined spaces has also been introduced to ensure the safety of personnel and equipment.
- (6) The implementation of safety training and requirement for contractors in accordance with the safety standards of the employees is to ensure the safety of all personnel accessing or passing through the factory area.
- (7) Health examinations for employees have been set up for the early detection of any health problems so that any necessary treatment may be advised as soon as possible.

5.1.7 Group Agreement

- (1) The Company's labor union was established in 1988, while a collective agreement was signed in 1995. To protect the rights and interests of its members, additional memorandums were signed continuously.
- (2) The proportion of employees participating in labor union is 74% in 2024.
- (3) To protect employees' right to freedom of association and collective bargaining and not to interfere in the establishment or operation of organizations or collective bargaining or management in any way.
- (4) Promote harmonious labor-management relations and create a good working environment through bilateral communication with the union.
- (5) If there are major operational changes, the Company will communicate with its employees in accordance with collective agreements and relevant legal regulations and communicate with employees and union representatives through labor-management meetings, staff meetings, factory management meetings or other appropriate channels.

**5.2 Any loss incurred from the labor-management dispute of the Company or its subsidiary in the recent year and up to the date of publication of this annual report, and the disclosure of current and future estimation of possible loss amount and countermeasures: Nil**

## 6. Information Security Management

### 6.1 Information security risk management structure, information security policy, solutions and resources

#### 6.1.1 Information security structure and accountability

- (1) The Company's Information Security Committee was established in 2021 and composed of Information security audit team, Chief Information Security Officer (CISO), information security team. The CISO summons meeting on a regular basis or when necessary to resolve information security system related issues annually.

#### (2) Job accountability

Unit	Job Accountability
Information Security Committee	<ol style="list-style-type: none"> <li>1. Hold a meeting every year on a regular basis or as needed to review matters related to information security management.</li> <li>2. Hold a cross-unit meeting as needed to coordinate the relevant resources allocation required for the implementation of the information security management system.</li> </ol>
Information Security Audit Team	<ol style="list-style-type: none"> <li>1. Formulate an internal audit plan for information security.</li> <li>2. Conduct an internal audit on information security</li> <li>3. Produce an internal audit report on information security</li> <li>4. Track the improvement implementation of the nonconformity.</li> </ol>
Chief Information Security Officer	<ol style="list-style-type: none"> <li>1. Formulate relevant guidelines for information security management.</li> <li>2. Promote information security related activities.</li> <li>3. Conduct education and training related to information security.</li> <li>4. Establish a risk management system to conduct risk management.</li> <li>5. Establish emergency drill and recovery measures for security incidents.</li> <li>6. Implement the improvement recommended by the audit team.</li> <li>7. Implement improvement of preventive measures.</li> <li>8. Study and discuss new products or technologies of information security.</li> <li>9. Execute the resolutions of the Information Security Committee.</li> <li>10. Identify the laws and regulations related to information security.</li> </ol>
Information Security Protection Team	<ol style="list-style-type: none"> <li>1. Cooperate with the rescue unit upon the occurrence of a disaster, and responsible for the relief of personnel, materials and equipment, as well as on-site instruction.</li> <li>2. Responsible for post-disaster coordination and clean up instruction of the disaster site.</li> <li>3. Responsible for the operative site restoration planning.</li> </ol>

6.1.2 Information security policy: The "Information Security Committee" is set to ensure the security of information assets of the Company and is responsible for the approval and supervision of policies, information security prevention and crisis management. To avoid misuse, leakage, tampering, and destruction of information due to human negligence, intentional or natural disasters, which may incur various possible risks and hazards to the Company, IT department undertakes the Company's network information security and internal information protection, sets up remote backup, self-built cloud database and other related measures to ensure the effective operation of the information system under no exposure of risks. The relevant principles of information security management are listed below:

