Stock code: 1708

Sesoda Corporation

2024 Annual Report

SESODA

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Website of the annual report: http://mops.twse.com.tw

http://www.sesoda.com.tw

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Headquarters: Sesoda Corporation
Affiliated companies: East Tender Trading Co., Ltd., Zaifeng Motor Freight Co., Ltd., Yukari Group Co., Ltd., E-Teq Venture Co., Ltd., Yun Sheng Investment Co., Ltd.

Sesoda Investment (BVI) Ltd., Sesoda Steamship Corporation, SS Marine Holding Corporation, Southeast Marine Globe Corporation, Southeast Shipping Corp., Southeast Marine Transport Corporation, SE Harmony Corporation, SE Apex Corporation, SE Bulker Corporation, SE Marine Corporation, SE Carrier Corporation, SE Delta Corporation, SE Glory Corporation, SE Peace Corporation, SE Royal Corporation, SE Evermore Corporation, SE Fortune Corporation, SE Victory Corporation, SE Jasmine Corporation

Address: 23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan
Tel: (02) 2704-7272 Fax:(02) 2704-3380

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Tel: (03) 990-5121 Fax:(03) 990-3235

Changhua Plant: No. 1-6, Gongxi 1st Road, Chuansing Industrial Park, Shengang Township, Changhua County
Tel: (04) 798-8931 Fax:(04) 798-8933

Taichung Plant: No. 12, Gongshi Road, Youth Industrial Park, Dajia District, Taichung City
Tel: (04) 2681-6685 Fax:(04) 2681-6686

Stock transfer agency: Transfer Agency Dept., CTBC Bank
Address: 5F No. 83, Sec. 1, Chongqing S. Road, Taipei City, Taiwan
Tel: (02) 6636-5566
Website: https://ecorp.chinatrust.com.tw/cts/index.jsp

Certifying Accountants: Chen Ya Lin, Tang Chia-Chien
CPA firm: KPMG Taiwan
Address: 68F No. 7, Sec. 5, Xinyi S. Road, (Taipei 101 Building), Taipei City, Taiwan
Tel: (02) 8101-6666
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The names of any exchanges where the Company's securities are traded offshore: Not applicable
The locations of any exchanges where the Company's securities are traded offshore: Not applicable
The URLs of any exchanges where the Company's securities are traded offshore: Not applicable
Company address: http://www.sesoda.com.tw

Table of Contents

I. Report for Shareholders

Business Report of 2024

I. Looking back at 2024, persistent high inflation and poor economic performance in China, particularly the intensifying global economic difficulties that began in the second half of 2024, posed significant challenges. However, the Company had already cleared its high-priced raw material inventory before 2024, and with the stable development of other products, achieved favorable performance in both revenue and net profit for 2024. In 2025, we will approach challenges with greater prudence to ensure the Company's sustainable growth and development. Looking ahead to 2025, in line with the expansion demands of domestic wafer foundries, liquid calcium chloride sales volumes are expected to increase. Coupled with stable potassium sulfate and shipping market conditions, our operations are poised to reach new heights. With the support of our shareholders and directors, we will continue to create greater value for all shareholders. Regarding the distribution of 2024 earnings, under our policy of maintaining long-term stable dividends, we aim to create a better corporate future for our customers and shareholders.

(I) Business Plan Implementation Results and Budget Implementation Status

Core Industrial Chemical Business

The Company's consolidated net operating revenue for the year 2024 was NT$6,366,238 thousand, an increase of 8.3% compared to the previous year. Net profit after tax was NT$974,570 thousand, representing an increase of 3,524.6% compared to the previous year, with earnings per share of NT$3.91.

According to the CRU report, global potassium chloride consumption in 2024 was approximately 7,100 metric tons, approaching historical peak levels, which drove significant price fluctuations in certain regions. Overall, global potassium chloride prices fluctuated within the range of US$270–300 per metric ton, with market prices remaining relatively stable compared to 2023. Potassium sulfate prices were driven by raw material costs and strong market demand, resulting in identical CIF and FOB price levels in certain markets. This was also reflected in the price differential between potassium chloride and potassium sulfate, which reached US$250–275 in early March 2024, slightly higher than the historical normal range. The tight demand-supply balance pushed global potassium sulfate prices upward, resulting in better overall potassium sulfate revenue and profitability compared to 2023.

The domestic market for various basic chemical raw materials experienced continuous price fluctuations due to supply and demand dynamics. Meanwhile, the Red Sea crisis has affected shipping, causing delays in cargo arrivals and other issues; shipping costs are expected to continue rising. Combined with the economic downturn, downstream customers and market demand have decreased, creating tremendous pressure on sales. Upstream suppliers have repeatedly raised prices to record highs due to surging raw material and shipping costs. Facing competitors' aggressive pricing to win customers inevitably impacts sales. Additionally, global shipping disruptions have caused serious delays in the arrival of some cargo, resulting in tight inventory situations for specific products. Maintaining a stable supply to preserve market share presents another challenge. Despite the fact that the overall domestic market cannot escape the vicious competition of price wars, we continue to flexibly apply strategies to adjust sales in response to market changes.

Subsidiary shipping business:

In the shipping business, the Company had 14 lightweight bulk carrier in 2024, and still adopts the daily rent business model. Despite China's economy not rebounding significantly as expected in 2024, the Red Sea crisis provided support for charter rates. With the Federal Reserve cutting interest rates at the end of 2024, revenues remained stable while costs declined toward year-end, allowing the shipping business to maintain considerable profitability.

Subsidiary catering business:

In 2024, although the pandemic's impact had diminished, the business faced inflation and rising raw material costs. Additionally, the food service industry experienced severe labor shortages. With intense competition among industry peers and reduced profits, operations in 2024 were challenging, putting restaurants under significant pressure.

(II) Analysis of financial revenue and expenditure and profitability

1. Revenues and expenses

Unit: NTD Thousand

Item	2024	2023	Increase (Decrease)
Operating revenue	6,366,238	5,879,183	487,055
Operating costs	4,256,021	5,019,654	(763,633)
Operating profit	1,184,520	210,151	974,369
Net profit (loss) for the period	974,570	(28,458)	1,003,028

2. Profitability analysis

Item	2024	2023
Return on assets	9%	1%
Return on equity	14%	0%
Net profit before tax to paid-in capital ratio	51%	1%
Net profit (loss) margin	15%	(1%)
Earnings (loss) per share (NT dollars)	3.91	(0.11)

(III) Research and development status

Core Industrial Chemical Business

A. In line with the national net-zero emissions policy for 2050 and to uphold corporate sustainability principles, we aim to reduce carbon emissions from our manufacturing processes by recovering carbon dioxide generated during the calcium chloride production process. The collected CO_2 will be washed, recovered, and transported to our sodium bicarbonate plant, where it will react with a sodium carbonate solution through carbonation to produce sodium bicarbonate products. Our goal is to achieve self-manufacturing of green products. We also plan to expand our sodium bicarbonate production toward food-grade quality. By utilizing resource recycling and leveraging local production advantages, we aim to reduce the overall carbon emissions of our entire plant.

B. To achieve effective production, energy conservation, and water-saving goals, we have implemented an energy improvement plan as required by the Bureau of Energy. This includes replacing old electrical equipment with new ones and switching to LED lighting for daily illumination to effectively conserve energy and adapt to environmental changes. We are also auditing water usage in each unit and planning water recycling processes to utilize water resources efficiently.

C. Considering the temperature of stack emissions from the potassium sulfate reactor combustion system, we have installed waste heat recovery boilers to convert the flue gas temperature into steam. This steam serves as a heat source for drying and heating raw materials and products in other manufacturing processes across the plant, effectively reducing the plant's overall electricity consumption and carbon emissions.

II. Summary of Business Plan for the Year

(I) Operating strategy

The Company will continue to deepen and expand its base in the chemical market, the shipping subsidiary will continue to be fully leased with its best configuration, and the catering industry, in addition to maintaining the high-standard requirement for its brand, will seek to improve its service. Besides this, the Company will make more diversified investments to increase its profit base.

(II) Expected sales volume and important production and sales policies

Core Industrial Chemical Business

For the sales of basic chemical raw materials, which belong to the trade business, the Company continues to maintain and strengthen customer relations and strives for the support of upstream suppliers; the Company will actively poach its competitors' customers, effectively improve sales, and consolidate its market share. To prevent dumping of mainland Chinese raw materials, we aim to maintain our position, meet product quantity targets, and achieve profitability.

For potassium sulfate exports, we will continue to flexibly adjust pricing and sales strategies in response to trends in the price of potassium chloride (our main raw material) and significant fluctuations in shipping costs. We will maintain our diversified international market sales strategy to mitigate regional demand risks and international trade barriers, seeking to maximize company profits and achieve our goal of selling our entire production capacity.

The principal sales volumes of core industrial chemical business products are estimated as follows:

Unit: Tons

Product type	Estimated production/purchase quantity	Estimated sales quantity
Manufacturing	413,630	418,138
Trading	56,927	51,804
Total	470,557	469,942

Subsidiary shipping business:

The shipping business will continue to operate steadily while also monitoring market conditions to identify opportunities for replacing aging vessels and accumulating capital for investing in younger ships.

Catering business:

The biggest challenge for 2025 will be reducing costs, increasing efficiency, and expanding our consumer base.

III. The Company's future development strategy is by the external competition environment, the legal environment and the overall business environment impact

In our core chemical business, we are actively planning to expand production in response to customers' increasing demands for high-quality water-soluble and granular potassium sulfate. Regarding quality control at our Suao plant, we have obtained ISO 45001 and ISO 14001 certifications in addition to ISO 9001. Meanwhile, in line with our ESG planning for net-zero carbon reduction goals and strategies, we have not only achieved the ISO 14064-1 certification required by national regulations, but we are also planning for ISO 14067 product carbon footprint certification. These efforts further ensure that our factory's production and operational processes meet workplace safety standards while actively implementing our corporate responsibility toward the environment, thereby establishing a solid foundation for the Company to progress toward sustainable operations.

In terms of the shipping business, despite facing challenges of slowing demand and declining daily charter rates due to increased new vessel deliveries, the basic bulk cargo demand is still expected to grow slightly. Additionally, variables such as the US–China trade war and the Russia–Ukraine war remain significant and difficult to predict. However, if China's economy warms up and if Ukraine reaches a ceasefire and begins reconstruction, it is believed that the shipping market in 2025, building on the foundation of 2024, may still receive a certain degree of support.

For the food and beverage business, besides implementing scaled purchasing to gain better negotiating power, the Company continues to attempt standardization to enable replication and expansion of scale to improve efficiency. In the future, various marketing methods will be employed to attract new customers, while retaining existing customers and increasing return rates through distinctive service experiences and the development of memorable signature dishes.

Regarding the regulatory environment, in order to provide a friendly innovation and entrepreneurial environment, strengthen corporate governance, enhance shareholder rights, increase business flexibility, efficiency, and electronic management systems, the Company will continue to track related issues. There are still many variables in the global economy. We are ready in every respect of our operations and hope to obtain better operating results to provide in return to shareholders. Finally, I would like to express my deep gratitude to all shareholders and directors and each and every employee, wishing you good health and all the best.

Sesoda Corporation

Chairman: Chen Jung-Yuan

II. Corporate Governance Report

I. Information of Directors, the President, Vice Presidents, Senior Managers and Heads of Various Departments and Branches

(I) Directors

1. Information of Directors

March 18, 2025

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date appointed (took office)	Term of office	Date first appointed (Note 3)	Shares held at the time of appointment		Number of shares currently held		Number of shares currently held by spouse and minor children		Shares held in the name(s) of others		Principal Experience (Education) (Note 4)	Office(s) Concurrently Held in	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks (Note 5)
							Shares	Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership			Title	Name	Relationship with the Company	
Chairman	Republic of China Republic of China	Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan	Male 69	July 5, 2021	July 1, 2024 ~ June 30, 2027	May 22, 2009 May 14, 2015	16,086,588	6.46%	16,086,588 6,899	6.46% 0	0 527	0 0	0 0	0 0	Master's degree, Florida Institute of Technology	Chairman/General Manager of East Tender Trading Co., Ltd. Director, Qingdao Alkali Potash Technology Co., Ltd.	--	--	--	
Vice Chairman	Republic of China, United States	Sincere Industrial Corporation Representative: Chen Cheng-Te	Male 46	July 5, 2021	July 1, 2024 ~ June 30, 2027	Dec. 21, 1994 May 22, 2009	3,734,256	1.50%	3,734,256	1.50%	0	0	0	0	Master of Business Administration, New York University	Director, Sincere Industrial Corporation General Manager of Sande International Investment Co., Ltd. Chairman of East Tender Optoelectronics Co., Ltd. Chairman, YUN SHENG INVESTMENT CO., LTD. Chairman, Yilan County Dong Nan Industrial Social Welfare Foundation	Director Director Director	Chen Kai-Yuan Chen Li-Te Chen Yi-Te	Father and son Brothers Brothers	
Director	Republic of China Republic of China	Sincere Industrial Corporation Representative: Chen Kai-Yuan	Male 79	July 5, 2021	July 1, 2024 ~ June 30, 2027	Dec. 21, 1994 Mar. 30, 1979	3,734,256	1.50%	3,734,256	1.50%	0	0	0	0	Department of Industrial Engineering, Chung Yuan Christian University	Director, Sincere Industrial Corporation Chairman, Zhengbang Investment Co., Ltd. Sesoda Steamship Corporation Director/President Sesoda Investment (BVI) Ltd. Director/President	Director Director Director	Chen Li-Te Chen Cheng-Te Chen Yi-Te	Father and son Father and son Father and son	
Director	Republic of China USA	Zhengbang Investment Co., Ltd. Representative: Chen Li-Te	Male 58	July 5, 2021	July 1, 2024 ~ June 30, 2027	May 22, 2009 May 12, 2006	16,086,588	6.46%	16,086,588	6.46%	0	0	0	0	Department of Business Administration, University of Southern California	Director, Sincere Industrial Corporation	Director Director Director	Chen Kai-Yuan Chen Cheng-Te Chen Yi-Te	Father and son Brothers Brothers	
Director	Republic of China Republic of China	Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li	Male 83	July 5, 2021	July 1, 2024 ~ June 30, 2027	May 22, 2009 Mar. 31, 1982	4,379,542	1.76%	4,379,542 4,283,199	1.76% 1.72%	0 856,914	0 0.34%	0 0	0 0	Department of Business Administration, Chu Hai College of Higher Education, Hong Kong	Director, Teh-Hu Cargocean Management Company Limited	--	--	--	

Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date appointed (took office)	Term of office	Date first appointed (Note 3)	Shares held at the time of appointment		Number of shares currently held		Number of shares currently held by spouse and minor children		Shares held in the name(s) of others		Principal Experience (Education) (Note 4)	Office(s) Concurrently Held in the Company and Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other supervisors, directors, or supervisors			Remarks (Note 5)
							Number of Shares	Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership	Shares	Percentage of ownership			Title	Name	Relationship with the Company	
Director	Republic of China Republic of China	Sande International Investment Co., Ltd. Representative: Wen Kuo-Lan	Female 59	July 1, 2024	July 1, 2024 ～ June 30, 2027	May 22, 2009 July 1, 2024	5,414,533	2.17%	5,414,533	2,17%	0	0	0	0	Old Dominion, The United States Biomedical Science, University/Eastern Virginia Medical School Ph.D.	COO, GenomeFrontier Therapeutics TW Co., Ltd. President and Co-founder, Mycenax Biotech Inc. Vice President, Chief Quality Officer, and Co-founder, Mycenax Biotech Inc. Researcher, Development Center for Biotechnology	--	--	--	
Director	Republic of China Republic of China	Sande International Investment Co., Ltd. Representative: Chen Yi-Te	Male 44	Feb. 10, 2022	July 1, 2024 ～ June 30, 2027	May 22, 2006 May 28, 2012	5,414,533	2.17%	5,414,533	2,17%	0	0	0	0	Hofstra University Department of Management	Chairman of Yukari Co., Ltd. Chairman of Hsinyou Industrial Co., Ltd. President of Chengbang Investment Co., Ltd. Senior Vice President, Sesoda Corporation	Director Director	Chen Kai-Yuan Chen Li-Te Chen Cheng-Te	Father and son Brothers Brothers	
Director	Republic of China Singapore	Sincere Industrial Corporation Representative: Chu Yuan-Hua	Male 59	July 5, 2021	July 1, 2024 ～ June 30, 2027	Dec. 21, 1994 June 8, 2018	3,734,256	1.50%	3,734,256	1.50%	0	0	0	0	MBA, Holy Names University, United States	1. Chairman of Junhui International (Longan) Co., Ltd. 2. Executive Director, Junhui Enterprise Textile & Garment (Kunshan) Co., Ltd. 3. Director, Junhui Holdings (Singapore) Limited 4. Director, Daxing Textile Pte Ltd. Supervisor of Fengshun International Co., Ltd.	--	--	--	
Independent Director	Republic of China	Wang Po-Hsin	Male 70	July 5, 2021	July 1, 2024 ～ June 30, 2027	June 8, 2018	0	0	0	0	0	0	0	0	Michigan State University, United States Master of Business Administration	Vice Chairman of FCC Partners (Taipei) Inc. Director, FundSwap Director, Taiwan Mergers &Acquisitions and Private Equity Council Chairman of Lingtao Xinchuang Co., Ltd.	--	--	--	
Independent Director	Republic of China	Tsao Ming	Male 77	July 5, 2021	July 1, 2024 ～ June 30, 2027	May 14, 2015	0	0	0	0	0	0	0	0	Master of Advanced Business Administration, National Sun Yat-sen University	Director/President of Formosa Petrochemical Corporation Chairman of Formosa Oil (Asia Pacific) Corporation Chairman of Idemitsu Formosa Specialty Chemicals Corporation Chairman of Kraton Formosa Polymers Corporation General Manager of Mai-Liao Power Corporation	--	--	--	
Independent Director	Republic of China	Chu Jih-Chuan	Male 50	July 5, 2021	July 1, 2024 ～ June 30, 2027	July 5, 2021	0	0	0	0	0	0	0	0	LLM, Northwestern University, United States	Partner, Liu, Chang & Partners Law Firm	--	--	--	

Note 1: Institutional shareholders shall list the names of the institutional shareholders and their representatives separately (if they are representatives of institutional shareholders, the name of the institutional shareholders shall be indicated) and fill in Table 1 below.
Note 2: Please indicate actual age, which may be expressed in ranges, such as 41–50 years old or 51–60 years old.
Note 3: It shall show when did he/she assume position of director or supervisor for the first time. If it is discontinuous, it shall be described in a note.
Note 4: If work experience related to the position now is in an accounting firm or affiliated company in the period shown above, it shall show his/her title and function of the position.
Note 5: If the chairman and general manager or equivalent position (highest managerial officer) of the company are the same person, spouses, or relatives within the first degree of kinship, the company should explain the reason, reasonableness, necessity,

Table 1: Major Shareholders of Institutional Shareholders

March 18, 2025

Name of institutional shareholder (Note 1)	Major shareholders of institutional shareholder (Note 2)
Zhengbang Investment Co., Ltd.	Wintex Limited 100%
Forbson International Co., Ltd.	Chu, Ying-Piao (46.26%), Chu Hung, Kuo-Fang (26.20%)、Chu, Hsiang-Hua (9.18%), Chu, Yuan-Hua (9.18%), Chu, Pei-Hua (9.18%)
San De International Investment Co., Ltd.	Heritage Investment Holding Company Limited 100%
Chih-Fu Investment Co., Ltd.	Hsia, Ling-Wen (32.32%), Chao, Tien-Hsing (30.50%), Trust property account of Chao Fang, Ching-Chen (24.68%), Chao Fang, Ching-Chen (12.50%)
Yalan Investment Consulting Co., Ltd.	Wu Chung-Li (9.85%), Wu Li Ya-Ming (10%), Wu Chih-Yi (40%), Wu Chih-Wen (40%)

Note 1: If the director or supervisor is a representative of an institutional shareholder, the name of the institutional shareholder shall be filled in.

Note 2: Fill in the name of the main shareholder of the institutional shareholder (with the shareholding ratio falling within the top ten) and the shareholding Ratio. If the main shareholder is a juridical person, the following Table 2 shall be filled in.

Note 3: For legal entity shareholders that are not in the form of a company organization, the shareholder names and shareholding ratios that should be disclosed are the names of the contributors or donors

Table 2: Major shareholders of major shareholders who are juridical persons as referred to in Table 1

March 18, 2025

Juridical person name (Note 1)	Major shareholders of the juridical person (Note 2)
Wintex Limited 100%	Mega Fortune Overseas Holdings Ltd. 100%
Heritage Investment Holding Company Limited 100%	Gold Unique Ltd. 100%

Note 1: If the main shareholder is a juridical person as shown in Table 1 above, the name of the juridical person shall be filled in.

Note 2: Fill in the name of the main shareholder of the juridical person (where its shareholding ratio falls in the top ten) and its shareholding Ratio.

Note 3: For legal entity shareholders that are not in the form of a company organization, the shareholder names and shareholding ratios that should be disclosed are the names of the contributors or donors

2. Information of Directors

Director Professional Qualifications and Independent Director Independence Information Disclosure

Terms / Name	Professional Qualifications and Experience (Note 1)	Independence criteria (Note 2)	Number of other public companies
Chen Jung-Yuan	Educational Background: MBA, Florida Institute of Technology, United States Major experience: 1. Chairman, Sesoda Corporation 2. Qualification as a college instructor There are no such circumstances as in Article 30 of the Company Act.	①③④⑥⑦⑧⑨⑩	0
Chen Kai-Yuan	Educational Background: Department of Industrial Engineering, Chung Yuan Christian University Major experience: 1. Director, Sincere Industrial Corporation 2. Chairman, Zhengbang Investment Co., Ltd. 3. Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①③⑥⑦⑧⑨	0
Chen Li-Te	Educational Background: Department of Business Administration, University of Southern California, United States Major experience: 1. Director, Sincere Industrial Corporation 2. Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①③⑥⑦⑧⑨	0
Chen Cheng-Te	Educational Background: Master of Business Administration, New York University, United States Major experience: 1. Vice Chairman, Sesoda Corporation 2. Chairman, East Tender Optoelectronics Co., Ltd. 3. Director, Sincere Industrial Corporation There are no such circumstances as in Article 30 of the Company Act.	①③⑥⑦⑧⑨	0
Chu Yuan-Hua	Educational Background: MBA, Holy Names University, United States Major experience: 1. Macy's Department Store Business Administrative Assistant 2. Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①③⑥⑦⑧⑨⑩	0

Chen Yi-Te	Educational Background: Department of Management, Hofstra University Major experience: 1. Chairman of Yukari Co., Ltd. 2. Chairman, Sincere Industrial Corporation 3. President of Chengbang Investment Co., Ltd. 4. Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①③⑥⑦⑧⑨	0
Wen Kuo-Lan	Educational Background: Old Dominion, The United States Biomedical Science, University/Eastern Virginia Medical School Ph.D. Major experience: 1. COO, GenomeFrontier Therapeutics TW Co. 2. President and of the Mycenax Biotech Inc. 3. Vice President, Chief Quality Officer, and of the Mycenax Biotech Inc. 4. Researcher, Development Center for Biotechnology There are no such circumstances as in Article 30 of the Company Act.	①③④⑥⑦⑧⑨⑩	1
Wu Chung-Li	Educational Background: Department of Business Administration, Chu Hai College of Higher Education, Hong Kong Major experience: 1. Director, Teh-Hu Cargocean Management Company Limited 2. Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①④⑥⑦⑧⑨⑩	0
Tsao Ming	Educational Background: Master of Advanced Business Administration, National Sun Yat-sen University Major experience: 1. President of Guo Guan Petrochemical Technology Corporation 2. Vice President, CPC Corporation, Taiwan 3. Chairman of Overseas Petroleum and Investment Corporation (OPIC) 4. Independence Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①②③④⑤⑥⑦⑧⑨⑩⑪	0
Chu Jih-Chuan	Educational Background: LLM, Northwestern University, United States Major experience: 1. Partner Lawyer, Baker McKenzie Taipei 2. Lawyer, Formosa Transnational Attorneys at Law 3. Lawyer, Taiwan Depository & Clearing	①②③④⑤⑥⑦⑧⑨⑩⑪	0

	Corporation 4. Lawyer, Central Depository Insurance Corporation, Ministry of Finance 5. Independence Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.		
Wang Po-Hsin	Educational Background: Master of Business Administration, Michigan State University, United States Major experience: 1. Chairman, Taiwan Branch, East Asia Securities Company Limited 2. Independence Director, Sesoda Corporation There are no such circumstances as in Article 30 of the Company Act.	①②③④ ⑤⑥⑦⑧ ⑨⑩⑪	0

Note 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors. For those who are members of the Audit Committee and possess accounting or financial expertise,

Note 2: Independent directors should describe their compliance with independence requirements, including but not limited to whether they, their spouses, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; the number and percentage of shares held by the independent director, their spouse, and relatives within the second degree of kinship (or through nominees);

Amount

All independent directors of the Company are free from these circumstances.

*For directors and supervisors who met the following conditions within two years prior to their election and during their term of office, please circle the corresponding condition number in the form above:

(1) Not an employee of the Company or its affiliates.

(2) The director is not a director or supervisor of the Company or its affiliated enterprises (except for concurrent independent directors of

(3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.

(4) The director is not a manager in (1) or the spouse, second-tier relative or third-tier relative of the persons listed in (2) or (3).

(5) Not currently serving as a director, supervisor, or employee of a legal entity that directly holds more than 5% of the total number of issued shares of the Company, is one of the top five shareholders, or has designated a representative to serve as a director or supervisor of the Company pursuant to Article 27, Paragraph 1 or 2 of the Company Act

(6) Not a director, supervisor or employee of another company which has a seat on the board of directors, or more than half of its shares with voting rights are controlled by the same owner of

(7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as that of the Company,

(8) Not serving as a director (board member), supervisor (auditor), manager, or shareholder holding 5% or more shares in a specific company or institution that has financial or business dealings with the Company (however, this restriction does not apply to independent directors concurrently serving with the Company and its parent company, subsidiary, or another subsidiary of the same parent company, where the specific company or institution holds 20% or more but not exceeding 50% of the total issued shares of the Company, established under this Act or the laws of the foreign country).

(9) Not a professional, sole proprietor, partner, business owner or partner, or a director, supervisor, expected that of the above of a company or institution which provides audit services to the Company or its affiliated enterprises, or the cumulative remuneration amount of which in the past two years exceeds NT$500,000 for business, legal affairs, finance or accounting related services. However, for members of the Salary and Compensation Committee, Public Acquisitions Review Committee, or Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.

