



Resilient Operation
Precise Transformation

50th

Green Value-Added

2025 Annual Report

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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 2025, the global economy demonstrated resilience driven by advances in AI technologies. According to the IMF, the global growth rate reached 3.2%, mainly due to the easing inflation of economies, and monetary policies' gradual shifting from tightening to loosening. Taiwan benefited from a strong New Taiwan Dollar and stabilized raw material prices, with the CPI annual growth rate dropping to 1.66%.

Despite these efforts, the overall operating environment for the petrochemical industry remains highly challenging. Uncertainties stemming from the international geopolitical and economic landscape, continued capacity expansion in China, volatility in crude oil prices and exchange rates, as well as green transition policies in Europe and the United States, have all exerted downward pressure on demand for traditional petrochemical products and increased cost pressures across the industry. In addition, Taiwan's carbon pricing mechanism, which officially came into effect in 2025, has directly added to operating costs. Although Taiwan's economic growth has been supported by the development of the AI and semiconductor industries, the spillover benefits to the petrochemical sector remain relatively limited.

In response to changes in the external environment, EO Materials continues to uphold a prudent operating strategy by further enhancing process optimization and cost management across its production sites in Taiwan and China. Leveraging ethylene oxide (EO) as its core technology platform, the Company is focusing on the development of specialty materials, electronic chemicals, and green materials related to new energy applications, while continuously optimizing its product portfolio and increasing the proportion of specialty chemicals. At the same time, the Company is actively advancing energy-saving, carbon-reduction, and self-initiated emission reduction measures to mitigate the impact of the carbon pricing regime.

In 2025, OUCC's consolidated operating revenue reached NT\$22.3 billion. Affected by the overall industry environment, an attributable net loss after tax of the Company totaled NT\$887 million, of EPS NT\$-1.01.

II. Operating Performance Review

1. Safety, Health, and Environment



OUCC operates with a commitment to green sustainability, practicing circular-economy principles and placing strong emphasis on occupational safety, health, and environmental protection. In addition to balancing chemical-production development with environmental preservation, the Company continuously improves process design and invests in equipment upgrades to recycle homogeneous waste materials for reprocessing, thereby reducing environmental impact.

OUCC has long invested in the development of carbon capture and utilization (CCU) technologies, successfully converting carbon dioxide emitted during production into value-added products. By capturing CO₂ generated within its processes, the Company not only reduces direct emissions but also refines CO₂ into ultra-high-purity carbon dioxide for sale to industrial, food, and electronics sectors. CO₂ can also be reacted with ethylene oxide (EO) to produce ethylene carbonate (EC), supplied for applications such as polycarbonates, composite materials, and lithium-battery electrolytes.

To achieve eco-friendly and high-value product development, OUCC's R&D is guided by the themes of "green, low-carbon, and advanced materials." The Company continues to introduce environmentally friendly materials and application technologies. OUCC produces high-performance carbon-capture solvents such as ethanalamines and ethylenediamines co-products, supporting customers' carbon-capture efforts. In parallel, the Company actively develops CO₂-based chemicals, plastic-recycling technologies, and biodegradable materials to help address global CO₂-emission challenges. These materials not only reduce carbon footprints during production but also provide downstream benefits such as energy savings, waste reduction, recyclability, and lower environmental toxicity.

2. EG Business

In 2025, the ethylene glycol (EG) product line continued to be influenced by China's substantial new capacity, resulting in persistent supply-demand imbalance and downward pricing pressure.

The Company's consolidated revenue for the EG business in 2025 amounted to NT\$14,585,456 thousand (-3.5% YoY). Total EG production reached 540,000 MT (+6% YoY), while sales volume reached 550,000 MT (+4% YoY).

For ethylene oxide (EO), combined production across Taiwan and China reached 330,000 MT, up 6% compared to 2024, with sales volume at 220,000 MT, a 10% increase.

3. Gas Business

In response to changing demand patterns in downstream gas-related industries, the Company continued to leverage its advantages in pipeline-supplied gases within industrial park aligned with liquified gases to strategically expand its diversified customer base. Sales volumes remained stable or decreased slightly depending on market conditions.

Driven by decarbonization trends, liquified carbon dioxide (LCO₂) has become a priority material for industries seeking to reduce emissions. Recovery of CO₂ from production processes has become increasingly common, resulting in growing supply and gradually softening market prices.

In 2025, the consolidated revenue of the Company's gases business reached NT\$1,625,894 thousand (+2.4% YoY). Excluding oxygen used for self-consumption, total gas sales across Taiwan and China included:

- 70,000 MT of oxygen, comparable to 2024
- 320,000 MT of nitrogen, a 3% decrease
- 170,000 MT of carbon dioxide, a 60% increase

Notably, sales at Far Eastern Union Petrochemical (Yangzhou) Ltd. rose from 76,000 MT in 2024 to 135,000 MT in 2025.

4. Specialty Chemicals Business

In 2025, the Company's specialty-chemicals business was impacted by slowing global demand and regional trade barriers, resulting in an overall decline. Consolidated revenue reached NT\$6,041,141 thousand (-14% YoY). Combined production across Taiwan and China totaled 190,000 MT, equal to 2024, while combined sales reaching 190,000 MT (+6% YoY).

EOD (Ethylene Oxide Derivatives) Products

EOD products supply downstream industries such as daily chemicals, electronic chemicals, resin synthesis, textile auxiliaries, and construction materials, all of which are highly correlated with macroeconomic conditions. With global economic slowdown and low-price dumping driven by China's excess capacity, overall demand volume and pricing both declined compared to 2024.

Solvent Chemicals

The solvent-chemicals product line includes ethanolamines (EAs), ethylene glycol butyl ethers (EBs), and ethylene carbonate (EC). China's significant new EA capacity sharply reduced its import dependence, while capacity for EBs and EC also increased. As lithium-battery electrolyte demand grows, EC demand has risen, intensifying supply-demand competition. OUCC mitigated risks through optimized sales-channel diversification, strengthened domestic sales, maintained R&D advantages, enhanced high-purity applications, and pursued product-differentiation strategies—achieving performance ahead of global peers.



Amine Chemicals

The amines portfolio includes ethylenediamines (EDAs) and polyether amines (PEAs), used in chelating agents, agriculture, papermaking, textiles, and electronic cleaning agents. While China's new EDA capacity affected market conditions in recent year, OUCC effectively reduced low-priced competition through flexible product combination of high- and low-amine grades and strategic market restructuring, acquiring broad adoption among domestic and overseas customers. For PEAs, the Company focuses on innovative application development and deepening engagement with terminal markets. Tailored sales strategies based on molecular-weight segments further strengthen OUCC's global competitive position.

III. 2026 Business Goals and Future Outlook

1. Overview of 2026 Business Plan

(1) EG Business

In 2026, the combined production plan for ethylene glycol (EG) across the Strait is 540,000 MT, with expected sales of 560,000 MT. The planned production of ethylene oxide (EO) is 350,000 MT, with 180,000 MT available for external sales after deducting internal consumption.

Looking ahead to 2026, EG is expected to remain oversupplied. OUCC's EO/EG plants on both sides of the Strait will continue to operate using high-efficiency catalysts to maximize profitability. EO/EG production loads and ratios will be adjusted based on market trends. The Company will also maintain optimal plant operations and implement thermal-integration systems to reduce process energy consumption, lower manufacturing costs, and enhance product competitiveness.

(2) Gas Business

In 2026, the gases business will continue to develop from its customer base of existing pipelines and liquified gases. The company will actively pursue orders aligned with growth in the electronics and semiconductor sectors and promote niche-market products to acquire new customers.

For ultra-high-purity CO₂, OUCC aims to expand direct-supply arrangements with end-customers and adjust product portfolio strategies to gradually increase supply of electronics-grade and semiconductor clients, enhancing profitability and demonstrating low-carbon production capabilities.

Planned 2026 production and sales include:

- Oxygen: 570,000 MT produced; 70,000 MT sold externally
- Nitrogen: 410,000 MT produced; 370,000 MT sold
- Liquified CO₂: 160,000 MT produced; 140,000 MT sold

(3) Specialty Chemicals Business

As to EO derivatives, OUCC will maintain stable supply for daily chemical orders, which are driven by rigid demand. The Company will also develop specialized cleaning-agent formulations tailored to various electronics processes. Lower-metal-content polyethylene glycols and polyols will be optimized and incorporated into specialty resin formulations to enhance product value.

With the World Cup approaching, demands in textiles, dyeing, and shoe-related rubber and plastics are expected to rebound. Low-carbon chemical products and performance-enhanced formulations using recycled PET (rPET) and carbon-capture-based materials will be introduced.

In response to heightened global environmental awareness and decarbonization initiatives, the construction chemicals segment will continue developing a series of low-carbon and ultra-high-performance concrete water-reducing agents, strengthen green credentials and support customer sustainability initiatives. Beyond supplying high-quality EOD raw materials, OUCC will collaborate with industry, government, and academia to develop high-value synthetic and formulated products, diversifying beyond commodity-chemicals competition.

For ethanolamines (EAs) and ethylene glycol butyl ethers (EBs), OUCC will continue expanding electronic-chemical applications, increase semiconductor-grade customers, and optimize sales channels to maintain leadership. For ethylene carbonate (EC), OUCC will build on its polycarbonate (PC) market foundation to capture growing lithium-battery electrolyte demand, while developing high-value products such as high-purity ethylene carbonate (HPEC) and polycarbonate diol (PCDL).

For amine chemicals, including ethylenediamines (EDAs) and polyether amines (PEAs), OUCC has already established a strong customer base in India and North America. The Company will continue expanding into the Americas and Northeast Asia, leveraging proprietary technologies to develop high-specification amine chemicals and formulations. These solutions support market decarbonization needs, strengthening OUCC's competitive position and mitigating low-priced competition from China's new capacity. With global demand rising across various sectors, amine-product sales are expected to maintain growth momentum.

Overall, in 2026, supported by EO raw-material and proprietary technologies advantages, the Company will continue promoting high-value specialty-chemical products, providing differentiated services, and prioritizing product quality and application support. Revenue and profitability from specialty chemicals are expected to grow. Total planned production across Taiwan and China is 310,000 MT, with expected sales of 290,000 MT.



2. Prospects for Future Operations

Looking into 2026, the petrochemical industry will continue to face structural challenges, including China's excess capacity, rising global trade barriers, and increasing carbon pricing costs, OUCC will adopt a strategy of "resilient operations and precision transformation" to strengthen fundamentals and build momentum for future recovery.

Product Strategy and Market Positioning

OUCC will accelerate optimization of its product portfolio by significantly reducing the revenue share of traditional commodity petrochemicals and focusing resources on high-value specialty chemicals. The Company will expand application depth of EO-based technologies, extend application development to refinement and differentiation, strengthen technical link with downstream customers, promote the emerging markets of semiconductor chemicals and battery electrolyte for electric vehicles, to enhance overall value of product portfolio.

Operational Efficiency and Supply-Chain Management

In terms of operational management, the Company will continue to advance the intelligent operation and manufacturing of its production sites in Taiwan and China. By adopting artificial intelligence, data analytics, and process automation technologies, the Company aims to enhance production efficiency, strengthen cost control capabilities, and improve overall operational flexibility.


With respect to supply chain and resource integration, the Company will integrate key elements such as raw material sourcing, logistics and storage systems, and energy management to reinforce value chain integrity and operational resilience. In addition, through diversified procurement strategies and flexible inventory management, the Company seeks to mitigate operational risks.

Carbon-Management Strategy

In terms of sustainability, the Company has incorporated carbon management into its overall business strategy and continues to promote low-carbon process transformation, the adoption of renewable energy, and the development of green chemical products. In addition, the Company has implemented self-initiated emission reduction programs to mitigate the impact of the carbon pricing regime on operations and to progressively advance toward its low-carbon transition objectives.

Overall, despite ongoing short-term challenges in the industry environment and heightened uncertainties arising from international geopolitical tensions and market volatility, OUCC remains committed to its prudent operating principles. Through continuous technological innovation, operational optimization, and strategic adjustments, the Company aims to enhance organizational resilience and long-term competitiveness. Upon an eventual recovery in industry conditions, the Company expects to deliver improved operating performance, create long-term value for shareholders, and steadily progress toward its sustainability vision of achieving carbon neutrality by 2050, ultimately becoming a highly resilient chemical materials company.

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, 2026

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			Remark
							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 postgraduate 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	N/A
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	9.17%	81,217,005	9.17%	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	N/A
							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	9.17%	81,217,005	9.17%	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	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	9.17%	81,217,005	9.17%	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 (Taiwan) Co., Ltd., and Chairman of Far Eastern Industries (Shanghai) Ltd., Far Eastern Union Petrochemical (Yangzhou) Ltd.	N/A	N/A	N/A	N/A
							0	0.00%	0	0.00%	0	0.00%	0	0.00%					

Oriental Union Chemical Corporation

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			Remark
							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, △President of OUCC, Director and President of Tong Fu Investment Corporation, Director of Far Eastern Union Petrochemical (Yangzhou) Ltd., and Oriental Petrochemical (Taiwan) Co., Ltd.	N/A	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	2012.6.5	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 (Taiwan) Co., Ltd., COO of Petrochemical HQ of Far Eastern New Century Corporation, Director of Far Eastern Industries (Shanghai) Ltd. and Far Eastern Union Petrochemical (Yangzhou) Ltd.	N/A	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	2010.1.19	4,861,781	0.55%	4,861,781	0.55%	0	0.00%	0	0.00%	Master's in MBA, Harvard Business School, USA △Director of Elite Material Co., Ltd., Independent Director of Far Eastern Int'l Bank	N/A	N/A	N/A	N/A
Director	R.O.C.	Representative of Yu Li Investment Corporation: Alan Tsai	M / Age 60-69	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 Yuan Ding Investment Co. Ltd., Far Eastern Industries (Shanghai) Ltd., Far Eastern Union Petrochemical (Yangzhou) Ltd., and Chief Executive of Far Eastern New Century Corp.	N/A	N/A	N/A	N/A
Independent Director	R.O.C.	Walt Cheng	M / Age over 70	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	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	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	N/A