- (1) Important information assets shall be regularly examined, classified, graded, and risk assessed, with appropriate protective measures implemented accordingly.
- (2) Establish complete notification and contingency measures for information security incidents to ensure the continuous operation of information systems and businesses.
- (3) An operation continuity plan shall be formulated and drilled regularly to ensure that important systems and businesses can resume operations within a predetermined time when an information security incident occurs.
- (4) Relevant personnel shall receive relevant education and training pursuant to regulations to enhance information security awareness.
- (5) Regularly perform information security audits to review access authorization and the implementation of information security management systems.
- (6) The zero-trust framework has been gradually established as the newest measures and system for information security to cope with the updating cyber-attack.
- (7) Introduce the Multi-Factor Authentication system (MFA) to enhance the information security of employees upon login to avoid the possible theft of login data.
- (8) Introduce the prerogative account management system to avoid the theft of the highly prerogative accounts, which jeopardizes information security by cyberattack.

6.1.3 Information and communication security resources: The Company adheres to the great importance of information security risk control and protection and has deployed a multi-level defense network for strict implementation. In 2024, the Company completed the relocation of its IT hub at AWS, in view of AWS's nearly 100% SLA security mechanism to safeguard the IT security at AWS cloud hub, a green IT approach of the Company in terms of its energy saving and carbon reducing efforts. A total of NT\$ 20 million was invested in 2024 for the enhancement of information security.

**6.2 Information security risks and countermeasures:** (please refer to p96-97 of this report)

**6.3 Major information security cases (with losses and possible impact due to material information security incidents in the most recent year till the date as of the publication of this report) :** Nil

## 7. Major contracts

Nature	Client	Duration	Summary Content	Restricted clause
(I) Oriental Union Chemical Corporation				
Supply Contract	Far Eastern New Century Corporation	2025.3-2028.2	EG purchase and sales agreement	Renewed automatically within six months prior to expiration if neither raises an objection.
	Shinkong Synthetic Fibers Corporation	2025-2027		Renewed automatically within six months prior to expiration if neither raises an objection.
	Tainan Spinning Co., Ltd.	2024, 2025		Renewed automatically within three months prior to expiration if neither raises an objection.
	Sino-Japan Chemical Co., Ltd.	2022.6-2025.6	EO purchase and sales agreement	Renewed automatically for three years within six months prior to expiration if neither raises an objection.
	Chi Mei Corporation	2023-2024	EC purchase and sales agreement	Both parties are engaged in the exclusive purchase and sale of EC.
	CPC	2024	Ethylene supply contract	Nil
Lease Contract	CPC	2024, 2025	Storage tank lease contract	Nil
	Lushun Warehouse Co., Ltd.	2023-2028		Renewed automatically for one year within 3 months prior to expiration if neither raises an objection.
Long-term Loan	Bank of America	2024-2026	Bank loan	Nil
	Far Eastern International Bank	2022-2025		
	Mega Bank	2024-2026		
	Land Bank of Taiwan	2024-2026		
	KGI Bank	2024-2027		
	Shanghai Commercial & Savings Bank	2024-2026		
	Bank of China	2024-2026		
	Taishin Bank	2024-2026		
	Yuanta Bank	2024-2026		
	Bank of SinoPac	2024-2026		
	Taiwan Cooperative Bank	2024-2026		
	Export-Import Bank of ROC	2023-2026		
(II) Far Eastern Union Petrochemical (Yangzhou) Ltd				
Supply Contract	Nanking Chengzhi Yongchin Energy Techology Co., Ltd.	2024, 2025	Ethylene supply contract	Nil
	Zhejiang Satellite Chemical Co., Ltd.	2024.1-2025.1, 2025		Nil
	Sinopec Chemical Commercial Holding Co., Ltd., Eastern China Branch	2024, 2025	EG & EO purchase and sales agreement	Nil