(10) The director or supervisor has no spouse or second-tier relative relationship with other directors.

(11) The director or supervisor is not a government agency, a legal person or their representative as stipulated in Article 27 of the Company Act.

3. Implementation of diversity in board membership:

The Company promotes and respects a policy of board diversity. To strengthen corporate governance and promote the sound development of board composition and structure, we believe that diversity enhances overall company performance. The selection of board members follows the principle of meritocracy, with members possessing diverse and complementary capabilities across industries, including basic composition (such as age, gender, and nationality) as well as individual industry experience and relevant skills (such as shipping, finance and accounting, and legal protection), along with business judgment, operational management, leadership decision-making, and crisis management abilities. To strengthen board functions for achieving corporate governance goals, Article 20 of "the Company's Corporate Governance Code" clearly stipulates the overall capabilities that the board of directors should possess as follows:

1. Business judgment capability 2. Accounting and financial analysis capability 3. Business management capability 4. Crisis management capability 5. Industry knowledge 6. International market perspective 7. Leadership capability 8. Decision-making capability

Core Diversification Projects / Director name	Gender	Having employee status	Age				Years of service as an independent director			The ability to make judgments about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	An international market perspective	Leadership ability	Decision-making ability	Law
			40–50 years old	51 - 60 years old	61 - 70 years old	70 years old or older	3–6 years	6 - 9 years	9 years or more									
Chen Jung-Yuan	Male				V					V	V	V	V	V	V	V	V	
Chen Kai-Yuan	Male					V				V	V	V	V	V	V	V	V	
Chen Li-Te	Male			V						V	V	V	V	V	V	V	V	
Chen Cheng-Te	Male		V							V	V	V	V	V	V	V	V	
Chu Yuan-Hua	Male			V						V	V	V	V	V	V	V	V	
Wu Chung-Li	Male					V				V	V	V	V	V	V	V	V	
Chen Yi-Te	Male	V	V							V	V	V	V	V	V	V	V	
Wen Kuo-Lan	Female			V						V		V	V	V	V	V	V	
Tsao Ming	Male					V			V	V	V	V	V	V	V	V	V	
Chu Jih-Chuan	Male		V				V			V		V	V		V	V	V	V
Wang Po-Hsin	Male				V			V		V	V	V	V	V	V	V	V	

(1) Upon assessing the 25th Board of Directors of the Company, which consists of 11 directors (including three independent directors), the Board collectively possesses capabilities in business judgment, leadership, decision-making, business management, international market perspective, and crisis management, along with industry experience and professional expertise. Among them, those with chemical industry experience include Chairman Chen Jung-Yuan, Director Chen Kai-Yuan, Director Wu Chung-Li, Director Chen Li-Te, Director Chen Cheng-Te, Director Chen Yi-Te, and Independent Director Tsao Ming. Additionally, those with shipping industry experience include Director Chen Kai-Yuan, Director Wu Chung-Li, Director Chen Li-Te, Director Chen Cheng-Te, and Director Chen Yi-Te. Those skilled in marketing include Chairman Chen Jung-Yuan, Director Chen Kai-Yuan, Director Wu Chung-Li, Director Chen Li-Te, Director Chen Cheng-Te, Director Chu Yuan-Hua, and Director Chen Yi-Te. Independent Director Chu Jih-Chuan specializes in legal affairs; Independent Director Wang Bo-Hsin possesses expertise in finance and management; and Director Wen Kuo-Lan has expertise in biomedical professional capabilities.

The average term of service for directors of the Company is 8 years, with six directors having served for more than 8 years. Among them, Independent Director Tsao Ming has served for 9 years. Although Independent Director Tsao Ming has been re-elected to serve a 4th term as an independent director, his knowledge of the chemical industry and management expertise can assist the Company in various business developments. The Company still needs to leverage his expertise to provide supervision and professional advice to the Board of Directors. The Board is composed of eight directors of ROC nationality, two of US nationality, and one of Singaporean nationality. In terms of structure, three independent directors constitute 27% of the Board, and one director with employee status constitutes 9%. The age distribution of the Board members consists of three members 40–50 years old, three members 51–60 years old, two members 61–70 years old, and three members over 70 years old.

(2) The diversity, complementarity, and implementation aspects of the Board of Directors comply with Article 20 of the Company's "Corporate Governance Principles." The Company will continue to modify its diversity policy according to the Board's operations, business models, and development needs in the future, including but not limited to standards in two major dimensions: basic qualifications and values, as well as professional knowledge and skills, to ensure Board members generally possess the necessary knowledge, skills, and qualities to perform their duties.

(3) In accordance with the Board diversity policy, in 2024, the Company has appointed one female director as required by law. For the next Board election, we will work toward achieving the goal of having at least one-third of director seats occupied by each gender.

(II) Information on the General Manager, deputy general managers, associate managers, and supervisors of various departments and branches

March 18, 2025

Title (Note 1)	Nationality	Name	Gender	Date appointed (took office)	Number of shares held		Spouse and minor children holding shares		Shares held in the name(s) of others		Major Experience (Academic Background) (Note 2)	Office(s) Concurrently Held in Other Companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Remarks (Note 3)
					Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding			Title	Name	Relationship with the Company	
General Manager	Republic of China	Liu Chih-Yung	Male	July 1, 2024	209,479	0.08%	0	0	0	0	Accounting Institute, National Cheng Kung University	Director, Zaifeng Motor Freight Co., Ltd. Director, East Tender Trading Co., Ltd. Chairman of E-Teq Venture Co., Ltd. Director, Yilan County Dong Nan Industrial Social Welfare Foundation	--	--	--	--
Business Director	Republic of China	Huang Chih-Cheng	Male	July 1, 2024	74,662	0.03%	0	0	0	0	Arizona State University	Director, Zaifeng Motor Freight Co., Ltd. Director, East Tender Trading Co., Ltd.	--	--	--	--
Director of Main Plant, Suao Main Plant:	Republic of China	Shih Yueh-Hui	Male	Aug. 1, 2019	137	0	0	0	0	0	Department of Chemical Engineering, Chinese Cultural University	CEO, Yilan County Dong Nan Industrial Social Welfare Foundation	--	--	--	--
Vice Plant Director, Suao Main Plant:	Republic of China	Hsu Teng-Hui	Male	Feb. 1, 2022	327	0					Graduate School of Mechanical and Electrical Engineering, National Yilan University	None	--	--	--	--
Senior Vice President of Overseas Department	Republic of China	Chen Yi-Te	Male	July 1, 2020	0	0	0	0	0	0	Hofstra University Department of Management	Chairman of Yukari Co., Ltd. Chairman of Hsinyou Industrial Co., Ltd. President of Chengbang Investment Co., Ltd.	--	--	--	--
President's Office/Special Assistant	Republic of China	Lin Shu-Yuan	Female	Feb. 3, 2020	0	0	0	0	0	0	University of Alabama Marketing Institute	None	--	--	--	--
Senior Manager, Overseas Department	Republic of China	Chiu Chuang-Chien	Male	Jun. 15, 2021	0	0	0	0	0	0	Graduate School of Agricultural Chemistry, National Taiwan University	None	--	--	--	--
Finance Supervisor	Republic of China	Chen Chih-Chun	Female	Jul. 23, 2018	13,596	0.01%	0	0	0	0	Department of Accounting, Feng Chia University	Director, Yukari Group Co., Ltd.	--	--	--	--
Department of Management/Accounting Supervisor	Republic of China	Chu Ching-Yun	Female	Nov. 1, 2016	0	0	0	0	0	0	Department of Accounting, Chung Yuan Christian University	Director, Yukari Group Co., Ltd.	--	--	--	--
Corporate Governance Supervisor	Republic of China	Huang Mei-Ling	Female	Mar. 29, 2021	0	0	0	0	0	0	Department of International Trade, National Taipei University of Business	None	--	--	--	--
Audit Supervisor	Republic of China	Li Yen-Ling	Female	Feb. 6, 2017	0	0	228	0	0	0	Department of Accounting, Tamkang University	None	--	--	--	--

Note 1: Includes general manager, deputy general managers, associate managers, and the chiefs of all the company's divisions and branches. Regardless of position, all assignments equivalent to general manager, deputy general manager, and associate manager shall be shown.

Note 2: If work experience related to position now is in accounting firm or affiliated company in the period shown above, it shall show his/her title and function of position.

Note 3: If the general manager or equivalent (top manager) and the chairman is the same person, or spouse or relative within one degree of kinship to the other, the reason, rationality, necessity and relevant information of the corresponding measures should be explained (e.g., increasing the number of independent directors, ensuring that more than half of the directors are not concurrent employees or managers, etc.).

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

(I) Remuneration of general directors and independent directors (Individual Disclosure by Name and Compensation Method)

December 31, 2024
Unit: NTD Thousand

Title	Name	Directors' Remuneration								Sum of items A, B, C, and D and their percentage of net income after tax		Remuneration from concurrently serving as employee								Total of the seven items A, B, C, D, E, F, G and their percentage of net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C) (Note 1)		Business execution expenses (D) (Note 2)				Salaries, bonuses and special expenses (E)		Retirement pension (F)		Employee bonuses (G)						
		The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company		All companies in the financial reports		The Company	All companies in the financial reports	
																Cash Amount	Stock	Cash Amount	Stock			
Chairman	Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan	13,400	13,400	0	0	34,563	34,563	10,026	10,026	5.95%	5.95%	2,738	14,930	0	0	380	0	380	0	6.27%	7.52%	3,043
Vice Chairman	Sincere Industrial Corporation Representative: Chen Cheng-Te																					
Director	Sincere Industrial Corporation Representative: Chen Kai-Yuan																					
Director	Zhengbang Investment Co., Ltd. Representative: Chen Li-Te																					
Director	Sincere Industrial Corporation Representative: Chu Yuan-Hua																					
Director	Sande International Investment Co., Ltd. Representative: Chen Yi-Te																					
Director	Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li																					
Director	Sande International Investment Co., Ltd. Representative: Wen Kuo-Lan (Note 5)																					
Independent Director	Tsao Ming																					
Independent Director	Wang Po-Hsin																					
Independent Director	Chu Jih-Chuan																					

Note 1: According to articles of resolution of the Board of Directors on March 14, 2025, directors' remuneration for 2024 is calculated to be NT$34,563 thousand and directors' distribution amounts are estimated based on last year's allotment ratios. As of the publication date of the annual report, there is no resolution on the detailed distribution.
Note 2: The Company paid NT$4,967 thousand to the directors and the driver of the chairman for the year, which was not included in the remuneration above.
Note 3: Apart from the disclosures in the table above, the remuneration received by the Company's directors for providing services (such as serving as non-employee consultants to the parent company/all companies in the financial report/invested businesses) in the most recent year: 0
Note 4: The remuneration policy for independent directors of the Company is determined in accordance with the Company's Articles of Incorporation and considers peer industry standards as well as duties and contributions.
Note 5: Director Wen Kuo-Lan took office on July 1, 2024,

Table of Remuneration Scales

Range of remuneration paid to each director of the Company	Director name	
	The Company	All companies in the financial reports E
Less than 1,000,000		
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Wen Kuo-Lan	Wen Kuo-Lan
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Chu Yuan-Hua	Chu Yuan-Hua
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Wu Chung-Li, Tsao Ming, Wang Po-Hsin, Chu Jih-Chuan	Wu Chung-Li, Tsao Ming, Wang Po-Hsin, Chu Jih-Chuan
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Chen Kai-Yuan, Chen Li-Te, Chen Cheng-Te, Chen Yi-Te	Chen Kai-Yuan, Chen Cheng-Te, Chen Yi-Te
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	Chen Jung-Yuan	Chen Jung-Yuan
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	--	Chen Li-Te
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	--	--
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	--	--
Over NTD 100,000,000	--	--
Total	11	11

(II) Remuneration of General Manager and Deputy General Managers

December 31, 2024
Unit: NTD Thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonuses and special expenses (Note 1)		Employee compensation amount (D) (Note 2)				Sum of items A, B, C, and D and their percentage of net income after tax(%)		Renumeration received from investee companies outside of subsidiaries or from the parent company
								The Company		All companies in the financial reports				
		The Company	All companies in the financial reports	The Company	All companies in the financial reports	The Company	All companies in the financial reports	Cash Amount	Stock Amount	Cash Amount	Stock Amount	The Company	All companies in the financial reports	
General Manager	Liu Chih-Yung	13,817	15,017	7,077	7,077	183	183	11,588	0	11,588	0	3.35%	3.47%	0
Business Director	Huang Chih-Cheng													
Deputy General Manager	Chen Yi-Te													
Deputy General Manager	Wu Hui-Feng (Dismissed from office on August 19, 2024)													
Deputy General Manager	Lin Shu-Yuan													
Director	Shih Yueh-Hui													

Note 1: The Company paid NT$1,229 thousand to the President's driver in the current year which was not included in the remuneration above.

Note 2: As of the publication date of the annual report, the Company's proposed distribution of the President's employee compensation has not yet been determined. It shall be estimated based on the actual distribution ratio from last year. Relevant operations will be carried out after the resolutions of the Board of Directors of this year are passed, and the information will be updated and disclosed on the Company's website.

Table of Remuneration Scales

Range of remunerations paid to general manager(s) and deputy general manager(s)	Name of General Manager and Deputy General Manager(s)	
	The Company	All companies in the financial reports E
Less than 1,000,000		
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Wu Hui-Feng	Wu Hui-Feng
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Chen Yi-Te, Shih Yueh-Hui, Lin Shu-Yuan	Shih Yueh-Hui, Lin Shu-Yuan
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	--	--
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Liu Chih-Yung, Huang Chih-Cheng	Liu Chih-Yung, Huang Chih-Cheng, Chen Yi-Te
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	--	--
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	--	--
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	--	--
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	--	--
Over NTD 100,000,000	--	--
Total	6	6

Names of managerial officers entitled to employee bonuses and amounts entitled

December 31, 2024
Unit: NTD Thousand

<table>
<tr><th></th><th>Title</th><th>Name</th><th>Share remunera-tion amount</th><th>Cash remuneration Amount (Note 1)</th><th>Total</th><th>Proportion of total amount to net profit after tax (%)</th></tr>
<tr><td rowspan="11">Manager</td><td>General Manager</td><td>Liu Chih-Yung</td><td rowspan="11">0</td><td rowspan="11">21,931</td><td rowspan="11">21,931</td><td rowspan="11">2.25%</td></tr>
<tr><td>Business Director</td><td>Huang Chih-Cheng</td></tr>
<tr><td>Deputy General Manager</td><td>Chen Yi-Te</td></tr>
<tr><td>Deputy General Manager</td><td>Lin Shu-Yuan</td></tr>
<tr><td>Associate Manager</td><td>Chiu Chuang-Chien</td></tr>
<tr><td>Director of Main Plant</td><td>Shih Yueh-Hui</td></tr>
<tr><td>Vice Plant Director</td><td>Hsu Teng-Hui</td></tr>
<tr><td>Finance Supervisor</td><td>Chen Chih-Chun</td></tr>
<tr><td>Department of Management/Accounting Supervisor</td><td>Chu Ching-Yun</td></tr>
<tr><td>Corporate Governance Supervisor</td><td>Huang Mei-Ling</td></tr>
<tr><td>Audit Supervisor</td><td>Li Yen-Ling</td></tr>
</table>

Note 1: As of the publication date of the annual report, the Company's proposed distribution of employee remuneration to managers has not yet been determined, and the 2024 estimate is based on the actual distribution ratio of 2023. The proposed distribution will be carried out after the resolution is passed by the Board of Directors in 2025, and the information will be updated and disclosed on the Company's website.

(III) Analysis of the proportion of total remuneration paid to the Company's directors, president and vice president to net profit after tax in the last two years:

1. Total remuneration paid to directors, general manager, and deputy general managers of the Company and all companies in the consolidated financial statements as a percentage of net profit after tax in the last two years:

Unit: NTD Thousand

Year / Item	2024		2023	
	The Company	All companies in the financial reports	The Company	All companies in the financial reports
Total directors' remuneration	61,487	73,299	24,800	33,500
and proportion to net profit after tax:	6.31%	7.52%	-77.75%	-117.72%
Total Remuneration Paid to General Manager and Deputy General Manager(s)	32,665	33,865	13,290	14,575
Remuneration paid to General Manager and deputy general managers and ratio to net profit after tax	3.35%	3.47%	-46.70%	-51.21%

2. In addition to complying with Articles 20, 27, and 32 of the Company's Articles of Incorporation, the remuneration of the Company's directors, general manager, and deputy general managers also takes into consideration industry standards, operational performance, and future risks, and is determined based on their positions, responsibilities, and contributions to the Company.

III. Operation status of corporate governance:

(I) Operation status of the board of directors

1. In 2024, the board of directors held 9 meetings(A), and the status of the directors' attendance was as follows:

Title	Name	Actual number of attendance (B)	Number of attendances by proxy	Actual attendance (observation) rate (%) (B/A)	Remarks
Institutional representative of the Chairman	Representative of Zhengbang Investment Co., Ltd.: Chen Jung-Yuan	9	0	100%	
Institutional representative of Vice Chairman	Representative of Sincere Industrial Corporation: Chen Cheng-Te	8	1	89%	
Institutional representative of the director Representative	Representative of Sincere Industrial Corporation: Chen Kai-Yuan	7	2	78%	
Institutional representative of the director Representative	Representative of Zhengbang Investment Co., Ltd.: Chen Li-Te	9	0	100%	
Institutional representative of the director Representative	Representative of Sincere Industrial Corporation: Chu Yuan-Hua	5	4	56%	
Institutional representative of the director Representative	Representative of Yalan Investment Consulting Co., Ltd.: Wu Chung-Li	9	0	100%	
Institutional representative of the director Representative	San De International Investment Co., Ltd. Representative: Chen Yi-De	8	1	89%	
Institutional representative of the director Representative	San De International Investment Co., Ltd. Representative: Wen Kuo-Lan	3	2	60%	Took office on July 1, 2024
Independent Director	Wang Po-Hsin	9	0	100%	
Independent Director	Tsao Ming	8	1	89%	
Independent Director	Chu Jih-Chuan	8	1	89%	

2. Other matters to be recorded:

(1) In case of any of the following circumstances in the operation of the board of directors, state the date of the board meeting, the number of the meeting session, the contents of the motion, all the opinions of the independent directors and the Company's handling of such opinions of the independent directors:

(A) Items in Article 14-3 of the Securities and Exchange Act.

(B) In addition to the matters above, other resolutions of the board meeting with objections or reservation of independent directors and with records or written statement.

The Company has established an audit committee in accordance with the law, not applicable to Article 14-3 of the Securities Exchange Act. In addition, there were no board resolutions that met opposition or reservations by independent directors and that were recorded or declared in writing this year. Please refer to "(XI) important resolutions of the shareholders' meeting and the board meeting in the latest financial year and up to the date of publication of the annual report" for the independent directors' opinions, handling status and resolution results.

(2) For the implementation of avoidance of motions by directors due to a conflict of interest involved, the name of the director, the content of the motion, the reason for withdrawal from the meeting for interest avoidance and the voting results shall be stated.

July 1, 2024 25th Term 1st Board Meeting:

1. Proposal to elect Director Chen Kai-Yuan to serve as the Company's Honorary President (unpaid position).

   Resolution: Director Chen Kai-Yuan, Director Chen Li-Te, Vice Chairman Chen Cheng-Te, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

2. Proposal to elect Director Wu Chung-Li to serve as the Company's Honorary Vice President.

   Resolution: Director Wu Chung-Li recused from discussion and voting, while other directors present unanimously passed the proposal without objection.

3. Proposal to elect Director Chen Li-Te to serve as the Company's President.

   Resolution: Director Chen Li-Te, Director Chen Kai-Yuan, Vice Chairman Chen Cheng-Te, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

4. Proposal of Vice Chairman Chen Cheng-Te concurrently serving as CEO.

   Resolution: Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

5. Proposal to appoint Mr. Tsao Ming, Chu Jih-Chuan, Chen Jung-Yuan, Chen Cheng-Te, Liu Chih-Yung and Shih Yueh-Hui as members of the Company's Second Sustainability Development Committee, with a term from July 1, 2024 to June 30, 2027.

   Resolution: Director Tsao Ming, Director Chu Jih-Chuan, Chairman Chen Jung-Yuan, Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

6. To appoint Mr. Wang Po-Hsin, Liang Chi-Yen, and Chu Jih-Chuan as members of the Company's sixth Compensation Committee, with a term of office from July 1, 2024 to June 30, 2027.

   Resolution: Director Wang Po-Hsin and Director Chu Jih-Chuan recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

August 12, 2024 25th Board of Directors Meeting, 2nd Session:

1. To propose setting the attendance fee for each member of the 6th Compensation Committee at NT$30,000 per meeting.

   Resolution: Director Wang Po-Hsin and Director Chu Jih-Chuan recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

2. To propose, according to the resolution of the 1st meeting of the 6th Compensation Committee, setting the attendance fee for each member of the 3rd Audit Committee at NT$30,000 per meeting.

   Resolution: Director Wang Po-Hsin, Director Tsao Ming and Director Chu Jih-Chuan recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

3. To propose, according to the resolution of the 1st meeting of the 6th Compensation Committee, setting the attendance fee for the two members of the 2nd Sustainability Committee, Tsao Ming and Chu Jih-Chuan, at NT$30,000 per person per meeting.

   Resolution: Director Tsao Ming and Director Chu Jih-Chuan withdrew from the meeting and did not participate in the discussion and voting. The remaining directors present unanimously agreed to pass the motion.

4. To propose, according to the resolution of the 1st meeting of the 6th Compensation Committee, setting the salary for the Chairman and Directors of the 25th Board of Directors.

Resolution: Chairman Chen Jung-Yuan, Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, Director Wu Chung, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.

3. Status of Evaluation of Board of Directors

Evaluation cycle	Evaluation period (Note 1)	Evaluation scope	Evaluation method	Evaluation content
The internal performance evaluation of the board of directors is carried out regularly every year.	The performance of the board of directors from January 1, 2024 to December 31, 2024 was evaluated.	The performance evaluation of the Board of Directors, individual board members, Audit Committee, Compensation Committee, and Sustainability Committee.	It includes the internal self-assessment of the board of directors, self-assessment of directors and performance evaluation by peers.	(I) The measurement items of the performance evaluation of the board of directors of the Company cover the following five aspects: 1. Degree of participation in the Company's operations. 2. Improvement in the decision-making quality of the board. 3. Composition and structure of the board of directors. 4. Election and continuing study of directors. 5. Internal control. (II) The measurement items of the performance evaluation of individual directors (by self or peer) covers the following six aspects: 1. Mastery of Company goals and tasks. 2. Awareness of the director's responsibilities. 3. Degree of participation in the Company's operations. 4. Internal relationship management and communication. 5. Professional and continuing study by the director. 6. Internal control. (III) The measurement items of the performance evaluation of the Audit Committee shall at least cover the following five aspects: 1. Degree of participation in the Company's operations. 2. Awareness of the responsibilities of the Audit Committee.

				3. Improvement in the decision-making quality of the Audit Committee. 4. Composition of the Audit Committee and election of its members. 5. Internal control. (IV) The measurement items of the performance evaluation of the Compensation Committee shall at least cover the following five aspects: 1. Degree of participation in the Company's operations. 2. Awareness of the responsibilities of the Compensation Committee. 3. Improvement in the decision-making quality of the Compensation Committee. 4. Composition of the Compensation Committee and election of its members. 5. Internal control. (V) The measurement items of the performance evaluation of the with the Sustainability Development Committee shall at least cover the following five aspects: 1. Degree of participation in the Company's operations. 2. Awareness of the responsibilities of the Sustainability Development Committee. 3. Improvement in the decision-making quality of the with the Sustainability Development Committee. 4. Composition and the responsibilities of the Sustainability Development Committee and election of its members. 5. Internal control.

The performance evaluation results of the Board of Directors, individual board members, Audit Committee, Compensation Committee, and Sustainability Committee for 2024 were reported to the Board of Directors on March 14, 2025, and have been disclosed on the Company's website.

4. The objective of strengthening the functions of the board of directors in the current year and the most recent year (setting up an audit committee, enhancing information transparency, etc.) and the status of evaluation: Handled in compliance with laws and regulations

(II) Operation of the Audit Committee

1. Annual key work and operation status of the Audit Committee:

   (1) There are three members of the Audit Committee of the Company.

   (2) The Audit Committee's key annual work is the supervision of the following matters:

      (A) Appropriate expression of the Company's financial statements.

      (B) Selection (dismissal) of the certifying accountants and their independence and performance.

      (C) Effective implementation of the Company's internal control.

      (D) The Company complies with relevant laws and regulations.

      (E) Management and control of the Company's existing or potential risks.

   (3) In the most recent year up to December 31, 2024, the Audit Committee of the Company held 7 meetings (a), and the main issues discussed were the Company's involvement in the matters listed in Article 14-5 of the Securities and Exchange Act. The attendance of the committee members was as follows:

2. The Audit Committee met 7 times in 2024 (a), and the attendance is as follows:

Title	Name	Actual number of attendance (b)	Attendance by proxy	Actual attendance rate (%) (b/a)	Remarks
Convener	Wang Po-Hsin	7	0	100%	
Independent Director	Tsao Ming	6	1	86%	
Independent Director	Chu Jih-Chuan	6	1	86%	

3. Other matters to be recorded:

   (1) In case of any of the following circumstances in the operation of the Audit Committee, state the date of the board meeting, the number of the meeting session, the contents of the motion, the resolution of the Audit Committee and the Company's handling of the opinions of the Audit Committee:

      (A) All matters listed in Article 14-5 of the Securities and Exchange Act are handled in accordance with the opinions of the Audit Committee.