1.1.2 Major shareholders of corporate shareholders

March 21, 2026

Name of corporate shareholders	Major corporate shareholders
Far Eastern New Century Corporation	Asia Cement Corp. (23%), Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF account in the custody of Taishin International Bank Co., Ltd. (6%), Asia Eastern University of Science & Technology (5%), Far Eastern Medical Foundation (4%), Far Eastern Memorial Foundation (3%), Yuan Ze University (3%), Chunghwa Post Co., Ltd., (2%), Douglas Tong Hsu (2%), Yuanta Taiwan Value High Dividend ETF account in the custody of Hua Nan Commercial Bank Ltd. (2%), Cathay Life Insurance (1%)
Yue Ming Trading Co., Ltd.	Yuan Ding Investment Co., Ltd. (45.5%), Da Chu Chemical Fiber Co., Ltd. (38.23%), Pai Ding Investment Co., Ltd. (15.45%), Ding Ding Business Consultation Co., Ltd. (0.33%), Yuan Ding Leasing Co., Ltd. (0.16%)
Yu Li Investment Co., Ltd.	U-Ming Marine Transport Corp (68%), Yue Tung Investment Co., Ltd. (32%)
Da Chu Chemical Fiber Co., Ltd.	Yuan Ding Investment Co., Ltd. (42%), Yue Ding Industries Co., Ltd. (30%), Yu Li Investment Co., Ltd. (19%), Yue Ming Trading Co., Ltd. (9%)

1.1.3 Major shareholders who are corporations

March 21, 2026

Name of corporation	Major corporate shareholders
Asia Cement Corporation	Far Eastern New Century Corp. (21%), Yuanta/P Taiwan High Dividend Fund Account in the custody of Cathay United Bank (5%), Far Eastern Medical Foundation (5%), UOB Taiwan High Dividend Recovery 30 ETF Account in the custody of Taiwan Business Bank (2%), Yuan Ding Investment Co., Ltd. (2%), Labor Pension Committee of Far Eastern New Century Corp. (2%), Chunghwa Post Co., Ltd. (1%), Far Eastern Department Stores (1%), Yuan Ze University (1%), Far Eastern Memorial Foundation (1%)
Asia Eastern University of Science & Technology	Asia Cement Corporation (50%), Far Eastern New Century Corporation (50%)
Far Eastern Medical Foundation	Y. Z. Hsu (76.90%), Z. Y. He (2.31%), S. P. Wang (2.31%), W. Y. Hsu (2.31%), Y. C. Huang (2.31%), Douglas T. Hsu (2.31%), Laurence M. Yang (2.31%), John Hsu (2.31%), Johnny Shih (2.31%), S. S. Hsu (2.31%), W. S. Yu (2.31)
Far Eastern Memorial Foundation	Y. Z. Hsu (50%), Y. C Hsu (50%)
Yuan Ze University	U-Ming Marine Transport Corp. (55.21%), Far Eastern Medical Foundation (26.05%), Far Eastern New Century Corp. (5.52%), Fu Ming Transport Corp. (5.25%), Far Eastern Memorial Foundation (4.91%), Asai Cement Corp. (2.76%), Connie Hsu (0.28%), Y. Z. Hsu (0.01%), Z. Z. Yu (0.01%)

Name of corporation	Major corporate shareholders
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communications (100%)
Cathay Life Insurance Co., Ltd.	Cathay Financial Holdings (100%)
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 Leasing Co., Ltd.	Yuan Ding Investment Co., Ltd. (46.2%), Asia Cement Corp (43.6%), Far Eastern Department Stores (9.2%), Yue Yuan Investment Co., Ltd. (1%)
U-Ming Marine Transport Corporation	Asia Cement Corp (39%), Capital TIP Customized Taiwan Select High Dividend ETF account (10%), Norwegian Central Bank Investment Account in the custody of CitiBank Taiwan (3%), Yuanta Taiwan High Dividend Low Volatility ETF Account in the custody of Taiwan Bank (3%), UPAMC Taiwan High Dividend Momentum ETF Account in the custody of Hua Nan Bank (1%), Yuan Ding Investment Co., Ltd. (1%), Taishin TIP Taiwan ESG HDSMC ETF Account (1%), Yue Yuan Investment Co., Ltd. (1%), Asia Investment Corp. (1%), Ya Li Transportation Corp. (1%)
Yue Tung Investment Co., Ltd.	U-Ming Marine Transport Corp. (73.5%), Yu Li Investment Co., Ltd. (26.5%)
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 p7-p8, "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			2
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 nd 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.
Ping Lih Independent Director	0		
An-Ming Wu Independent Director	1		

① Board diversification

Diverse 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 Company's 17th Board of Directors comprises a total of 11 Directors, including 3 Independent Directors, with Independent Directors accounting for 27% of all Board seats. Both the proportion and independence of the Independent Directors comply with the requirements set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The Board of Directors also conducts regular reviews of the qualifications and independence of the Independent Directors.

There are no spousal or second-degree kinships among the Independent Directors, nor between Independent Directors and other Directors. In addition, more than half of the Directors—seven in total—do not have spousal or second-degree kinship relationships with one another, in compliance with Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

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

March 21, 2026

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			Remark
					Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion		Job title	Name	Relation - ship	
President	R.O.C.	Justin Tsai	M	2013.1.1	0	0.00%	0	0.00%	0	0.00%	EMBA, National Cheng Chi 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	N/A
Plant Chief Manager Executive Vice President	R.O.C.	Y. S. Chang	M	2016.11.5	0	0.00%	0	0.00%	0	0.00%	Master's in Chemical Engineering, National Cheng Kung University △N/A	N/A	N/A	N/A	N/A
Sub Plant Chief Manager Technical & Engineering Center Plant Administration Assistant Vice President	R.O.C.	William Chen	M	2021.12.1	0	0.00%	0	0.00%	0	0.00%	Master's in Science & Technology, National Kaohsiung University of Applied Sciences △N/A	N/A	N/A	N/A	N/A
Manufacturing Group II Assistant Vice President	R.O.C.	Y.T. Ko	M	2021.12.1	0	0.00%	0	0.00%	0	0.00%	Master's in Mechanical and Electro-Mechanical Engineering, National Sun Yat-Sen University △N/A	N/A	N/A	N/A	N/A
R&D Center Assistant Vice President	R.O.C.	Eric Hsu	M	2024.8.9	0	0.00%	0	0.00%	0	0.00%	PhD in Chemical Engineering, National Tsing Hua University △N/A	N/A	N/A	N/A	N/A
President Office Assistant Vice President	R.O.C.	David Huang	M	2022.1.10	0	0.00%	0	0.00%	0	0.00%	Master's in Chemical Engineering, Fu Ren Catholic University △N/A				
HR & Administration Assistant Vice President	R.O.C.	Daniel Yu	M	2021.12.1	45	0.00%	0	0.00%	0	0.00%	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	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			Remark
					Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion	Quantity of shares	Shares held Proportion		Job title	Name	Relation - ship	
Business Group Assistant Vice President	R.O.C.	Wilson Lee	M	2023.8.14	50,000	0.00%	0	0.00%	0	0.00%	Master's in Chemical Engineering, National Taiwan University △N/A	N/A	N/A	N/A	N/A
Finance Dept. Assistant Vice President	R.O.C.	David Chiang	M	2023.8.10	0	0.00%	0	0.00%	0	0.00%	Master's in Accounting, National Taipei University △Supervisor of Tong Fu Investment Corporation	N/A	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%	EMBA, National Cheng Chi University △N/A	N/A	N/A	N/A	N/A
Accounting Dept. Assistant Vice President	R.O.C.	Tony Wei	M	2026.3.10	0	0.00%	0	0.00%	0	0.00%	Master's in Financial Management, Robert Gordon University, UK △N/A	N/A	N/A	N/A	N/A
Auditing Dept. Manager	R.O.C.	Vince Chou	M	2024.3.1	0	0.00%	0	0.00%	0	0.00%	Master's in Finance, Chang Jung Christian University △N/A	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

Currency unit: NTD thousand

Job title	Name	Remuneration of Director								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? (1)						
		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							
Director	Douglas T. Hsu	0	0	0	0	0	0	124	124	124	124	-0.01%	-0.01%	6,309	6,309	0	0	0	0	0	0	6,433	6,433	-0.80%	-0.80%	44,553
	Representatives of Far Eastern New Century: Johnny Shih	0	0	0	0	0	0	126	126	126	126	-0.01%	-0.01%	5,961	5,961	0	0	0	0	0	0	6,087	6,087	-0.76%	-0.76%	3,668
	Representatives of Far Eastern New Century: Humphrey Cheng	0	0	0	0	0	0	128	128	128	128	-0.01%	-0.01%	0	0	0	0	0	0	0	0	128	128	-0.02%	-0.02%	0
	Representatives of Far Eastern New Century: Kao-Shan Wu	0	0	0	0	0	0	128	128	128	128	-0.01%	-0.01%	0	0	0	0	0	0	0	0	128	128	-0.02%	-0.02%	160
	Representatives of Yue Ming Trading Co Ltd: Justin Tsai	0	0	0	0	0	0	128	128	128	128	-0.01%	-0.01%	7,931	8,051	0	0	0	0	0	0	8,059	8,179	-1.00%	-1.02%	0
	Representative of Da Chu Chemical Fiber Co Ltd: Eric Chueh	0	0	0	0	0	0	126	126	126	126	-0.01%	-0.01%	0	0	0	0	0	0	0	0	126	126	-0.02%	-0.02%	5,852
	Representative of Yu Li Investment Co., Ltd.: Bing Shen	0	0	0	0	0	0	128	128	128	128	-0.01%	-0.01%	0	0	0	0	0	0	0	0	128	128	-0.02%	-0.02%	0
	Representative of Yu Li Investment Co., Ltd.: Alan Tsai	0	0	0	0	0	0	128	128	128	128	-0.01%	-0.01%	0	0	0	0	0	0	0	0	128	128	-0.02%	-0.02%	0
Independent Director	Walt Cheng	1,060	1,060	0	0	0	0	148	148	1,208	1,208	-0.14%	-0.14%	0	0	0	0	0	0	0	0	1,208	1,208	-0.15%	-0.15%	0
	Ping Lih	800	800	0	0	0	0	128	128	928	928	-0.10%	-0.10%	0	0	0	0	0	0	0	0	928	928	-0.12%	-0.12%	0
	An-Ming Wu	900	900	0	0	0	0	148	148	1,048	1,048	-0.12%	-0.12%	0	0	0	0	0	0	0	0	1,048	1,048	-0.13%	-0.13%	0

Remarks:

- 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 by 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.
- 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.
- The professional practice fees listed above refer to the actual amount paid in 2025; no remuneration for Directors and employees is allocated on account of the loss before income tax in 2025.
- 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	Companies included in the financial statement (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 Da Chu Chemical Fiber Co.: Eric Chueh Representatives of Yu Li Investment Co., Ltd.: Alan Tsai, Bing Shen Ping Lih	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 Da Chu Chemical Fiber Co.: Eric Chueh Representatives of Yu Li Investment Co., Ltd.: Alan Tsai, Bing Shen Ping Lih	Representatives of Far Eastern New Century Corp.: Humphrey Cheng, Kao-Shan Wu Representative of Da Chu Chemical Fiber Co.: Eric Chueh Representatives of Yu Li Investment Co., Ltd.: Alan Tsai, Bing Shen Ping Lih	Representatives of Far Eastern New Century Corp.: Humphrey Cheng, Kao-Shan Wu Representatives of Yu Li Investment Co., Ltd.: Alan Tsai, Bing Shen Ping Lih
NT\$1,000,000 (inclusive)~NT\$2,000,000	Walt Cheng, An-Ming Wu	Walt Cheng, An-Ming Wu	Walt Cheng, An-Ming Wu	Walt Cheng, An-Ming Wu
NT\$2,000,000 (inclusive)~NT\$3,500,000				
NT\$3,500,000 (inclusive)~NT\$5,000,000				
NT\$5,000,000 (inclusive)~NT\$10,000,000			Douglas T. Hsu Representative of Far Eastern New Century Corp.: Johnny Shih Representatives of Yue Ming Trading Co., Ltd.: Justin Tsai	Representatives of Far Eastern New Century Corp.: Johnny Shih Representative of Yue Ming Trading Co., Ltd.: Justin Tsai Representative of Da Chu Chemical Fiber Co.: Eric Chueh
NT\$10,000,000 (inclusive)~NT\$15,000,000				
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	4,742	4,862	0	0	3,189	3,189	0	0	0	0	7,931 -0.89%	8,051 -0.91%	9
Vice President	Y.S. Chang	3,423	3,423	0	0	678	678	0	0	0	0	4,101 -0.46%	4,101 -0.46%	0
Assistant VP	Wilson Lee	2,847	2,847	0	0	926	926	0	0	0	0	3,773 -0.43%	3,773 -0.43%	0
Assistant VP	Daniel Yu	2,486	2,606	0	0	502	502	0	0	0	0	2,988 -0.34%	3,108 -0.35%	0
Assistant VP	David Huang	2,060	2,060	0	0	813	813	0	0	0	0	2,873 -0.32%	2,873 -0.32%	0

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 (exclusive)		
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)		
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Y. S. Chang	Y. S. Chang
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)	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	Y.S. Chang				
	Assistant VP of Technical & Engineering Center and Plant Administration	William Chen				
	Assistant VP of Manufacturing Group II	Y.T. Ko				
	Assistant VP of R&D Center	Eric Hsu				
	Assistant VP of President Office	David Huang				
	Assistant VP of HR & Administration	Daniel Yu				
	Assistant VP of Business Group	Wilson Lee				
	Assistant VP of Finance Dept.	David Chiang				
	Assistant VP of Accounting Dept.	Allen Yu				
	Assistant VP of Accounting Dept.	Tony Wei				
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:	
	the Company	Consolidated financial statements
2025	-3.21%	-3.23%
2024	139.90%	140.50%

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 four meetings in 2025. 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	2	0	50%	Reelected. Date of reelection: 2024/6/12
Vice Chairman of the Board	Representative of Far Eastern New Century: Johnny Shih	3	0	75%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Far Eastern New Century: Humphrey Cheng	4	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Far Eastern New Century: Kao-Shan Wu	4	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Yue Ming Trading Co., Ltd.: Justin Tsai	4	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Da Chu Chemical Fiber Co., Ltd.: Eric Chueh	4	0	100%	Reelected. Date of reelection: 2024/6/12
Director	Representative of Yu Li Investment Co., Ltd.: Bing Shen	4	0	100%	Reelected. Date of election: 2024/6/12
Director	Representative of Yu Li Investment Co., Ltd.: Alan Tsai	4	0	100%	Elected. Date of election: 2024/6/12
Independent Director	Walt Cheng	4	0	100%	Reelected. Date of reelection: 2024/6/12
Independent Director	Ping Lih	4	0	100%	Reelected. Date of reelection: 2024/6/12
Independent Director	An-Ming Wu	4	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: <ul style="list-style-type: none"> i. All the listed items in Article 14-3 of the Securities and Exchange Act: please refer to the Board resolution on p61-p62. 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
Yearly	Jan. 2025 to Dec. 2025	1. Board	Board internal assessment (Board Performance Appraisal 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
		2. Individual Director	Director’s self-appraisal (Board of Director’s Self-Appraisal Questionnaire)	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
		3. Functional Committees (incl. Audit Committee and Remuneration Committee)	Functional Committee internal assessment (Functional Committee internal assessment questionnaire)	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

(4) 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.