## V. Financial Status and Performance Review and Analysis and Risk Management

### 1. Financial Position Review

#### Review and analysis of consolidated financial position

Currency unit: NTD thousand

Item \ Year	2024	2023	Variance	
			Amount	%
Current assets	\$ 5,409,416	\$ 5,655,988	(\$ 246,572)	( 4)
Property, plant and equipment	15,430,218	14,491,814	938,404	6
Intangible assets	52,976	48,857	4,119	8
Other assets	10,542,467	12,817,672	( 2,275,205)	( 18)
Total assets	31,435,077	33,014,331	( 1,579,254)	( 5)
Current liabilities	8,953,973	8,624,010	329,963	4
Non-current liabilities	9,127,190	9,999,563	( 872,373)	( 9)
Total liabilities	18,081,163	18,623,573	( 542,410)	( 3)
Capital stock	8,857,031	8,857,031	0	0
Capital surplus	1,091,942	1,087,752	4,190	0
Retained earnings	4,040,214	3,832,147	208,067	5
Other equities	( 3,074,397)	( 1,869,811)	( 1,204,586)	64
Treasury stock	( 118,460)	( 124,373)	5,913	( 5)
Interest attributable to parent company	10,796,330	11,782,746	( 986,416)	( 8)
Non-controlling interest	2,557,584	2,608,012	( 50,428)	( 2)
Total equities	13,353,914	14,390,758	( 1,036,844)	( 7)

Note: The causes of changes in analysis of more than 20%:

1. The decrease in other equities was due to the reduction of the unrealized loss on financial assets at fair value through other comprehensive income.
2. Countermeasures: Apart from the pivotal improvement of re-investee's operation performance, the Company shall assess discreetly all the investment plans according to its long-term development.

## 2. Financial Performance Analysis

### Analysis on consolidated financial performance

Currency unit: NTD thousand

Item \ Year	2024	2023	Increase (decrease)	Ratio (%)
Operating revenue	\$ 23,784,620	\$ 20,816,931	\$ 2,967,689	14
Operating cost	22,690,338	20,480,005	2,210,333	11
Gross profit (loss)	1,094,282	336,926	757,356	225
Operating expenses	1,165,591	1,017,404	148,187	15
Operating loss	( 71,309)	( 680,478)	609,169	( 90)
Non-operating revenue and expense	( 202,545)	484,103	( 686,648)	( 142)
Loss before income tax	( 273,854)	( 196,375)	( 77,479)	39
Income tax benefit	( 109,768)	27,923	( 137,691)	( 493)
Net loss	( 164,086)	( 224,298)	60,212	( 27)
Other comprehensive income (loss)	( 705,720)	( 323,696)	( 382,024)	118
Total comprehensive income (loss)	( 869,806)	( 547,994)	( 321,812)	( 59)
1. Notes to increase/decrease: (1) The increase in gross profit and decrease in operating loss were due to the rise in average prices of EG and specialty chemicals. (2) The decrease in non-operating revenue and expense and increases in loss before income tax and net loss were mainly due to the profit from property disposal in 2023, while none in 2024. (3) The crucial factors of 2025 sales volume forecast, and the continuous growth or decline reflected from such forecast are based on the following: The optimal production allocation of EG, GAS and Specialty Chemicals to create the best profits in line with the overall operation strategy of the Company. (Please refer to “Letter to Shareholders” for detail).				

### 3. Cash Flow Review and Analysis

#### 3.1 Analysis of change in cash flow of last year

Currency unit: NTD thousand

Year	Balance of cash-beginning	Net cash flow from operating activities over the year	Cash outflow over the year	Surplus (deficit)	Remedy for deficit in cash	
					Investment plan	Financing plan
2024	1,917,016	1,040,833	(1,283,005)	1,674,844	—	—

##### 1. Analysis of changes in cash flow

- (1) Operating activities: primarily operating capital inflow.
- (2) Investment activities: primarily capital expenditure.
- (3) Financing activities: primarily for loan repayment and dividend distribution.

##### 2. Remedy for cash deficit and liquidity analysis: N/A

#### 3.2 Analysis of change in cash flow for next year

Currency unit: NTD thousand

Year	Balance of cash-beginning	Net cash flow from operating activities over the year	Cash outflow over the year	Surplus (deficit)	Remedy for deficit in cash	
					Investment plan	Financing plan
2025	1,674,844	1,783,000	(2,610,000)	847,844	—	—

##### 1. Analysis of changes in cash flow

- (1) Cash flow from operating activities: It is expected that the cash inflow from operating activities will be NTD 1,783,000 thousand this year.
- (2) Projected cash outflow: primarily from capital expenditure; it is expected that the cash outflow from investment and financing activities will be NTD 2,610,000 thousand in 2025.