Audit Committee	Date	Proposal content and subsequent handling
2nd Term The 13th session	March 11, 2024	The 2023 Financial Statements (including Consolidated Financial Statements). Resolution: All members present agree to pass the resolution.
		2023 Earnings distribution proposal Resolution: All members present agree to pass the resolution.
		Statement of internal Control System for 2023 proposal Resolution: All members present agree to pass the resolution.
		The case of the subsidiary's lending limit to the sub-subsidiary. Resolution: All members present agree to pass the resolution.
2nd Term 14th session	March 25, 2024	Disposal of equity of East Tender Optoelectronics Co., Ltd. Resolution: All members present agree to pass the resolution.
2nd Term 15th session	May 6, 2024	New endorsements / guarantees. Resolution: All members present agree to pass the resolution.
		Proposal of financial statements for the three months ended March 31, 2024 Resolution: All members present agree to pass the resolution.
3rd Term 1st session	August 12, 2024	Proposal of financial statements for the three Article ended June 30, 2024 Resolution: All members present agree to pass the resolution.
		New endorsements / guarantees. Resolution: All members present agree to pass the resolution.
3rd Term 2nd session	September 25, 2024	Resolution of the subsidiary FutureChem International's investment in GOLDEN ASPEN TOTAL RETURN FUND I. Resolution: Regarding the investment in GOLDEN ASPEN TOTAL RETURN FUND I, only an investment evaluation report was provided to the Audit Committee for review today, which is somewhat insufficient. All attending committee members believe that the fund company should provide detailed explanations and contract documents for the Audit Committee's prior review. The Audit Committee should then reconvene to reexamine and approve the case before submitting it to the Board of Directors.
3rd Term 3rd session	November 8, 2024	Case of subsidiary FutureChem International's investment in GOLDEN ASPEN TOTAL RETURN

		FUND I. Resolution: All members present agree to pass the resolution.
		New endorsements / guarantees. Resolution: All members present agree to pass the resolution.
		Audit plan for 2025 proposal. Resolution: All members present agree to pass the resolution.
		Proposal of financial statements for the three third ended September 30, 2024 Resolution: All members present agree to pass the resolution.
		Amendment to Property Management Regulations. Resolution: All members present agree to pass the resolution.
3rd Term 4th session	December 23, 2024	The case of subsidiary's lending limit to sub-subsidiary. Resolution: All members present agree to pass the resolution.

(B) Except for the matters previously mentioned, the other matters that have not been passed by the Audit Committee but approved by more than two-thirds of all directors: None.

(2) Circumstances of independent directors recusing themselves from conflict of interest agenda items: None.

(3) Communication between independent directors (Audit Committee) and the internal audit director and accountant

(A) Communication policy between independent directors (Audit Committee) and the internal audit director and accountant:

a. On May 21, 2024, three independent directors were elected in the shareholders' meeting to form the Audit Committee of the Company.

b. In addition to submitting the audit report to the independent directors for review every month, the audit director reports to the independent directors during the audit committee meeting every quarter on the audit business and the implementation of follow-up actions. The audit director also discusses and communicates immediately in response to questions raised by the members. Additionally, the accountant attends the audit committee at least once a year to communicate with the independent directors regarding the financial report review. If necessary, independent directors may also convene a meeting at any time.

c. The audit director and the accountant may directly contact the independent directors as necessary, and the status of communication has been good.

d. The Company also discloses the communication between independent directors and the internal audit director and the accountant on the Company's website.

(B) Summary of communication between independent directors (Audit Committee) and the accountant in 2024.

Date	Focus of communication
March 11, 2024	Explanation of the review of the financial quarterly report for the 4th quarter of 2023: 1. Independence. 2. The responsibility of audit personnel to audit the financial statements. 3. Type of audit opinions. 4. Audit scope. 5. Audit findings. 6. Recent Supervision by Regulatory Authorities on Major Internal Control Deficiencies and Matters of Attention for Listed and Emerging Stock Companies 7. Communication Regarding the Firm's Quality Management System and Case Resources 8. Summary of Recent Updates to Auditing Standards 9. The Main Impact of the Expected Amendments to Statement of Auditing Standards No. 600 "Special Considerations—Audits of Group Financial Statements" 10. Updates on Important Accounting Standards or Interpretations, Securities Regulations, and Tax Laws
May 6, 2024	Explanation of the review of the financial quarterly report for the 1st quarter of 2024: 1. Independence. 2. Responsibility of audit personnel for auditing interim financial reports. 3. Type of conclusion for review. 4. Audit scope. 5. Audit findings. 6. Updates on Important Accounting Standards or Interpretations, Securities Regulations, and Tax Laws 7. International Legislative Trends on Anti-Greenwashing
August 12, 2024	Explanation of the review of the financial quarterly report for the 2nd quarter of 2024: 1. Independence. 2. Responsibility of audit personnel for auditing interim financial reports. 3. Type of conclusion for review. 4. Audit scope. 5. Audit findings. 6. IFRS sustainability disclosure standards implementation plan 7. Important statutory revisions.

November 8, 2024	Explanation of the review of the financial quarterly report for the 3rd quarter of 2024: 1. Independence. 2. Responsibility of audit personnel for auditing interim financial reports. 3. Type of conclusion for review. 4. Audit scope. 5. Audit findings. 6. Annual audit plan. 7. Important statutory revisions.
Result: All the matters above have been reviewed or approved by independent directors with no objection.	

(C) Summary of communication between independent directors (Audit Committee) and the internal audit director in 2024.

Date	Communication items
March 11, 2024	1. Report on the Execution of Audit Plans for Q4 2023 and January 2024. 2. Review of the “2023 Internal Control System Statement.”
May 6, 2024	1. Report on the implementation of the audit plan in February 2024.
August 12, 2024	1. Report on the implementation of the audit plan from March to June of 2024.
September 25, 2024	1. Report on the implementation of the audit plan in July 2024.
November 8, 2024	1. Report on the implementation of the audit plan from August to September of 2024. 2. Review of audit plan for 2025. 3. Revision of Internal Control measures.
December 23, 2024	1. Report on the implementation of the audit plan in October 2024.
Result: All the matters above have been reviewed or approved by Audit Committee members, and independent directors had no objection.	

(III) Operation status of corporate governance and the difference from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
1. Has the Company prepared and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	Yes		The Company has established "Corporate Governance Practices Principles" and complies with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" to promote corporate governance operations. These are disclosed in the stakeholders section of the Company's website and on the information reporting website designated by the securities regulatory authority.	The content of these regulations has been amended according to the Company's practices while still conforming to the spirit of the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."
2. The equity structure and shareholders' equity of the Company (1) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures? (2) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	 Yes Yes		 The Company's Management Department handles shareholder suggestions, doubts or disputes. If there are litigation matters involved, they will be referred to the Company's legal counsel for handling. The Company has no major shareholders holding more than 10% of shares. Information regarding shareholders holding more than 5% is disclosed in the financial reports every quarter as required	 It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
			by regulations. Directors and managers report their shareholding changes to the Company monthly as required, and the Company discloses this information on the reporting website designated by the regulatory authority.	
(3) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	Yes		The Company has established “Related Party Transaction Management Regulations” and “Subsidiary Supervision and Management Regulations” with controls implemented in accordance with laws and regulations.	
(4) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	Yes		The Company has established internal regulations including “Ethical Corporate Management Best-Practice Principles,” “Code of Ethical Conduct,” and “Internal Material Information Handling and Prevention of Insider Trading Management Regulations,” which prohibit company insiders from illegally profiting from trading securities based on unpublished market information. The Company also conducts educational campaigns on relevant laws for current directors, managers, and employees annually.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>3. Composition and Duties of the Board of Directors
(1) Has the Board of Directors formulated a diversity policy, specific management objectives, and implemented its execution?</td><td>Yes</td><td></td><td>The Company’s Board of Directors considers diversity in its composition and formulates appropriate diversity guidelines based on its operations, business model, and development needs. Article 20 of the “Corporate Governance Best-Practice Principles” stipulates the collective capabilities that Board members should possess, including but not limited to standards in the following two major dimensions, which are to be implemented accordingly:
1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
Each board member shall have the necessary knowledge, skill, and experience to perform their duties. In order to achieve the goal of corporate governance, the board of directors should have the following capabilities as a whole:</td><td>It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>(Please refer to the details in the Corporate Governance Report, Item 2, Section 1, Sub-section 3 – Implementation of Board Member Diversity)
1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.
9. Law</td><td></td></tr>
<tr><td>(2) Has the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?</td><td></td><td>No</td><td>In addition to establishing the Remuneration Committee and Audit Committee, the Company also established a Sustainability Development Committee in 2022. For the relevant functions and responsibilities, please refer to the “Implementation Status of Promoting Sustainable Development and Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies</td><td>It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed</td></tr>
</table>

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
			and the Reasons" section of this annual report.	
(3) Has the Company established performance evaluation measures and methods for the board of directors, conducted performance evaluations annually and regularly, reported the results of these performance evaluations to the board of directors, and applied them as a reference for the salary and remuneration of individual directors as well as nominations and renewals?	Yes		The Company formulated the "Board Performance Evaluation Regulations" on November 12, 2020, and in accordance with the competent authority's requirements, has conducted annual self-evaluations of the Board of Directors, individual directors, and functional committees starting from the first quarter of 2021. The evaluation results for 2024 were reported to the Board of Directors on March 14, 2025. The overall comprehensive evaluation is excellent. However, due to some directors concurrently holding demanding positions that prevent them from participating in company operations, as well as four directors having relationships within the second degree of kinship, the score is lower. Overall, the Board of Directors operates excellently. However, we will continue to strengthen our efforts based on the results of this evaluation to enhance the effectiveness of corporate governance. The relevant data can	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
			serve as a reference for directors' remuneration and nomination for re-appointment.	
(4) Has the Company assessed the independence status of the CPAs at regular intervals?	Yes		The Company's Audit Committee evaluates the independence and competence of our certifying accountants annually, requiring them to provide a "Declaration of Independence" and refer to "Audit Quality Indicators (AQIs)," in addition to conducting evaluations based on the standards in (Note) and 13 AQI indicators. After verification, it has been confirmed that the accountants have no financial interests or business relationships with the Company other than certification and tax case fees. The accountants' family members also do not violate independence requirements. Furthermore, by referencing AQI indicator information, we have confirmed that both the accountants and their firm have audit experience and training hours that exceed the industry average. In the most recent fiscal year, on March 14, 2025, after discussion and approval by the Audit Committee, the evaluation of the accountants'	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
			independence and competence was submitted to the Board of Directors and approved by Board resolution on the same day.	
4. Is the TWSE/TPEx listed company equipped with a qualified and appropriate number of corporate governance personnel, and does it appoint a corporate governance director responsible for corporate governance-related matters (including, but not limited to, providing information needed by directors and supervisors to carry out business, assisting directors and supervisors in complying with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meetings in accordance with the law, managing company registration and changes in registration, and producing minutes of board meetings and shareholders' meetings)?	Yes		At the board meeting held on March 29, 2021, the Company approved the appointment of a corporate governance officer. The corporate governance officer has many years of experience as a supervisor in the shareholder services department of a public company. The relevant responsibilities and key points of business execution are as follows: 1. Handling board of directors and shareholders' meeting matters in accordance with laws and regulations. 2. Preparing minutes for Audit Committee, Board of Directors, and Shareholders' meetings. 3. Assisting directors with their onboarding and continuing education. 4. Providing directors with necessary information to perform their duties. 5. Assisting directors in complying with laws and regulations.	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed.

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
			6. Other matters as specified in the Company's Articles of Incorporation or contracts. The continuing education status of the corporate governance officer: Please refer to the table below.	
5. Has the Company established channels for communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as a section for shareholders on the Company's official website to address all concerns of the stakeholders on corporate social responsibility?	Yes		The Company has set up a special area for stakeholders on the Company's website. Stakeholders are contacted by related departments. The Management Department assists in properly handling important corporate social responsibility issues which are of the concern of stakeholders.	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed
6. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders' meeting?	Yes		The Company has appointed the Stock Affairs Department of Chinatrust Commercial Bank to handle shareholders' meeting related matters.	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed
7. Disclosure of Information (1) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	Yes		The Company's website discloses company profiles, business overviews, financial information, and corporate governance information in accordance with the regulations.	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
(2) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and videotaping institutional investor conferences)?	Yes		The Company has dedicated personnel responsible for the collection and disclosure of Company information. The spokesperson's communication channels are very smooth, and shareholders can call to express their opinions or inquiries about the Company's operations.	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed
(3) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?		No	The Company did not announce and file the annual financial report within two months after the end of the fiscal year, but has announced and filed the quarterly financial reports, monthly revenue, and endorsement/guarantee information before the required deadline.	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" with No Material Differences
8. Is there any other essential information that would help understand the pursuit of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of directors and supervisors, the pursuit of a	Yes		In addition to the Company's full compliance with the Labor Standards Act, its Articles of Incorporation specify that employee remuneration and special incentives shall be 4.8% and 1.2% of the profit for the year respectively. However, if the Company still has accumulated losses, they shall be made up for first. The Company surpasses the	It conforms to Corporate Governance Best-Practice Principles for TWSE/TPEx Listed

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
risk management policy and standard of risk assessment, the pursuit of a customer policy, and professional liability insurance coverage for the directors and supervisors)?			general standards of traditional industries in that its employee welfare committee provides major holiday benefits, children's scholarships, and stipends for weddings and funerals. The company's employees have an average tenure of 11.83 years, reflecting the fact that the Company's benefits, work systems, and working environment have all have surpassed industry averages. Labor and capital thus coexist and prosper and senior employees are willing to serve the Company. 1. The phone line of the company's spokesperson is open, accepting telephone inquiries from institutions or shareholders at any time to help them understand the Company's operating conditions. However, in accordance with the rules set down by the securities regulatory authority: no separate disclosure of regulated information is allowed. 2. The Company has always maintained long-term relationships with suppliers, stabilized supply relationships, reduced operating supply risks and costs, and protected shareholders' rights.	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>3. The Company’s website has set up a special area for stakeholders and prepares a ESG report every year so that all stakeholders can understand the company’s operations and express views or make inquiries through contact channels.
4. The Company's risk management has always been based on the principles of immediacy, openness, honesty, and compliance with government regulations and related laws.
5. The Company arranges liability insurance for directors each year, with coverage of NT$92,670 thousand.
6. Status of advanced training for directors: detailed in the Table below.</td><td></td></tr>
<tr><td colspan="5">9. Please explain corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year.
In addition to enhancing the company website’s content and increasing corporate information transparency, the following describes improvements made to address corporate governance evaluation indicators:</td></tr>
</table>

Evaluation item	Status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	

Evaluation Indicators	The Company's Improvement/Countermeasures
Does the Board of Directors include at least one director of a different gender?	In 2024, the Company's Board of Directors includes one director of a different gender.
Has the Company disclosed its interim financial reports in English within two months after the reporting deadline of the Chinese interim financial reports?	The reports have been filed on the Market Observation Post System.
Has the Company established an English website that includes information related to finance, business operations, and corporate governance?	Website: https://www.sesoda.com.tw/en/page/439yQ56NS7gX7Qrf
Has the company established policies to reduce water consumption or manage other waste, including reduction targets, implementation measures, and achievements?	Please review pages 24–25 of the sustainability report.
Has the company invested in energy-saving or green energy-related environmental protection and sustainable equipment, or invested in Taiwan's green energy industry (such as renewable energy power plants), or issued or invested in sustainable financial products with funds utilized for green or social benefit investment projects with substantial benefits, and disclosed their investment status and concrete benefits?	Please review page 27 of the sustainability report.
Has the company disclosed its annual greenhouse gas emissions for the past two years?	The company has continuously disclosed annual greenhouse gas emissions for two consecutive years.
Has the company uploaded an English version of its sustainability report to the Market Observation Post System and the company website?	The company has uploaded an English version of the sustainability report to both the Market Observation Post System and the company website.

Status of directors' advanced study:

Participants		Date	Class hours	Organizer	Course title
Title	Name				
Director	Chen Kai-Yuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Chen Kai-Yuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Wu Chung-Li	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Wu Chung-Li	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Chen Li-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Chen Li-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Chen Jung-Yuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Chen Jung-Yuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Chen Cheng-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Chen Cheng-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Chen Yi-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Chen Yi-Te	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider

Director	Wen Kuo-Lan	July 16, 2024	6.0	Republic of China Internal Audit Association	Essential labor law knowledge for managers at all levels: recruitment interviews, general and special management of employees, performance evaluation
Director	Wen Kuo-Lan	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Director	Wen Kuo-Lan	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Director	Chu Yuan-Hua	August 16, 2024	3.0	Accounting Research and Development Foundation	ESG Development Trends and Sustainable Information Disclosure Regulations
Director	Chu Yuan-Hua	August 23, 2024	3.0	Taiwan Corporate Governance Association	Prevention of labor disputes and corporate governance
Independent Director	Tsao Ming	October 24 2024	3.0	Chung-Hua Institution for Economic Research	Global political and economic trends, opportunities, challenges and responses of Taiwan's industries
Independent Director	Tsao Ming	October 24 2024	3.0	Securities & Futures Institute	The fiduciary duty of the director and insider trading
Independent Director	Wang Po-Hsin	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Independent Director	Wang Po-Hsin	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider
Independent Director	Chu Jih-Chuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness vs. survival, ESG trends and strategies
Independent Director	Chu Jih-Chuan	November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider

The continuing education status of the corporate governance officer:

Date	Class hours	Organizer	Course title
March 20, 2024	2.0	Taiwan Corporate Governance Association	Seminar on strengthening sustainable governance with enhanced resilience
June 3, 2024	6.0	Republic of China Internal Audit Association	The Latest Context of Corporate Governance from the Perspective of Corporate Governance Evaluation Indicators
July 17, 2024	6.0	Republic of China Internal Audit Association	Rules and Practical Analysis of Lending Funds, Endorsements/Guarantees, and Acquisition and Disposal of Assets
August 23, 2024	3.0	Taiwan Corporate Governance Association	Prevention of labor disputes and corporate governance
September 3, 2024 – September 4, 2024	9.0	Taiwan Corporate Governance Association	Workshop for Identification of Climate Risks and Net-Zero Carbon Emissions Seminar
September 20, 2024	3.0	Securities & Futures Institute	2024 Insider Trading Prevention Seminar
October 8, 2024	3.0	Taiwan Stock Exchange	Digital banking and sustainable banking under the trend of AI
October 25, 2024	3.0	Securities & Futures Institute	2024 Insider Trading Prevention and Compliance Workshop for Share Trading
November 8, 2024	3.0	Taiwan Corporate Governance Association	Competitiveness and survival, ESG trends and strategies
November 8, 2024	3.0	Taiwan Corporate Governance Association	ESG-Related Legal Issues Board Members Should Consider

Note: Criteria for assessing and the independence and suitability of accountants

AQI disclosure framework – 5 major aspects, 13 indicators

Structure	**Item**	**Audit quality index**
Professionalism	1	Audit experience
	2	Hours of training
	3	Current rate
	4	Professional support
Quality control	5	Accountant's loading
	6	Investment in audit
	7	Review of EQCR
	8	Quality control support ability
Independence.	9	Non-audit service fees
	10	Customer familiarity
Supervision and monitoring	11	Defects of external inspection and disposition
	12	Improvement letter issued by the competent authority
Innovation ability	13	Innovative planning or initiatives

Factors affecting the independence of CPAs

Factors that may affect the Company	Explanation of definition	List of possible scenarios of ordinary course of business	Evaluation Results
1. Self-interest (Occupation X.8)	Independence is affected by "self-interest" when financial benefits are obtained through an audit client, or when conflicts of interest arise due to other relationships with the audit client.	1. Having direct or significant indirect financial interest relationships with audit clients. 2. Engaging in financing or guarantee arrangements with audit clients or their directors and supervisors. 3. Considering the possibility of client loss. 4. Having close business relationships with audit clients. 5. Having potential employment relationships with audit clients. 6. Related to audit case or contingent fee.	Without the following circumstances.
2. Self-review (Occupation X.9)	Independence is affected by "self-review" when an accountant performs "non-audit services" and the reports issued or judgments made are used as a significant basis for audit conclusions during the audit or review of financial information; or when an audit team member has previously served as a director or supervisor of the audit client, or held a position that directly and significantly influenced the audit engagement.	1. Audit team members who currently or in the past two years have served as directors, supervisors, managers, or in positions that significantly influence the audit engagement of the audit client. 2. Non-audit services provided to the audit client that directly affect significant items of the audit engagement.	Without the following circumstances.
3. Advocacy (Occupation X.10)	Independence is affected by "advocacy" when an audit team member becomes an advocate for the audit client's position or opinion, leading to questions about their objectivity.	1. Promoting or brokering stocks or other securities issued by the audit client. 2. Serving as an advocate for the audit client or representing the audit client in coordinating conflicts with other third parties.	Without the following circumstances.

Factors that may affect the Company	Explanation of definition	List of possible scenarios of ordinary course of business	Evaluation Results
4. Familiarity (Occupation X.11)	The impact of "familiarity" on independence refers to situations where, through close relationships with the audit client, directors, supervisors, or managers, the accountant or audit team members become excessively concerned with or sympathetic to the audit client's interests.	1. Having family relationships with the audit client's directors, supervisors, managers, or personnel who hold positions that significantly influence the audit engagement. 2. Former partners who have left the firm within the past year serving as directors, supervisors, managers, or in positions that significantly influence the audit engagement of the audit client. 3. Accepting significant gifts or presents from the audit client or its directors, supervisors, or managers.	Without the following circumstances.
5. Intimidation (Occupation X.12)	The impact of "intimidation" on independence refers to situations where audit team members are threatened or feel threatened by the audit client, preventing them from maintaining objectivity and professional skepticism.	1. Demanding that the accountant accept improper choices of accounting policies by management or inappropriate disclosures in financial statements. 2. Pressuring the accountant to improperly reduce necessary audit work in order to lower audit fees. 3. Threats of Legal Action Against the Accountant. 4. Threatening to withdraw non-audit engagements, forcing the firm to accept improper accounting policies for certain transactions. 5. Threatening to terminate or not renew the audit engagement.	Without the following circumstances.

Potential matters affecting accountant independence and explanations:

Potential matters affecting accountant independence	Explanation of potential impacts	Evaluation Results
1. Financial interest: 1.1. "Direct financial interest" with the client. 1.2. "Major indirect financial interest" with the client. 1.3. "There is a significant financial interest" between the Company and the client.	1. "Direct financial interest" or "material indirect financial interest" with the client will result in "self-interest" impact. (Potential affected parties: certifying accountant and their relatives, audit service team members and their families, other partners in the firm and their families, the accounting firm, affiliated entities of the accounting firm)	No financial interest
2. Financing and guarantee: 2.1 Financing or guarantee of financial institutions for non-regular business activities. 2.2 Financing or guarantee from non-financial institutions for clients. 2.3. Financing or guarantee between the Company and the client who is not a financial institution	2. When there are financing or guarantee matters with "non-financial institution audit clients" or "non-normal commercial behavior" financing or guarantees with "financial institution audit clients," "self-interest" influence will arise. (Potentially affected parties: certifying accountant and their relatives, audit service team members and their families, the accounting firm, affiliated entities of the accounting firm)	No financing and guarantee
3. The close business relationship with the client: 3.1. There is a close business relationship with the client. 3.2. There is a close business relationship with the client's directors, supervisors, and managers. (EX. Joint investment, strategic alliance, product combination and marketing promotion)	3. Close business relationships with audit clients or their directors, supervisors, managers, or significant shareholders (such as joint venture investments, profit-oriented strategic alliances, and mutually tied product marketing and promotion) involving commercial interests; or family relationships with the audit client's directors, supervisors, managers, or personnel with significant influence over the audit	No close business relationship

Potential matters affecting accountant independence	Explanation of potential impacts	Evaluation Results
	engagement, may create influences of "self-interest," "familiarity," and "intimidation." (Personnel potentially affected: certifying accountant and their relatives, audit service team members, the accounting firm, affiliated entities of the accounting firm)	
4. Employment or position as an audit customer: 4.1 The certifying accountant currently serves or has served within the past two years as a director, supervisor, manager, or in a position with significant influence over the audit work, or as an employee of the audit client. 4.2. Director, supervisor, or manager of an audit customer, or a position that has significant influence on the audit. 4.3. Positions as a director, supervisor, or manager of an audit customer, or positions that have significant influence on the audit, during the audit period. 4.4. The person is a director, supervisor, or manager of the client, or a position that has significant influence on the audit. 4.5. Director and supervisor of other companies who have control over the client. 4.6. Services provided to clients for directors, supervisors, managers, or other equivalent positions. 4.7. The principal or the subject is employed to perform regular work and receives fixed salary.	4. During an audit period, if an individual has served as a director, supervisor, manager, or in a position that directly and significantly influences the audit work of an audit client, or if it is confirmed that they will hold such positions in future periods, this may create "self-interest," "intimidation," and "familiarity" threats. (Potential individuals: certifying accountants and their family members, relatives, audit service team members and their family members, close relatives, other partners in the accounting firm and their family members, the accounting firm itself, or affiliates of the accounting firm)	Not employed or held any position
5. Non-audit business matters: 5.1 Valuation service:	 5.1 Providing audit clients with pricing or valuation	Without the following circumstances.

Potential matters affecting accountant independence	Explanation of potential impacts	Evaluation Results
5.11. It is a part of the financial statements provided to clients, and has a significant impact and a high level of subjective evaluation service. 5.12. It provides audit customers with some evaluation services that are not significant or subjective.	services related to balance sheet items or overall enterprise value, where the results will form part of the financial statements, may create a "self-review" threat. (Potential service providers: certifying accountants and their relatives, audit service team members, the accounting firm, or affiliates of the accounting firm.)	
5.2 Bookkeeping services: 5.21 Bookkeeping services that are not in compliance with the requirements of occupational ethics. 5.22 No audit and bookkeeping services shall be provided to public companies.	5.2 If providing bookkeeping services for an audit client involves "confirming accounting records and taking responsibility for them" or "participating in management operating decisions," performing such audit services may create a "self-review" threat. (Potential service providers: the accounting firm or affiliates of the accounting firm.)	
5.3 Internal audits services: 5.31 Assistance or undertaking of internal audit services not in conformity with generally accepted auditing standards. 5.32. Assistance or undertaking internal audit services related to the operation of the enterprise.	5.3 When performing internal audit services for an audit client beyond the internal audit work necessary for financial statement audits under generally accepted auditing standards, this may create a "self-review" threat. (Potential providers: the accounting firm or affiliates of the accounting firm)	
5.4 Short-term staff dispatch service: 5.41 Assign internal staff to assist clients with the execution of management decisions, contract approval or signing, and signing of bills on behalf of the Company.	5.4 Assigning internal staff from the accounting firm or its affiliates to assist audit clients in performing tasks related to client management decisions, signing contracts or similar documents on behalf	

Potential matters affecting accountant independence	Explanation of potential impacts	Evaluation Results
5.42 The Company assigns internal staff to assist clients in executing work affairs unrelated to management decisions, contract approval or signing, and financial statement auditing. 5.5 Recruitment of senior management: 5.51 Senior management who have direct and significant influence on the audit case and are recruited by the client to perform the audit case 5.6. Wealth management services: 5.61 Promotion, advocacy or trading of shares or other securities issued by clients. 5.62 The terms and conditions of the transaction or promise are negotiated between the client and the third party. 5.63 Assist clients in developing corporate strategies. 5.64 Source of funds required by the client for the audit of the media. 5.65. Provide structural suggestions to the transaction content of the client and assist the client in analyzing the impact of accounting.	of clients, or exercising client authority may create a "self-review" threat. (Potential service providers: the accounting firm or affiliates of the accounting firm) 5.5 Recruiting senior management personnel for an audit client who will have direct and significant influence on the audit engagement may create "self-interest," "familiarity," and "intimidation" threats, either currently or in the future. (Potential service providers: the accounting firm or affiliates of the accounting firm.) 5.6 Providing services to audit clients such as promoting or trading stocks or other securities issued by the audit client, undertaking transaction terms or completing transactions on behalf of the audit client, assisting the audit client in developing corporate strategies, facilitating client funding sources, providing structural advice on transaction content, or assisting in analyzing accounting impacts of transactions will create "self-review" and "advocacy" threats. (Potential service providers: the accounting firm or affiliates of the accounting firm.)	
6. Other matters: 6.1 Gifts and Presents: 6.11 Receiving substantial gifts or presents from audit clients.	6.1 When receiving substantial gifts, presents, or improper entertainment from audit clients or their directors, supervisors, managers, etc., it may result	Without the following circumstances.