(5) The attendance record of the Independent Directors in 2025 and till the printing date of this annual report:

Date	2025/3/3	2025/5/12	2025/8/13	2025/11/11	2026/3/3
Walt Cheng	V	V	V	V	V
Ping Lih	V	V	V	V	V
An-Ming Wu	V	V	V	V	V

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

3.2 Operations of the Audit Committee

The Audit Committee held six meetings in 2025. 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	Walt Cheng	4	0	100%	-
Independent Director	Ping Lih	4	0	100%	
Independent Director	An-Ming Wu	4	0	100%	

The Audit Committee of the Company consists of all the Independent Directors. 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 2025 Business Report, Financial Statements, and the Resolution for the deficit offset, 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 9th and 12th May 2025. 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
4 th meeting of 3 rd 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	
5 th meeting of 3 rd term 2025.5.9	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 Q1/2025 consolidated financial report 6. Approval of the Company's Q1/2025 auditing report 7. Approval of the Company's energy integration of the new installment of the air separation unit (ASU5) and the renewal surrounding equipment	V V V V V	The proposals were passed unanimously by the Audit Committee and reported to the Board of Directors and approved unanimously.
6 th meeting of 3 rd term 2025.8.12	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 proposal on customers' credit line control 4. Approval of the Company's consolidated financial report Q2/2025 5. Approval of the Company's Q2/2025 auditing report	V V V	
7 th meeting of 3 rd term 2025.11.10	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 Q3/2025 4. Approval of the Company's Q3/2025 auditing report 5. Approval of the amendment to the Company's internal control system 6. Approval of the Company's 2024 auditing plan	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: 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 prior to the Audit Committee meeting. In 2025, The Audit Committee and the CPAs were kept in good communications, with none of the unusual occurred.

Date	Communication status with the audit officer	Date	Communication status with the CPAs
2025.2.27	<ul style="list-style-type: none"> • The company's Q4/2024 audit report • The company's 2024 Internal Control System Declaration 	2025.2.25	<ul style="list-style-type: none"> • Audit report on the Company's 2024 individual and consolidated financial statements
		2025.2.27	<ul style="list-style-type: none"> • Meeting held regarding the following: <ol style="list-style-type: none"> 1. Independence clarification 2. Auditing scope and measures 3. The FE Group audit 4. Material accounting policy, evaluation and issues or transactions 5. Crucial audit issues 6. Others
2025.5.9	<ul style="list-style-type: none"> • The Company's Q1/2025 audit report 	2025.5.8	<ul style="list-style-type: none"> • Audit report on the Company's Q1/2025 financial statements • The change of CPAs and the Company's periodical assessment of the CPA's independence and competence
2025.8.12	<ul style="list-style-type: none"> • The Company's Q2/2025 audit report 	2025.8.7	<ul style="list-style-type: none"> • Audit report on the Company's Q2/2025 financial statements
2025.11.10	<ul style="list-style-type: none"> • The Company's Q3/2025 audit report • The Company's 2026 internal audit plan 	2025.11.10	<ul style="list-style-type: none"> • Audit report on the Company's Q3/2025 financial statements
			<ul style="list-style-type: none"> • Meeting held regarding the following: <ol style="list-style-type: none"> 1. Independence clarification 2. Auditing scope and measures 3. The FE Group audit 4. Material accounting policy, evaluation and issues or transactions 5. Other communication issues 6. Annual audit plan 7. Outstanding risks 8. Crucial audit issues 9. Regulations update

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 (https://www.oucc.com.tw).	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 via 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 advocate and apply such concepts to its day-to-day operation. Recruits need to sign a NDA when report to work.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board formulated diverse policies and operative goals for implementation accordingly?</p>	V		<p>(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 are considered.</p> <p>The Company's Board members of the 17th 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 p11-p12 for detailed diverse policies implementation.</p>	None
<p>(2) In addition to the Remuneration Committee and Audit Committee, has the Company established any other types of functional committee?</p>	V		<p>(2) The Company has established the Remuneration Committee and Audit Committee as stipulated.</p>	Other functional committees will be established accordingly.
<p>(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?</p>	V		<p>(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</p>	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 on 7 November 2019. The performance assessment result of the Board and functional committees in 2025 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. According to the Assessment Method formulated, the Board Performance will be assessed by professional, independent institute or scholars externally at least every 3 years. The aforesaid assessment results are taken as reference for remuneration allocation and re-election nomination of the Board members.</p> <p>(4) The Company evaluates the independence and competence of the CPAs annually and reports to the Board of the results prior to the discussion and approval of the Audit Committee. In addition to the CPA's requested "Declaration of Independence in Fact", an assessment referring to Audit Quality Indicators, stating the CPA's none interest or kinships with the Company, and the professional services provided are in fair and objective manner, in conformity with independence and competence stipulated. For detailed evaluation outcome approved by the Board meeting held on 9 May 2025, please refer to Note 1.</p>	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 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, 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 laws and regulations compliance for the Board. The corporate governance implementation in 2025 included:</p> <p>(1) The Board meeting and the related: 4 times (2) The Audit Committee meeting and the related: 4 times (3) The Remuneration Committee meeting and the related: 2 times (4) Arrangement for Directors continual training program: 11 persons & 73 hours in total (5) Submission of CSR report.</p> <p>The mandatory training for the Corporate Governance Officer, Daniel Yu of HR & 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 corporate sustainability section on the company website (https://www.oucc.com.tw/en/csr-99-page470) with a questionnaire and a contact email address to be responded by the designated IR personnel.</p>	None
6. Has the Company commissioned a professional stock agent to handle shareholders' affair?	V		<p>The Company has commissioned a professional stock agent Oriental Securities Corporation to handle shareholders' affairs.</p>	None
7. Information Disclosure (1) Has the Company established a website for info disclosure on financial, business and corporate governance?	V		<p>(1) The Company has established a website in both Chinese and English (https://www.oucc.com.tw) for info disclosure on financial, business, corporate governance, and other important info.</p>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(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.	None
(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 in advance its annual as well as quarterly financial reports and monthly operating performance pursuant to the regulations.	
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, 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 3.9 <i>Other information enabling a better understanding of Company corporate governance</i> on p55-p60.	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: The Company held a hybrid shareholders meeting, supported by video conference.				

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 regarding business or potential employment.	No	Yes

Evaluation Items	Evaluation Result	Whether to meet w / independence (yes or no)
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 posts which have 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

December 31, 2025

ID	Requirements		Professional qualifications & experiences	Independence criteria	Number of other public companies where the person holds the title as Remuneration Committee member
	Name				
Convener & Independent Director	An-Ming Wu		Please refer to table 1 of Directors Information on page 7-8 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 Governing the Establishment and Exercise of Powers by the Remuneration Committee of a Listed Company" promulgated by the Financial 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 over the past two years.	1
Independent Director	Walt Cheng				1
Others	J. W. Huang	Ex-AVP of HR Department of Far Eastern Department Stores			1



3.4.2 Implementation of the Remuneration Committee

- (1) The Company’s Remuneration Committee consists of 3 members.
- (2) Current term of office: August 5, 2024~June 11, 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	2	0	100%	
Member	Walt Cheng	2	0	100%	
Member	J. W. Huang	2	0	100%	

Other notes:

- 1. Should the Board of Directors adopt or rectify none 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 2025

Term of the Remuneration Committee Meeting	Proposal Content	Remuneration Committee’s resolution results and the Company’s opinion on the follow-up
2 nd meeting of 6 th 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	The proposals were passed unanimously by the Remuneration Committee and reported to the Board of Directors and approved unanimously. So were the Remuneration Committee’s resolutions carried out accordingly.
3 rd meeting of 6 th term 2025.11.10	1. 2024 remuneration of the Company in comparison with petrochemical industry associates 2. The Company’s formulated scope of rank-and-file employees and periodical evaluation	

3.5 The Company’s Sustainability Committee and the Status Quo of its Composition, Obligation and Implementation

3.5.1 Members of the Sustainability Committee

March 31, 2026

ID	Requirements	Professional qualifications & experiences	Independence	Number of other public companies where the person holds the title as Sustainability Committee member
	Name			
Convener & Independent Director	Ping Lih	Please refer to table 1 of Directors Information on page 7-8 for relevant information.	Sustainability Committee is responsible for promoting and strengthening the Company’s corporate governance and integrity management systems, advancing and developing matters related to corporate sustainability, and supervising other sustainability-related tasks as resolved by the Board of Directors.	0

ID	Requirements	Professional qualifications & experiences	Independence	Number of other public companies where the person holds the title as Sustainability Committee member
	Name			
Independent Director	Walt Cheng		The first-term committee members were appointed by the Board on November 11, 2025, consisting of three members, including two Independent Directors. All members possess the professional competencies required for the Committee, including expertise in corporate governance, enterprise risk management, strategic planning, employee welfare, supply chain management, energy reliability, and nonprofit organization management. Please refer to page 12 for details.	1
Director	Justin Tsai			0

3.5.2 Implementation of the Sustainability Committee

- (1) The Company's Sustainability Committee consists of 3 members.
- (2) Current term of office: November 11, 2025~June 12, 2027. The Committee held 1 meeting (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	Ping Lih	1	0	100%	
Member	Walt Cheng	1	0	100%	
Member	Justin Tsai	1	0	100%	

Other notes:

1. Should the Board of Directors adopt or rectify no suggestions of the Sustainability Committee, the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Sustainability Committee's opinions shall be specified: N/A
2. For resolution(s) made by the Sustainability 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 Sustainability Committee meetings in 2026

Term of the Sustainability Committee Meeting	Proposal Content	Sustainability Committee's resolution results and the Company's opinion on the follow-up
1 st meeting of 1 st term 2026.3.2	The 2025 sustainability implementation reports of the Company as well as Far Eastern Union Petrochemical (Yangzhou) Ltd.	The proposal was passed unanimously by the Sustainability Committee and reported to the Board of Directors and approved unanimously. So was the Sustainability Committee's resolution carried out accordingly.

3.6 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) On 11 November 2025, the Company set up its Sustainability 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 Sustainability Committee reports regularly, supervises the promotion of the Company's sustainable development strategies. In 2026, the Sustainability Committee held 1 meeting.</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, environmental preservation (biodiversity and natural carbon sinks), to facilitate the Board's supervision and control of the relevant ESG issues, submitted by Sustainability Committee at the Board meetings held on 3 March 2026. (Please refer to OUCC ESG report at https://www.oucc.com.tw/csr)</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 its industrial features?	V		(1) According to its industrial features, 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 verification by the third-party institute.	None
(2) Has the Company been striving to reinforce its energy 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% CO2 generated during production.	
(3) Has the Company assessed the current and potential impact of climate change on its operations, and adopted countermeasures in 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 likely 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		Summary	Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No		
<p>4. Social issues</p> <p>(1) Has the Company formulated management policies and procedures according to the related laws and int'l covenants on human rights?</p>	V		<p>(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 ILO Convention, the United Nations Global Compact (UNGC), and the Responsible Business Alliance Code of Conduct. HR of the Company formulated OUCC Human Right Policy in compliance with relevant governmental stipulations, incorporating the assessment and consideration of human right issues, including employees, vendors and residents, to create equal rights, fairness to diversified work opportunities and environment for all people.</p> <p>To further protect employees' rights, relevant regulations such as Work Rules, Rules Governing Personal Information, Rules Governing Employee Grievances, and Rules Governing Gender Equality in Employment and Sexual Harassment Prevention, Grievance, and Discipline were established.</p> <p>The human rights education courses were incorporated into safety and health training to help employees understand basic principles and core value of human rights, to enhance their awareness of human rights and the importance therein. The Company's human rights promulgation in 2025 focused on topics such as gender-friendly care, labor rights, personal information management, with total of 381 participants and 210 training hours.</p> <p><i>Human rights protection mechanism is as follows:</i></p> <p>Fair employment and labor rights: Provide open, fair, and impartial job opportunities, and establish Human Resource Evaluation Committee and relevant rules for implementation of commendation and discipline. With respect for employees' freedom of work, no forced or coerced labor is</p>	None

Item	Implementation Status		Summary	Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No		
			<p>demand. Foreign employees' Employment agreements, in which the terms and conditions are in accordance with local laws and regulations, are written in their native language with no arbitrary changes allowed, to ensure all employees share equal treatment.</p> <p>Prohibition of child labor: The Company hire employees whose age must be 18 years or older. New recruits' identifications are checked. Upon misuse, immediate removal from work and notification for remedy and improvement will be conducted. Same shall be required and applied by suppliers.</p> <p>Gender equality and friendly workplace: The Company formulated Rules Governing Gender Equality in Employment and Sexual Harassment Prevention, Grievance, and Discipline, and conducted periodical education & training, to enhance employees respect for diversity, and adopted precautionary, rectified, and disciplinary measures to safeguard the rights of employees.</p> <p>Personal information protection: The Rules Governing Personal Information are established to ensure legitimacy and safety of personal information collection, transaction and usage.</p> <p>Grievance mechanism and stakeholders: The Company established smooth and multi-channels for grievance, including employee grievance system and anti-corruption email boxes. No human rights related grievance was filed in 2025. Stakeholders of the Company include employees, customers, community and disadvantaged groups, whose rights were continually safeguarded and protected.</p>	None

Item	Implementation Status		Summary	Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No		
(2) Human rights' due diligence survey flow and its implementation?	V		<p>(2) The Company strives to safeguard the basic human rights of its employees via survey of questionnaires within its own operation as well as suppliers, to analysis, distinguish and prevent any inappropriate issues.</p> <p>Annual material topics of employees and suppliers and the implementation:</p> <p>(a) Remuneration and working hours Whether or not the rotary shift, overtime and annual leaves in compliance with regulations.</p> <p>(b) Safety and health The review of LTI record, safety workplace requirements and SHE education and training</p> <p>(c) No discrimination Establishment of appropriate grievance channel and human rights promulgation. No occurrence of human rights violation in the recent year.</p>	None
(3) 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		<p>(3) 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.</p> <p>In addition to regular health examinations and group insurance coverage for employees and their families, the Company also organizes annual employee trips and other enriching activities to enhance employees' life quality.</p> <p>At the year-end banquet—an event highly welcomed by employees—the Company consistently upholds the tradition of honoring senior employees. In addition to granting rewards based on years of service, the event is designed to fully respect and recognize each employee's contributions. From the moment invitations are issued to the creation of personalized award webpages and commemorative photos, every effort is</p>	