##### 2. Cash deficiency countermeasure and flow analysis: N/A

### 4. The effect of major capital expenditure on the financial position and operation of the Company

#### 4.1 Status of utilization of major capital expenditure and source of capital

Currency unit: NTD thousand

Item	Project	Actual source of capital	Est. date of completion	Total capital expenditure	Status of capital utilization		
					Up till 2023	2024	2025 (Est.)
(1)	Collaborative construction of ethylene storage tank at the Intercontinental Port of Kaohsiung Harbor	Own capital and financing	2025/09	1,280,000	671,907	251,471	356,622
(2)	Establishment of HPEC plant	Own capital and financing	2025/06	336,000	-	2,728	333,272
(3)	Change of the Linyuan plant storage tanks	Own capital and financing	2024/12	27,000	-	8,649	18,351
(4)	Re-debottlenecking of EA plant	Own capital and financing	2025/12	162,500	-	-	162,500
(5)	Re-debottlenecking of EB plant	Own capital and financing	2025/12	86,000			86,000

## 4.2 Projected potential effects

### 4.2.1 Analysis of the capital expenditure effects:

- (1) Collaborative construction of ethylene storage tank at Intercontinental Port of Kaohsiung Harbor

To enhance the flexibility of major raw material procurement for production and reduce the risks of raw material supply and import costs, via cross-industry collaboration.

- (2) Establishment of the HPEC plant

For the further process of EC, to produce a higher valued product for new market and application domain.

- (3) Change of Linyuan plant storage tanks

In line with the market changes and various product demands, the Company rearranges the product storage tanks according to applications and upgrades surrounding facilities in compliance with regulations to enhance dispatch capability of the inventory and shipment.

- (4) Re-debottlenecking of EA plant

To expand production capacity to meet downstream raw material demand, optimize product ratio and reduce costs.

- (5) Re-debottlenecking of EB plant

To expand production capacity to meet future market demand, optimize product ratio and reduce costs.

- 4.2.2 The proposed capital expenditure would help to enhance the new products' competitiveness, the reliability and efficiency of the production capability, as well as the company's identity, with no related adverse effect on the financial position and operation of the Company.

## 5. Direct investment policy, the main reasons for profit or loss as well as the corrective action plan over past year, and an investment plan for next year

### 5.1 Reinvestment policy

The Company's indirectly invested business of EO, EG, GAS in China, via its holding company, has enhanced its competitiveness and expanded its market share in China.

### 5.2 The main reasons for profit or loss and the corrective action plan over past year (2024)

The Company's share of loss of subsidiaries and associates accounted for using equity method totaled NTD 204,521 thousand in 2024. To cope with challenges of the overall environment, the Company strives for continuous improvement in production processes, cost reduction, competitiveness, and active transformation for the development of high value-added, high tech and green products.

### 5.3 Substantial investment plans for next year:

Apart from the pivotal improvement of the re-investees' performance, the Company shall continue to assess all the investment plans in conformity with its long-term development.



## 6. Analysis of risk factors

### 6.1 Impact of interest and exchange rate changes and inflation for last year, and the future

6.1.1 Looking back at the international economic situation in 2024, the trade wars and geopolitical risks existed between some countries, coupled with the slowdown in global economic growth and the US presidential election have caused fluctuations in the foreign exchange market. As the market is affected by various factors such as the global economy, geopolitical situation, central bank policies, trade policies and emerging technologies in 2025, the Company shall attentively formulate appropriate investment strategies in line with the changes and potential impact thereof on the market.

Compared to the 1% interest rate cut by the US Federal Reserve, the 0.125% raise of central bank interest rate in 2024 was relatively stable. Apart from the appropriate combination of different maturity structures in short-term operations, the Company continuously hedges and controls financing interest rates by locking in medium- and long-term interest rates and planning fixed-rate financing tools, to reduce the financing costs from the future interest rate fluctuation due to the volatility of international political and economic situations. The Company will pay high attention to the market interest rate trends and use various long-term and short-term financing tools to reduce overall funding costs.