Potential matters affecting accountant independence	Explanation of potential impacts	Evaluation Results
6.12 Receiving substantial gifts or presents from directors, supervisors, or managers of audit clients.	in "self-interest," "familiarity," or "intimidation" influences due to the close relationship that causes excessive attention to or sympathy for the audit client's interests. (Personnel potentially affected: certifying accountants and their relatives, audit service team members and their family members.)	
6.2 Remuneration and Commission: 6.21 Signing contingent fee arrangements with audit clients related to audit cases. 6.22 Requesting, agreeing to, or accepting any remuneration outside of prescribed regulations.	6.2 Signing "contingent fees" related to audit cases with audit clients, or requesting, agreeing to, or accepting any remuneration outside the prescribed audit work is subject to "self-interest" influence. (Potentially affected parties: certifying accountants, accounting firm.)	
6.3 Business Solicitation: 6.31 Continuously serving as the certifying accountant for a TWSE or TPEx listed company for seven consecutive years.	6.3 As a special requirement from the Taiwan Stock Exchange or Taipei Exchange, if the certifying accountant of a listed or OTC company has served continuously for seven years, they may be subject to "familiarity" influence. (Affected personnel: Certifying accountant.)	
6.4 Professional Conduct and Matters that Tarnish Professional Reputation: 6.41 Purchasing movable or immovable property managed in the course of business. 6.42 Using the accountant's position to engage in unfair competition in commerce and industry. 6.43 Acting on behalf of audit clients to coordinate conflicts with other third parties, advocacy, or debt collection work.	6.4 Such matters that tarnish the professional image and dignity of accountants, and affect the "self-interest" or "advocacy" of the certifying accountant. (Potentially affected parties: Certifying accountant, audit service team members.)	

(IV) Composition, responsibilities and operation status of the Remuneration Committee:

1. Information of Remuneration Committee Members

December 31, 2024

ID classification (Note 1)	Terms / Name	Professional Qualifications and Experience (Note 2)	Independence status (Note 3)	Number concurrently serving as members of the remuneration committees of other publicly issued companies
Convener	Wang Po-Hsin	Educational Background: Master of Business Administration, Michigan State University, United States Major experience: 1. Chairman, Taiwan Branch, East Asia Securities Company Limited 2. Independent Director, PCA Life Assurance	①②③④⑤ ⑥⑦⑧⑨⑩	0
Independent Director	Chu Jih-Chuan	Educational Background: LLM, Northwestern University, United States Major experience: 1. Partner Lawyer, Baker McKenzie Taipei 2. Lawyer, Formosa Transnational Attorneys at Law 3. Lawyer, Taiwan Depository & Clearing Corporation 4. Lawyer, Central Depository Insurance Corporation, Ministry of Finance	①②③④⑤ ⑥⑦⑧⑨⑩	0
Others	Liang Chi-Yen	Educational Background: Master of Business Administration, National Chengchi University Bachelor, Department of Chemical Engineering, National Tsing Hua University Professional qualification: Part-time Lecturer, Soochow University Major experience: 1. Executive Deputy General Manager, China Development Venture Capital 2. Manager of Hewlett-Packard Company 3. The juridical person representative of the Chairman of TAINET Communication System Corp. 4. The juridical person representative of the Director of Flexium Interconnect. Inc 5. Director, Brighton-Best International 6. Director, Rei Jing Technology Consulting Co., Ltd. 7. Independent Director and Remuneration Committee member of eMemory Technology	①②③④⑤ ⑥⑦⑧⑨⑩	2

Others	Liang Chi-Yen	8. Independent Director and Remuneration Committee member of Excelliance MOS 9. Remuneration Committee member, Shinkong Textile Co., Ltd. 10. Supervisor, ASMedia Technology Inc.	①②③④⑤⑥⑦⑧⑨⑩	2

Note 1: Please specify in the table the relevant work experience, professional qualifications and experience, and independence status of each Remuneration Committee member. If the member is an Independent Director, you may note “Please refer to the information on Directors and Supervisors in Table 1 on page 10.” For identity classification, please indicate whether the member is an Independent Director or Other (if the member is the convener, please add a notation).

Note 2: Professional Qualifications and Experience: Please describe the professional qualifications and experience of each individual Remuneration Committee member.

Note 3: Independence Status: Please describe the independence status of each Remuneration Committee member, including but not limited to whether the member, their spouse, or relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises; the number and percentage of Company shares held by the member, their spouse, or relatives within the second degree of kinship (or under others’ names); whether the member serves as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to Article 6, Paragraph 1, Items 5–8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter); and the amount of remuneration received for providing commercial, legal, financial, accounting or other services to the Company or its affiliated enterprises within the last 2 years.

(1) Not an employee of the Company or its affiliates.
(2) Not a director or supervisor of the Company or its affiliated enterprises (except for concurrent independent directors of the Company or its parent Company, subsidiaries, or subsidiaries of the same parent Company in accordance with this Act or local laws and regulations).
(3) No one percent or more of the total issued shares of the Company are held by him/her or his/her spouse, or minor children or on his/her behalf, or none of their shareholding percentage is among top ten shareholders.
(4) The director is not a manager in (1) or the spouse, second-tier relative or third-tier relative of the persons listed in (2) or (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of outstanding shares of the Company or that holds shares ranking in the top five in holdings, or is designated as a representative in accordance with Article 27, Paragraphs 1 or 2 of the Company Act. (However, in the case of independent directors established and concurrently serving in the Company and its parent company, subsidiary company or subsidiary company of the same parent company in accordance with this law or local laws, this limitation shall not apply.)
(6) Not a director, supervisor or employee of another company which has a seat on the board of directors, or more than half of its shares with voting rights are controlled by the same owner of the Company (except for concurrent independent directors of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or local laws and regulations).
(7) Not a director, supervisor or employee of another company or institution who is the same person or spouse as the Chairman, President or an equivalent position of the Company (except for concurrent independent directors of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or local laws and regulations).
(8) Not a director, supervisor or manager of another company or institution which has financial or business dealings with the Company, or is a shareholder holding more than 5% of the shares of the Company (not applicable if the Company or institution holds more than 20% but no more than 50% of the total issued shares of the Company, with concurrent independent directors of the Company and its parent company, subsidiaries, or subsidiaries of the same parent company in accordance with this Act or local laws and regulations).
(9) Not a professional, sole proprietor, partner, business owner or partner, or a director, supervisor, manager or the spouse of the above of a company or institution which provides audit services to the Company or its affiliated enterprises, or the cumulative remuneration amount of which in the past two years exceeds NT$500,000 for business, legal affairs, finance or accounting related services. However, for members of the Salary and Compensation Committee, Public Acquisitions Review Committee, or M&A Special Committee who perform their functions and powers in accordance with the relevant laws and regulations of the Securities and Exchange Act or the Corporate Mergers & Acquisitions Act, this limitation shall not apply.
(10) There are no such circumstances as in Article 30 of the Company Act.

2. Responsibilities of the Remuneration Committee

(1) Regularly review the organizational procedures of the Remuneration Committee and propose amendments.

(2) Formulate and regularly review the Company’s policies, systems, standards and structures of annual and long-term performance targets and remuneration for directors, supervisors, and managers.

(3) Regularly evaluate the achievement of the performance goals of the company’s directors, supervisors and managers, and determine the content and amount of their individual remuneration.

3. Information on the operation of the Remuneration Committee

(1) There are members of the Remuneration Committee of the Company.

(2) Current Committee Member Term: July 1, 2024 to June 30, 2027, with six Remuneration Committee meetings (a) held in the most recent fiscal year. Committee member attendance is as follows:

Title	Name	Actual number of attendance (b)	Frequency of attendance	Actual attendance (%) (b/a)	Remarks
Convener	Wang Po-Hsin	6	0	100%	
Member	Chu Jih-Chuan	6	0	100%	
Member	Liang Chi-Yen	6	0	100%	

4. Other matters to be recorded:

(1) If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the date and session of the Board meeting, the content of the proposal, the resolution of the Board, and the Company’s handling of the Remuneration Committee’s opinions shall be specified (if the remuneration passed by the Board exceeds the recommendation of the Remuneration Committee, the differences and reasons shall be specified):

A. Discussion matters and resolutions of the Remuneration Committee

Remuneration Committee Date	Discussion Item	Resolution Results
12th session of the 5th term February 2, 2024	1. Review of the three main holiday bonuses for the Executive Directors who perform operational duties and receive compensation for fiscal year 2023.	Unanimously approved by all committee members.
	2. Review of the additional employee incentive bonuses for fiscal year 2023.	Unanimously approved by all committee members.
	3. Results of the performance evaluation of the Board of Directors and functional committees for fiscal year 2023.	Unanimously approved by all committee members.
	4. Review of the salary for Wu Hui-Feng, the Vice President of the Business Department.	Unanimously approved by all committee members.
13th session of the 5th term March 11, 2024	1. Review of the distribution of employee remuneration and directors' remuneration for fiscal year 2023.	Unanimously approved by all committee members.
14th session of the 5th term April 24, 2024	1. Review of the distribution of employee compensation and special bonuses for managers for fiscal year 2023.	Unanimously approved by all committee members.
	2. Review of the distribution of directors' remuneration for fiscal year 2023.	Unanimously approved by all committee members.
	3. Review of the annual remuneration to directors and managers for 2023.	Unanimously approved by all committee members.
	4. Director of Shihao Main Plant, Shih Yueh-Hui, retired and was reappointed.	Unanimously approved by all committee members.
	5. Proposal for the adjustment of employee meal allowance from April 1, 2024.	Unanimously approved by all committee members.
1st session of the 6th board July 5, 2024	1. 25th Compensation Review for Directors	After sufficient discussion, the motion was passed unanimously by all attending members.

	2. Review of the transportation allowance for the 25th Round of Directors.	For this proposal, committee members Wang Bo-Xin and Chu Jih-Chuan recused themselves. After thorough discussion by the other attending committee members, the proposal was unanimously approved.
	3. Review of the attendance fee for the 3rd term of Audit Committee.	For this proposal, committee members Wang Bo-Xin and Chu Jih-Chuan recused themselves. After thorough discussion by the other attending committee members, the proposal was unanimously approved.
	4. Review of the attendance fee of the 2nd term of the Sustainable Development Committee	For this proposal, committee member Chu Jih-Chuan recused themselves. After thorough discussion by the other attending committee members, the proposal was unanimously approved.
	5. Salary review for acting General Manager	Unanimously approved by all committee members.
	6. Salary review for the business director.	Unanimously approved by all committee members.
	7. Salary review for the manager of the Administration Department	Unanimously approved by all committee members.
	8. Propose to establish the “Employee Bonuses Policy” for review.	Unanimously approved by all committee members.
2nd session of the 6th term September 25, 2024	1. Review of the additional employee incentive bonuses for fiscal year 2024.	Unanimously approved by all committee members.
3rd meeting of the 6th Board of Directors December 23, 2024	1. Review of the three main holiday bonuses for the Executive Directors who perform operational duties and receive compensation for fiscal year 2024.	Unanimously approved by all committee members.
	2. Review of the proposed remuneration to employees for 2024.	Unanimously approved by all committee members.

	3. Review of the proposed remuneration to employees for 2024.	For this proposal, committee member Wang Po-Hsin Chu Jih-Chuan recused themselves. After thorough discussion by the other attending committee members, the proposal was unanimously approved.

B. The other matters that have not been passed by the Remuneration Committee but approved by more than two-thirds of all directors: None.

C. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members shall be stated: None.

(V) Implementation Status of Sustainable Development and Reasons for Any Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>I. Has the company established a governance structure to promote sustainable development, including setting up a dedicated (or concurrent) unit for promoting sustainable development, which is authorized by the board of directors to be handled by senior management, and how does the board supervise this?</td><td>V</td><td></td><td>The Company established a Sustainability Committee (functional committee) under the board of directors in November 2022, which was approved by the board, to strengthen the Company’s supervision mechanism for implementing and promoting sustainable development. The Sustainability Committee is convened by Chairman Chen Rong-yuan, with the Administration Department specifically responsible for executing and promoting sustainability initiatives. (The organizational structure chart can be found in the “2024 Sustainability Report” of the Company, under Robust Corporate Governance)
(I) Committee Membership:
(1) The Company’s Sustainability Committee consists of six members.
(2) Current Committee Term: July 1, 2024 to June 30, 2027. The Sustainability Committee met 2 times (a) in the most recent year. Committee members’ professional qualifications, experience, and attendance are as follows:
<table>
<tr><th>Title</th><th>Name</th><th>Actual number of attendance (b)</th><th>Frequency of attendance</th><th>Actual attendance (%) (b/a)</th><th>Remarks</th></tr>
<tr><td>Convener (Chairman)</td><td>Chen Jung-Yuan</td><td>2</td><td>0</td><td>100%</td><td></td></tr>
<tr><td>Member (Director)</td><td>Chen Cheng-Te</td><td>2</td><td>0</td><td>100%</td><td></td></tr>
<tr><td>Member (President)</td><td>Liu Chih-Yung</td><td>2</td><td>0</td><td>100%</td><td></td></tr>
<tr><td>Member (Director of Main Plant)</td><td>Shih Yueh-Hui</td><td>1</td><td>0</td><td>100%</td><td>New term</td></tr>
<tr><td>Member (Director)</td><td>Huang Chih-Cheng</td><td>1</td><td>0</td><td>100%</td><td>Prior term</td></tr>
</table>
</td><td>No differences.</td></tr>
</table>

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Member (Independent Director)</td><td>Tsao Ming</td><td>2</td><td>0</td><td>100%</td><td></td></tr>
<tr><td>Member (Independent Director)</td><td>Chu Jih-Chuan</td><td>2</td><td>0</td><td>100%</td><td></td></tr>
</table>
The 2023 greenhouse gas inventory and sustainability report were submitted to the Sustainability Committee and the Board of Directors in August 2024
(II) Responsibilities of the Sustainability Committee
(1) Review sustainability policies
(2) Determine sustainability strategy planning and annual plans
(3) Supervise the implementation of sustainability-related matters and evaluate execution
(4) Review sustainability reports
(5) Report annual sustainability implementation results to the Board of Directors
(6) Handle other matters assigned by Board resolution
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>(III) Operation of the Sustainable Development Committee:
<table>
<tr><th>Sustainable development Committee Date</th><th>Discussion Item</th><th>Resolution Results</th></tr>
<tr><td>5th session of the first term
July 1, 2024</td><td>1. Review case for amendment of the Sustainability Committee’s Organization Regulations.</td><td>Unanimously approved by all committee members.</td></tr>
<tr><td>1st meeting of the 2nd term
August 23, 2024</td><td>1. Review case for 2023 Sustainability Report.
2. Review case for 2024 Task Force on Climate-related Financial Disclosures (TCFD) Report.</td><td>Unanimously approved by all committee members.</td></tr>
</table></td><td></td></tr>
<tr><td>II. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies? (Note 2)</td><td>V</td><td></td><td>With Sesoda Corporation as the main entity, this includes the Taipei headquarters, Suao Main Plant, Taichung Plant, and Changhua Plant. The financial data references publicly available consolidated financial statements, including subsidiary financial performance, which have been audited and certified by external accountants in accordance with International Financial Reporting Standards (IFRS), using the New Taiwan dollar as the calculation unit. Environmental and social data only discloses Sesoda Corporation’s individual data, excluding subsidiary information, and is independently compiled and calculated by Sesoda Corporation’s responsible departments using internationally accepted indicator calculation methods. In the future, we will incorporate subsidiaries into the complete corporate social responsibility disclosure scope based on the company’s overall operational scale.
The Company’s Sustainable Development Committee evaluates the risks of environmental, social, and corporate governance issues based on the degree of influence on stakeholders, with the assessment boundary primarily focused on the Company. It establishes effective</td><td>No differences.</td></tr>
</table>

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
	V		strategies for identifying, measuring, evaluating, monitoring, and controlling these risks, aiming to reduce their impact. The Company identifies its main stakeholders annually and, through joint discussions with internal and external experts, determines the key issues of concern and measures their impact on the Company (for detailed materiality analysis, please refer to the "2024 Sustainability Report" of the Company, Stakeholder and Material Topic Identification).	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	V		The Company formulates environmental management regulations in accordance with environmental protection laws established by the Environmental Protection Administration (such as the Air Pollution Control Act, Water Pollution Prevention Act, and Waste Disposal Act), strengthening plant management through comprehensive systems. (For details, see the Company's "2024 Sustainability Report," Navigating the Green Century.) 1. The Suao plant implemented the ISO 14001 Environmental Management System and the ISO 45001 Occupational Health and Safety Management System in 2021, obtaining certification from Universal International Certification. The plant continues to promote various operations of the management systems to achieve efficient operation and management models.	No differences.
(II) Is the Company committed to improving the efficiency of energy utilization and using recycled materials with a low impact on the environment?	V		In response to national policy, the Company is actively promoting energy efficiency improvements and environmental sustainability measures. The Suao plant has established a target for unit product oil consumption. Using 2019 as the baseline year, energy efficiency improvements were implemented with the addition of relevant equipment to reduce fuel consumption rates, achieving more efficient resource utilization.	No differences.

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><th>Year</th><th>2019</th><th>112</th><th>113</th></tr><tr><td>Reduction Ratio of Fuel Unit Consumption</td><td>Base Period</td><td>8.57%</td><td>8.67%</td></tr></table>Additionally, the Company also plans to build a third waste heat recovery boiler in 2026, further improving energy utilization efficiency. This equipment will effectively recover waste heat generated during the production process, reducing electricity consumption and lowering overall carbon emissions.
Status of renewable material usage with low environmental impact:
The Company actively promotes resource recycling and reuse, incorporating 5% to 20% recycled materials in all bag manufacturing processes. The proportion of recycled PE inner film is approximately 10% to 15%. Due to the unstable quality of recycled materials, suppliers adjust the ratios according to actual conditions. Currently, we are unable to provide certification documentation for the recycling ratio due to the limited number of certified recycling vendors available domestically. In the future, the Company will continue to seek more compliant green supply sources, striking a balance between product quality and environmental responsibility, to jointly promote sustainable development.</td><td></td></tr>
<tr><td>(III) Has the Company assessed the current and future potential risks and opportunities of climate change to the business, and taken relevant response measures?</td><td>V</td><td></td><td>The Company positions the Board of Directors as the highest decision-making body for climate issues, and has established a “Sustainability Development Committee” chaired by the Chairman. This committee regularly reviews the Company’s climate change strategies and goals, as well as action plans for managing climate change risks and opportunities. It examines implementation status, discusses future plans, and reports to the Board of Directors.
According to the “Task Force on Climate-related Financial Disclosures (TCFD)” framework, the Company continuously evaluates the potential risks and opportunities brought by climate change, and</td><td>No differences.</td></tr>
</table>

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>conducts regular comprehensive reassessments.
The Company continuously evaluates potential risks and opportunities triggered by climate change, comprehensively considering factors such as financial impact, reputational influence, global economic conditions, energy cost fluctuations, and environmental regulatory costs. Based on these considerations, energy conservation goals are established, and energy-saving measures are implemented, while promoting environmentally friendly products to ensure stable company operations and maintain competitiveness.
Through the TCFD framework, the Company assesses and discloses various climate-related risks and opportunities, while simultaneously explaining the implementation status in aspects of governance structure, strategy, risk management, indicators and targets.
Please refer to the “2024 Climate-Related Financial Disclosure Report” published in the sustainability section of the Company’s official website.
(https://www.sesoda.com.tw/csr)</td><td></td></tr>
<tr><td>(IV) Does the Company prepare statistics on greenhouse gas emissions, water consumption, and the total weight of waste for the past two years, and does it formulate policies for greenhouse gas reduction, water consumption reduction, or other waste management?</td><td>V</td><td></td><td>1. The Company continues to promote energy-saving measures and greening/tree-planting operations. The overall greenhouse gas emissions (Scope 1 + Scope 2), water consumption, and total waste weight of Sesoda Corporation for 2023 and 2024 are shown in the table below. The 2024 inventory data has not yet completed third-party verification:
<table><tr><th>Plant Area/Process</th><th>2023</th><th>2024</th></tr><tr><td>Carbon Emissions (metric tons CO_2e/year)</td><td>57,030.21</td><td>61,777.70</td></tr><tr><td>Water Consumption (million liters/year)</td><td>606.16</td><td>728.67</td></tr><tr><td>Total Waste Weight (metric tons/year)</td><td>669.02</td><td>1,024.99</td></tr></table></td><td>No differences.</td></tr>
</table>

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
	V		Note: The 2023 carbon inventory data has been verified by third-party organization AFNOR, and the 2024 carbon inventory data is currently under verification. 2. Additionally, water usage, waste, and other energy and pollutant totals are regularly compiled. We have established goals and are implementing them accordingly. 3. The Company is actively promoting waste resource conversion within our facilities, striving to transform waste into value-added by-products to enhance resource circulation efficiency. However, this plan is currently pending approval from the regulatory authorities.	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?	V		1. To safeguard the basic human rights of employees, customers, and other stakeholders, the Company complies with the Labor Standards Act and other relevant labor regulations to protect employee rights. We provide stable and preferential treatment, comprehensive education and training, a promotion and development system, and create a safe and healthy work environment to enhance employees' professional capabilities. 2. The Company regularly examines its operations, value chain, and other related activities through attention to major social issues, questionnaire surveys, and other methods each year to identify and assess human rights risks.	No differences.
(II) (including compensation, vacation and other benefits), and properly reflected the operating performance or results in employee compensation?	V		1. Employee remuneration: The Company provides fixed holiday bonuses, and employee compensation is based on the Company's Articles of Incorporation, which stipulate that 4.8% of the Company's annual profits are allocated for employee compensation and 1.2% for special incentive bonuses. These are distributed to all employees according to their annual performance evaluations to motivate everyone to work together toward the Company's goals. 2. Employee benefits: The Company has established an Employee Welfare Committee. The	No differences.

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			Company contributes to the welfare fund annually as required by regulations to plan and provide various quality benefits for employees, such as travel subsidies, birthday vouchers, scholarships, holiday allowances, and free health examination programs, among other benefits. In addition to fixed two-day weekends, employees are provided with special leaves in accordance with the Labor Standards Act. For employees facing situations such as childcare, serious illness, or major personal circumstances requiring extended time off, unpaid leave applications are available to balance personal and family care needs. 3. Workplace diversity and equality: We implement equal pay for equal work and equal promotion opportunities for men and women, while maintaining 45.45% of management positions held by female executives, promoting sustainable and inclusive economic growth. 4. Business performance is reflected in employee compensation. Articles of Incorporation 28 The Company allocates 4.8% of annual profits as employee compensation and 1.2% as special incentives, while director compensation does not exceed 2.5%. Employee compensation recipients include employees of affiliated companies who meet certain conditions. Overall compensation policy: The Company participates in market salary surveys annually and adjusts salaries based on market wage levels, economic trends, and individual performance to maintain competitive overall compensation.	

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(III) Does the Company provide a safe and healthy work environment for its employees and conduct regular safety and health education for them?	V		1. The Company provides regular health check-ups for employees and arranges for contracted medical institutions to conduct examinations and provide health education information in accordance with regulatory schedules. Based on the check-up results, interviews are conducted to safeguard employee health. 2. At the Suao Main Plant, "Safety and Health Work Guidelines" are distributed, and through education, training, and safety observations, employees are reminded of operational safety to enhance their safety and health awareness. (For various approaches to improving employee and workplace safety, please refer to the Company's "2024 Sustainability Report," on implementing inclusive living). 3. In 2021, the Company's Suao Main Plant obtained certification for the "ISO 45001 Occupational Health and Safety Management System." 4. The Company had no cases of employee death or serious injury accidents under Article 37 of the Occupational Safety and Health Act in 2024. The Company strengthens education and training in all departments, requiring colleagues to strictly adhere to company regulations to thoroughly prevent abnormal incidents.	No differences.
(IV) Has the Company established an effective career development training program for its employees?	V		1. The Company plans comprehensive competency training for managers and employees at all levels, including new employee training, advanced professional training, and management training, helping colleagues continuously learn and grow through diverse learning methods. The Company also introduces belief development training courses related to business ethics to cultivate colleagues' key abilities (total education and training hours in 2024 were 1,521 hours; please refer to the Company's "2024 Sustainability Report" for details). 2. During the annual regular performance review, the supervisor and employee discuss and establish an individual annual capability development plan together. Through regular review and feedback, employees are assisted in tailoring their optimal development plans.	No differences.