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
			<p>made to ensure that long-tenured colleagues feel valued and appreciated.</p> <p>The Company values gender equality and pays close attention to the needs of female employees. In terms of compensation and benefits, career development, and work-life balance, we ensure that no differences arise due to gender. In 2025, the Company had a total of 47 female employees, accounting for 14% of all staff; the proportion of female managers was 9%. In performance evaluations and promotion systems, we also ensure that male and female employees enjoy the same development opportunities, thereby implementing the ideal of gender equality. The average starting salary (fixed salary) for newly hired entry-level employees is 1.41 times the statutory minimum wage in Taiwan, with male employees at 1.39 times and female employees at 1.58 times, and female compensation averaging 1.14 times that of male employees. In addition to providing compensation above the local minimum wage, the Company also conducts annual performance reviews and merit-based salary adjustments, enabling employees to share in the rewards and benefits derived from strong operational performance.</p> <p>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, within which no less than 30% for rank-and-file 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.</p>	None

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(4) Has the Company provided its employees with a safe and healthy work environment, and regularly implemented employee safety and health education?	V		<p>(4) 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, and has 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 workplace and enhance safety.</p> <p>b) Establish a vocational care program to conduct employee health checks, health management & improvement, and have a physician stationed at plant site once per month to provide health consultation.</p> <p>c) Conduct SHE training such as instances of occupational incidents, comprehension improvement for chemical damage and precautionary measures.</p> <p>d) The Company's ISO-45001 Occupational Health and Safety Management Systems cover its Linyuan Plant in Kaohsiung, with validity till 27 April 2029.</p> <p>e) Total vocational accident in 2025: 1</p> <p>f) Total fire accident in 2025: 0</p> <p>The number of casualties and their ratio to the total headcount: 0</p> <p>Fire accident countermeasure: N/A</p>	None
(5) Has the Company developed an effective career planning and training program for its employees?	V		<p>(5) The Company values its human resource development, adopts cultivation strategy in line with global perspective, and has complete training programs of short, mid and long term planned for its employees according to the demand of each position, to improve employees' professional capabilities and foster a strong sense of unity, further unlocking their potential and enhancing growth momentum, so to build up a sustainable future with the Company.</p> <p>The program includes new employee training of 418 hours, professional & position required training, 7,694 employees of 13,643 hours and mandatory training, 431 employees of 3,902 hours, totaling 17,963 hours, with training fee achieving NT\$1.7 million, including NT\$.75 million mandatory training for work permits.</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 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		(6) The Company places great emphasis on product quality and customer rights. We have obtained ISO 9001 Quality Management certification and comply with relevant regulations and international standards. We have established both a "Consumer/Customer Rights Protection Policy" and a "Consumer/Customer Data Protection Policy." These policies cover the scope of consumer disputes, organizational structure, acceptance methods, handling procedures, processing timelines, progress inquiries, tracking and auditing, training, and regular reviews, ensuring that customer complaints are addressed in a fair, reasonable, and effective manner. For disputes arising from the products or services we provide, the Company commits to initiating appropriate internal handling within three working days from the date of receiving a customer complaint and will provide the complainant with a reply regarding the outcome of the process.	None
(7) 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		(7) The Company has established supplier management regulations and related policies, requiring suppliers to actively and concretely address environmental protection, occupational safety and health, and labor rights (for example, by obtaining relevant certifications). In accordance with the supplier management regulations, we conduct evaluations of new suppliers, assessments of existing suppliers, and management interviews. The implementation status and results of supplier management are disclosed in the Company's annual sustainability report and on the corporate website.	
5. Has the Company taken international principles or guidelines as reference 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 (2018) 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.	None

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
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 to fulfill its corporate social responsibility, advancing the development in economy, society, environmental balance and sustainability through the green products development, obtaining eco-friendly certifications for environmental protection, and 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:				
<p>(1) The working environment and employee's personal safety protection measures:</p> <ul style="list-style-type: none"> 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. 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 gases, EO, NH3, H2, and wastewater (COD, pH) are installed within the production areas, so that any leakage or abnormal situation may be detected, remedied and 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. <p>(2) Safety, Health, and Environmental (SHE) Policy</p> <ul style="list-style-type: none"> 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. 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. 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. 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. 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. f) To Provide Safe Environment and Healthy Workplace To establish an intrinsically safe work environment as well as a friendly and healthy workplace to implement SHE cultivation. g) To Disclose to Stakeholders 				

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
				<p>To value bilateral communications and divulge proactively the Company's SHE policy and related information to employees, contractors, customers, suppliers, and other stakeholders to promote positive changes of SHE within the industry.</p> <p>(3) Verification of SHE management system</p> <p>The Linyuan plant obtained ISO-14001 Environmental Management System certification in 1999 and was recertified in 2020, whereas OHSAS-18001 Occupational Health and Safety Management System certification was obtained in 2002, and successfully transitioned to ISO-45001 and recertified in 2020. Both were recertified in 2023.</p> <p>In May 2025, Far Eastern Union Petrochemical (Yangzhou) Ltd. (FUPY) completed the renewal and expansion of its Work Safety Permit. The company also completed the IMS tri-standard (Safety, Environmental Protection, and Quality) system recertification audit, as well as the certification scope expansion to include liquified carbon dioxide.</p> <p>In June, FUPY underwent a special inspection on major hazard source management organized by the Jiangsu Provincial Emergency Management Department, with <i>no major hazards identified</i>.</p> <p>In November, FUPY underwent a safety audit for hazardous chemical production enterprises conducted by a third-party organization commissioned by the Jiangsu Provincial Emergency Management Department, with <i>no major hazards identified</i>. The company also passed the review conducted by the Jiangsu Province Chemical and Hazardous Chemical Enterprises Process Alarm and Safety Interlock Guidance Service, with <i>no major hazards identified</i>. Additionally, the company passed the supervision and inspection of mobile pressure vessels conducted by the China Chemical Equipment Association, with <i>no major hazards identified</i>.</p> <p>In December, FUPY completed the Work Safety Standardization renewal review, as well as the Cleaner Production audit (conducted every 4–5 years).</p> <p>(4) Community participation, social service and social public welfare</p> <p>The total amount of donation to the public welfare group in 2025 exceeded NTD4.65 MM, including a subtotal of NTD4.4 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 with 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) Biodiversity</p> <p>In recognition that biodiversity conservation contributes to climate change mitigation and adaptation, and its positive role in global agricultural development, food security, public health, and sustainable economic development, this commitment is established with reference to the principles of the United Nations Convention on Biological Diversity (CBD), serving the purpose to achieve the conservation of biodiversity, the sustainable use of its components, and the fair and equitable sharing of benefits arising from the utilization of genetic resources, thereby advancing the United Nations Sustainable Development Goals (SDGs).</p> <p><i>OUCC commits to:</i></p> <p>a) Ensuring that all operational activities comply with international, national, and local biodiversity-related laws and regulations.</p> <p>b) Avoiding any adverse impacts from operational activities on endangered and protected species.</p> <p>To achieve the 2030 targets, the Company's concrete actions in 2026 include the continued promotion of <i>process digitalization</i>—such as paperless electronic document systems and cloud-based data platforms—to reduce paper consumption.</p>

Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(6) Natural carbon sinks The Company promotes forest greening and ecological conservation, which possess excellent carbon sequestration capacity and serve as a vital natural carbon sink for climate change mitigation. In addition to continuously expanding green spaces within our facilities, we strengthen natural carbon sink functions and reduce greenhouse gas emissions. To achieve the 2030 targets, the Company advances biodiversity initiatives and implements environmental conservation practices by continuing the adoption and maintenance of <i>116 roadside trees, 2,028 square meters of green areas, and 350 square meters of hedges</i> . Maintenance activities include tree and lawn trimming, cleaning, watering, environmental sanitation, pest and disease control, post-disaster cleanup, and supplementary planting as appropriate based on vegetation density. This initiative aligns with <i>Taiwan's 2050 Net-Zero Transition Natural Carbon Sink Key Strategic Action Plan</i> , particularly the strategic planning measures aimed at increasing forest area and enhancing forest carbon sink management.				
(7) For the review of the Company's ESG Report, please refer to the website at https://www.oucc.com.tw/en/csr-107-page472 .				

3.7 Company's Climate-related Information

3.7.1 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 Implementation Committee" with the President as convener. The production, business and administrative departments jointly promote the climate risk mitigation, 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 Office; the Corporate Sustainability Implementation 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 Implementation Committee is accountable 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>

Item	Implementation Status		
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)	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 (2026), medium term (2027-2031) to long term (2032-2050). According to TCFD framework, the Company has established complete identification procedures of climate-related risks and opportunities in terms of financial factors.		
	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 1.5% 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.
	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 concept of green recycling production. To cope with the 2050 net zero emission trend, and mandatory request of 10% use of renewal energy imposed on large-scale power users, the Company’s active seeking renewable energy proposal, purchasing green electricity or establishing renewable energy generator shall raise its direct cost.	

Item	Implementation Status
<p>3. Description of the financial impact arising from extreme weather events and transitional actions</p>	<ol style="list-style-type: none"> 1. The financial impact on the Company’s production and business due to extreme climate events (physical risks) and transitional actions (transitional risks and opportunities) is stated as aforesaid. 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>	<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 Implementation Committee" to identify and manage the risks of corporate operations, including the physical and transitional risks resulted likely from climate change, and initiate the planning of relevant response measures to control the risks that may arise from various businesses within an acceptable range, as well as 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>
<p>5. Description of the adopted scenarios, parameters, assumptions, analysis factors, and main financial impacts if scenario analysis is used to analyze or assess such resilience against climate change risks</p>	<ol style="list-style-type: none"> 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 & businesses. In addition, to conduct an in-depth analysis of the actual impact of climate change events on the operational characteristics of production & 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 & businesses is thereby established. 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 & businesses. 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 businesses, 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 & 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.

Item	Implementation Status
<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>	<p>1. GHG emission reduction indicators and goals: GHG emission reduction actions implemented as countermeasures to the risks and opportunities from extreme climate, in line with global perspectives.</p> <p>2024 Results: With 2021 as the baseline year, 1% reduction as the average annual target Carbon reduction (scope 2) approx. 8,339 t-CO₂e/year, of 2.36% target achievement rate Cumulated reduction of 2017-2024 totaled 95 thousand t-CO₂e, of actual reduction rate 26.8%, target achieving rate 100%.</p> <p>The RECs procured 7,700,000 kWh in 2025.</p> <p>Short-term goal (2026) With 2021 as the baseline year, 1% reduction as the average annual target</p> <p>Medium-term goal (~2031) With 2021 as the baseline year, 2% reduction as the average annual target Evaluating and planning various energy saving & carbon reduction measures in line with RECs procurement</p> <p>Long-term goal (~2050) Planning achievable goals in compliance with the Climate Change Act and the carbon reduction and net zero emissions schedule proposed by the government's Industrial Response Team</p> <p>2. According to the inventory data, 35% 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 2024 was approx. 10.464 million kWh, of 2.37% 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 page 50-51.</p>
<p>7. Description of the basis for internal carbon pricing if there is in use</p>	<p>In response to the net-zero carbon reduction goals and Taiwan's carbon fee policy, the Company has established an Internal Carbon Pricing (ICP) mechanism and introduced a shadow pricing system, setting an internal carbon price of NT\$300 per metric ton for evaluating investments and carbon reduction projects. The Company will refer to the general carbon fee rates announced by the Ministry of Environment, as well as subsequent adjustments made by the Carbon Fee Rate Review Committee, to regularly review and update the shadow price settings on a rolling basis.</p>
<p>8. Description of the activities covered, scope of greenhouse gas emissions, timeframes planned, annual progress if climate-related targets are set; and, the source and quantity of carbon credits for offset and quantity of renewable energy certificates (RECs) if employed to achieve relevant targets</p>	<p>1. The Company anticipates accomplishing its carbon reduction goal of 35% by 2030, and net zero emission by 2050.</p> <p>2. To reduce GHG emissions, the Company procured REC of 7,700,000 kWh and obtained T-RECs of 7,700 in 2025.</p>

Item	Implementation Status
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 2024 and 2025 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	2025 (Consolidated)	2024 (Individual)
Scope 1	94,898 t-CO ₂ e	21,291 t-CO ₂ e
Scope 2	605,240 t-CO ₂ e	300,242 t-CO ₂ e
Scope 3	1,026,958 t-CO ₂ e	530,692 t-CO ₂ e
Total emission (scope 1+2)	700,138 t-CO ₂ e	321,533 t-CO ₂ e
Total emission (scope 1+2+3)	1,727,096 t-CO ₂ e	852,225 t-CO ₂ e
Operating Revenue	22,254 NTD M	11,468 NTD M
Intensity (scope 1+2)	31 t-CO ₂ e / NTD M	28 t-CO ₂ e / NTD M
Intensity (scope 1+2+3)	78 t-CO ₂ e / NTD M	74 t-CO ₂ e / NTD M

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>)

2024:

1. Authorized Organization: EY Business Advisory Services Inc.
2. Assurance Criteria: International Standard on Assurance Engagements 3000 (ISAE 3000)
3. Opinion Issued: No major issues were found and needed for verification in compliance with the applicable norm, according to the implementation, procedures and the proving facts acquired.

2025:

The 3rd party assurance for 2025 is bound to be provided by EY Business Advisory Services Inc.