6.1.2 The Company and its joint-venture company adopt natural hedging for the spot, foreign currency assets and liabilities due to the import & export operation, based on the exchange rate at the time and the accounting costs considered. The same strategy will be applied in the future to retain the evaluation of exchange gain and loss resulted from the exchange rate changes within a reasonable level to eliminate possible impact on the income of the Company and its joint venture.

### 6.2 Policy on high-risk, high-leverage investments, loans, endorsements and guarantees, financial derivative transactions, and other major causes of profit or loss, and future countermeasures:

6.2.1 The Company and its joint-venture have never engaged in any high-risk, high-leverage investments over past year.

6.2.2 In accordance with the "Regulations Governing the Loan of Funds and Making of Endorsements/ Guarantees by Public Companies" promulgated and enforced by the competent authority, the Company and its subsidiaries defined its "Procedures for Capital Lending to Others", which was submitted to the Company Board of Directors and the shareholders' meeting. To comply with risk control and protect the Company from any adverse results, "Procedures for Capital Lending to Others" is ratified by the Board of Directors and the shareholders meeting and proceed accordingly.

### 6.3 Future R&D plans and expected R&D expenditure:

In 2025, the Company will strive to develop new EOD/POD product lines and direct R&D towards the following areas:

6.3.1 R&D major capital expenditure projects as follows:

Currency unit: NTD thousand

Name of Project	Expected Result	Projected completion date	Budget (NT\$)
Technology development of the special-specs raw materials for EOPO polyether polyol	To continue developing the high-valued polyether polyol items, which can be applied to the high-specs resin products.	2025/12	300

Name of Project	Expected Result	Projected completion date	Budget (NT\$)
New development of polyetheramine	To synthesize a variety of polyetheramine products for the domains of wind turbine blades, water-resistant & anti-corrosion coatings, high-strength structures of wear- and weather-resistant, etc.	2025/12	300
Ethanolamine alkylation technology development	To establish N-methyldiethanolamine for applications in petrochemical, textile, pharmaceutical, ink or coating industries.	2025/12	500
New development of polycarbonatediol	To continue developing the various items of polycarbonatediol (PCDL) series, to be applied to the domains of polyurethane (PU) or advanced plastic materials.	2025/12	200
Technology development of selective hydrogenation	To establish the reaction system and proprietary technology.	2025/12	500
Technology development of 1,6-HDO process	To establish relevant technology to produce 1,6-hexanediol from hexanedioic acid, which of the former can be used as feedstock of PCDL, and stiffener to produce polyurethane, unsaturated polymer, plasticizer, gelling agent, as well as modifier for lubricant heat stabilizer.	2025/12	500
Development of electronic chemicals (PCB detergent, HPDMC)	The electronic chemicals series mainly include high-purity ethylene carbonate (HPEC) and high-purity dimethyl carbonate (HPDMC), which feature in strong solubility for polymers, to be applied as anti-corrosion layer stripping agents, cleaning agents, textile processing agents, organic solvents, organic synthesis raw materials, pharmaceutical synthesis intermediates, etc.	2025/12	500
Development of lithium battery electrolyte and establishment of a testing platform laboratory	The lithium battery electrolyte is formulated by various compounds, including the main raw materials HPEC, HPDMC, and other additives. Based on self-produced HPEC and HPDMC, we develop lithium battery electrolyte and establish a testing platform laboratory to facilitate the closest approach to the testing standards and performance of lithium batteries.	2025/12	20,000

Name of Project	Expected Result	Projected completion date	Budget (NT\$)
Benzalkonium chloride electronic chemicals	To establish benzalkonium chloride solvent of low toxicity as replacement for tetramethyl ammonium hydroxide (TMAH) for semiconductor industry.	2025/12	200
Synthesis and process development of special spec. functional additives for cement & concrete.	To develop high-performance & solidified water reducer/slump retention agents, hydration heat inhibitor for massive concrete, foaming agent for lightweight concrete, and grinding aid for cement/hearth stone.	2025/12	1,000
Synthesis and formulation development for functional daily chemicals/industrial surfactants	To develop special surfactant formulations such as cleaning / defoaming / emulsification / dispersion / film formation / water repellent / oil repellent / pour point reduction / antibacterial required by daily chemicals and various manufacturing fields.	2025/12	500
Environmentally friendly product development	To develop biodegradable polyester materials for paper laminating/foaming, CO2 contained surfactants/polyol, and surfactant/polyol/polyester materials containing recycled PET.	2025/12	1,500
Continued development of customized high value-added EOD/POD products	To synthesize various alcohol/phenol/tallow amine for polyether, UV curing resin, EO/PO copolymer for low foam surfactant.	2025/12	1,000