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
(V) Does the Company follow relevant laws and regulations, as well as international standards for topics such as customer health and safety, customer privacy, and the marketing and labeling of products and services? Additionally, does it formulate relevant policies and grievance procedures to protect the rights and interests of consumers?	V		1. Most of the Company's products are not sold directly to general consumers, resulting in fewer marketing activities such as media advertisements and promotional materials. For any promotional activities involving regulatory aspects, each department consults with legal counsel to avoid legal violations. 2. Customer relationship management is a crucial component of sustainable business operations. To understand valuable customer feedback, an annual "Customer Satisfaction Survey" allows customers to express their concerns. Product complaints are documented by the sales department using a "Customer Complaint Handling Form," with final resolution results filed by the sales department. The website provides product sales service hotlines and email addresses, facilitating customer feedback through multiple channels and ensuring customer needs are addressed.	No differences.
(VI) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and their implementation in environmental protection, occupational safety and health or labor human rights issues?	V		1. The Company evaluates suppliers based on quality, delivery time, price, environmental protection, and food safety, with responsible department personnel conducting assessments based on product characteristics. Qualified vendors are added to the supplier list for procurement using both regular and irregular implementation methods. 2. Procurement personnel undergo annual evaluations, though sustainability criteria are not yet included in the assessment. After compiling evaluation scores, the Procurement Department submits reports to supervisors for approval. Following the evaluation, written improvement recommendations should be provided for deficient items to help suppliers make appropriate improvements.	No differences.
V. Does the Company prepare the corporate sustainability report and other reports that disclose the Company's non-financial	V		The structure of the Company's "2024 Sustainability Report" is based on the Global Reporting Initiative (GRI) Standards guidelines, written according to the core option guidelines and framework, and discloses	No differences.

<table>
<tr><th rowspan="2">Implementation Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>information in accordance with international reporting standards or confirmed or guaranteed by a third-party verification unit?</td><td></td><td></td><td>the Company’s key sustainability issues, strategies, objectives, and measures. The report underwent independent limited assurance by Ernst & Young according to the Statement of Assurance Standards No. 1 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” issued by the Accounting Research and Development Foundation, and is publicly available on the Company’s website.</td><td></td></tr>
<tr><td colspan="5">VI. If the Company has established its own sustainable development principles in accordance with the “Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies,” please explain the differences between the Company’s operations and its established principles:
The Company established its “Corporate Social Responsibility Principles” in March 2015 through a resolution by the Board of Directors. Although the principles were slightly modified to align with the Company’s practices and were renamed as “Sustainable Development Best-Practice Principles” in 2022, the spirit of the established principles remains consistent with the regulations of the “Corporate Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies.” For information regarding the Company’s sustainable development practices, please refer to the Company’s “2024 Sustainability Report” and the explanations on our website.</td></tr>
<tr><td colspan="5">VII. Other important information that helps to understand the implementation of sustainable development:
The establishment status of the Company’s environmental and occupational safety dedicated units or personnel:</td></tr>
</table>

Serial number	Position	Name	Professional Training	Certification code
1	Person in charge of air pollution control	Huang Shih-Kai	Class A air pollution treatment	(87) Environmental Protection Administration Training Certificate No. FA030521
2	Wastewater Treatment Specialist	Han-Chung Lai	Grade A wastewater treatment	(109) Environmental Protection Administration Training Certificate No. GA010524
3	Waste Disposal Specialist	Chang Chun-Hao	Grade A waste disposal	(111) Environmental Protection Administration Training Certificate No. HA120228
4	Grade B Technician, Occupational Safety and Health Management	Lai Chien-Jen	Occupational Safety	222-005605
5	Class A Occupational Safety and Health Business Supervisor	Wang Hung-Wan	Occupational Safety	Labor Safety Management and Employee No. 26709
6	Energy management personnel	Hsu Kuan-Fu	Energy management	Neng-Guan-Zi No. 10320204

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

The Company is a traditional manufacturer of industrial chemical materials (fertilizer). Based on the concept of "take from the earth, use it for the land," the management and implementation of environmental protection, safety and health related activities have always been in line with national regulations. Laws and regulations are the prerequisite, and actively integrate the plant environment with the community environment, and strive to win the recognition of the community.

The Suao General Plant of the Company pays attention to the prevention of pollution and the conservation of natural resources in environmental protection. Since 2004, it has carried out the demolition of old plants and the reorganization of the plant environment, and the overall greening of the cleaned vacant land has been implemented so far. The green and beautified land area is about 25,000m^2 to create the goal of "parking" the plant, so that the work environment can be integrated into the community environment.

In terms of safety and hygiene, it is "people-oriented", from the education and training to improve employees' "safety awareness" concept and "safe operation" norms. Furthermore it implements independent management and inspection systems and pays attention to the work environment and personal safety of employees. Protective measures are in place to prevent accidents and create a win-win working environment for employees and for the Company.

1.Environmental Protection

(1) Greenhouse Gas Emission and Reduction

Based on the Company's responsibility to the ecological environment, it strives to continuously improve the production process in pollution prevention (reduction of emissions) and conservation of natural resources (recycling of resources) in order to gradually reduce emissions and energy consumption.

In terms of greenhouse gas emissions and reduction management, the Suao Plant focuses on controlling energy consumption in its manufacturing processes and products. The plant employs management techniques to reduce combustion energy consumption and electricity usage in potassium sulfate reaction furnaces, implements heat recovery and reuse in combustion processes, and adjusts electricity usage during off-peak hours. Additionally, CO_2 generated in the calcium chloride production process is recovered and transferred to the sodium bicarbonate plant, where it is converted into sodium bicarbonate products for sale, effectively reducing greenhouse gas emissions. Furthermore, the plant area has been greened through continuous tree planting to offset CO_2e missions.

The Company will continue to promote energy conservation measures for the ecological environment, so as to save costs and improving efficiency and at the same time reduce greenhouse gas emissions. The Company utilizes idle vacant land in the plant to plant trees, so as to beautify the environment and suppress CO_2e missions, and create a win-win future for both the enterprise and the environment. Through adjustments in production processes and measures to reduce fuel consumption.

In response to international trends and national policies, Sesoda Corporation has been progressively advancing its carbon reduction process. In addition to the ISO 14064-1 greenhouse gas inventory that began in 2022, the Company has also scheduled ISO 14067 carbon footprint-related operations for 2024, expecting to complete the relevant processes in 2025.

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

(2) Air and Water Pollution Prevention

In addition to establishing comprehensive equipment for air and water pollution prevention, the Company strictly manages pollution control in accordance with relevant regulations. Environmental testing is arranged according to relevant standards, with three air pollution tests and four water pollution tests scheduled for 2024, aiming to comply with regulatory emission standards. Establish abnormal emergency power supply backup equipment and notification processing management system to reduce the risk of abnormal emergency pollutant discharge, and set up recovery treatment facilities for abnormal pollutant discharge to control the quality of air and water discharged from the Main Plant. The impact on the environment is minimized.

To address the effects of global warming, the Company recycles carbon dioxide produced from the calcium chloride process to manufacture sodium bicarbonate, leveraging local production advantages and environmental improvement measures to gradually enhance corporate sustainability.

(3) Water Conservation

The Company's Suao Main Plant still uses groundwater for its production process. Although Yilan has abundant groundwater resources, the Suao Main Plant still actively saves and makes good use of water resources. In addition to setting up a cooling water recovery system, the non-contact cooling water in the process is recovered and cooled for reuse, and the process is actively evaluated to improve and reduce process water consumption. The water level control of the cooling water recovery system has been controlled by the motor frequency conversion of the groundwater extraction system to further save water resources.

As the Suao plant of Sesoda Corporation serves as a facility for process water usage, it is gradually implementing water conservation measures to respond to the impact of climate change on Earth while also fulfilling its corporate responsibilities.

(4) Waste management and resource recycling

The management of industrial waste in the Suao Main Plant is based on waste reduction and resource reuse. Set up special personnel for the management and planning of waste reduction and entry and exit control of the main plant, so that the treatment and disposal of the main plant's industrial waste comply with environmental protection regulations. At present, on the waste in the general plant, employees' domestic waste and general waste are regularly cleaned and transported to the incinerator for treatment, and other resource waste (scrap iron, PVC pipes, packaging bags, etc.) are recycled and processed by resource recyclers.

Sesoda Corporation’s Suao plant maintains a balance between corporate profitability and environmental responsibility. We hope to continue moving forward in the beautiful Lanyang Plain.

(5) Other environmental protection related plans

The Company has always believed that environmental management is a continuous improvement process. In recent years, it has been actively transforming the overall plant environment by greening and beautifying the space, providing a good working environment for employees, and engaging with the local community. In this way, Sesoda’s Suao Main Plant can have a new goal of becoming a “good neighbors” for the residents of its city.

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

2. Community Involvement

For many years, the Company has been committed to promoting family and neighborliness, participating in various festivals and folk activities in the village, and cooperating with non-governmental social welfare organizations to sponsor activity funds or prizes. Having long been involved in activities in the village, we have always been in harmony with its residents. Since the previous year, Sesoda Corporation has maintained ongoing industry–academia cooperation with National Ilan University, providing off-campus internship opportunities to promote exchange and learning between industry and academia.

3. Safety and Health

(1) Safety and Health Management

Implement safety and health education and training every year to ensure that all practitioners can use "safe behavior" and "safe environment" for the sake of safe operations.

Formulate safety and health inspection operations, and take practical actions to review and inspect various operations at any time to forestall and prevent incidents. Establish a series of incident emergency response procedures to protect the personal safety of employees and manufacturers, as well as the property interests of the Company’s investors, and to avoid or reduce the impact of accidents or incidents on families, society, or the environment. While conducting production activities, Sesoda Corporation also emphasizes environmental safety issues and has implemented both ISO 14001 and ISO 45001 to facilitate management and enhance the company’s responsibility to the nation and society.

(2) Work Environment and Employee Safety Protection

The Company's safety and health management is "people"-oriented. Any mechanical equipment and plant configuration in the operating environment must first consider the essential safety of the equipment, the humanized consideration of the configuration design, adequate equipment safety protection facilities and personal protection. The equipment is provided to prevent incidents and protect the safety of personnel in advance. The dust, noise and specific chemical substances in the working environment are all considered in the process design, and the hazard is minimized by engineering design, and supplemented by the standardization of personal protective equipment and operations to reduce the time for employees to contact the hazard source. This is done to ensure the safety of employees.

(3) General Safety Management, Training and Audit

The Company implements various safety and health management operations, such as automatic inspection management regulations, hazardous operation permit regulations, and contractor management regulations. It also conducts safety management and audits, including workplace environment measurement, hazard communication, TPM system inspection, zero-accident reward and punishment operations, and safety and health patrol operations. In terms of education and training, an annual education and training plan is drawn up every year, as required by laws and regulations, to implement relevant safety and health education and training, as well as emergency response drills for in-service employees. It also includes in-service retraining for special operators to ensure that employees comply with the requirements of new laws. The related external training reached 274 hours in 2024.

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	

(4) Working Environment Measurement
In order to ensure the quality of the working environment for employees, the Company is required by laws and regulations to contact qualified inspection agencies every six months to measure dust, sulfuric acid, lighting, and noise in the workplace and its perimeter. This is done to assess environmental quality and ensure compliance with laws and regulations, which are fundamental to providing a safe working environment and protecting employee health. The Main Plant also arranged two labor workplace inspections in 2024.

(5) Emergency Response
The Company's Suao Main Plant stores and stacks various chemicals in the chemical workplace area. In order to prevent the loss of personnel and property, strengthen the ability of plant personnel to respond to emergencies and natural disasters, and implement appropriate response measures in written documents, an emergency response organization for the Main Plant has been established. Additionally, emergency response teams have been set up in each unit to comprehensively evaluate and anticipate possible situations in advance. Emergency response procedures have been developed for various scenarios, including fires, electric shocks, container explosions, earthquakes, typhoons, and the leakage of specific chemical substances (e.g. hydrochloric acid, sulfuric acid, and heavy oils). Each unit must conduct an emergency drill at least once a year, organizing personnel to determine the correct handling procedures through regular education and training. At the same time, personnel should be proficient in the use of safety protection equipment to ensure their safety and the normal operation of the plant, while avoiding environmental impacts and pollution incidents. The damage caused by such incidents will thus be minimized.

(6) Employee Health Promotion
Employees are the Company's greatest asset. For employees' personal safety protection measures at work, in addition to different tasks, adequate personal safety protection equipment is provided to prevent incidents and protect the physical safety of employees, and health inspections for all employees are implemented in accordance with the law. Special health inspections are implemented for special operations personnel to accurately understand the physical conditions of employees. According to legal requirements, the Company employs occupational medicine specialists and nurses to evaluate and counsel employees based on their individual health examination results. Management plans are implemented following the four major guidelines established by the Occupational Safety and Health Administration, including ergonomic hazard prevention plans, abnormal workload-induced illness prevention plans, workplace violence prevention plans, and maternal health protection plans.

(7) Protection Measures for Work Environment and Employees' Personal Safety
The Company is in the traditional chemical raw material manufacturing industry, and has always attached utmost importance to the occupational safety and health of its employees. On its operation, "safety first" is the basic requirement; safe hardware and facilities are provided, and sound machine and equipment protection measures (fences, guards, signs, etc.) are implemented in the manufacturing environment. Standard work procedures are established to ensure operational safety. In addition, work environment inspections (for dust, noise, lighting, concentration of hazardous substances, etc.) and green beautification of the plant are implemented to provide a safe, hygienic, and comfortable work environment. The Company regularly implements

Implementation Items	Implementation Status			Differences from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
occupational safety and health training for operation staff, and in response to special operating requirements, shares of operation staff are sent for external training to obtain qualified training licenses, so as to strengthen their awareness and concepts of operation safety, enhance their safety awareness, and reduce human errors. For the management of contractors, in addition to the implementation of the inbound safety and health coordination operation meeting, the notification of hazards, the control of the prohibition and hot work permit system, and the overhead operation, they all take "safety first" as the prerequisite for work implementation. Employees are the Company's greatest asset. For employees' personal safety protection measures at work, in addition to different tasks, adequate personal safety protection equipment is provided to prevent incidents and protect the physical safety of employees, and health inspections for all employees are implemented in accordance with the law. This is done to accurately understand the physical conditions of employees. In order to encourage employees to pay attention to and participate in safety and health, in addition to implementing the safety and health autonomous management and self-care system, and implementing the "zero incident" reward system, the "safe working hours" of the competition creation unit of each unit is combined with incentive rewards. Corrective punishments are in place in order to improve employees' awareness of safety, thereby eliminating safety hazards.				

Note: The principle of materiality refers to those who have a significant impact on the Company's investors and other interested parties related to environmental, social and corporate governance issues.

(VI) Implementation status of climate-related information

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td>1. The Board of Directors and management supervise and govern climate-related risks and opportunities.</td><td>Sesoda Corporation values the sustainable development of the entire group. The group's Board of Directors is responsible for formulating sustainable development operational strategies and regularly monitors environmental, social, and governance issues that may affect sustainable development.
In 2022, the Sustainable Development Committee (hereinafter referred to as the "Committee") was established. The second Committee consists of the Chairman, Vice Chairman, General Manager, Suao Plant Manager, and two Independent Directors, with the Chairman serving as the convener. The Committee establishes strategic sustainable directions and project implementation.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the enterprise (short-term, mid-term, and long-term).</td><td>After discussions between the company's Sustainable Development Committee cross-departmental team and external experts, six major climate-related physical risks and two major climate-related opportunities were identified. Additionally, although the policy risk arising from renewable energy regulations did not reach a significant score in the identification process, considering that the current contract capacity will soon reach 5,000kW, it was also included as a major risk after discussions between the Sustainable Development Committee and external experts.</td></tr>
<tr><td>3. Description of the financial impact of extreme climate events and transition actions.</td><td>
<table>
<tr><th>Risks/Opportunities Category</th><th>Risks/Opportunity Topics</th><th>Period</th><th>Risk/Opportunity description</th><th>Description of financial impact</th></tr>
<tr><td>Transformation Risks</td><td>Regulations - Renewable Energy Act</td><td>Short- to mid-term</td><td>According to Article 12 of the Renewable Energy Development Act, major electricity users must gradually increase their renewable energy usage ratio each year. Failure to meet these standards will result in payment of fees.</td><td>Investment in solar power generation equipment is required, with a contractual commitment to purchase 10% renewable energy based on the agreed capacity.</td></tr>
<tr><td>Transformation Risks</td><td>Laws and regulations – Greenhouse Gas Management Act</td><td>Short- to mid-term</td><td>Under the 2050 net-zero emissions policy, the government plans to gradually implement carbon fees starting in 2025, with free allowances to be eliminated from 2030.</td><td>Due to increasing long-term carbon emission costs, ISO 14064-1 has been implemented for greenhouse gas inventory and external verification to ensure compliance.</td></tr>
</table>
</td></tr>
</table>

	Transformation Risks	Regulations - Carbon Border Adjustment Mechanism (CBAM)	Mid- and long-term	The EU and other regional markets will impose carbon tariffs on products with higher carbon emissions, with implementation expected to begin in 2034.	Carbon content in products will be reduced through energy material recycling and carbon dioxide emission reduction measures.
	Transformation Risks	Market – Customers Changes in behavior	Mid- and long-term	International and domestic customers are demanding emission reductions, requiring compliance with SBTi or other climate initiatives. Failure to comply will impact market competitiveness and business expansion opportunities.	The costs of low-carbon product development and verification are increasing, potentially necessitating the implementation of SBTi and product carbon footprint inventory in the future.
	Transformation Risks	Market – rising cost of raw materials	Short- to mid-term	Changes in carbon tax and energy policies have caused rising prices of raw materials and electricity, which in turn affect production costs.	It is necessary to assess the adoption of low-carbon raw materials and energy solutions to reduce carbon costs and production risks.
	Physical Risks	Short-term extreme climate – flooding	Short-term	The rising frequency of sea level and heavy rains has caused equipment damage and repair costs to affect production.	The area is not easily flooded in the scenario simulation, but may require an increase in the production insurance coverage or additional disaster prevention facilities.
	Physical Risks	Long-term climate change – water shortage	Long-term	Water resource shortages could affect manufacturing processes and production efficiency, potentially leading to reduced operations or shutdowns for certain production lines.	This risk was identified in preliminary meetings; however, the facility has backup groundwater wells, so this risk was subsequently ruled out.

<table>
<tr><td rowspan="2"></td><td>Opportunities (Resource efficiency)</td><td>Market – Development of low-carbon products and services</td><td>Short- to mid-term</td><td>Recycle of waste gas into low-carbon products through carbon capture, and application to agriculture or other markets.</td><td>The CO2e emitted from the recycling process was made into small sintering to sell, to assess the feasibility of other recycling and reuse.</td></tr>
<tr><td>Opportunities (Resource efficiency)</td><td>Resource efficiency - Recycling and Reuse</td><td>Mid- and long-term</td><td>Improving the production process, enhancing the recycling of waste gas and energy utilization efficiency, such as transforming waste gas into fuel.</td><td>Enhance the performance of the anti-blast furnace fuel and promote the recycling and reuse of waste heat.</td></tr>
<tr><td>4. Describe the identification, assessment and management procedures for climate risks, and how they are integrated into the overall risk management system.</td><td colspan="5">Our company follows the Task Force on Climate-related Financial Disclosures (TCFD) framework to identify and assess potential financial risks and opportunities related to climate change. Through corresponding management strategies, we mitigate potential losses and seek transformation opportunities to create long-term value for the Company.
To ensure that climate change risk management processes are integrated with our overall risk management system, our Sustainability Development Committee is responsible for overall planning and for convening high-level managers from various departments to facilitate cross-departmental communication. Following the TCFD framework, we identify relevant risks and opportunities related to climate change issues and formulate response strategies and risk management approaches. Based on the TCFD framework, the Company's risk and opportunity identification, assessment, and management processes are as follows:
Establish TCFD Project Team
• Convene cross-departmental meetings and engage external experts to provide guidance.
Risk and Operational Assessment Scope
• Identify businesses affected by climate change and conduct finance-related educational training.
Risk and Opportunity Identification
• Collect data through internal questionnaires to identify physical risks (acute/chronic) and transition risks (policy, technology, market, reputation).
• Screen and prioritize risks, formulating response measures.
Scenario Analysis
• Analyze risks and financial impacts based on IEA (2.5°C/1.5°C) and TCCIP (AR6) climate scenarios.
Strategy Development
• Develop response measures and management costs, with feasibility confirmed by management review.</td></tr>
</table>

	Indicator and Target Setting • Set risk management targets. Release TCFD Report • Publicly disclose risk management results on the official website.
5. If using scenario analysis to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and main financial impacts used.	The Company uses scenario analysis to assess the impact of climate change risks on operations, selecting applicable international and regional climate scenarios to evaluate financial impacts and operational resilience. Scenarios Used • International Energy Agency (IEA) climate scenarios: STEPS (Stated Policies Scenario, 2.5°C) and NZE (Net-Zero Emissions Scenario, 1.5°C) • Taiwan Climate Change Impact Scenarios (TCCIP (AR6) SSP1-2.6/SSP5-8.5): Maximum consecutive non-rainfall days in the second half of the year. • Extreme Rainfall Scenarios (National Disaster Prevention and Protection Center): 24-hour duration rainfall reaching 650mm. Parameters and Assumptions • Based on climate change trends and environmental conditions, simulate possible weather changes, such as extended drought periods and increased rainfall intensity. • Establish different policy and market change conditions to analyze impacts on operations. Analysis Factors • Physical risks (Acute risks: extreme weather events such as heavy rainfall, drought; Chronic risks: long-term climate change impacts). • Transition risks (policy and regulatory changes, market changes, technological developments, reputational risks). Main Financial Impacts • Conduct financial impact estimates to evaluate the effects of climate change risks on operating profit. For details, please refer to the Company's "2024 Climate-Related Financial Disclosures Report."
6. If there is a transition plan for managing climate-related risks, explain the content of the plan and the indicators and targets used to identify and manage physical and transition risks.	The Company's transition plan summary is as follows, with detailed content available in the Company's "2024 Climate-Related Financial Disclosures Report." Sustainable Product Development: Promoting CO_2 recycling process to produce industrial sodium bicarbonate, liquefied CO_2, and inorganic sludge mixed fertilizer, increasing sales proportion with targets of 2.06% in 2024, 3% by 2030, and 5% by 2050.

	Renewable Energy Usage: Starting from 2025, introduce 10% renewable energy usage, with 2030 target of 4% self-generated solar power consumption, and by 2050 achieve 10% through combined self-generated solar power and purchased green electricity. Scope 1 and 2 Total Emissions for Suao Main Plant: Using 2022 as the baseline year, we plan to gradually reduce carbon emissions, with a 5% reduction by 2024, a 20% reduction by 2030, and achieving net-zero carbon emissions by 2050. Water Resource Management: Water consumption per unit of product will be reduced by 13% by 2024, 15% by 2030, and 18% by 2050. The reclaimed water utilization ratio is currently 0% and will remain unchanged in the short to medium term.
7. If internal carbon pricing is used as a planning tool, the basis for price determination should be explained.	The Company has not yet adopted internal carbon pricing.
8. If climate-related targets have been set, the activities covered, greenhouse gas emission scopes, planning timeline, and annual progress toward achievement should be disclosed; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related targets, the source and quantity of carbon reduction credits or the quantity of RECs should be explained.	The Company's climate-related goals encompass energy use, carbon emission management, sustainable product development, and water resource management, aimed at reducing the operational impact on the environment. Using the Suao Main Plant's 2022 as the baseline year, we plan emission reduction targets for Scope 1 and Scope 2, with a long-term goal of achieving net-zero carbon emissions by 2050. Regarding planning timeline, targets, and achievement status for 2023, please refer to the Company's "2024 Climate Change-Related Financial Disclosure Report."

9. 2023 Greenhouse Gas Inventory and Assurance

<table>
<tr><td colspan="3">The Company's basic information

□ Companies with capital exceeding NT$10 billion, steel industry, cement industry

□ Companies with capital between NT$5 billion and NT$10 billion

■ Companies with capital less than NT$5 billion</td><td colspan="2">Based on the sustainability development roadmap regulations for listed companies, the minimum disclosure requirements:
■ Parent company individual inventory
□ Subsidiary inventory under consolidated financial reports
■ Parent company individual assurance
□ Subsidiary assurance under consolidated financial reports</td></tr>
<tr><td>Scope 1</td><td>Total emissions
(metric tons CO_2e)</td><td>Intensity
(metric tons CO_2e/million NTD)</td><td>Assurance Agency</td><td>Assurance Description</td></tr>
<tr><td>Parent Company</td><td>49,964.2163</td><td>11.53</td><td rowspan="4">The greenhouse gas related data for 2023 was inventoried with guidance from the Green Productivity Foundation, followed by verification conducted by AFNOR International Co., Ltd.</td><td rowspan="4">ISO 14064-1 implementation was completed in April 2024.</td></tr>
<tr><td>Subsidiary</td><td>No information for now</td><td>No information for now</td></tr>
<tr><td>…(Note 1)</td><td>No information for now</td><td>No information for now</td></tr>
<tr><td>Total</td><td>49,964.2163</td><td>8.19</td></tr>
<tr><td>Scope 2</td><td>Total emissions
(metric tons CO_2e)</td><td>Intensity
(Metric tons CO_2e/NT$ million)</td><td>Assurance Agency</td><td>Assurance Description</td></tr>
<tr><td>Parent Company</td><td>8,928.9892</td><td>2.19</td><td rowspan="4">The greenhouse gas related data for 2023 was inventoried with guidance from the Green Productivity Foundation, followed by verification conducted by AFNOR International Co., Ltd.</td><td rowspan="4">ISO14064-1 implementation was completed in April 2024.</td></tr>
<tr><td>Subsidiary</td><td>No information for now</td><td>No information for now</td></tr>
<tr><td>…(Note 1)</td><td>No information for now</td><td>No information for now</td></tr>
<tr><td>Total</td><td>8,928.9892</td><td>1.50</td></tr>
<tr><td>Scope 3</td><td colspan="4">No information for now</td></tr>
</table>

10. 2024 Greenhouse Gas Inventory and Assurance

The Company's basic information	Based on the sustainability development roadmap regulations for listed companies, the minimum disclosure requirements:
□ Companies with capital exceeding NT$10 billion, steel industry, cement industry □ Companies with capital between NT$5 billion and NT$10 billion ■ Companies with capital less than NT$5 billion	■ Parent company individual inventory □ Subsidiary inventory under consolidated financial reports ■ Parent company individual assurance □ Subsidiary assurance under consolidated financial reports

Scope 1	Total emissions (metric tons CO_2e)	Intensity (Metric tons CO_2e/NT$ million)	Assurance Agency	Assurance Description
Parent Company	50,495.2273	7.93	The greenhouse gas related data for 2024 was inventoried with guidance from the Green Productivity Foundation, followed by verification conducted by AFNOR International Co., Ltd.	ISO 14064-1 internal audit was completed in March 2025, and the third-party verification statement is expected to be obtained in April.
Subsidiary	No information for now	No information for now		
…(Note 1)	No information for now	No information for now		
Total	--	7.93		
Scope 2	Total Emissions (metric tons CO_2e)	Intensity (metric tons of CO_2e/NT$ million) (Note 2)	Assurance Agency	Description of Assurance Engagements (Note 3)
Parent Company	11,282.4747	1.77	The greenhouse gas related data for 2024 was inventoried with guidance from the Green Productivity Foundation, followed by verification conducted by AFNOR International Co., Ltd.	ISO14064-1 internal audit was completed in March 2025, and the third-party verification statement is expected to be obtained in April.
Subsidiary	No information for now	No information for now		
…(Note 1)	No information for now	No information for now		
Total	--	1.77		
Scope 3	No information for now			

Note 1: The parent company entity began carbon inventory in 2022 and started verification in 2023.