The assured scope of 2024 & 2025

No.	Indicator	Info Disclosed in 2025	Info Disclosed in 2024	Applicable Norm
1	Total energy consumption, percentage of purchased electricity, the utilization rate of renewable energy, and total self-generated and self-consumed energy	(1) Total Energy Consumption: 2,969,862.89 GJ (2) Percentage of purchased electricity: 100 %	(1) Total Energy Consumption: 3,132,611.68 GJ (2) Percentage of purchased electricity: 100 %	Articles 4-2-1~7 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

No.	Indicator	Info Disclosed in 2025	Info Disclosed in 2024	Applicable Norm
		(3) Renewable energy usage rate: 1.8 % (4) The total amount of self-generated and self-consumed energy: 573.14 GJ	(3) Renewable energy usage rate: 1.8 % (4) The total amount of self-generated and self-consumed energy: 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	(1) Total water intake volume: 1,511,813 m³ (2) Total water consumption volume: 1,175,064 m³ (3) Total water discharge volume: 336.749 m³	(1) Total water intake volume: 1,628,594 m³ (2) Total water consumption volume: 1,202,420 m³ (3) Total water discharge volume: 425.358 m³	
3	The "total amount of hazardous waste" produced by the "product production process" required by law or voluntarily disclosed, and the "recycling percentage."	(1) The weight of hazardous waste produced by the product production process: 0 MT (2) Recycling percentage of hazardous waste produced by the product production process: 0 %	(1) The weight of hazardous waste produced by the product production process: 8.96 MT (2) Recycling percentage of hazardous waste produced by the product production process: 100 %	
4	Explain the number of occupational accidents and the rate.	(1) Number of occupational accidents: 1 person (2) Occupational accident rate: 1.58 %	(1) Number of occupational accidents: 2 persons (2) Occupational accident rate: 2.89 %	
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.	
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 (https://www.oucc.com.tw/cs-r-107-page472) 4-3 Environmental Prevention Mechanism 4-4 Social Inclusion	For relevant info please see ESG report (https://www.oucc.com.tw/cs-r-107-page472) 4-3 Environmental Prevention Mechanism 4-4 Social Inclusion	

No.	Indicator	Info Disclosed in 2025	Info Disclosed in 2024	Applicable Norm
		5-3 Transportation Zero Accident Details	5-3 Transportation Zero Accident Details	
7	Product output by product category	<ul style="list-style-type: none"> Ethylene oxide and ethylene glycol products: 293,963MT GAS products: 528,728 MT Ethanolamine products: 19,527 MT Ethylene glycol butyl ether products: 77,593 MT EC products: 19,186 MT EOD products: 27,308 MT 	<ul style="list-style-type: none"> Ethylene oxide and ethylene glycol products: 267,608 MT GAS products: 530,753 MT Ethanolamine products: 27,342 MT Ethylene glycol butyl ether products: 67,570 MT EC products: 24,115 MT EOD products: 29,482 MT 	Articles 4-2-1~7 of the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies

1-2 GHG Reduction Goal, Strategy and Action Plan

(1) GHG Reduction Goal

Baseline Year	Baseline Year Carbon Emission	Carbon Emission Reduction Goal
2021	353,155 t-CO ₂ e	35% Carbon Emission Reduction by 2030

(2) GHG Reduction Strategy and Action Plan

According to the inventory data, 35% 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 2024 was approx. 10.464 million kWh, of 2.37% power-saving rate.

The power management goal and action plan are stated below:

Timetable	Goal	Action Plan & Achievement
Short-term (2026)	Annual power saving rate 1.5%	<ol style="list-style-type: none"> The renewal project of air blowers for the wastewater of EG plant The gearbox replacement project of circulating air compressor of EOG plant The plant-wide energy saving project for CW tower fan blade angle adjustment. The plant-wide energy saving project for the impeller trimming of CW pumps The variable frequency drive installment for PP-1000 motor of EOG plant The replacement of small impeller for EO TO EG pump (PP-302A/S) of EOG plant
Medium-term (~2031)	Annual power saving rate 1.5%	<ol style="list-style-type: none"> Continue the introduction of power-saving equipment, such as frequency converters, inverter motor, and fans, etc. Optimization of cooling water circulation to save electricity used by water pumps OUCC has combined the management structure of the energy

Timetable	Goal	Action Plan & Achievement
		<p>management system with a cloud-based “Plant Power Monitoring System Platform,” to continuously monitor energy usage and seek for energy saving opportunities</p> <p>(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</p> <p>(5) Procurement of green energy and RECs, evaluation and construction of energy storage equipment.</p> <p>(6) 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</p>
Long-term (~2050)	Annual power saving rate 1.5%	<p>(1) Continual improvement in energy efficiency and carbon reduction management</p> <p>(2) Evaluation of the installation of waste heat recovery & power generation facility</p>

3.8 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	
<p>1. Establishment of business conduct policy and plan</p> <p>(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?</p> <p>(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”?</p>	V		<p>(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 such through internal meetings and daily operation.</p> <p>(2) The Company’s precautionary measures against unethical business include:</p> <p>a) The standards for offering or acceptance of unjust interests.</p> <p>b) The procedure for offering legitimate political donations.</p> <p>c) The procedure for offering righteous charity donations or sponsorship.</p> <p>d) The stipulation for the avoidance of conflicts of post-related interests.</p> <p>e) The non-disclosure stipulation on</p>	None

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Has the Company established conduct guidelines, disciplines or grievance mechanisms as precautionary measures to prevent unethical business?	V		<p>procured business confidentiality or sensitive commercial information.</p> <p>f) The norm and procedures for suppliers, clients and business counterparties involving unethical business conduct.</p> <p>g) The procedure for the infringement of the business best practice principles.</p> <p>h) The discipline disposal for infringement. The Company has relevant management procedures stipulated according to the above-mentioned measures, for risk prevention.</p> <p>(3) The Company regularly provides education and promulgation for employees to foster a culture of integrity and prevent unethical conduct, while also reminding stakeholders to comply with and respect the Company's ethical and integrity standards. Relevant stipulations are disclosed at the Company website. (https://www.oucc.com.tw)</p>	None
<p>2. Implementation of the Codes of Business Conduct</p> <p>(1) Does the Company get the access to the ethical conduct records of its counterparts and specify "ethical clauses" in business contracts?</p>	V		<p>(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. All the counterparts or stakeholders violating the Codes shall be denied all the contact.</p>	None
<p>(2) Has the Company established a dedicated unit under Board supervision to promote corporate ethical management and report, once a year at least, to the Board on implementation status?</p>	V		<p>(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 lays out its internal structure, organization and accountability to reduce the risk of unethical conduct, implement the best practice policy</p>	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
(3) Does the Company promulgate policies to prevent conflicts of interests and offer channels for reporting such conflicts?	V		<p>promulgation and training, and the whistle-blowing mechanism to aid in the evaluation for the Board and the management, prior to reporting to the Board on 11 November 2025.</p> <p>(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.</p> <p>An appeal system has been established by the Company. Any of the employees accused of violating the Guidelines may be appealed for remedy via the system.</p> <p>No occurrence of violation of codes of ethics and best practice in recent year.</p>	None
(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		<p>(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.</p> <p>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.</p>	
(5) Does the Company periodically conduct internal and external training on ethical management?	V		<p>(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.</p>	

Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and reasons
	Yes	No	Summary	
<p>3. Establishment of Reporting Channels for Violations of the Codes of Business Conduct</p> <p>(1) Has the Company established a specific reporting and rewarding system through convenient channels for lodging complaints? And does the Company assign the dedicated personnel to attend to the matter?</p> <p>(2) Has the Company established the standard operation procedure for investigating and proceeding of the report in a confidential manner?</p> <p>(3) Does the Company adopt measures to protect whistle blowers from reprisals for having filed the complaint report?</p>	V		<p>(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.</p> <p>(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 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.</p> <p>(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 the protection of the whistle blower.</p>	None
<p>4. Enforcement of Information Disclosure</p> <p>Has the Company disclosed its "Best Practice Principles" and the implementation through its official website or the Market Observation Post System?</p>	V		<p>The "Best Practice Principles" and "Codes of Ethics" of the Company are fully disclosed on its official website (https://www.oucc.com.tw/en/governance-73-page85) and the Market Observation Post System.</p>	None
<p>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</p>				

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.

3.9 Other information enabling a better understanding of Company corporate governance:

3.9.1 Employee rights and interests: The Company not only secures employees’ lawful rights and interests pursuant to the regulations, but also provides all sorts of welfare, on-the-job training, and pension & retirement plans.

3.9.2 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.

3.9.3 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.

3.9.4 Vendor relations: Apart from the formulated supplier management procedures requiring vendors’ compliance with the issues of environmental protection, safety and health, etc., suppliers are also requested to sign the Statement of Suppliers Collaborative Dedication to the Enhancement of Corporate Social Responsibility.

3.9.5 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.

3.9.6 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	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
Vice Chairman of the Board	Johnny Shih	2025.6.2	2025.6.2	CTCI Corporation	Introduction of CTCI Risk Management	3hrs
		2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Directors	Humphrey Cheng	2025.4.24	2025.4.24	Taiwan Institute for Sustainable Energy (TAISE)	The 40 th TCCS Board Meeting and the CEO Workshop	2hrs
		2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs
		2025.8.1	2025.8.1	Taiwan Corporate Governance Association (TCGA)	From corporate control and shareholder activism viewpoint, analyzing int'l governance thinking on Board and Supervisor responsibilities via practical cases of foreign institutional voting	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
		2025.10.17	2025.10.17	Taiwan Institute for Sustainable Energy (TAISE)	The 41 st TCCS Board Meeting and the CEO Workshop	2hrs
	Kao-Shan Wu	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
	Justin Tsai	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum –Corporate’s AI Transition	3hrs
	Eric Chueh	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supply Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
	Bing Shen	2025.5.6	2025.5.6	Taiwan Corporate Governance Association (TCGA)	2025 Economic Trend under Geopolitics--Observing Future Market Trend through Global Financial Development 2024 Global Economic Trend, Risk Index and Countermeasures	3hrs
		2025.8.1	2025.8.1	Taiwan Corporate Governance Association (TCGA)	IFRS Critical Principles & Practices, and CTCL Countermeasures	3hrs

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Directors	Alan Tsai	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supplier Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
Independent Directors	Walt Cheng	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supplier Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
	Ping Lih	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supplier Chain Restructure	3hrs
		2025.10.1	2025.10.1	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Forum – Corporate’s AI Transition	3hrs
	An-Ming Wu	2025.5.16	2025.5.16	Securities & Futures Institute (SFI)	2025 Promulgation on Inside Trading	3hrs
		2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supplier Chain Restructure	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	2025.6.4	2025.6.4	Taiwan Academy of Banking and Finance (TABF)	Corporate Strategic Countermeasures to US Tariff Policy and Supplier Chain Restructure	3hrs
		2025.7.25	2025.7.25	Securities and Futures Institute (SFI)	2025 Mandatory Compliance Promulgation on Insider Stock Trading	3hrs
		2025.8.11	2025.8.11	Taiwan Stock Exchange Corporation (TWSE)	CDP vs. IFRS S2 Problem Solving/Enhancement of Climate Change Info Disclosure to Improve Corporate Resilience	6hrs
		2025.8.22	2025.8.22	Chinese National Association of Industry and Commerce (CNAIC)	2025 Net Zero Summit Forum of Taishin and Shin Kong	3hrs
		2025.10.16	2025.10.16	Financial Supervisory Commission	The 15 th Taipei Corporate Governance Forum	6hrs

Job title	Name	Date of continued education		Organizer	Course name	Hours
		from	to			
Assistant VP of HR & Admin. (Corporate Governance Officer)	Daniel Yu	2025.10.29	2025.10.29	Independent Director Association Taiwan (TIDA)	Corporate Governance Seminar – Highly Efficient Compliance of AI on Board Operation Practice	3hrs
		2025.12.5	2025.12.5	Securities and Futures Institute (SFI)	Corporate Hedge’s Novel Thinking; Exchange Rate Challenges and Assets Management Trend	3hrs

3.9.7 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’s Credit Commission 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 p95-p96 Information and Telecommunication Security Management for detail.

3.9.8 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, combining sales and technical service of R&D to maintain fair and stable collaborative relationships with customers.

3.9.9 The Company’s purchase of liability insurance for Directors: The Company’s Directors fulfill their responsibility pursuant to law. According to the amended Articles of Incorporation and Corporate Governance Principles, the Company purchases liability insurance for Directors as well as Management.

3.9.10 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) working hours, breaks, annual leave, application for leave (d) salary and wages (e) year-end bonus (f) safety, health, welfare, social insurance, pension, occupational disaster compensation (g) discipline (h) performance and reward & punishment (i) resignation, termination of employment, lay-offs (j) retirement (k) 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 the Company may preserve the right to claim compensation according to relevant laws and regulations.

3.9.11 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 Empowerment.

(2) Succession planning for important managerial 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.

3.9.12 The Company passed the "Procedures for Handling Material Inside Information" at the 2nd 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".

3.9.13 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	3
Finance	Securities investment analyzer	2
	Senior securities specialist	1
	Securities specialist	3
	Futures specialist	2
	Trust personnel	2

3.10 Status of internal control system

3.10.1 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>

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

3.11 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:

3.11.1 Shareholders Meeting

Meeting time	Major resolution	Status
2025.5.19	<p><u>Report</u></p> <p>(1) Business Report 2024 (2) Financial Statements 2024 (3) The Audit Committee’s review report on 2024 Business Report and Financial Statements</p> <p><u>Recognition</u></p> <p>(1) Approval of the Company’s business report and financial statements 2024 (2) Approval of the Company’s 2024 profit allocation</p> <p><u>Discussion</u></p> <p>(1) Approval of the amendment to the Company’s Articles of Incorporation</p>	<p>Approved and proceeded accordingly.</p> <p>Approved and proceeded accordingly.</p> <p>Approved and proceeded accordingly.</p>

3.11.2 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
4 th meeting of 17 th term 2025.3.3	<p>1. Approval of the Company’s acquisition and disposal of assets</p> <p>2. Approval of the Company’s proposal on credit line agreements with the financial institutes</p> <p>3. Approval of the Company’s 2024 financial report (incl. individual financial report)</p> <p>4. Approval of the Company’s 2024 profit allocation</p> <p>5. Approval of the Company’s 2024 business report</p> <p>6. Approval of the Company’s 2024 Internal Control System Declaration</p> <p>7. Approval of the amendment to the Company’s “Articles of Incorporation”</p> <p>8. Approval of the date, place and method for the convening of the Company’s 2025 annual shareholders meeting</p> <p>9. Approval of the Company’s 2025 operative and capital budget</p> <p>10. The renewal proposal on Linyuan’s co-gen system</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>Approved unanimously by the attended Directors</p>
5 th meeting of 17 th term 2025.5.12	<p>1. Approval of the Company’s acquisition and disposal of assets</p> <p>2. Approval of the Company’s proposal on credit line agreements with the financial institutes</p> <p>3. Approval of the Company’s guarantee proposal on reinvestee’s credit line with financial institutes</p> <p>4. Approval of the Company’s periodical assessment of CPA’s independence and competence according to AQIs assessment</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	



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
	5. Approval of the Company's 2025/Q1 consolidated financial report 6. Approval of the Company's proposal on energy integration of the new installment of the air separation unit (ASU5) and the renewal surrounding equipment 7. Approval of the change of the Company's technical center chief officer		
6 th meeting of 17 th term 2025.8.13	1. Approval of the Company's acquisition and disposal of assets 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 4. Approval of the Company's 2024 ESG report 5. Approval of the Company's 2025/Q2 consolidated financial report 6. Approval of the proposal on the change in the Company's structure and personnel	V V V	
7 th meeting of 17 th term 2025.11.11	1. Approval of the Company's new expenditure proposal 2. Approval of the Company's acquisition and disposal of assets 3. Approval of the Company's proposal on credit line agreements with the financial institutes 4. Approval of the Company's establishment of the Sustainability Committee 5. Approval of the Company's 2025/Q3 consolidated financial report 6. Approval of the proposal for the 2026 expenditure capital budget 7. Approval of the amendment to the Company's internal control system 8. Approval of the Company's 2026 internal auditing plan	V V V V	Approved unanimously by the attended Directors
8 th meeting of 17 th term 2026.3.3	1. Approval of the Company's 2025 financial report (incl. individual financial report) 2. Approval of the Company's 2025 deficit offset 3. Approval of the Company's subsequent valuation report of investment properties adopting the fair value model starting 2026 4. Approval of the Company's 2025 business report 5. Approval of the date, place and method for the convening of the Company's 2026 annual shareholders meeting 6. Approval of the Company's 2025 Internal Control System Declaration 7. Approval of the Company's 2026 operative and capital budget 8. Approval of the Company's adjustment of rank-and-file employees salary amount 9. Approval of the change of the Company's Accounting officer	V V V V V V V	

3.12 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	Pei-De Chen, CPA	Wen-Ling Liu, CPA	2025.01.01~2025.12.31	3,620	3,125	6,745	Audit & consultation of taxation, and administrative remedy

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

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	Status	Client	Appointer
		CPA	
	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

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

For relevant details, please refer to MOPS at (https://mops.twse.com.tw/mops/#/web/query6_1) and (https://mopsov.twse.com.tw/mops/web/STAMAK03_1), using stock code 1710 to start inquiry.