#### 6.3.2 Major factors critical to successful R&D:

- (1) The equipment operation test for the automation of high-pressured successive reaction and catalyst lifetime test.
- (2) The acquirement of applicable commercial catalysts for each new technology or the development capability for proprietary catalytic technology.
- (3) Establish the high-value special-spec polyether polyol and the application status of downstream customers.
- (4) The applications of amine derivatives to downstream customers.
- (5) Establish technology and equipment of purification separation.
- (6) Establish full comprehension of concrete raw materials and performance requirements, to provide downstream customers with total solutions.
- (7) Establish the control over free radical polymerization conditions to secure the stability of production process and product quality.

- (8) Establish catalyst selection and process condition optimization for ethylene carbonate ring-opening/PET alcoholysis reaction.
- (9) Establish the control over esterification/transesterification reaction conditions to secure the stability of production process and product quality.
- (10) Establish the control over downstream customers application status of the electronic chemicals, including the on-going development of lithium battery electrolytes.

**6.4 Changes in important policies and the legal environment at home and abroad, and the effect on Company financial status and operation, and countermeasures:**

- 6.4.1 Company management will closely monitor the changes in important policies and the legal environment at home and abroad, and have the professional entity provide suggestions and countermeasures.
- 6.4.2 In addition to the insurance for assets risk transfer, the Company conducts regular reviews on customers' status prior to the decisions for the credit ratings and allowances in the Credit Committee, to lower the risk exposure of finance.

**6.5 The technological (incl. IT security risks) and industrial changes, and their effect on the financial status and operation of the Company, and countermeasures:**

Following the advent of global internet and big data, the Company adopts the intelligent network and Industry 4.0 to its business development and manufacturing process, as the products of EO derivatives are inclined to refinement and customization.

The Company's endeavors in transformation into a SC company has successfully dispersed its business risks, especially considering the continuing economic growth in China. With the China's increasing average per capita income, the demands for personal care products, detergents, medical care, civil engineering and textile have become substantial. Therefore, the Company has established EOD plants in Taiwan and Yangzhou, China, planning to introduce new PO manufacturing process and develop high profit POD products. With ethylene and propylene as feedstock, the Company enables further process to establish the related product chains of ethylene and propylene derivatives based on its developed technologies in epoxidation, special ring-opening polymerization, high-pressure amination technology, formulation, polymerization preparation, special dispersion, end-capping, and structural design. The Company's subsidiary, Far Eastern Union Petrochemical (Yangzhou) Ltd. is engaged primarily in the production of general EO derivatives, while Taiwan plant in functional chemicals and EO derivatives development domestically, which strategies ensure the technology upgrades and market share ratios in Taiwan and China keep in line with the diversification operation of the Company.

The impairment impact and countermeasures of the Company's information system to its financial operation: According to the risk levels of the information system structure to establish a highly applicable remote backup mechanism to ensure an uninterrupted connection and service, having the backup info forwarded to different locations for preservation, the Company adopts AWS cloud solution in 2024 by relocating its IT hub at AWS in view of the near 100% SLA safety mechanism of AWS, to lower the unexpected natural disasters, man-made errors, of hackers, which may result in the risks in system interruption, and further assure of the system recovery in compliance with the schedule targeted. In addition, the Company has stipulated information management regulations to set up and maintain a secure environment for its information and computing system. Nonetheless, even with the said policy,

procedures, and information protection measures implemented, there is no guarantee that the Company's computing systems for vital corporate functions such as manufacturing and operation can be totally safeguarded from the sabotage via cyberattack of the third party. Despite the importance of relevant safety training, promulgation and full awareness, the zero-trust framework has been gradually adopted, and a multi-factor authentication system (MFA) is introduced to enhance the information safety of employees upon login to avoid the possible theft of login data. A privileged account management system is introduced for high-privilege accounts used by information personnel and external suppliers to prevent hackers from stealing high-privilege accounts and causing harm to company information security, thereby strengthening company information security.