Subsidiaries included in the consolidated financial statements are planned to begin carbon inventory in 2026 and start verification in 2027.

(VII) Performance of ethical corporate management and the differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons

Assessment Items	Operational Status (Note)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
1. Formulation of ethical management policy and plans				
(1) Does the Company have an ethical corporate management policy approved by the board of directors, and clearly state the ethical corporate management policy and practice in the internal regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the corporate management policy?	V		Our Company is committed to adhering to laws and ethical standards. In addition to complying with the Company Act, the Securities and Exchange Act, and other regulations, we uphold the corporate culture of "Diligence and Simplicity" with business principles of integrity, fairness, transparency, self-discipline, and responsibility. The Board of Directors has approved the establishment of our Ethical Corporate Management Best-Practice Principles, with the President's Office serving as the implementation unit to formulate and execute various ethical policies, establish sound corporate governance and risk control mechanisms, and pursue the Company's sustainable development. The Board of Directors and senior management have also committed to actively implementing and supervising the execution of integrity management policies.	There is no deviation from the spirit of Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(2) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, covering at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company has established stringent behavioral standards and ethical guidelines in our "Code of Ethical Conduct," with clearly defined reward and disciplinary provisions. Directors, managers, and employees of the Company, as well as those of affiliated enterprises and subsidiaries, are strictly prohibited from directly or indirectly offering, promising, requesting, or accepting any improper benefits or engaging in other behaviors that violate integrity, laws, or fiduciary duties, in order to prevent corrupt practices, misappropriation of funds, bribery, breaches of confidentiality, falsification, or other dishonest behaviors.	There is no deviation from the spirit of Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(3) Does the Company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them, and regularly review and revise the plan?	V		In our "Ethical Corporate Management Best-Practice Principles," the Company clearly states its ethical standards policy for honest business operations, along with relevant operational procedures, behavioral guidelines, whistleblowing mechanisms, disciplinary measures for violations, and grievance procedures. We have also established the "Code of Ethical Conduct," and regularly review these systems to adapt to practical needs.	There is no deviation from the spirit of Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.

Assessment Items	Operational Status (Note)			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary Description	
2. Implementation of Ethical Corporate Management				
(1) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	V		All contracts signed by the Company with external parties for business activities include integrity conduct provisions. Additionally, the Company conducts integrity investigations and verification procedures on stakeholders such as customers and suppliers to prevent dishonest behaviors that could harm the Company's interests.	There is no deviation from the spirit of Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(2) Has the Company established a dedicated unit under the Board of Directors to promote corporate ethical management and does it regularly report (at least once a year) to the board of directors on its ethical management policies, plans for preventing dishonest behavior, and supervision and implementation?		V		Currently, there is a promotional unit but it is not dedicated. In the future, we will move toward regular reporting to the Board of Directors.
(3) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	V		The Company has explicitly stipulated in the "Ethical Corporate Management Best-Practice Principles" and "Code of Ethical Conduct" that employees must strictly comply with the code of conduct regarding conflict of interest avoidance, proactively report matters of ethical concern such as conflicts of interest, and has established non-compete clauses to prevent conflicts of interest.	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(4) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?	V		The Company has established an effective and comprehensive accounting system and internal control mechanism, and built a professional and independent internal audit operational structure. This operational structure is divided into three major levels: the first level is executed by the Audit Office, which reports to the Company's Board of Directors. The Audit Office establishes an annual audit plan to examine compliance with regulations and systems, thus reducing the risk of dishonest behavior. The second level is implemented by the enterprise. The General Management Office conducts periodic advocacy to	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.

			implement the spirit of internal control at all levels of the Company.	
(5) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	V		The Company actively educates employees through advocacy, cultivating work ethics and attitudes based on integrity, fairness, transparency, self-discipline, and responsibility in ethical corporate management. Furthermore, regulatory advocacy and anti-corruption training courses are held annually to strengthen employees' firm commitment to compliance with ethical corporate management standards.	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
3. Operation of the Company's reporting system				
(1) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?	V		The Company has established a "Code of Integrity" and a "Whistleblowing System," creating clear and appropriate whistleblowing channels and appointing designated personnel to handle such matters. For whistleblowing cases that are verified to be true, the Company will reward the whistleblower. The Company will continue to encourage employees to actively report any suspected illegal or unethical conduct, and actively encourage employees to report through the whistleblowing mailbox when they suspect or discover potential violations of relevant laws, regulations, or ethical codes of conduct.	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(2) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	V		The Company has established a "Whistleblowing System" and actively conducts investigations of reported matters according to established internal operating procedures while maintaining confidentiality.	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
(3) Has the Company taken measures to protect whistleblowers from retaliation due to reporting?	V		The Company has established a "Whistleblowing System" that protects whistleblowers from improper treatment as a result of their reporting.	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies, and implementation has been carried out.
4. Does the Company disclose its Integrity Management Code content and implementation results on its website and the Market Observation	V		The Company has established an official website and discloses relevant information in its annual report, company website, and on the Market Observation Post System (Corporate Governance	There is no deviation from the spirit Ethical Corporate Management Best Practice Principles for TWSE /

Post System?			section).	GTSM Listed Companies, and implementation has been carried out.
5. If the Company has its own ethical corporate management best-practice principles in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, please state the differences between its operations and the principles: Explanation: No significant differences.				
6. Other important information helpful to understand the Company's ethical corporate management operation (such as the Company's review and amendment of the ethical corporate management best-practice principles): Explanation: None.				

Note: Whether checked "yes" or "no" for the operation, a description shall be made in the summary description field.

(VIII) Other situations sufficient to enhance the operation of corporate governance:

1. Follow the internal control system, continuously and effectively implement, implement internal control self-inspection, strengthen audit and report to the Board of Directors so that the directors can understand, and then achieve the purposes of attention and supervision.
2. Implement the spokesperson system, make information transparent, and fully disclose relevant material information, so that shareholders have equal rights to information.
3. Continue to arrange courses for the further education of directors to implement the spirit of corporate governance from the Board of Directors.

(IX) Implementation status of internal control system

1. Internal Control System Statement

Sesoda Corporation
Internal Control System Statement

Date: March 14, 2025

Based on the results of the self-assessment, the Company hereby states the following on its internal control system for the year 2024:

1. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
2. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the company takes corrective action.
3. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in “the Regulations” include five elements depending on the management control process: 1. environment control, 2. risk assessment, 3. control process, 4. information and communication, and 5. supervision. Each element further encompasses several sub-elements. Please refer to “the Regulations” for details.
4. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
5. Based on the evaluation results in the preceding paragraph, the Company believes that as of December 31, 2024, for its internal control systems (covering supervision and management of subsidiaries), which include an understanding of the effectiveness of operations and the extent to which efficiency goals are achieved, the reporting is reliable, timely, transparent, and compliant with relevant laws and regulations, and the design and implementation of relevant internal control systems are effective to reasonably ensure the achievement of the objectives above.
6. The Statement of Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. The Company shall be held liable for misrepresentation or nondisclosure in the above content, according to Articles 20, 32,171, and 174 of the Securities and Exchange Act.
7. This statement was approved by the Company’s Board of Directors on March 14, 2025. Among the 11 directors present all agreed to the content of this statement.

Sesoda Corporation

Chairman: Chen Jung-Yuan

General Manager: Liu Chih-Yung

2. If a CPA is retained for the conduct of the internal audit system, disclose the Auditor’s Report:

None

(X) Important resolutions of shareholders' meetings and board meetings in the most recent year and as of the printing date of the annual report:

1. Shareholders' meeting proposals

<table>
<tr><td colspan="3">Summary of content</td></tr>
<tr><td colspan="3">Shareholders' Meeting</td></tr>
<tr><td>Date of resolution</td><td>Proposal</td><td>Resolution results and implementation status</td></tr>
<tr><td rowspan="4">May 21 2024</td><td>The 2023 Business Report and Financial Statements (including Consolidated Financial Statements).</td><td>Resolution:
Approved: 149,789,676 for 97.87% of voting rights
Opposed: 31,832 for 0.02% of voting rights
Abstentions and non-voting: 3,220,601 for 2.10% of voting rights
The original motion was acknowledgment for this proposal in with the voting result.
Implementation Status:
The matter shall be handled in accordance with the resolution of the shareholders' meeting.</td></tr>
<tr><td>2023 Earnings distribution proposal</td><td>Resolution:
Approved: 150,031,033 for 98.03% of voting rights
Opposed: 77,006 for 0.05% of voting rights
Abstentions and non-voting: 2,934,070 for 1.91% of voting rights
The original motion was acknowledgment for this proposal in with the voting result.
Implementation Status:
The Board of Directors resolved on May 6, 2024 to set June 8, 2024 as the record date for cash dividend entitlement, with cash dividends to be distributed on July 1, 2024.</td></tr>
<tr><td>Amendment to the Articles of Incorporation</td><td>Resolution:
Number of approval rights: 150,053,628 for 98.04% of voting rights
Opposed: 33,080 for 0.02% of voting rights
Number of abstentions and non-voting rights: 2,955,401 rights 1.93%
The original motion was passed for this proposal in with the voting result.
Implementation Status:
The matter shall be handled in accordance with the resolution of the shareholders' meeting.</td></tr>
<tr><td>Revision of the Company's "Rules of Procedure for</td><td>Resolution:
Number of approval rights: 150,045,458 for 98.04% of voting rights
Opposed: 32,132 for 0.02% of voting rights</td></tr>
</table>

	Shareholders' Meetings"	Number of abstentions and non-voting rights: 2,964,519 rights 1.93% The original motion was passed for this proposal in with the voting result. Implementation Status: The matter shall be handled in accordance with the resolution of the shareholders' meeting.
	Election of the Company's 11 directors for the 25th term (including three independent directors)	Resolution: List of elected directors: Sincere Industrial Corporation Representative: Chen Kai-Yuan Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan Zhengbang Investment Co., Ltd. Representative: Chen Li-Te Sincere Industrial Corporation Representative: Chen Cheng-Te Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li Sincere Industrial Corporation Representative: Chu Yuan-Hua San De International Investment Co., Ltd. Representative: Chen Yi-Te San De International Investment Co., Ltd. Representative: Wen Kuo-Lan List of elected independent directors – Wang Po-Hsin Tsao Ming Chu Jih-Chuan Implementation Status: The 25th Board of Directors has taken office on July 1, 2024.
	Removal of non-competition restriction on the Company's directors (including representatives of corporate directors) and independent directors	Resolution: Number of approval rights: 145,572,754 for 95.11% of voting rights Number of opposition rights: 4,476,213 for 2.92% of voting rights Number of abstentions and non-voting rights: 2,993,142 rights 1.95% The original motion was passed for this proposal in with the voting result. Implementation Status: The matter shall be handled in accordance with the resolution of the shareholders' meeting.

2. Board meeting proposal

<table>
<tr><th>Board of Directors</th><th>Date</th><th>Proposal content and subsequent handling</th><th>§14-5 of the Securities Exchange Act</th></tr>
<tr><td rowspan="7">24th Term 22nd session</td><td rowspan="7">February 19, 2024</td><td>In accordance with the Remuneration Committee’s resolution:
(1) Issuance of additional employee incentive bonuses for 2023.
(2) Dragon Boat Festival, Mid-Autumn Festival, and year-end bonuses for employees and directors who perform executive duties and receive salaries for 2024.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Appointment of annual legal counsel.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Setting the date and location for the 2024 Annual Shareholders’ Meeting.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Processing the matters relating to the 2024 Annual Shareholders’ Meeting proposal.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Processing the matters relating to the nomination period for director candidates of the 2024 Annual Shareholders’ Meeting.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Matters concerning the list of director candidates nominated by the Board of Directors.
Resolution result: Approved by all directors present</td><td></td></tr>
<tr><td>Matters concerning the renewal of facility agreements with banks.
Resolution result: Approved by all directors present</td><td>V</td></tr>
<tr><td>24th Term 23rd session</td><td>March 11, 2024</td><td>Matters concerning the distribution of employee compensation, special bonus, and directors’ remuneration for 2023.
Resolution result: Approved by all directors present</td><td></td></tr>
</table>

		Business report for 2023. Resolution result: Approved by all directors present	
		The 2023 Financial Statements (including Consolidated Financial Statements). Resolution result: Approved by all directors present	V
		2023 Earnings distribution proposal Resolution result: Approved by all directors present	
		2023 Cash dividend distribution proposal Resolution result: Approved by all directors present	
		Statement of internal Control System for 2023 proposal Resolution result: Approved by all directors present	V
		Matters concerning the establishment of the "Regulations for the Exercise of Authority by Representatives of Juristic Persons during Overseas Assignments." Resolution result: Approved by all directors present	
		Matter concerning the re-election of the 25th Board of Directors. Resolution result: Approved by all directors present	
		Matter concerning the removal of the non-competition restrictions for the 25th Board of Directors and Independent Directors. Resolution result: Approved by all directors present	V
		Matter concerning subsidiary's capital increase in sub-subsidiary. Resolution result: Approved by all directors present	V
		Matter concerning sub-subsidiary's loan to subsidiary. Resolution result: Approved by all directors present	V
		Matters concerning the renewal of facility agreements with banks. Resolution result: Approved by all directors present	V

		Renewal of credit facility agreement with bank, then transferring for subsidiary's use and providing endorsement and guarantee. Resolution result: Approved by all directors present	V
		Matter concerning the appointment of accountants for the group's financial and tax certification for 2024. Resolution result: Approved by all directors present	V
24th Term 24th session	March 25, 2024	Disposal of equity of East Tender Optoelectronics Co., Ltd. Resolution result: Approved by all directors present	V
24th Term 25th session	May 6, 2024	Proposal for determing the base date of cash dividend rights distribution Resolution result: Approved by all directors present	
		Matters concerning the renewal of facility agreements with banks. Resolution result: Approved by all directors present	V
		Subsidiary's renewal of credit facility agreement with bank, with the Company providing endorsement and guarantee. Resolution result: Approved by all directors present	V
		Renewal of credit facility agreement with bank, then transferring for subsidiary's use and providing endorsement and guarantee. Resolution result: Approved by all directors present	V
		Appointment of representatives as directors and supervisors of subsidiaries and sub-subsidiaries. Resolution result: Approved by all directors present	
		Appointment of annual legal counsel. Resolution result: Approved by all directors present	
		Proposal for re-appointment of Director of Main Plant, Suao Main Plant. Resolution result: Approved by all directors present	
		Proposal to increase employee meal allowance. Resolution result: Approved by all directors present	

		Proposal of financial statements for the three months ended March 31, 2024 Resolution result: Approved by all directors present	V
25th Term 1st session	July 1, 2024	Proposal of nomination of Director Chen Kai-Yuan as the Honorary President Resolution: Director Chen Kai-Yuan, Director Chen Li-Te, Vice Chairman Chen Cheng-Te, and Director Chen Yi-De recused from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Proposal of nomination of Director Wu Chung-Li as the candidate for the Honorary Vice President. Resolution: Director Wu Chung-Li recused from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Proposal of nomination of Director Chen Li-Te as the President. Resolution: Director Chen Li-Te, Director Chen Kai-Yuan, Vice Chairman Chen Cheng-Te, and Director Chen Yi-De recused from discussion and voting, while other directors present unanimously passed the proposal without objection.	
		Proposal of Vice Chairman Chen Cheng-Te concurrently serving as CEO. Resolution: Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Proposal of Liu Chih-Yung serving as the acting President. Resolution result: Approved by all directors present	
		Proposal of Huang Chih-Cheng serving as the business director. Resolution result: Approved by all directors present	
		Proposal of changing spokesman and acting spokesman.	

		Resolution result: Approved by all directors present	
		Amendment to the organizational rules of the Sustainability Committee. Resolution result: Approved by all directors present	
		Appointment of members for the second Sustainability Committee. Resolution results: Director Tsao Ming, Director Chu Jih-Chuan, Chairman Chen Jung-Yuan, Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Appointment of members for the sixth Remuneration Committee. Resolution results: Director Wang Po-Hsin and Director Chu Jih-Chuan recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Matters concerning the renewal of facility agreements with banks. Resolution result: Approved by all directors present	V
25th Term 2nd session	August 12, 2024	Overdue accounts receivable of Hwahsia Glass Co., Ltd. exceeding 90 days are not in the nature of fund lending. Resolution result: Approved by all directors present	V
		Proposal of financial statements for the three Article ended June 30, 2024 Resolution result: Approved by all directors present	V
		Subsidiary's renewal of credit facility agreement with bank, with the Company providing endorsement and guarantee. Resolution result: Approved by all directors present	V
		Contract signing of credit facilities with banks Resolution result: Approved by all directors present	V

		Re-appointment of Chairman representative of East Tender Optoelectronics Co., Ltd. Resolution result: Approved by all directors present	
		Establish the “Employee Bonuses Policy.” Resolution result: Approved by all directors present	
		Determination of the attendance fee for the 6th Remuneration Committee members. Resolution results: Director Wang Po-Hsin and Director Chu Jih-Chuan recused from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Determination of the attendance fee for the 3rd term of Audit Committee members. Resolution results: Director Wang Po-Hsin, Director Tsao Ming and Director Chu Jih-Chuan recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.	V
		Determination of the attendance fee for the 2nd term of the Sustainable Development Committee. Resolution results: Director Tsao Ming and Director Chu Jih-Chuan withdrew from the meeting and did not participate in the discussion and voting. The remaining directors present unanimously agreed to pass the motion.	V
		Proposal of review of the salary of the Acting President. Resolution result: Approved by all directors present	
		Determination of the monthly transportation allowance for directors of the 25th term. Resolution result: Approved by all directors present	V
		Resolution on the remuneration of the 25th-term Chairman and Directors. Resolution results: Chairman Chen Jung-Yuan, Vice Chairman Chen Cheng-Te, Director Chen Li-Te, Director Chen Kai-Yuan, Director Wu Chung, and Director Chen Yi-De recused themselves from discussion and voting, while other directors present unanimously passed the proposal without objection.	V

25th Term 3rd session	September 30, 2024	Distribution of employee incentive bonuses for 2024. Resolution result: Approved by all directors present	
		Proposal of capital increase in Yukari Co., Ltd. Resolution result: Approved by all directors present	V
25th Term 4th session	November 8, 2024	E-Teq Venture Co., Ltd.'s investment in GOLDEN ASPEN TOTAL RETURN FUND I. Resolution result: Approved by all directors present	V
		Subsidiary's renewal of credit facility agreement with bank, with the Company providing endorsement and guarantee. Resolution result: Approved by all directors present	V
		Contract signing of credit facilities with banks Resolution result: Approved by all directors present	V
		Nomination of representatives to serve as directors and supervisors of subsidiaries (sub-subsidiaries) whose terms are about to expire. Resolution result: Approved by all directors present	V
		Establishment of internal audit plans for “the Company” and its “subsidiaries” for 2025. Resolution result: Approved by all directors present	
		Amendment to Property Management Regulations. Resolution result: Approved by all directors present	
		Proposal of statements for the third quarter of 2024 Resolution result: Approved by all directors present	V
25th Term 5th session	December 23, 2024	2025 Business Objectives Resolution result: Approved by all directors present	
		Decision not to participate in East Tender Optoelectronics' cash capital increase for 2024. Resolution result: Approved by all directors present	V
		Matter concerning sub-subsidiary's loan to subsidiary.	V

		Resolution result: Approved by all directors present	
		Contract signing of credit facilities with banks Resolution result: Approved by all directors present	V
		In accordance with the Remuneration Committee's resolution: (1) Advance distribution of partial employee compensation for 2024 totaling NT$46,000,000, to be paid in two installments before Lunar New Year. (2) Advance distribution of partial directors' compensation for 2024 totaling NT$19,000,000, to be paid in two installments before Lunar New Year. (3) Proposal to maintain the tradition in 2025 of providing employees and directors who perform executive duties and receive salaries with Dragon Boat Festival and Mid-Autumn Festival bonuses of 15 days each and year-end bonuses of 30 days. Resolution result: Approved by all directors present	

All of the above proposals were approved with no objections or reservations from all members of the Audit Committee.

(XI) Different opinions of directors on important resolutions passed by board meetings, with records or written statements in place in the most recent year and up to the date of publication of the annual report: None.

IV. Certifying Accountant' Fee Information

(I) Are the non-audit public expenses paid to the certifying accountant or the certifying accountant's firm and its affiliates more than one-fourth of the audit fee? see the table below for details.

Currency unit: NTD thousand

Accounting firm name	Accountant name	Accountant audit period	Audit fees	Non-audit fees (Note 1)	Total	Remarks
KPMG Taiwan	Chen Ya Lin Tang Chia-Chien	January 1, 2024 – December 31, 2024	2,650	780	3,430	Note 2

Note 1: The main tasks involve tax certification and consultation, employee payroll verification, and investment structure tax clarification.

Note 2: The Company does not have matters listed in paragraph 5, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(II) Whether the Company has changed its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.

(III) Whether the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

V. Accountant Change Information:

No such situation.

VI. The Company's chairman, general manager, or manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year:

No such situation.

VII. Equity transfer and equity pledge of directors, managers, and shareholders whose shareholding ratio exceeds 10% in the most recent year

(I) Changes in the shareholdings of directors, managers and major shareholders:

Unit: Shares

Title (Note)	Name	2024		From the current year up to March 18	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in the number of pledged shares
Chairman	Zhengbang Investment Co., Ltd. Representative: Chen Jung-Yuan	0	1,700,000 (3,800,000)	0	0
Vice Chairman	Sincere Industrial Corporation Representative: Chen Cheng-Te	0	0	0	0
Director	Sincere Industrial Corporation Representative: Chen Kai-Yuan	0	0	0	0
Director	Zhengbang Investment Co., Ltd. Representative: Chen Li-Te	0	1,700,000 (3,800,000)	0	0
Director	Sincere Industrial Corporation Representative: Chu Yuan-Hua	0	0	0	0
Director	San De International Investment Co., Ltd. Representative: Chen Yi-Te	0	0	0	0
Director	San De International Investment Co., Ltd. Representative: Wen Kuo-Lan	0	0	0	0
Director	Yalan Investment Consulting Co., Ltd. Representative: Wu Chung-Li	0	0	0	0
Independent Director	Tsao Ming	0	0	0	0
Independent Director	Wang Po-Hsin	0	0	0	0
Independent Director	Chu Jih-Chuan	0	0	0	0
General Manager	Liu Chih-Yung (Date assumed office: July 1, 2024)	0	0	0	0
Director	Huang Chih-Cheng	0	0	0	0
Deputy General Manager	Chen Yi-Te	0	0	0	0
Deputy General Manager	Lin Shu-Yuan	0	0	0	0
Director of Main Plant:	Shih Yueh-Hui	0	0	0	0

Vice Plant Director	Hsu Teng-Hui	0	0	0	0
Associate Manager	Chiu Chuang-Chien	0	0	0	0
Finance Supervisor	Chen Chih-Chun	0	0	0	0
Department of Management/ Accounting Supervisor	Chu Ching-Yun	0	0	0	0
Audit Supervisor	Li Yen-Ling	0	0	0	0
Corporate Governance Supervisor	Huang Mei-Ling	0	0	0	0
Deputy General Manager	Wu Hui-Feng (Date dismissed from office: August 19, 2024)	0	0	0	0
General Manager	Huang Chih-Cheng (Date dismissed from office: July 1, 2024)	0	0	0	0

Note: Shareholders holding more than 10% of the Company's total shares shall be marked as major shareholders and listed separately.

(II) Where the counterparty of the equity transfer is a related party: None.

(III) Where the counterparty of the equity pledge is a related party: None.