7.2 Shareholding transferred (while the counterparty is a related party): Nil

7.3 Shareholding pledged: Nil

8. Top 10 shareholders and their relationships:

21 March 2026 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	9.17%	0	0%	0	0%	Yuan Ding Investment Co., Ltd.	Note 1, Note 3	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Asia Cement Corp.	Note 1, Note 2, Note 3	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Yuan Tung Investment Co., Ltd.	Note 1	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Kai Yuan International Investment Co., Ltd.	Note 1, Note 3	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Ding Yuan Investment Co., Ltd.	Note 1	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	An He Apparel Co., Ltd.	Note 1	
Asia Cement Corp.	63,766,522	7.20%	0	0%	0	0%	N/A	N/A	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Far Eastern New Century Corp.	Note 1, Note 2, Note 3	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Yu Yuan Investment Co., Ltd.	Note 1	
Yuan Ding Investment Co., Ltd.	56,654,684	6.40%	0	0%	0	0%	N/A	N/A	
Representative: Douglas T. Hsu	1,664,781	0.19%	0	0%	0	0%	Far Eastern New Century Corp.	Note 2, Note 3	
Yuan Tung Investment Co., Ltd.	49,942,396	5.64%	0	0%	0	0%	N/A	N/A	
Representative: C. C. Wang	0	0%	0	0%	0	0%	Far Eastern New Century Corp.	Note 2	
Yu Yuan Investment Corp.	33,224,017	3.75%	0	0%	0	0%	N/A	N/A	
Representative: Doris Wu	0	0%	0	0%	0	0%	Asia Cement Corp.	Note 2	
Kai Yuan International Investment Co., Ltd.	32,474,173	3.67%	0	0%	0	0%	N/A	N/A	
Representative: Humphrey Cheng	941	0%	0	0%	0	0%	Far Eastern New Century Corp.	Note 2, Note 3	
Ding Yuan International Co., Ltd.	27,365,495	3.09%	0	0%	0	0%	N/A	N/A	
Representative: Alan Tsai	0	0%	0	0%	0	0%	Far Eastern New Century Corp.	Note 2	
Representative: Alan Tsai	0	0%	0	0%	0	0%	An He Apparel Co., Ltd.	Note 3	
Representative: Allen Sha	0	0%	0	0%	0	0%	N/A	N/A	
Ding Shen Investment Co., Ltd.	20,455,000	2.31%	0	0%	0	0%	N/A	N/A	
Representative: Allen Sha	0	0%	0	0%	0	0%	N/A	N/A	



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.	Note 2	
Representative: Alan Tsai	0	0%	0	0%	0	0%	Ding Yuan Int'l Co., Ltd.	Note 3	
							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 2026 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	178,394	100%	0	0%	178,394	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
2025/08	10	1,000,000	10,000,000	885,703	8,857,031	No capitalization of stock dividends	-	Note

Note: No capitalization of stock dividends in 2025.

Unit: share

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares (listed)	Unissued Shares	Total	
Common stock	885,703	114,297	1,000,000	—

1.2 Overall Declaration System Related Info : Nil

1.3 Major Shareholders

21 March 2026 unit: share

Major Shareholders	Quantity of shares	Total shares owned	Shareholding ownership %
Far Eastern New Century Corp.		81,217,005	9.17%
Asia Cement Corp.		63,766,522	7.20 %
Yuan Ding Investment Co., Ltd.		56,654,684	6.40%
Yuan Tung Investment Co., Ltd.		49,942,396	5.64%
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.		20,455,000	2.31%
Labor Pension Committee of Far Eastern New Century Corp.		12,271,816	1.39%
An He Apparel Co., Ltd.		11,204,000	1.26%



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.

1.4.2 No dividend allocation shall be proposed at the 2026 shareholders meeting.

1.5 Effect on Business Performance and EPS resulting from Stock Dividend distribution proposed by the 2026 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 2025 remuneration allocation

The remuneration allocation approved by the Board meeting held on 3 March 2026 is as below:

- (a) No remuneration allocation is proposed due to the net loss before income tax in 2025.
- (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 The actual allocation of employee and Director remuneration from last year's earnings: In fiscal year 2024, the Company recorded a pre-tax net loss; therefore, no such allocation occurred.

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 annual report publication, 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 trade
- 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

	2024		2025	
	Turnover	Operation ratio (%)	Turnover	Operation ratio (%)
EG	15,110,073	64	14,585,456	66
Gas	1,587,539	7	1,625,894	7
SC	7,038,144	29	6,037,215	27
Investment & others	48,864	—	5,153	—

1.1.3 Major business operations consolidated

- (1) Manufacture and sale of MEG, EO, DEG, etc.
- (2) Manufacture and sale of oxygen, nitrogen, argon, CO₂ 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 apply to functional textiles, UV curing monomers, PU, daily chemicals and industrial auxiliaries, etc.

With requirements in terms of eco-friendly and carbon reduction, the Company is actively developing surfactants containing recycled PET, and various CO₂ contained chemical raw materials.

1.2 Industrial overview

1.2.1. EG

(1) Industrial overview and development

The EG global capacity in 2025 increased by 1.8 million MT, reaching approx. 61 million MT, while the global demand rose by 2.0 million MT to around 42 million MT. Although EG remained oversupplied, the increase in demand slightly exceeded the growth in new capacity, resulting in the int'l prices rebound and the losses lessening, showing the early signs of modest improvement for the industry.

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

The total global demand for ethylene was approx. 190 million MT in 2025, 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 2025 global GDP 3% was equal to that of 2024. With US Trump's imposition of tariffs globally and worldwide geopolitical conflicts ongoing, the global demand was tightened, posing stringent challenges to the petrochemical industry. It is estimated that overall environmental volatility will remain high in 2026. To navigate this uncertainty, the Company will maintain flexibility and continue to innovate, leveraging its technological advantages to develop high-valued ethylene oxide derivatives and fully enhance profitability.

1.2.2 Gas

(1) Industrial overview and development

In 2025, the global demand for AI and semiconductor products continued to grow, driving a surge of orders into Taiwan. As the electronics industry accelerated its expansion, the demand for industrial gases also increased. However, traditional industries experienced reduced orders and weaker demand due to China's low-price competition. The Chinese market, affected by sluggish domestic consumption and economic resistance from other countries, remained depressed, severely impacting demand for gas-related businesses in China.

In 2026, the sustained boom in the AI and semiconductor sectors will continue to stimulate expansion across Taiwan's electronics supply chain, leading to ongoing growth in gas demand. In response to the trend toward energy conservation and carbon reduction, upstream manufacturers have made significant progress in carbon-capture technology, resulting in the gradual launch of new industrial-grade LCO₂ production capacity and an oversupplied

domestic industrial LCO₂ market, creating downward pressure on CO₂ prices. Meanwhile, China’s “dual-control” energy policies and the ongoing real-estate crisis are placing downward pressure on the country’s economy, which will inevitably hinder the growth of the Chinese 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 FUPY, 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 2025, Taiwan’s domestic industries continued the momentum from 2024, with downstream electronics sectors operating at full capacity under the strong demand driven by the semiconductor industry. In contrast, traditional industries—such as steel and petrochemicals—experienced contraction due to China’s global dumping practices, resulting in declining demand. The operating rate of domestic chemical plants remained sluggish, while energy policies pushed up material costs and weakened consumer demand. As overall demand turned downward, gas consumption across industries also decreased.

In 2026, Taiwan’s gas market is expected to remain price-competitive due to weak market demand. However, supported by the continually strengthened requirements of semiconductor and AI-related, the market is projected to show a gradual upward trend.

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 declined, including China area, on account of the global economy effect, while domestic demand of electronic lotion arose against all the odds. With additional capacity launched in succession in 2025, mostly in China, the supply and demand were out

of balance. It is estimated that the overall demand in H1/2026 shall remain at a low level until H2 due to the unstable geopolitics and uncovered global economy. On such account, the Company's sales volume in 2025 declined 26% in comparison with 2024; while product profit was equal to that of 2024 due to the optimal of sales channel. In 2026, the Company shall continue optimizing its channel for stable product promotion as well as cost reduction solution, relieve the export from reliance on single area marketing, launching ultra-clean and high-purity ethanalamine 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, underwent re-bottlenecking through current production capacity of 30,000 MT per annum to achieve new high in capacity. As the global economy remained stagnant in 2025, the solvents for painting and detergent demands sustained. The total global demand for ethylene glycol butyl ether was approx. 970,000 to 990,000 MT, of 1% growth rate. Among which, the demand in China was 270,000 MT (including self-use), an increase of 10%. It is expected that the overall demand shall slowly rebound in H2/2026 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 2025 increased 13% after the completion of debottlenecking in 2025. 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 in 2026.

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 CO₂ 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 2025 was reduced due to China's anti-dumping duties levied upon EC.

EOD:

The Company's two EOD plants, with total consolidated output capacity 146,000 MT, locate in Linyuan and Yangzhou. EOD products of the Company consist of AEO, which applies 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 maintain 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 providing functional products of safe antibacterial, functional cleaning, eco-friendly 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 H2/2025 were affected by the sluggish domestic demand in China and its massive dumping of low-priced products into overseas markets. The total annual sales volume was 2% lower than in 2024.

The EOD plant of 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, electronics packing 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 main 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, Europe and America.

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. OUCC 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 CO₂ 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 edge 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 2026, besides enhancing marketing through domestic and overseas channels to maintain stable demand and supply, aims at upgrading EA product to semiconductor 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 oversupplied 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.

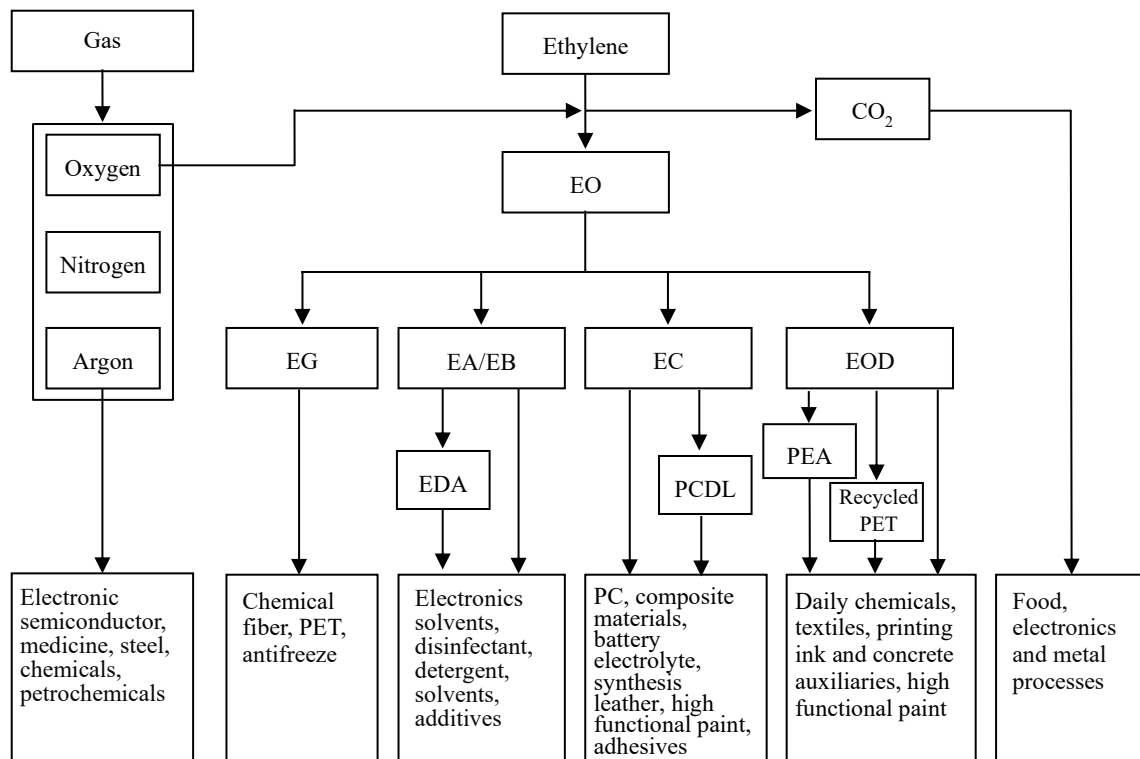
EDA:

The Company's EDAs are co-products, which are also produced in Asia, with Japan's Tosoh as index, Europe, America, China and India. The Company has partly established its EDAs market share in America 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 Northeast 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 2025 was NT\$ 250,816 thousand, and NT\$ 229,057 thousand in 2024.

The main customized new products of high-quality EOD/POD in 2025 included: emulsifier for detergent (SAFOL7L10), textile auxiliaries (TDE5L29, TDE7L29, TDE9L29), metal auxiliary (EH15SAL18), which were developed through synthesis according to customers' requirement mainly including applications of various detergents, auxiliaries and emulsifiers, derived from the Company vantage EO, as well as PU/UV curing resin reactive monomer (TM15, TM20, PH6, PE122R), polyoxyethylene polyoxypropylene ethers used in industrial oils (PE61A, HPE51A), as well as polyethylene glycol (PEG13000LF60), and tallow amine ethoxylate (TA5), used in textile, pesticide and constructure as emulsifier and dispersant auxiliaries. 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 conforming to customers' needs and launch more customized products, providing services on the existing basis.