**6.6 The Impact of changes in corporate identity on Company crisis management, and countermeasures:**

The Company steadfastly adheres to an enterprise spirit that highlights "Sincerity, Diligence, Thrift, Prudence and Innovation," and fulfills all their corporate social responsibilities including environmental protection, responsible care and good neighborliness. There has been no business crisis resulting in the change of corporate identity.

**6.7 The expected benefits and possible risks of merger or acquisition, and countermeasures:**

The Company has had no plans for merger or acquisition in recent years.

**6.8 Expected benefits and possible risks of facility expansion, and countermeasures:**

Please refer to the statement regarding the effects of major capital expenditure on the financial position and operation of the Company over the last year on Pages91~92 of the annual report.

**6.9 The risks from centralized purchasing or selling, and countermeasures**

The primary supply of ethylene, the main raw material of the Company products (EO/EG) comes from CPC in Taiwan. To ensure a stable source of material, the Company maintains a long-term stable cooperative relationship with CPC and is seeking proactively other foreign source supply to reduce the risks of centralized purchase, to maintain normal production and sales.

Most of the Company's products are sold on the Taiwan market, and the surplus is exported to other territories. These territories and industries have been adequately dispersed and there is no likelihood of centralization.

**6.10 The impact and risk associated with large share transfers or changes in shareholdings of Directors, Supervisors, or shareholders who hold more than 10% of the Company's shares, and countermeasures: Nil**

**6.11 The impact and risk associated with changes in management rights, and countermeasures: Nil**

**6.12 Litigation and non-litigation matters which might materially affect shareholder equity or the price of securities: Nil**