VIII. Information on the relationship among the top ten shareholders in terms of shareholding ratio

March 18, 2025

Name	Number of shares personally held		Spouse and minor children holding shares		Total holding of shares in the names of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Remarks
	Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Number of Shares	Percentage of shareholding	Name (Or name)	Relationship with the Company	
Zhengbang Investment Co., Ltd. Responsible person: Chen Kai-Yuan	16,086,588 0	6.46% 0	0 0	0 0	0 0	0 0	Chen Yi-Te	Father and son	
Chu Ying-Piao	12,650,048	5.08%	0	0	0	0	Chu Hsiang-Hua	Father and son	
Citibank custodian for UBS Europe SE investment account	8,107,906	3.26%					--	--	
Forbson International Co., Ltd. Responsible person: Chu Hsiang-Hua	7,720,328 0	3.10% 0	0 0	0 0	0 0	0 0	Chu Ying-Piao	Father and son	
SinoPac Securities Corporation as custodian for SinoPac Securities (Asia) Limited investment account	5,800,243	2.33%	0	0	0	0	--	--	
San De International Investment Co., Ltd. Responsible person: Chen Kai-Yuan	5,414,533 0	2.17% 0	0 0	0 0	0 0	0 0	Chen Yi-Te	Father and son	
Zhifu Investment Co., Ltd. Responsible person: Chao Tien-Hsing	5,023,945 0	2.02% 0	0 0	0 0	0 0	0 0	--	--	
Yalan Investment Consulting Co., Ltd. Responsible person: Wu Chung-Li	4,379,542 4,283,199	1.76% 1.72%	0 856,914	0 0.34%	0 0	0 0	Wu Chung-Li	Responsible person	
Wu Chung-Li	4,283,199	1.72%	856,914	0.34%	0	0	Yalan Investment Consulting Co., Ltd. Mr. Zhong-Yae Wu Education Charity Foundation	Responsible person Same	
Mr. Zhong-Yae Wu Education Charity Foundation Responsible person: Wu Chung-Li	4,130,662 4,283,199	1.66% 1.72%	0 856,914	0 0.34%	0 0	0 0	Wu Chung-Li	Responsible person	

IX. The Company, its directors, managers, and enterprises directly or indirectly controlled by the Company that hold shares in the same reinvestment enterprise, and the calculation of the combined comprehensive shareholding ratio:

December 31, 2024

Reinvested business	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Number of shares (share)	Percentage of shareholding (%)	Number of shares (share)	Percentage of shareholding (%)	Number of shares (share)	Percentage of shareholding (%)
Assessment using the equity method:						
Sesoda Steamship Corporation	10	100.00	-	-	10	100.00
Todian Trading Co., Ltd.	3,200,000	100.00	-	-	3,200,000	100.00
Yukari Co., Ltd.	2,600,000	100.00	-	-	2,600,000	100.00
Donghua Technology Co., Ltd.	10,380,000	100.00	-	-	10,380,000	100.00
Yun Sheng Investment Co., Ltd.	3,000,000	100.00	-	-	3,000,000	100.00
Sesoda Investment (BVI) Ltd.	880	50.00	880	50.00	1,760	100.00

III. Status of Fundraising

I. Capital and Shares

(I) Sources of capital

Year month	Issuing price (NT$)	Authorized capital		Paid-in capital		Remarks						
						Source of equity capital (NT$ thousand)					Property other than cash contributed as equity capital	Others
		Number of shares (thousand shares)	Amount (NT$ thousand)	Number of shares (thousand shares)	Amount (NT$ thousand)	Capital increase in cash	Surplus transferred to capital	Employee bonus	Capital surplus	Capital reduction in cash		
1957/02	100	100	10,000	100	10,000	10,000	-	-	-	-	None	None
1958/12	100	260	26,000	260	26,000	16,000	-	-	-	-	None	None
1959/06	100	340	34,000	340	34,000	8,000	-	-	-	-	None	None
1960/09	100	420	42,000	420	42,000	8,000	-	-	-	-	None	None
1961/07	100	520	52,000	520	52,000	10,000	-	-	-	-	None	None
1964/11	10	6,000	60,000	6,000	60,000	8,000	-	-	-	-	None	None
1967/12	10	7,000	70,000	7,000	70,000	-	10,000	-	-	-	None	None
1968/12	10	8,000	80,000	8,000	80,000	3,300	6,700	-	-	-	None	None
1970/11	10	9,000	90,000	9,000	90,000	-	10,000	-	-	-	None	None
1978/07	10	11,250	112,500	11,250	112,500	-	22,500	-	-	-	None	None
1978/11	10	16,830	168,300	16,830	168,300	-	-	-	55,800	-	None	None
1980/05	10	20,028	200,277	20,028	200,277	-	31,977	-	-	-	None	None
1981/07	10	30,000	300,000	30,000	300,000	34,032	65,691	-	-	-	None	None
1982/06	10	32,700	327,000	32,700	327,000	-	-	-	27,000	-	None	None
1984/11	10	39,567	395,670	39,567	395,670	-	52,320	-	16,350	-	None	None
1985/08	10	53,020	530,198	53,020	530,198	-	118,701	-	15,827	-	None	None
1986/07	10	60,071	600,714	60,071	600,714	-	60,973	-	9,543	-	None	None
1987/07	10	69,082	690,821	69,082	690,821	-	80,496	-	9,611	-	None	None
1988/06	10	79,444	794,444	79,444	794,444	-	95,333	-	8,290	-	None	None
1989/06	10	85,403	854,028	85,403	854,028	-	55,611	-	3,973	-	None	None
1990/06	10	98,213	982,132	98,213	982,132	-	128,104	-	-	-	None	None
1991/07	10	108,184	1,081,845	108,184	1,081,845	-	98,213	1,500	-	-	None	None
1992/06	10	150,000	1,500,000	119,163	1,191,629	-	88,711	1,600	19,473	-	None	None
1993/06	10	150,000	1,500,000	133,331	1,333,307	-	140,612	1,066	-	-	None	None
1994/06	10	150,000	1,500,000	140,069	1,400,687	-	66,665	715	-	-	None	None
1995/06	10	150,000	1,500,000	147,177	1,471,771	-	70,035	1,049	-	-	None	None
1996/05	10	154,607	1,546,071	154,607	1,546,071	-	44,153	712	29,435	-	None	None
1997/05	10	185,800	1,858,000	162,409	1,624,094	-	46,382	719	30,922	-	None	None
1998/05	10	228,000	2,280,000	178,809	1,788,091	-	138,048	1,588	24,361	-	None	None
1999/05	10	228,000	2,280,000	189,638	1,896,382	-	76,888	1,005	30,398	-	None	None
2000/06	10	228,000	2,280,000	193,431	1,934,310	-	20,860	-	17,068	-	None	None

Year month	Issuing price (NT$)	Authorized capital		Paid-in capital		Remarks						
						Source of equity capital (NT$ thousand)					Property other than cash contributed as equity capital	Others
		Number of shares (thousand shares)	Amount (NT$ thousand)	Number of shares (thousand shares)	Amount (NT$ thousand)	Capital increase in cash	Surplus transferred to capital	Employee bonus	Capital surplus	Capital reduction in cash		
2001/05	10	228,000	2,280,000	210,453	2,104,529	-	154,745	-	15,474	-	None	None
2007/07	10	228,000	2,280,000	157,840	1,578,397	-	-	-	-	526,132	None	None
2013/06	10	228,000	2,280,000	165,732	1,657,316	-	78,919	-	-	-	None	None
2014/06	10	228,000	2,280,000	174,018	1,740,182	-	82,866	-	-	-	None	None
2015/06	10	228,000	2,280,000	182,719	1,827,192	-	87,009	-	-	-	None	None
2016/06	10	228,000	2,280,000	191,855	1,918,551	-	91,360	-	-	-	None	None
2017/06	10	228,000	2,280,000	201,448	2,014,479	-	95,928	-	-	-	None	None
2019/06	10	250,000	2,500,000	211,520	2,115,203	-	100,724	-	-	-	None	None
2020/06	10	250,000	2,500,000	228,442	2,284,419	-	169,216	-	-	-	None	None
2021/08	10	300,000	3,000,000	249,002	2,490,017	-	205,598	-	-	-	None	None

Note: The effective (approved) date and document number of each capital increase (decrease) are as follows:

July 02, 1981 Zhengguan (70) No. 0011
June 26, 1982 Zhengguan (71) No. 0995
November 26, 1984 (73) Taizaizheng (1) No. 3350
August 1, 1985 (74) Taizaizheng (1) No. 00925
July 14, 1986 (75) Taizaizheng (1) No. 00722
July 08, 1987 (76) Taizaizheng (1) No. 00642
June 13, 1988 (77) Taizaizheng (1) No. 08469
June 20, 1989 (78) Taizaizheng (1) No. 24714
June 14, 1990 (79) Taizaizheng (1) No. 01238
July 04, 1991 (80) Taizaizheng (1) No. 01369

June 15, 1992 (81) Taizaizheng (1) No. 01242
June 10, 2014 SFB No. 1030022005
June 08, 1993 (82) Taizaizheng (1) No. 01465
June 21, 1994 (83) Taizaizheng (1) No. 28250
June 10, 1995 (84) Taizaizheng (1) No. 32131
May 21, 1996 (85) Taizaizheng (1) No. 32297
May 21, 1997 (86) Taizaizheng (1) No. 41352
May 21, 1998 (87) Taizaizheng (1) No. 45295
May 06, 1999 (88) Taizaizheng (1) No. 39929
June 23, 2000 (89) Taizaizheng (1) No. 54356

May 10, 2001 (90) Taizaizheng (1) No. 126499
July 9, 2007 SFB No. 0960028671
June 24, 2013 SFB No. 1020024396
June 10, 2015 SFB No. 1040021917
June 4, 2016 FSC approved
June 3, 2017 FSC approved
June 24, 2019 FSC approved
Approved by the FSC on June 5, 2020
August 4, 2021 FSC approved

March 18, 2025

Type of shares	Approved share capital			Remarks
	Outstanding shares (Note)	Unissued shares	Total	
Common stock	249,001,651	50,998,349	300,000,000	Listed company shares

Information concerning the collective reporting system: Not applicable.

(II) List of major shareholders (with shareholding ratios falling within the top ten)

March 18, 2025

Name	Number of shareholding	Percentage of ownership
Zhengbang Investment Co., Ltd.	16,086,588	6.46%
Chu Ying-Piao	12,650,048	5.08%
Citibank custodian for UBS Europe SE investment account	8,107,906	3.26%
Forbson International Co., Ltd.	7,720,328	3.10%
SinoPac Securities Corporation as custodian for SinoPac Securities (Asia) Limited investment account	5,800,243	2.33%
San De International Investment Co., Ltd.	5,414,533	2.17%
Zhifu Investment Co., Ltd.	5,023,945	2.02%
Yalan Investment Consulting Co., Ltd.	4,379,542	1.76%
Wu Chung-Li	4,283,199	1.72%
Mr. Zhong-Yae Wu Education Charity Foundation	4,130,662	1.66%

(III) Company dividend policy and implementation status

1. Dividend policy:

   If there is a surplus in the Company’s annual final accounts, it shall first pay taxes to make up for the accumulated losses over the years. A 10% withdrawal is the legal reserve, but this is not the limit when the legal reserve has reached the Company’s paid-in capital. Furthermore, a special reserve shall be allocated or transferred according to laws and regulations or the competent authority. If there is still a surplus, the balance plus undistributed surplus earnings accumulated in previous years is the amount of dividends that can be distributed to shareholders. In addition, no less than 1% of the distributable amount shall be allocated for the distribution of shareholder dividends. The Board of Directors shall draft a distribution proposal and submit it to the shareholders meeting for distribution after resolution.

   For the Company's distribution of dividends and bonuses or in respect to all or part of the legal reserve and capital reserve as stipulated in Article 241, Paragraph 1 of the Company Act, where cash is distributed it shall be authorized by resolution of Board of Directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting.

The Company's capital structure and long-term financial planning shall be considered in response to the Company's long-term development. The Company's dividend policy shall be to reflect operational performance and is based on the principle of balanced dividend distribution. As part of this approach, the proportion of cash dividend distribution shall be no less than 20% of the current year’s dividends. The dividend may be distributed in cash in its entirety. All the dividends may be paid in cash.

2. Proposed dividend distribution for presentation to this year’s Shareholders’ Meeting:

   Shareholders’ cash dividends: NTD 498,003,302 will be distributed from the cumulative distributable surplus in 2024, for NTD 2 per share.

(IV) The impact of free allotment proposed by the shareholders’ meeting on the Company’s operating performance and earnings per share:

The Company has not publicly announced financial forecasts this time, nor are there instances of “stock dividends without consideration”; therefore, this is not applicable.

(V) The Company’s buyback of its own shares: None.

(VI) Remuneration of Employees and Directors

1. The percentage or scope of remuneration for employees and directors, as set out in the Articles of Incorporation:

   The Company shall allocate 4.8% of the current year’s profit to employees and 1.2% of the special bonus, and the Company shall distribute directors’ remuneration not exceeding 2.5% of the current year’s profit. However, if the Company still has accumulated losses, these shall first be made up.

   The current year's profit as mentioned in the preceding paragraph refers to the current year's pre-tax earnings before deducting the distribution of employee remuneration, special incentives and directors' remuneration.

   The distribution of employee remuneration, special incentives and directors’ remuneration shall be made by the Board of Directors with more than two-thirds of the directors attending and a resolution approved by more than half of the directors present, and this shall be reported to the shareholders’ meeting.

   Employee remuneration and special incentives can be paid in stock or cash and the recipients may include employees of affiliated companies who meet certain conditions.

2. Remuneration distribution approved by the Board of Directors:

   (1) Employee remuneration distributed in cash was NTD 66,360,577, special incentives came to NTD 16,590,144, and directors' remuneration totaled NTD 34,562,801.

   (2) The amount of employee remuneration distributed by shares and its proportion of the total amount of after-tax net profit in the entity or individual financial report and the total employee remuneration for the current period: Not applicable.

3. The actual distribution of employee remuneration (including special incentives) and remuneration to directors in the prior year:

   The employee’s remuneration distributed in cash is NT$692,851, the special reward is NT$173,213, and the director’s remuneration is NT$360,860.

II. Handling of corporate bonds: None.

III. Disposal of preferred shares: None.

IV. Circumstances of handling overseas depositary receipts: None.

V. Handling of employee stock options: None.

VI. Handling of restricted employee shares: None.

VII. Handling of M&A or transfer of shares of other companies to issue new shares: None.

VIII. Implementation status of fund utilization plan: None.

IV. Operation Overview

I. Business content

(I) Business Scope

1. Main business items of the Company and its subsidiaries:

(1) Core Industrial Chemical Business

A. Production and sales of fertilizers (potassium sulfate) and subsidiary products, including potassium sulfate, hydrochloric acid, liquid calcium chloride anhydrous sodium, and baking soda.

B. Import, sale and re-export business of basic chemical raw materials such as soda ash, baking soda, calcium chloride, mixed calcium phosphate, ammonium bicarbonate, anhydrous sodium sulfate, hydrogen peroxide, potassium chloride and solar salt.

(2) Subsidiary shipping business: ship leasing business.

(3) Subsidiary catering business: catering business.

2. Main content of the business

Unit: NTD Thousand

Business item	2024 revenue	Operating profit contribution (%)
Manufacturing-chemical products	3,771,464	59.24
Trade-chemical products	618,080	9.71
Shipping transport	1,944,062	30.54
Catering	32,335	0.51
Car transportation	297	0.00
Others	0	0.00
Total	6,366,238	100.00

Remarks: Among the chemical products, the manufactured items include potassium sulfate, hydrochloric acid, liquid calcium chloride, and baking soda; the traded products consist of soda ash, baking soda, anhydrous sodium sulfate, potassium chloride, and sun-dried salt.

3. Product items of the company and its subsidiaries:

(1) Chemical products: Manufacture and sale of potassium sulfate, hydrochloric acid, liquid calcium chloride, and baking soda; import, trading and sale of soda ash, baking soda, anhydrous sodium sulfate, potassium chloride, solar salt, and calcium chloride related products.

(2) Subsidiary Vessel Transportation: Provides rental services for handysize bulk carriers, operating on a time charter basis.

(3) Subsidiary catering: Provision of on-site cooked/prepared food and beverages for in-store consumption by the public.

4. New products planned for development

(1) Core Industrial Chemical Business

A. Make use of the Company's existing experience and reputation in the basic chemical industry, seek opportunities for cooperation or agency with internationally renowned manufacturers, increase trade items or invest in the manufacturing of high value-added products.

B. The production of specialty chemicals or the introduction of sales agencies has grown simultaneously with the development opportunities of Taiwan's electronics industry and other emerging industries.

C. Develop toward product diversification, increase product categories to improve product portfolio, and provide customers with more complete and comprehensive services.

D. Enhance storage and transportation functions and improve services to facilitate market development and business development.

E. Guided by customer needs, develop different specifications of potassium sulfate to increase sales profit.

F. Open up new markets and new customers for potassium sulfate, and reduce the risk of regional demand and economic fluctuations.

(2) Subsidiary shipping business

Continue to focus on the lightweight bulk carrier dust business, maintain the good condition of the fleet and stay in the best operating condition. In response to customer needs and realizing profits, flexibly adjust the aged fleet in a timely manner, and eliminate existing old ships when necessary.

(3) Subsidiary catering business

A. Give priority to improving the visibility of self-made brands.

B. Continue to develop Japanese cuisine and catering with market potential.

C. Provide meticulous and flexible adjustment services, healthy and fresh ingredients of the season, and a comfortable and relaxing dining environment.

(II) Industry Overview

1. Industry Status and Development

(1) Core Industrial Chemical Business

Two main product lines – A. Potassium sulfate B. Soda ash

A. Potassium sulfate is an inorganic salt with the chemical formula K_2SO_4, a compound that is high in sulfur and potassium but low in chlorine. It appears as white or light yellow crystals. Due to its low hygroscopicity, resistance to caking, good physical properties, ease of application, and excellent water solubility, it is a high-quality and efficient pure potassium fertilizer. It is mainly used in delicate crops and crops sensitive to chlorine, such as grapes, citrus, root crops and tobacco. It can improve the absorption of nitrogen and phosphorus by crops, and is an indispensable and important fertilizer.

The demand and supply of potassium sulfate are closely linked to the global supply, demand, and price trends of its main raw material, potassium chloride, and are also deeply affected by various countries' economic conditions and global climate changes. In 2024, the rise in demand for potassium fertilizers in Southeast Asian and European markets, along with improvements in agricultural production efficiency, has driven increased demand for potassium fertilizers in these regions. Meanwhile, geopolitical conflicts, such as tensions in the Middle East, have created uncertainty for cargo ship transportation in the Red Sea area, leading to regional supply shortages. This has impacted transportation and costs, resulting in price fluctuations for potassium chloride and potassium sulfate.

In 2024, global potassium sulfate prices showed an upward trend due to increased regional demand and tight supply, with particularly notable performance in China and Western Europe. China imported approximately 12.63 million metric tons of potassium chloride throughout 2024, reaching a historical high, and about 40,000 metric tons of potassium sulfate. Except for the first quarter when demand was affected by holidays, prices began to gradually recover after the second quarter due to seasonal demand and limited market supply. This trend continued through the third and fourth quarters, with overall market demand growth exceeding supply.

Another standout region was Western Europe, which is the world's second-largest potassium sulfate consumption area, second only to China. In the first quarter of 2024, European demand was delayed due to heavy rainfall; however, because supply remained tight, price trends were maintained rather than collapsing. After the second quarter, under conditions of global supply constraints, prices were further pushed upward, keeping potassium sulfate prices at elevated levels.

Meanwhile, according to Argus reports, Russia's and Belarus's potash exports in 2024 have recovered to previous levels and even surpassed them. Russia's potash exports through Chinese ports and China–Russia railway transportation reached a new record of 13.2 million metric tons in 2024, a 29% increase compared to 2023. Belarus's total potash exports increased by 14% from 2023, reaching 10.6 million metric tons. However, due to international sanctions affecting Russia and Belarus, most of these exports went to China, reducing the impact on international market supply, demand, and prices. This maintained a slightly tight supply situation in the global potassium sulfate market throughout 2024, which pushed prices to remain at higher levels.

Entering 2025, as global agricultural production demand gradually recovers, the future potash market shows promising potential. Argus analysts predict that the global potassium chloride market will experience greater upward momentum in the first quarter of 2025, driven by strong demand performance in most major markets. Under the influence of rising potassium sulfate raw material costs and recovering – indeed, expanding – demand for soluble potassium sulfate, it is estimated that the Company's contribution from potassium sulfate sales in 2025 will maintain the levels of 2024. If international shipping costs remain stable, it could achieve even better results.

B. Soda ash is categorized into dense soda ash and light soda ash. It is one of the important chemical raw materials, widely used in the light industry, daily chemicals, glass, chemical industry, food industry, metallurgy, textiles, petroleum, national defense, and other fields.

The growth of the global soda ash market in recent years has been primarily driven by major applications such as flat glass and glass containers. Additionally, usage in industries such as soaps, detergents, dye manufacturing, and colorants has shown steady increases. The growing demand from the construction industry has been a key factor driving the growth of the global soda ash market.

In 2024, the global soda ash market size showed negative growth compared to 2023, mainly due to severe fluctuations in raw material prices caused by global inflation. Most manufacturers operated conservatively, reluctant to carry excess inventory, resulting in a downward trend in soda ash prices. In the first half of the year, demand from mid and downstream customers gradually declined. With increased inventory costs for customers and weakening demand, market prices dropped in a step-by-step manner, leading suppliers to face situations of sufficient inventory but stagnant product sales.

The situation continued to deteriorate in the second half of the year, with many downstream factories reducing production or even suspending operations for months. Upstream inventory accumulation worsened continuously. Due to the clear price advantage of mainland Chinese products, major domestic customers began purchasing directly from China, causing dramatic changes in the Company's sales.

The Company's soda ash sales in 2024 essentially mirrored the global market, fundamentally reflecting a supply exceeding demand phenomenon. Various manufacturers implemented maintenance shutdowns and production cuts, but these measures failed to counteract the weakness in demand. Looking back at the year's greatest challenges in soda ash sales, the first was the continuously declining prices, and the second was inventory management challenges. Under the influence of downstream customers' lack of enthusiasm in taking delivery, our stocking flexibility faced unprecedented challenges, further impacting the Company's sales profitability.

Looking ahead to 2025, soda ash sales are expected to maintain stability while seeking improvement. The first two quarters will remain in a phase of consolidation to secure the basic market position, with hopes for a gradual recovery in the second half of the year. Future trends in shipping prices will be one of the key focus areas, while various policy changes following the inauguration of the new U.S. administration will also be critical points for observation. In the face of aggressive competitive approaches, whether customers can accept the excellent after-sales service provided by the Company will present a significant challenge to our sales performance.

(2) Subsidiary shipping business

Bulk shipping mainly carries bulk materials and basic industrial raw materials. It can be divided into main dry bulk cargo (including iron ore, coal (coal + coking coal) , grain, bauxite and phosphate ore) and secondary dry bulk cargo (including steel products, scrap iron, cement, fertilizer, wood, sugar and salt, etc.). If distinguished according to the carrying tonnage, the types of bulk carriers can be divided into Capesize, Panamax, Supramax, and Handysize. The international freight indexes are mainly BCI, BPI, BSI and BHSI. Each index is composed of spot freight rates for several to dozens of routes, and the Baltic Exchange Dry Index (BDI) is composed of spot prices for major routes of various ship types. On the whole, BDI is an important observation indicator for bulk shipping rates.

Classification of main bulk ship types

Bulk Ship Type	Cape Size	Panamax	(Handymax/Supramax	Handy Size
Tonnage	80,000-200,000 tons	50,000-80,000 tons	40,000-60,000 tons	Below 40,000 tons
Main cargo content	Mainly iron ore, coking coal, coal and industrial raw materials	Mainly civilian resources and grains, sometimes carrying iron ore and coal	Grains, limestone, iron ore, coal, cement and timber, etc.	Grain, limestone, ore sand, coal, cement and wood.
International Quotation Index	BCI	BPI	BSI	BHSI
Features	•Ships with large tonnages cannot cross artificial canals. They must detour through the Strait of Magellan in South America to ports on the East Coast of the United States, mainly on ocean routes.	•Maximum tonnage through the Panama Canal •Mainly carry ocean cargo	•Can carry far and near ocean cargo	•Can carry cargos for far and near oceans, inland rivers and canals.

The Company's shipping business focuses on lightweight bulk carriers mainly because they may sail on a wide range of areas and have a relatively stable supply and demand market compared to other ship types, and the fluctuations in ship prices and rents are relatively stable; these characteristics are in line with the Company's steady and conservative operating spirit.

Handysize bulk carriers, which mainly transport grains and infrastructure materials, experienced lower freight rates in 2024 compared to 2023 due to the slowdown in China's economy. However, the Red Sea crisis extended transportation routes, increasing demand for shipping capacity and providing support for freight rates. The United States began lowering interest rates in the fourth quarter of 2024, slightly reducing the interest cost burden for capital-intensive transportation businesses, allowing them to maintain stable profitability.

(3) Subsidiary catering business

In 2024, the restaurant industry faced significant challenges due to labor shortages and rising import costs causing food ingredient prices to increase substantially. Additionally, several food safety incidents affected Japanese cuisine restaurants that serve raw food, resulting in decreased customer traffic. The Company continues to adjust and implement changes to mitigate these impacts, including adjusting selling prices to increase consumer willingness to spend, with the goal of stabilizing operations in the future.

2. Relevance of the upstream, middle and downstream industries

(1) Core Industrial Chemical Business

A. Sulfate of potash

(a) The upstream industry is mainly potassium chloride and sulfuric acid. The two major sources of potassium chloride are Canada, Russia, and Belarus, which together account for approximately 70% of global production. Due to the high concentration of mineral resources in a handful of regions globally, potassium chloride production has become an oligopolistic industry, with major producers often controlling prices through production volume management to maximize profits.
It is estimated that before the Russia–Ukraine war, global potash fertilizer consumption was approximately 88 million metric tons (of which potassium chloride accounted for about 88% and potassium sulfate about 9%). The International Fertilizer Association (IFA) estimates that in 2022, geopolitical conflicts and related economic sanctions caused Russia and Belarus to significantly reduce supply, resulting in a decrease of approximately 14% in global potash fertilizer supply compared to 2021. Production increases from Canada, Laos, and other regions were insufficient to fill the gap created. Since the second half of 2022, Russia and Belarus have gradually accelerated the restoration of their previous supply volumes. Combined with the new mine in Laos that began producing 1 million metric tons in 2023, this has helped replenish the overall global potassium chloride supply in 2023. Reports indicate that in 2024, new potassium chloride production capacities of 4.3 million metric

tons in Russia and 140,000 metric tons in Jordan will come online.
The International Fertilizer Association estimates that effective potash fertilizer production capacity in 2024 will increase by approximately 9% compared to 2022.

Potassium chloride prices experienced dramatic fluctuations in 2022, rising to a decade-high before dropping by more than half. Currently, market supply and demand are largely balanced, and prices have stabilized. However, when the Russia–Ukraine war ends, regional political conflicts and developments in Russia, Ukraine, Belarus, and Middle Eastern countries, along with global climate and economic prosperity factors, will all impact the stability of potassium chloride supply and demand. In contrast to the significant uncertainties in 2022, the stability and affordability of potash fertilizer supply have greatly improved today. For the production and sales of potassium sulfate, there is an inseparable relationship between global potassium sulfate supply-demand and price trends, and whether potassium chloride supply-demand is stable or imbalanced.

(b) The source of sulfuric acid is mainly a by-product in the process of sulfur production and metal refining. The price of sulfur fluctuates greatly; in the free market, the price is mainly based on supply and demand. The sulfuric acid by-product of metal refining is affected by the prosperity of the refining industry. Generally speaking, sulfuric acid as a by-product has an advantage in price, but how to maintain a stable supply is a challenge.

B. Soda ash – Sodium carbonate (Na_2CO_3), molecular weight 105.99, chemical purity is more than 99.5 (mass fraction) is also called soda ash, but it is classified as a salt, not as an alkali. It is also known as soda or soda ash in international trade. It is an important organic chemical raw material, mainly used in the production of flat glass, glass products and ceramic glaze. It is also widely used in household washing, acid neutralization and food processing.

Sodium carbonate is a white powder that is easily soluble in water. The solution is alkaline (it can make the phenolphthalein solution light red). It can be decomposed at high temperature and will not be decomposed by heating.