As to constructure chemicals, the new products developed in 2025 include CO₂-contained eco-friendly materials such as ICC01, ICC02, WRAC01, JXC01, WXC01, WXC02, among which the ICC series are additives used for steel slag treatment, while both the JXC and WXC series serve as CO₂ absorbents to be applied as additives in cement. Other products under optimization include the highly efficient powder-type water-reducing agent (PWR01), air-entrained foam stabilizers for lightweight concrete

(JDF03), and the CO₂-contained reagent (RCXC1550) the Company's innovative development for concrete. With product applications in conformity with downstream customers' requirements and sales proactive promotion 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, 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 2025 and completed the new products include (1) CO₂-derived polyols LIO2020, HDOFCR, PCDL_PLUSTM H200, which are in liquid form at room temperature, energy-saving in use, and implemented launch of production, using 15%-25% captured CO₂ as feedstock and applied as dispersant formulation to synthesize with functional materials of polyurethane; (2) CO₂-derived surfactants L72FC10, L73FC10, L75F10, L77FC10, L78FC10, L70FC10, using captured CO₂ as feedstock to replace part of natural alcohol, featuring in low-temperature anti-freezing operability, low-forming water solubility at ambient temperature, biodegradability and low COD, as overall eco-friendly products for production, application and waste. L75F10, L77FC10, L79FC10 have launched mass production and successfully promoted as detergent and emulsifier of industrial formulation; (3) CO₂-based concentrated laundry detergent DCLFC01, formulated using captured CO₂ as a green ingredient, delivers low-foam performance during washing, reduces wastewater discharge, and provides moisture-wicking and quick-drying benefits to fabrics after laundry. Product performance has been certified by downstream customers. In addition, over the years, the Company has developed multiple recycled-PET-derived polyols, surfactants, and functional formulated products, all highly recognized by customers for their quality. In 2025, the Company obtained the RCS (Recycled Claim Standard) certification. 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; (8) technology for CO₂ insertion products; (9) CO₂-contrained eco-friendly detergents and formulation for CO₂-capture absorbents; (10) alcohol amination technology.

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 effectively enhance the mechanical strength,

durability, processing stability, and environmental resistance. Part of the products of high specs have completed customers verification and launched production and commercialization, continue to serve as key raw materials for upgrading and differentiating high-performance polyurethane applications.

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, and can be precisely tailored based on amine functionality, polyether chain length, and EO/PO ratio, enabling fine control over key physical and mechanical properties of resin systems, including reactivity, flexibility, glass transition temperature, impact resistance, and chemical resistance. Polyetheramine series are widely used in epoxy resin, polyurethane (PU), and polyamide fiber as curing agents, chain extenders, or modifiers, to enhance material toughness, fatigue resistance, and interfacial adhesion while maintaining favorable processing flow and final structural strength. Applicable domains include high-toughness epoxy composites for wind turbine blades, waterproof and anticorrosive coatings, abrasion- and weather-resistant coatings, as well as various structural composites and engineering plastics that require high strength and long-term durability.

Ethylenediamines, as a series of polyfunctional amine compounds composed of ethylene linkages connecting multiple amine groups, exhibit high reactivity and excellent coordination ability, basicity, and interfacial interaction properties, and are essential fundamental raw materials in fine chemicals and polymer materials. The major products include ethylenediamine (EDA), aminoethyl ethanolamine (AEEA), diethylenetriamine (DETA), triethylenetetramine (TETA), piperazine (PIP), N-aminoethylpiperazine (AEP), and N-hydroxyethylpiperazine (HEP), covering a comprehensive product portfolio of linear polyamines and cyclic amines.

Ethylenediamines possess both multi-amine structures and high-water solubility, enabling them to form stable coordination complexes with metal ions. They also react rapidly with functional groups such as epoxides, isocyanates, and anhydrides. As a result, they are widely used in bleach activators and chelating agents, corrosion inhibitors for metal plating and cooling systems, as well as biocides and scale-inhibiting dispersants in water treatment and oil & gas applications.

In polymer and materials fields, ethylenediamines serve as important monomers or chain extenders for polyamide resins and polyurethanes, to be used in the production of elastic fibers (such as spandex), engineering plastics, rubber processing aids, and plastic lubricants—enhancing material strength, heat resistance, and processing stability. They are also extensively applied in lubricant and fuel additives, mineral flotation and beneficiation aids, textile finishing agents, and as intermediates for pharmaceuticals and agrochemicals, offering high added value and broad application potential.

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 developed in 2023 compose mainly of C6, C4&C6, C5&C6 combined respectively with carbonate, of molecular weights range 1000-2000. A brand-new CO₂.

contained PCDL_PLUSTM H200, a break-through for eco-friendly applications, was later developed in 2025. Compared with conventional polyester-based diols, these materials exhibit significantly superior mechanical properties, hydrolysis resistance, thermal stability, weatherability, and solvent resistance. They are widely used to enhance the performance of polyurethane (PU) applications, including automotive water-based adhesives, sealants, high-grade synthetic leather, leather finishing agents, dashboards, premium wood coatings and surface treatments, thermoplastic resins, and other products that require high durability.

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 endeavors on industrial transformation, OUCC has become the materials company with capability to develop and produce specialty chemicals. With relentless efforts focused on environmental issues, the Company has successfully developed key raw materials for wind turbine blades and CCU technology for CO₂ recycling, as well as the technology to introduce CO₂ 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.

The Company fully recognizes the importance of intellectual property (IP) protection and has established a comprehensive and robust IP protection framework to safeguard its innovative technologies and intellectual assets. To protect patented technologies acquired, the Company has implemented the *Management Procedures for Externally Acquired Process Technology Documents*, ensuring that both the development and acquisition of innovative technologies are adequately protected.

With respect to IP protection measures, the Company clearly stipulates patent rights, copyrights, intellectual property ownership, and confidentiality clauses in its contractual agreements to ensure the integrity of technological rights. To prevent misuse or unauthorized disclosure of intellectual property, the Company maintains strict internal control and oversight mechanisms, ensuring that all technical details and confidential information remain within control. These measures include regular audits, reviews, and updates of internal procedures to keep protection mechanisms current and responsive to rapidly evolving technological and market conditions.

The Company places great emphasis on employee education and training related to intellectual property protection. Regular IP-related training programs are conducted to enhance employees' awareness of IP protection. In addition, the Company has established codes of conduct to prevent improper use or disclosure of proprietary intellectual property, thereby further strengthening the overall protection framework.

The most recent briefing delivered to the Board of Directors was on November 11, 2025.

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, introduce new products to 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 40%.

(2) GAS :

The sale of industrial gas is mainly for the domestic market, with domestic market share of 8%.

(3) EA :

As the only EA manufacturer in Taiwan, the Company's EA sales territories mainly include Taiwan, China, 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. New sales channel and optimal product portfolio are to be established to counteract such impact.



(6) EODs :

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. 1,000,000 MT, imports 60,000 MT, exports 600,000 MT, and domestic demand 460,000 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. 40,000 MT, while the supply is approx. 100,000 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 scope and increase the sales of high-value CO₂.

(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, 15% of production volume goes to the domestic market, which used to rely totally on imports; while the remaining 85% 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) EODs :

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 for domestic market supply and 40% for export to Southeast Asia, Middle East, Africa, 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 as well as the increasing downstream applications, 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 highly efficient catalysts 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 CO₂, by-product of EG process retain competitive with high purity and low cost.
- (c) To effectively reduce energy consumption and improve product quality and competitiveness, EA plant No. 2 has adopted the low water process.
- (d) Given the TEA is under 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 CO₂ 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 CO₂ 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 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) CO₂: 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 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 and vulcanization accelerator in rubber processing.

- (14) AEO: is a shampoo ingredient; a lubricant or anti-corrosion additive; a biodegradable material for textile auxiliary; 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, with 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. 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 turbine 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 (CO₂) 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 CO₂ 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, CO₂, 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 (O₂), nitrogen (N₂) and argon (Ar). Liquefied products (LOX, LIN, LAr) are produced by compression-expansion of the gaseous O₂/N₂/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. Product of electronics grade is also added to meet the market demand for electronics chemicals.
- (4) EC plant: EO and purified CO₂ 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 CO₂ 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 constructure material 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 HPEG monomer and 6-carbon alcohol as base materials, which are developed and formulated through proprietary 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. Product of electronics grade is also added to meet the market demand for electronics chemicals.
- (7) The production of ethyleneamine and its co-products (EDAs) is synthesized through a reductive amination reaction of monoethanolamine (MEA) and ammonia (NH₃) in a reactor with high-pressured hydrogen circulation, followed by a separation and purification process to recover ammonia and ethanolamine, to separate the various products, which include ethylenediamine (EDA), 68% piperazine (PIP68), 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., and partly by imports starting Q1/2026.

2.3.4 Feedstock of the EC Plant: EO and CO₂ 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 domestic or abroad.
- (5) Other initiators: Procured from domestic and overseas suppliers, while FUPY from domestic suppliers.

2.3.7 Feedstock of EDA co-products:

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., and partly by imports starting Q1/2026.

2.3.8 Feedstock of PEA co-products:

The feedstock of polyol is supplied by the Company's EOD plant or procured from abroad, while ammonia is supplied by Taiwan Fertilizer Co., and partly by imports starting Q1/2026.

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	2024				2025			
	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer
1	CPC	4,734,494	21	None	CPC	4,199,702	19	None
2	Nanking Chengzhi Yongchin Energy Techology Co.	3,816,129	17	None	Nanking Chengzhi Yongchin Energy Techology Co.	3,831,337	17	None
3	Zhejiang Satellite Chemical Co., Ltd.	2,216,910	10	None	Others	14,030,861	64	None
4	Others	11,922,805	52	None	-	-	-	-
	Net purchase	22,690,338	100		Net purchase	22,061,900	100	

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

Item	2024				2025			
	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer	Name	Amount	Percentage of total net purchase (%)	Affiliation with the issuer
1	Company A	3,746,797	16	None	Company A	3,210,583	14	None
2	Others	20,037,823	84	None	Others	19,043,135	86	None
	Net sales	23,784,620	100		Net sales	22,253,718	100	

3. Employees

March 31, 2026

Year		2024	2025	2026(Note)
Number of employees		638	596	590
Average age		40.70	41.39	41.67
Average seniority		9.12	9.82	10.13
Education Background %	Doctor	1.10%	1.17%	1.19%
	Master	21.31%	19.97%	19.66%
	Bachelor	67.40%	68.96%	69.15%
	High school	5.96%	5.70%	5.76%
	Below High school	4.23%	4.19%	4.24%

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	2024	2025	Ending 31 March, 2026
Contamination classified	Air Pollution Prevention Rule Waste Disposition Rule	N/A	Air Pollution Prevention Rule Waste Disposition Rule
Authorized Unit	Kaohsiung City Government	N/A	Kaohsiung City Government
Compensatory amount or discipline	NTD525,000	N/A	NTD100,000
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, caused no damage due to environmental pollution in 2024, yet was found unauthorized to start construction of its green transformation project for 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 CO₂ reduction.



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

- (1) 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.
- (2) The Company is investing NTD4.5 million in the renewal of air blowers for the wastewater of the EG plant.
- (3) The Company is investing NTD2 million in dewatering improvement of RTO-1.

4.3 Implementation of GHG reduction

4.3.1 A

- (1) The renewal project of the circulating compressor motor of the 2nd GAS plant is estimated to save power 1.30 million kWh and reduce 618t-CO₂e annually.
- (2) The renewal project of the high-pressure demineralized water pump PP-1301 is estimated to save power 290,000 kWh and reduce 138t-CO₂e annually.
- (3) The energy saving project of the RTO of EOG plant is estimated to save power 201,000 kWh and reduce 95t-CO₂e annually.
- (4) The renewal of LED for the high-pressure sodium lamp at Gas plant in Linyuan is estimated to save power 61,700 kWh and reduce 29t-CO₂e a year.
- (5) The renewal of water pump at Gas plant in Linyuan is estimated to save power 2.24 million kWh and reduce 1,063t-CO₂e a year.
- (6) The remodeling of the 2nd GAS plant production by terminating the use of circulating compressor is estimated to save power 6.324 million kWh and reduce 2,998t-CO₂e a year.

4.3.2 Proceeded measures

- (1) The renewal project of air blowers for the wastewater of EG plant is estimated to save power 397,000 kWh and reduce 188t-CO₂e annually.
- (2) The gearbox replacement project of circulating air compressor of EOG plant is estimated to save power 9.4 million kWh and reduce 4,455t-CO₂e annually.
- (3) The plant-wide energy saving project for CW tower fan blade angle adjustment.
- (4) The plant-wide energy saving project for the impeller trimming of CW pumps.
- (5) The variable frequency drive installment for PP-1000 motor of EOG plant.
- (6) The replacement of small impeller for EO TO EG pump (PP-302A/S) of EOG plant.
- (7) The fan blade angle adjustment of #2 CW tower (GT-10202S) of EOG plant.
- (8) The operation adjustment of EB plant by terminating the use of P-312.
- (9) The operation adjustment of EB plant by terminating the use of vacuum system J-304.

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, including the establishment of badminton, softball and fishing clubs, subsidies for academic aid and travel allowance, annual health examination for all employees as well as employees' group insurance.

5.1.2 Continual education and training

The Company values the training and development of human resources, 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 by the HR Development Center of Far Eastern New Century Corp, a Group affiliate. Each department 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 were held continuously to enrich employee expertise and achieve the substantial goal for "to learn in order to practice". The internal and external training in 2025 totaled 17,963 hours.

In 2025, in alignment with the Company's ESG talent development initiatives under the Corporate Sustainability Implementation Committee, a series of ESG-related training programs continued to be offered. The curriculum covered trends in greenhouse gas (GHG) management, principles of GHG inventory, an introduction to carbon accounting, and the calculation frameworks for Scope 1 to Scope 3 emissions. It also included topics related to product carbon footprints, pathways for low-carbon transition, and practical guidelines for applying under Taiwan's voluntary GHG reduction mechanisms.

Regarding corporate governance, training courses were arranged on international sustainability disclosure standards, including the IFRS Sustainability Disclosure Standards (S1 and S2) and the Task Force on Climate-related Financial Disclosures (TCFD) framework, along with explanations of sustainability value chain-related issues.

In response to digitalization and the rapid development of artificial intelligence, the Company introduced various AI applications and digital tool training programs in 2025. These included courses on CANVA collaborative presentation and video creation, hands-on training for Microsoft Copilot AI productivity workflows, as well as foundational financial courses such as financial statement interpretation for non-finance personnel and basic investment and financial management concepts. These initiatives aim to comprehensively enhance employees' digital capabilities, work efficiency, and financial literacy, thereby strengthening the talent foundation for the Company's long-term sustainable development.

5.1.3 Retirement system

The Company has established a Labor Pension Reserve Supervision Committee to review and oversee the utilization of labor pension reserves. Each month, the Company allocates 10% of employees' salaries to the pension reserve fund, which is deposited into a dedicated trust account with the Taiwan Bank Trust Department. At the end of every year, the balance of the account is



reviewed; if the balance is insufficient to cover payments for employees eligible for statutory retirement in the following year, the Company will complete the necessary allocation by the end of March of the next year to safeguard the rights and benefits of employees under the old labor pension system. In 2025, the pension payments were handled in accordance with regulations to ensure the benefits of retired employees.