**6.13 Other substantial risks: Nil**

**7. Other important notes: Nil**

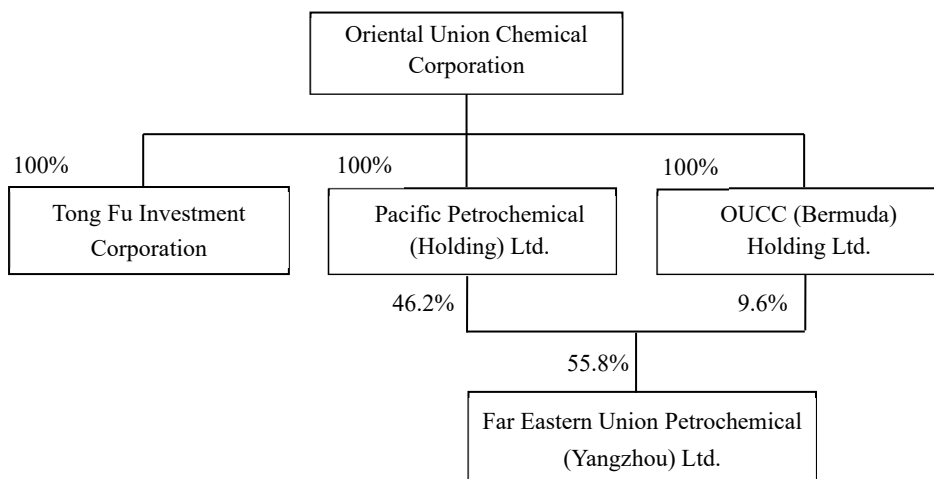
## VI. Special Disclosure

### 1. Information on affiliates

#### 1.1 Consolidated financial report on affiliates

##### 1.1.1 Organizational chart of affiliations:

Record date: December 31, 2024



##### 1.1.2 Profiles of affiliates

Currency unit: NT\$ thousand, unless otherwise noted

Name	Date of incorporation	Address	Paid-in capital	Principal business or product lines
Tong Fu Investment Corporation	May 1998	13F, No. 101, Fu-Hsing N. Road, Taipei City	NT\$1,629,138	Investment
Pacific Petrochemical (Holding) Ltd.	October 2002	P O Box 3140, Road Town, British Virgin Islands, Tortola	US\$ 149	Investment
OUCC (Bermuda) Holding Ltd.	September 2007	Veritas Place, 6 <sup>th</sup> Floor, 65 Court Street, Hamilton HM 12, Bermuda	US\$ 104	Investment
Far Eastern Union Petrochemical (Yangzhou) Ltd.	May 2012	No. 8, Ya Tung Road, Yi Cheng City, Yangzhou	US\$357,500	Production of petrochemical intermediate materials

1.1.3 Companies presumed to have a controlling or subordinate relationship with the Company pursuant to Article 369-3 of the Company Act: None

1.1.4 Industries covered by all related affiliates' businesses: Please see the profile of affiliates.

1.1.5 The profiles of Directors, Supervisors and Presidents of affiliates.

Unit: share; %  
Record date: December 31, 2024

Name	Job title	Name or representative	Shares held when appointed	
			Quantity of shares (share)	Shareholding (%)
Tong Fu Investment Corporation	Director	Oriental Union Chemical Corporation	162,913,789	100
	Supervisor President	Humphrey Cheng (Chairman), Justin Tsai, Daniel Yu David Chiang Justin Tsai		
Pacific Petrochemical (Holding) Ltd.	Director	Oriental Union Chemical Corporation Justin Tsai, K.S. Wu, Humphrey Cheng	149,000	100
Oucc (Bermuda) Holding Ltd.	Director	Oriental Union Chemical Corporation Justin Tsai, K.S. Wu, Humphrey Cheng	103,580	100
Far Eastern Union Petrochemical (Yangzhou) Ltd.	Director	Pacific Petrochemical (Holding) Ltd. K.S. Wu (Chairman), Justin Tsai, Chien-Hung Ting, Eric Chueh	—	55.8
	Supervisor President	Far Eastern Petrochemical (Holding) Ltd. Alan Tsai, Allen Sha Daniel Yu, Mike Wu Jack Wu		

1.1.6 Overview of affiliates' operation:

Currency unit: NT\$ thousand, unless otherwise noted  
Record date: December 31, 2024

Name	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Operating income	Net Income	EPS (NT\$)
Tong Fu Investment Corporation	1,629,138	1,509,787	94,847	1,414,940	50,599	48,624	36,687	0.23
Pacific Petrochemical (H) Ltd.	4,628 RMB 1,034	3,359,140 736,521	153 34	3,358,987 736,487	0	(10,341) (2,293)	(199,740) (44,289)	(1,346.36) (298.53)
Oucc Bermuda (H) Ltd.	3,214 RMB 728	612,250 134,241	105 23	612,145 134,218	0	(663) (147)	(39,733) (8,810)	(383.60) (85.06)
Far Eastern Union Petrochemical (Yangzhou) Ltd.	10,760,996 RMB 2,320,938	13,475,765 2,954,680	7,689,376 1,685,963	5,786,389 1,268,717	12,268,880 2,720,421	(238,790) (52,948)	(416,459) (92,343)	N/A



## 1.2 Consolidated financial statement of affiliates

### Declaration of consolidated financial statement of affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2024 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10, “Consolidated Financial Statements.” Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby declare

Company Name: Oriental Union Chemical Corporation

Person in charge: Douglas T. Hsu



March 7, 2025

### 1.3 Affiliate report: N/A

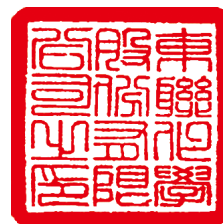
### 2. Private placement of securities: Nil

### 3. Other supplementary notes: Nil

### 4. Any matters of material significance that could have affected shareholder equity or securities price last year and up to the date of publication of the annual report, pursuant to the regulation of Article 36-3-2 of Securities and Exchange Act: Nil



**Oriental Union Chemical Corporation**



**Chairman of the Board**

徐旭東





創新東聯

邁向綠色科技材料公司



東聯化學股份有限公司  
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