Since July 1, 2005, employees who have chosen to adopt the pension system under the Labor Pension Act have had 6% of their monthly insured salary contributed to their individual pension accounts managed by the Bureau of Labor Insurance. The pension system covers 100% of full-time employees. In 2025, there were 83 employees making voluntary contributions to the new pension scheme, accounting for 28% of all employees under the new system.

In compliance with amendments to the Labor Standards Act, the Company has established a deferred retirement system. Employees who have reached the age of 65 and have completed the required years of service may negotiate with the Company regarding the extension of their retirement age.

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 well reactive and harmonious relationships. Since 2023, the HR Department has conducted an employee opinion survey every two years to monitor HR trends and identify key factors for talent retention. The employee satisfaction survey was updated in August 2025, with the results and its implementation status as follows:

(1) Survey Overview

Survey Target: All employees (372 employees)

Coverage Rate: 100%

Survey Frequency: Conducted regularly every two years

Survey Department: Human Resources Department

Survey Period: August 2025

Valid Samples: 284 employees (response rate: 76%)

Survey Dimensions: ①employee care & benefits; ②growth & development; ③corporate culture; ④teamwork; ⑤leadership & governance; ⑥operational excellence; ⑦technology empowerment; ⑧innovation; ⑨sustainability & social responsibility; ⑩overall perception.

Scoring Mechanism: 5-point Likert scale

(2) Summary of Survey Results

Overall Satisfaction: The overall satisfaction score was 3.52, equivalent to 70.4 on a 100-point scale, indicating that approximately 70% of employees expressed a positive level of satisfaction with the Company.

Higher-performing Dimensions: ①teamwork; ②leadership & governance; ③sustainability & social responsibility.

Areas for Improvement: Recognition levels for Growth & Development and Technology Empowerment were relatively lower, indicating employees' expectations for enhanced career development and applications of AI and digital tools.

(3) Improvement Plan based on the 2025 Employee Satisfaction Survey

To address the items with lower satisfaction scores, the Company has formulated concrete improvement measures:

①Employee Growth & Development

Eliminate employees' uncertainty regarding work promotion and future development and strengthen managers' role play as coaches.

Establish a Transparent Evaluation Mechanism:

Clearly define promotion criteria and competency requirements for each job grade to ensure fairness and transparency throughout the evaluation process.

Develop Career Pathways:

Create clear career development roadmaps to help employees understand potential long-term growth opportunities within the Company.

Strengthen supervisors' development responsibilities by requiring management to provide consistent performance feedback and making "talent development" one of the core responsibilities of all supervisors.

②Operational Excellence

Focused on enhancing organizational communication efficiency and improving the accuracy of resource allocation:

Enhance decision-making quality and pace:

Clarify decision-making principles to reduce repeated revisions and accelerate execution efficiency.

Strengthen decision-making communication:

Provide transparent explanations for key decisions so employees can understand the underlying logic and purpose, thereby reducing communication gaps.

Align resources with strategic goals:

Reassess strategic objectives to ensure that manpower and resources are allocated in alignment with organizational goals, avoiding resource misallocation.

③Technology Empowerment

Emphasizing practical application rather than simply introducing tools, with the goal of solving frontline employees' operational pain points:

Digitalize labor-intensive processes: Prioritize digital transformation for the most time-consuming and repetitive frontline workflows.

Practical, application-oriented AI training: Move beyond conceptual announcements by providing role-specific AI tools and scenario-based training that employees can immediately apply.

Use "usability" as a key metric: The measure of system improvement success is no longer merely whether a tool is implemented, but whether it is user-friendly and effectively solves real problems.



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, NH₃, H₂, 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 77% in 2025.
- (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 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"> 1. Hold a meeting every year on a regular basis or as needed to review matters related to information security management. 2. Hold a cross-unit meeting as needed to coordinate the relevant resources allocation required for the implementation of the information security management system.
Information Security Audit Team	<ol style="list-style-type: none"> 1. Formulate an internal audit plan for information security. 2. Conduct an internal audit on information security 3. Produce an internal audit report on information security 4. Track the improvement implementation of the nonconformity.
Chief Information Security Officer	<ol style="list-style-type: none"> 1. Formulate relevant guidelines for information security management. 2. Promote information security related activities. 3. Conduct education and training related to information security. 4. Establish a risk management system to conduct risk management. 5. Establish emergency drill and recovery measures for security incidents. 6. Implement the improvement recommended by the audit team. 7. Implement improvement of preventive measures. 8. Study and discuss new products or technologies of information security. 9. Execute the resolutions of the Information Security Committee. 10. Identify the laws and regulations related to information security.
Information Security Protection Team	<ol style="list-style-type: none"> 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. 2. Responsible for post-disaster coordination and clean up instruction of the disaster site. 3. Responsible for the operative site restoration planning.

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 is 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.
- (9) Introducing the Secure Access Service Edge (SASE) enables remote and mobile workers to access corporate systems more securely and consistently, supporting a hybrid work model. As applications and data increasingly move to the cloud, traditional perimeter-based security architectures can no longer effectively protect these distributed cloud resources. SASE integrates various fragmented networking and security tools into a single cloud-based platform, simplifying IT operations.

6.1.3 Information and communication security resources: The Company adheres to the great importance of information security risk control and protection and has introduced the zero-trust network, 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 99.999999999 SLA security mechanism and ISO/IEC 27001:2022 obtained, 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 2025 for the enhancement of information security. The latest report delivered to the Board was on 11 November 2025.

6.2 Information security risks and countermeasures: (please refer to p105-106 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.	2025, 2026		Renewed automatically within three months prior to expiration if neither raises an objection.
	Sino-Japan Chemical Co., Ltd.	2025.6-2028.6	EO purchase and sales agreement	Renewed automatically for three years within six months prior to expiration if neither raises an objection.
	Chi Mei Corporation	2025-2026	EC purchase and sales agreement	Both parties are engaged in the exclusive purchase and sale of EC.
	CPC	2025	Ethylene supply contract	Nil
Lease Contract	CPC	2025, 2026.6	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	2025-2027	Bank loan	Nil
	Far Eastern International Bank	2025-2028		
	Mega Bank	2025-2027		
	Land Bank of Taiwan	2025-2027		
	Shanghai Commercial & Savings Bank	2025-2027		
	Bank of China	2025-2027		
	Taishin Bank	2025-2027		
	Yuanta Bank	2026-2028		
	Bank of SinoPac	2025-2027		
	Taiwan Cooperative Bank	2025-2027		
	Export-Import Bank of ROC	2025-2028		
(II) Far Eastern Union Petrochemical (Yangzhou) Ltd.				
Supply Contract	Nanking Chengzhi Yongchin Energy Technology Co., Ltd.	2025	Ethylene supply contract	Nil
	Zhejiang Satellite Chemical Co., Ltd.	2025		
	Jiangyi Saisheng New Material Co., Ltd.	2025	EO supply agreement	
	Sinopec Chemical Commercial Holding Co., Ltd., Eastern China Branch	2025	EG & EO sales agreement	
	Nanking Ollie Chemical Co., Ltd.	2025	EO sales agreement	

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	2025	2024	Variance	
			Amount	%
Current assets	\$ 5,346,664	\$ 5,409,416	(\$ 62,752)	(1)
Property, plant and equipment	15,187,831	15,430,218	(242,387)	(2)
Intangible assets	86,154	52,976	33,178	63
Other assets	11,732,633	10,542,467	1,190,166	11
Total assets	32,353,282	31,435,077	918,205	3
Current liabilities	9,356,738	8,953,973	402,765	4
Non-current liabilities	11,536,923	9,127,190	2,409,733	26
Total liabilities	20,893,661	18,081,163	2,812,498	16
Capital stock	8,857,031	8,857,031	0	0
Capital surplus	1,091,942	1,091,942	0	0
Retained earnings	3,149,264	4,040,214	(890,950)	(22)
Other equities	(3,773,068)	(3,074,397)	(698,671)	23
Treasury stock	(118,460)	(118,460)	0	0
Interest attributable to parent company	9,206,709	10,796,330	(1,589,621)	(15)
Non-controlling interest	2,252,912	2,557,584	(304,672)	(12)
Total equities	11,459,621	13,353,914	(1,894,293)	(14)

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

1. The increase in intangible assets was due to subsidiary's introducing sets of software for the enhancement of production safety and performance.
2. The increase in non-current liabilities was due to the increase in catalyst renewal expenses.
3. The decrease in the retained earnings was due to net loss.
4. The decrease in other equities was mainly due to an increase in unrealized valuation losses on equity instrument investments measured at fair value through other comprehensive income.
5. 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. Please refer to Letter to Shareholders for the Company's relevant business strategy.

2. Financial Performance Analysis

Analysis on consolidated financial performance

Currency unit: NTD thousand

Item \ Year	2025	2024	Increase (decrease)	Ratio (%)
Operating revenue	\$ 22,253,718	\$ 23,784,620	(\$ 1,530,902)	(6)
Operating cost	22,061,900	22,690,338	(628,438)	(3)
Gross profit (loss)	191,818	1,094,282	(902,464)	(82)
Operating expenses	1,094,293	1,165,591	(71,298)	(6)
Operating loss	(902,475)	(71,309)	(831,166)	1,166
Non-operating revenue and expense	(260,027)	(202,545)	(57,482)	28
Loss before income tax	(1,162,502)	(273,854)	(888,648)	324
Income tax benefit	(26,676)	(109,768)	83,092	(76)
Net loss	(1,135,826)	(164,086)	(971,740)	592
Other comprehensive income (loss)	(758,467)	(705,720)	(52,747)	7
Total comprehensive income (loss)	(1,894,293)	(869,806)	(1,024,487)	118
<p>1. Notes to increase/decrease:</p> <p>(1) The decrease in gross profit and increase in net loss were due to the drop in average prices of EG and specialty chemicals.</p> <p>(2) The decrease in non-operating revenue and expense was mainly due to reduction of the government subsidy.</p> <p>(3) The crucial factors of 2026 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).</p>				

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
2025	1,674,844	(91,119)	(51,239)	1,532,486	—	—

- Analysis of changes in cash flow
 - Operating activities: primarily operating capital outflow.
 - Investment activities: primarily capital expenditure.
 - Financing activities: primarily for loan repayment.
- 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
2026	1,532,486	1,073,000	(863,000)	1,742,486	—	—

- Analysis of changes in cash flow
 - Net cash flow from operating activities: cash inflow mainly from operating activities.
 - Projected cash outflow: mainly from capital expenditure.
- 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 2024	2025	2026 (Est.)
(1)	Collaborative construction of ethylene storage tank at the Intercontinental Port of Kaohsiung Harbor	Own capital and financing	2026/03	1,340,000	923,378	227,541	189,081
(2)	Re-debottlenecking of EB plant	Own capital and financing	2026/01	86,000	-	78,519	7,481
(3)	Air Separation Unit #5 (ASU#5) project	Own capital and financing	2027/04	1,000,000	-	9,288	990,712
(4)	Establishment of cooling water tower GT-1205	Own capital and financing	2027/04	100,000	-	-	100,000

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) Re-debottlenecking of EB plant
To expand production capacity to meet future market demand, optimize product ratio and reduce costs.
- (3) Air separation unit #5 (ASU#5) project
To replace an old facility with a new one, featuring advanced technology, high efficiency, low energy consumption, to enhance production reliability, quality stability and cost reduction.
- (4) Establishment of cooling water tower GT-1205
To replace the old water tower with a highly efficient and power-saving model to enhance operative effectiveness and reliability.

4.2.2 The proposed capital expenditure would help 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 had its market share expanded in China.

5.2 The main reasons for profit or loss and the corrective action plan over past year (2025)

The Company's share of loss of subsidiaries and associates accounted for using equity method totaled NTD 332,599 thousand in 2025. 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 2025, the trade wars and geopolitical risks existed between some countries, coupled with the slowdown in global economic growth, 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 2026, the Company shall attentively formulate appropriate investment strategies in line with the changes and potential impact thereof on the market.

Compared to the cumulated 0.75% interest rate cut by the US Federal Reserve, no interest rate adjustment of Central Bank in 2025 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 2026, 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.	2026/12	300

Name of Project	Expected Result	Projected completion date	Budget (NT\$)
New development of polyetheramines	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.	2026/12	300
New development of eco-friendly polycarbonatediol	From the development of polycarbonatediol (PCDL) series, to further advance the CO ₂ -contained PCDL Plus TM H200 for the domains of polyurethane (PU) or advanced plastic materials.	2026/12	500
Technology development of selective hydrogenation	To establish the reaction system and proprietary technology.	2026/12	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.	2026/12	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.	2026/12	500
Development of lithium battery electrolyte along with 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.	2026/12	20,000
Benzalkonium chloride electronic chemicals	To establish benzalkonium chloride solvent of low toxicity as replacement for tetramethyl ammonium hydroxide (TMAH) for semiconductor industry.	2026/12	200

Name of Project	Expected Result	Projected completion date	Budget (NT\$)
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.	2026/12	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.	2026/12	500
Environmentally friendly product development	Products under development as follows: ① Biodegradable polyester materials for paper laminating/foaming ② CO ₂ -contained surfactants/polyol ③ Surfactant/polyol/polyester materials containing recycled PET ④ CO ₂ -capture absorbent to assist customers' formulation adjustment, product absorbed can also be applied as additive to construction material	2026/12	1,500
Continued development of customized high value-added EOD/POD products	To synthesize various alcohol/phenol/tallow amine, and UV curing resin for polyether, EO/PO copolymer for low foam surfactant.	2026/12	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 sulfonation technology for polyether polyol.
- (11) Develop CO₂-contained products, including eco-friendly materials and CO₂-capture absorbents, which of the produced material can be reused to further produce environmentally friendly products.
- (12) 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 uninterruptible 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 99.999999999% SLA safety mechanism

of AWS, to lower the unexpected natural disasters, man-made errors, or 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. In 2024, 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. Due to the traditional safety framework is unable to protect the dispersed applications and data at the cloud end, the Company has introduced the Secure Access Service Edge (SASE), which provides a hybrid work model in response to the remote and mobile work requirements in 2025, to ensure a more secure and consistent access system, combining decentralized networks and safety tools into a single platform to simplify IT management.

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 p100~p101 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 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

Relevant information is available at Market Observation Post System (https://mopsov.twse.com.tw/mops/web/t57sbo1_q10) via enquiry code 1710.

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





Resilient Operation
Precise Transformation
Green Value-Added

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