There are two well-known techniques for making soda ash. One is the ammonia-soda method, which was developed by Solvay, also known as Soxhlet. The other is the joint soda method; developed by Mr. Hou Debang in the mainland, also known as “Hou’s soda method.” After the successful discovery of trona, the cost has a considerable advantage.

Ammonia soda method:
The raw materials salt (NaCl) and water can be obtained directly. The raw material CO_2 comes from calcined limestone.

Advantages: 1. The raw materials of limestone, salt (NaCl) and water are cheap and easy to obtain.

2. Another raw material, ammonia, can be recycled with less damage.

3. Capable of large-scale continuous production, easy to mechanize and automate, and obtain high-quality soda ash.

Disadvantages: 1. The utilization rate of raw materials is low, causing a large amount of waste liquid containing Cl- to be discharged, which seriously pollutes the environment.

2. Distillation to recover ammonia requires an ammonia distillation tower, which consumes a lot of steam and lime, resulting in long process flow, huge equipment and waste of energy.

The difference between the soda method and the ammonia soda method is the treatment of ammonium chloride. The ammonia soda method is to add quicklime to make ammonia escape, while the soda method is to add salt to crystallize ammonium chloride.

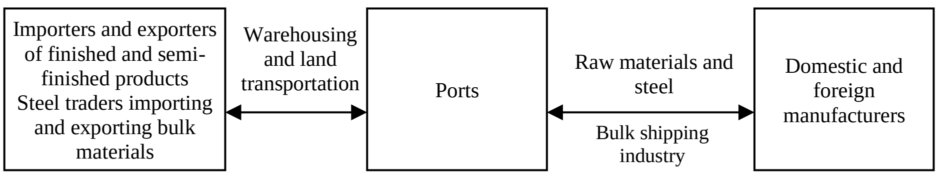
Ammonia-alkali method plants are widely distributed globally, accounting for nearly half of the production capacity. Natural soda ash plants make up about a quarter of the capacity, primarily located in the United States, Turkey, and China. The remaining capacity consists of combined-process soda ash plants, almost entirely situated in China.

2025 will be a pivotal year, with raw material costs having stabilized, and shipping costs returning to reasonable prices except in war zones. In summary, securing stable supply sources and advantageous pricing remains the core competitive edge for maintaining market leadership.

(2) Subsidiary shipping business

The bulk shipping industry is a transportation service industry, and its business scope is mainly to carry bulk goods and bulk goods such as civilian biological materials. Its main demand industries cover almost all industrial divisions and are different from general manufacturing. The production process of the product and the supply of the main original products have no obvious relationship between upstream, middle and downstream.

Diagram of bulk and general cargo aviation industries



(3) Subsidiary catering business

The catering industry covers all aspects of the upstream, midstream, and downstream systems from production, transportation, processing and manufacturing, services to consumption, from the production of raw materials to the back-end service consumption, which can create economic value.

Upstream

Raw material suppliers: beef, pork, mutton, chicken, duck, seafood, fruits and vegetables, groceries, all kinds of tableware, related consumables, etc.

↓

Midstream

Catering service industry: catering chain industry, various specialty restaurants, fast food industry, snack bars

↓

Downstream

Consumers: registered companies, individuals

3. Overall economic and product development trends and product competition

(1) Core Industrial Chemical Business

The global economic recovery in 2024 did not meet expectations due to various factors, and petrochemical product prices collapsed due to dumping from mainland China. The Company’s main product, potassium sulfate, although affected by increased shipping costs, still achieved the expected sales targets for exports. Liquid calcium chloride, which is used in wastewater treatment, has benefited the Company due to increased demand from the expansion of semiconductor fabrication plants.

Looking ahead to 2025, the global economy will continue to face numerous challenges, including the policies of the new US President, asynchronous monetary policies among central banks worldwide, prospects for China’s real estate market, and the continued expansion of AI applications in 2024. While global trade in goods has been warming up, the recovery pace varies across manufacturing industries, resulting in slow global economic growth. Policies such as reducing corporate taxes, raising tariffs on trading partners to 20%, increasing tariffs on China to 60%, repealing the Inflation Reduction Act and green energy subsidies, and revitalizing the petrochemical industry will impact Taiwan’s overall trade performance.

A. Sulfate of potash

According to the International Fertilizer Association (IFA), in traditional market cycles, the balance between fertilizer supply and consumption typically depends on cost competitiveness and crop production demands. Since the Russia–Ukraine war, concerns about the sufficiency of fertilizer supply capacity have impacted and been reflected in short-term fertilizer consumption. Compared to nitrogen and phosphate fertilizers, potash is the nutrient element most affected by capacity disruptions. Due to the global distribution of mineral resources, potash production is concentrated in a few countries. Russian potassium chloride accounts for approximately 20% of global supply, and over 80% of capacity expansion in the coming years is expected to come from Russia. Therefore, global potassium chloride consumption will inevitably be constrained by supply capacity. Once global geopolitical risks rise again or economic factors lead to supply-demand imbalances, most countries dependent on potassium chloride imports will face high risks of potential supply tightness and shortages.

Consequently, the global potassium chloride market, due to the chain reaction triggered by the Russia–Ukraine war and geopolitical factors, experienced price spikes in 2022 followed by an avalanche-like price drop, with supply exceeding rather than decreasing as previously expected. Potassium sulfate prices have also fluctuated following the rise and fall of its main raw material, potassium chloride. In 2023, the impact of geopolitics has already superseded the pandemic in driving the fertilizer economy. As Russian and Belarusian potassium chloride supplies gradually stabilize, the global potassium chloride supply, demand, and prices have finally stabilized. Potassium sulfate, however, remains in tight supply and is insufficient to meet demand, with the price gap between it and potassium chloride widening. The future supply, demand, and price outlook for potassium sulfate will be influenced by when the Russia–Ukraine war ends, the resolution of the Israel–Palestine conflict, and the Red Sea shipping crisis.

In 2023, many global potassium sulfate producers faced challenges in clearing high-priced raw materials and inventories. However, beginning in the fourth quarter, customer inventory levels dropped to low points, while increasing demand drove price recovery, coupled with tight supply. Additionally, since China's fertilizer export controls were not relaxed as expected, Chinese potassium sulfate exports did not truly return to the international market, causing potassium sulfate prices to gradually rise to relatively high levels before stabilizing. The introduction of approximately 786,000 metric tons of new potassium sulfate production capacity in China, Sweden, and Pakistan in 2024, plus geopolitical factors in 2025, will create impacts and challenges for global potassium sulfate supply, sales, and price competition that remain to be seen.

B. Soda Ash

The outlook for soda ash prices in 2025 is pessimistic, with most companies in China experiencing losses. Demand for soda ash is unlikely to see significant improvement, while on the supply side, production may decrease due to losses, though companies are reluctant to exit the market voluntarily. The Company's soda ash sales in 2025 face substantial difficulties due to the influence of Chinese export prices. In 2024, the soda ash market endured multiple challenges, with prices fluctuating downward, supplies remaining loose, and inventories excessively high. The soda ash market will continue to face oversupply pressure, but opportunities also exist. It is necessary to closely monitor market dynamics and policy changes, flexibly employing various strategies to address market uncertainties.

(2) Subsidiary shipping business

In terms of shipping demand: Despite slow economic growth, demand for shipping capacity in 2024 showed only slight increases. Regarding shipping supply, the volume of new vessels entering the market is expected to increase in 2025. However, if the Russia–Ukraine war and Red Sea crisis subside, this will release shipping capacity, causing changes in the types of supply and demand for shipping. Handysize vessels will also have opportunities to compete with larger vessels like Capesize in inland sea/river shipping.

(3) Subsidiary catering business

Due to inflation and changes in consumer spending habits, food and beverage businesses face challenges in 2025 beyond adjusting ingredients and consumer positioning, including creating favorable environments to retain both staff and customers.

(III) Technology and R&D Overview

1. Core Industrial Chemical Business

(1) Successfully developed technologies or products:

A. The Suao plant has implemented big data infrastructure for its production processes. Through statistical analysis of the collected data, they have established a foundation for process improvements. For example, they enhanced the heavy oil combustion efficiency of potassium sulfate reactors and strengthened detection control of combustion exhaust emissions, effectively reducing oil consumption and lowering costs. Considering carbon emission reduction, in 2024 they initiated testing of biofuel co-firing methods to effectively reduce carbon emissions. Additional measures include vacuum degree monitoring of equipment and real-time environmental video surveillance, which effectively oversees environmental protection and industrial safety.

B. To actively respond to international carbon reduction trends, avoid future carbon tax expenditures, and pursue global carbon neutrality goals, they have implemented calcium chloride process improvements by adding vertical continuous digestion towers to replace the original horizontal digestion tanks. This effectively resolves acid gas dispersion and air pollution issues in the original process, while using smaller diameter limestone particles to improve process efficiency and space utilization. They also capture and reuse carbon dioxide gas generated in the calcium chloride process, using sodium carbonate as raw material to produce sodium bicarbonate products. In the production process, they have improved the traditional manufacturing flow and researched crystallization particle size control parameters to enhance sodium bicarbonate product quality. The sodium bicarbonate production line successfully commenced operations in 2024, marketed as a “green product” produced locally with a reduced carbon footprint and effective carbon dioxide emission reduction. This has enabled them to successfully supply the rapidly growing market for incinerator flue gas treatment applications as the only domestic manufacturer serving the Taiwan market.

C. Their self-manufactured sodium bicarbonate has also received support from the Ministry of Economic Affairs through the Manufacturing Industry Low-Carbon and Smart Upgrade Transformation Guidance Program for large enterprises supporting smaller ones. They have successfully entered the development phase of calcium looping carbon capture sodium bicarbonate green process technology. The related project continued in 2024.

D. In response to environmental waste reduction policies, lower-grade mixed acid from the potassium sulfate production process is combined with an appropriate amount of calcium chloride for reaction. After centrifugal separation, washing, and dehydration, high-purity calcium sulfate is produced. This has successfully reached mass production and is now providing stable supplies to major domestic cement manufacturers as an important raw material for cement production, achieving a successful model of a circular economy.

E. To actively address the issue of calcium chloride content in inorganic sludge from the calcium chloride production process, we collaborated with a major domestic sludge treatment equipment manufacturer to jointly develop a sludge washing and filter pressing process. After undergoing process design, equipment selection, and actual testing, we have successfully built low-chlorine inorganic sludge treatment equipment that can effectively reduce the chloride ion content in inorganic sludge. Combined with downstream drying equipment to reduce moisture content, this not only effectively lowers outsourcing treatment costs but also enhances subsequent applicability. Utilizing its high calcium and magnesium content, we plan to develop potassium-containing mixed fertilizers in response to market demand.

F. Considering the trend of consumer usage in the international market for granular potassium sulfate, we continue to develop the appearance of spherical granular potassium sulfate to expand granular potassium sulfate sales. We have currently mastered the relevant production technology and identified relevant production equipment suppliers. After conducting on-site equipment inspections, we will be able to set up the related production equipment.

(2) Future R&D Business Development Plan

A. Following the international market consumer trend for spherical granular potassium sulfate, continue to develop the appearance of spherical granular potassium sulfate to expand granular potassium sulfate sales.

Benefit: expanding product market and enhancing product competitiveness.

B. Development of potassium/magnesium/calcium mixed fertilizer, integrating existing diverse materials to develop new fertilizer products, and planning to provide customized mixed fertilizers to the market according to different regional soil conditions.

Benefits: Expanding into new markets, diversifying product sales, and creating growth momentum.

C. Capturing carbon dioxide gas generated from the calcium chloride production process, purifying and liquefying it under high pressure for supply to general industrial/food industrial/semiconductor industrial applications.

Benefits: Reducing carbon emissions, avoiding carbon tax, turning waste into resources, enhancing corporate image.

D. Capturing carbon dioxide gas produced from the calcium chloride manufacturing process and using sodium carbonate as raw material, through the carbonation crystallization process, to reproduce sodium bicarbonate for industrial use, with expansion capability based on market demand.

Benefits: Reducing carbon emissions, avoiding carbon tax, turning waste into resources, enhancing corporate image.

2. Subsidiary shipping business: as service industry, it is not applicable.

3. Subsidiary catering business: service industry, not applicable.

(IV) Long-term and short-term business development plans:

1. Core Industrial Chemical Business

【Short-term plan】:

(1) After the container shipping costs have stabilized and the global potassium chloride supply has become steady, we will fully utilize the REACH registration required for exporting potassium sulfate to the EU market and devote all our efforts to developing the European market.

(2) Consolidate the sources of potassium sulfate customers, strengthen quality, and meet the needs of different customers in various markets.

【Medium and long-term plan】:

(1) The introduction of production or sales agency opportunities for specialty chemicals has grown simultaneously with the vigorous development of Taiwan's electronics industry.

(2) Diversifying product development, providing customers with comprehensive integrated services, seeking new applications for existing products, expanding the customer base in new industries, and increasing sales volume. In response to the rising awareness of environmental protection, Taiwan’s waste

incinerators will use sodium bicarbonate (baking soda) in Europe and the United States to replace the currently used liquid caustic soda and nitrate lime to remove sulfur or reduce chlorine; many tenders with incineration plants are under negotiation in recent years (it is expected that more than 20 waste incineration plants in Taiwan will adopt the same in ten years).

2. Subsidiary shipping business

【Short-term plan】:

(1) Monitor shipping market trends, allocate a mix of long and short-term charters.

(2) Strengthen positive interactions with financial institutions, control and reduce costs.

【Long-term plan】:

(1) Shipping is an industry with a high concentration of capital. In addition to operating profits and financing from financial institutions, participation in the capital market is one of the options for the development of the shipping industry.

(2) As the fleet continues to expand, in addition to maintaining close cooperation with existing lessors, introduce new customers at the appropriate time.

(3) Continue to replace old vessels with new ones at appropriate times.

3. Subsidiary catering business

【Short-term plan】:

(1) Further enhance the Company's product image and brand awareness.

(2) Attract and cultivate outstanding talents.

(3) Improve business performance.

【Long-term plan】:

(1) Continue to improve customer satisfaction and loyalty.

(2) Develop new brands and develop new customer groups.

II. Market and production and sales overview

(I) Market analysis

1. Main product sales areas

(1) Domestic and foreign sales contributions:

Unit: NTD Thousand

Year / Product	2024					
	Domestic sales			Exports		
	Amount	Propor-tion	Market share	Amount	Propor-tion	Market share
Manufacturing-chemical products	1,113,702	17.49%	70%	2,657,762	41.75%	2%
Trade-chemical products	617,420	9.70%	30%	660	0.01%	-
Shipping transport	-	-	-	1,944,062	30.54%	-
Catering	32,335	0.51%	-	-	-	-
Car transportation	297	-	-	-	-	-
Others	-	-	-	-	-	-
Total	1,763,754	27.70%	-	4,602,484	72.30%	-

(2) Contributions of major export regions:

A. Core Industrial Chemical Business

Region	2024 annual proportion
Pakistan	18.38%
Japan	17.56%
India	12.00%
Other regions (none attaining 10%)	52.06%
Total exports	100.00%

B. Subsidiary shipping business

Region	2024 annual proportion
Singapore	42.84%
Denmark	34.31%
Other regions (none reached the 10% standard)	22.85%
Total exports	100.00%

C. Subsidiary catering business: Not applicable.

2. Market supply and demand in the future

(1) Core Industrial Chemical Business

【Fertilizer category】

Potassium sulfate, as a premium potassium fertilizer, is projected by the International Fertilizer Association (IFA) to grow at a compound annual growth rate of 5.0%, primarily due to global population growth and an increasing demand for high-quality agricultural products. The estimated global annual demand for potassium sulfate is nearly 8 million metric tons. Although China is the world’s largest producer of potassium sulfate, with an estimated production capacity of over 5 million metric tons accounting for more than half of global capacity, it is also the world’s largest consumer of potassium fertilizers, including potassium sulfate. As a result, China is a net importer of potassium fertilizers. Excluding China’s figures, global demand is distributed approximately as follows: 1–1.2 million metric tons from Europe; 300,000–350,000 metric tons from the United States; and 650,000–750,000 metric tons from Latin America and Africa, with the remainder coming from the Middle East, Asia, Australia, New Zealand, and other regions and countries.

The International Fertilizer Association (IFA) expects that the global market for lithium will be balanced between supply contraction and demand expansion in 2025, and the median price will rise significantly compared to that in 2024. The main factors influencing the political and economic impact, as well as transportation risks – such as the US–China tariff war and the US tariff increase on Canadian lithium-ion battery packs – will affect Canada’s export volume and price. This, in turn, could lead to potential price volatility, influencing global demand and supply dynamics, and prompting the restructuring of the global supply chain. The other important factor is the shipping cost, including the Red Sea shipping crisis and the Russo-Ukrainian conflict, which may interfere with international logistics prices and thus change the regional supply and demand situation.

In response to the uncertainties of supply and demand in the region, China has been maintaining its export restrictions on fertilizers. The market expects the authority to lift the export restrictions in 2024. However, the actual situation is different. Therefore, little sulfuric acid is exported. However, the government is very flexible and quick to adjust and change its domestic market demand. Therefore, it is necessary to keep an eye on the situation. Once China fully opens, it will have a significant impact on the supply and demand for sulfuric acid in the international market. In response to this, the Company will continue to maintain a strategy of expanding the diversified market and reduce the sales risk in certain regions as much as possible, in order to flexibly respond to the impact of any single market with major changes and maintain a market strategy of full production and full sales.

【Soda Ash】

Like the United States and Turkey, China has abundant natural resources. However, due to the low purity of the ore, mining is more difficult. In recent years, the problem of outdated technology has been gradually overcome, and the supply has increased significantly. In addition, as the environmental protection issues in the raw material manufacturing industry are becoming more and more important, the traditional ammonia nitrite method has a large amount of waste gas generated in the production process, which leads to great environmental pressure. The expansion of the production capacity of the domestic ammonia nitrite method is gradually being restricted. According to estimates, the total production capacity of China, North America and Europe accounts for 80% of the global production capacity.

Looking ahead to 2025, although the economic recovery is slowing down, it is expected that the 8 million metric tons of production capacity of the FZtech Inc. project will be fully put into production in January 2024, and the supply and demand in the pure iron market in China and even the world will be increasing.

(2) Subsidiary shipping business

The market supply and demand in 2024 is expected to be equal to that in 2023.

(3) Subsidiary catering business

The pandemic has ravaged certain segments in Taiwan's dining market, which has boosted up demand in the market. However, inflation will affect the demand of the middle-income consumer group.

3. Product Niche

(1) Core Industrial Chemical Business

A. The pre-estimated global sulfuric acid market will increase by 5.0% per annum.

B. The small size vessels are with a large sailing area, and the basic demand is greater than that of other vessels.

C. In the case of a slow economy and high inflation, they are more competitive.

(2) Subsidiary shipping business

Handysize ships have a large sailing area and a more stable basic demand than larger ships. They are more competitive when the economy slows down and inflation rises.

(3) Subsidiary catering business

Due to the high acceptance of Japanese food and beverages by Taiwanese people, Japanese food has a large market in Taiwan. Since the subsidiary catering business was established, it has focused on Japanese food as its development goal. With high-quality healthy food and service quality, it is expected to cooperate with other catering industry participants to create market segmentation and create a niche.

4. Favorable and unfavorable factors for development prospects, and countermeasures

(1) Core Industrial Chemical Business

【Development Vision】

A. Favorable factors

Countermeasures: In addition to maintaining a long-term operation and stable supply strategy, the Company has expanded its storage capacity in recent years, established a transportation fleet, expanded the scope of serving customers, and established its position as a major supplier in the market.

B. Unfavorable factors and specific countermeasures

For existing trade products, price competition in the domestic market is fierce.

Countermeasures: In addition to maintaining a long-term operation and stable supply strategy, the Company has expanded its storage capacity in recent years, established a transportation fleet, expanded the scope of serving customers, and established its position as a major supplier in the market.

【Development Prospects - Cutting into the Production of Special Niche Chemicals】

A. Favorable factors:

Look for opportunities for the manufacturing of specialty chemicals together with the vigorous development of Taiwan’s electronics industry (foundry and LCD panels).

B. Unfavorable Factors and Specific Countermeasures:

Production technology acquisition and authorization, market know-how mastery and development are still under research and development.

(2) Subsidiary shipping business

A. Favorable factors

Many of the Company's chemical suppliers are internationally renowned shipping companies, and the Company is also familiar with miners due to relations in the chemical industry; these relations may provide a stable and reliable source of potential customers for the fleet and bring positive effects to the development of the shipping business.

B. Unfavorable factors

The shipping industry is highly capital intensive, with high interest rates increasing funding costs, and the timing of interest rate cuts directly impacting profitability. Additionally, due to various environmental issues, older vessels also face maintenance and equipment improvement challenges. Slow international economic recovery will directly affect growth in shipping rental rates.

Countermeasures: In addition to increasing own sources of funds with lower costs, continue to maintain good relationships with financial institutions and maintain complete credit records to obtain loans with more favorable interest rates. Eliminate outdated ships to maintain the competitiveness of the team.

(3) Subsidiary catering business

A. Favorable factors

a. Great business opportunities in Taiwan’s Japanese restaurants

Japan and Taiwan have numerous geographical and historical connections. Japan is one of the primary international travel destinations for Taiwanese people. Japanese food culture and products have continuously entered Taiwan through long-term exchanges, making Japanese cuisine an inseparable part of Taiwanese people’s daily diet.

b. Change of dining habits and implementation on two days off per week

With changes in catering habits and the implementation of the two-day weekend, the food market continues to expand. With the increase in the disposable income of Taiwanese people, the simplification of family structure, and the popularization of double-income families, the population of eating out is growing year by year due to the pursuit of high-quality life and convenience. In addition, the implementation of the two-day weekend, the prosperity of leisure tourism, and the government's promotion of emerging industries, such as the convention and exhibition industries, have also promoted the flourishing development of the catering industry.

B. Unfavorable factors and countermeasures

a. The catering industry features low entry barriers and fierce market competition

Response Strategy: Maintain brand quality and reputation by providing customers with the most natural and healthy food products

b. It is not easy to train service and management personnel, and the turnover rate is high

Countermeasure: It will actively establish a personnel training system and plan, uphold the tradition of caring for employees, and maintain employee benefits, so as to meet the needs of various types of talents for future business expansion.

c. External environmental impact on business: The comprehensive and long-term effects of the recent COVID-19 pandemic have challenged traditional dining culture and habits.

Response strategy: Transform the single meal service model, research breakthrough methods for maintaining fresh takeout food quality, and expand diverse at-home dining formats for takeout meals.

(II) Important uses and production processes of main products

1. Product application

(1) Core Industrial Chemical Business

[Sulfate of potash] High-grade potassium fertilizer, suitable for tobacco leaves, citrus, grapes, and general fruit trees, vegetables, flowers, and tobacco.

[Liquid Calcium Chloride] 1. Ice making 2. Wastewater treatment
3. Neutralizing agent

[Hydrochloric Acid] 1. Chemical industry 2. Metallurgical industry
3. Wastewater treatment

[Soda Ash (Sodium Carbonate)]

1. Flat glass 2. Glass bottles 3. Chemical manufacturing

4. Detergents 5. Pulp 6. Water treatment 7. Textiles

[Glauber’s salt (anhydrous sodium sulfate)]

1. glass 2. Textile 3. detergent

[Baking Soda (Sodium Bicarbonate)]

1. Blowing agent 2. Fire extinguishing agent 3. Feed additive

4. Cleaning agent 5. Waste incineration plant

[Mixed calcium phosphate] Various feed additives

[Salt]A basic chemical raw material for agriculture and industry

[Ammonium Powder (Ammonium Bicarbonate)]

1. Food (fermentation powder) 2. Pharmaceuticals

3. Leather softening 4. Electronics industry

[Calcium Chloride] 1. Ice making 2. Cement additive 3. Asphalt additive
4. Civil engineering

(2) Subsidiary shipping business

Transportation services.

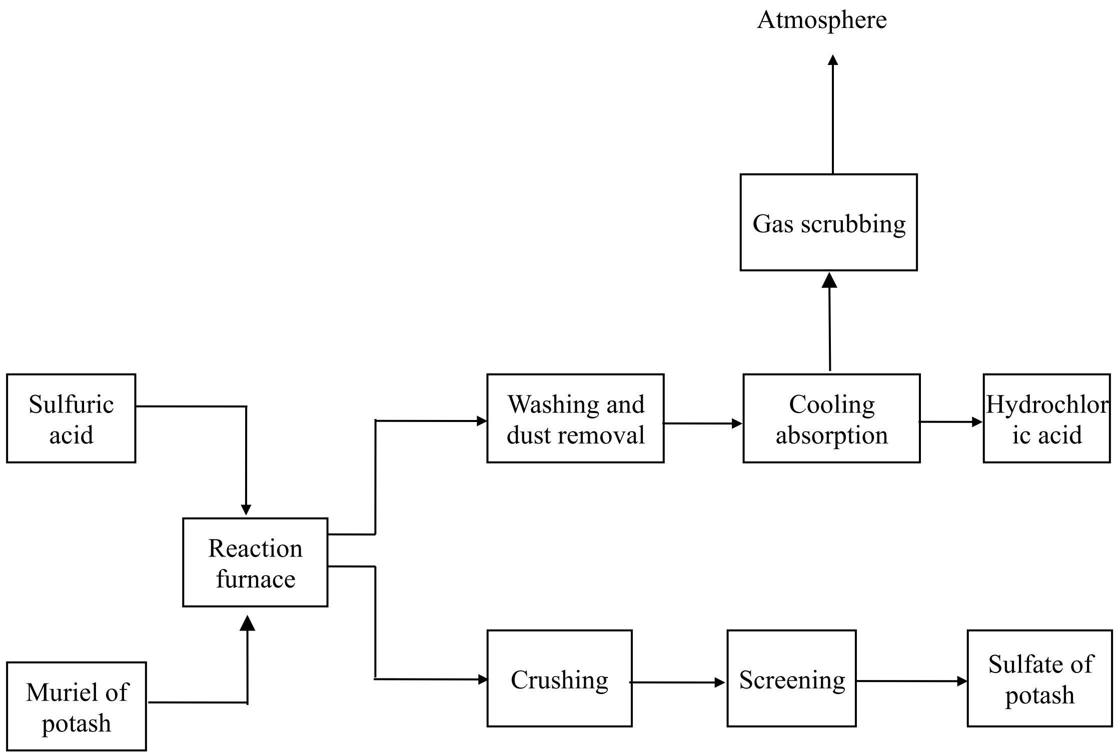
(3) Subsidiary catering business

Catering services.

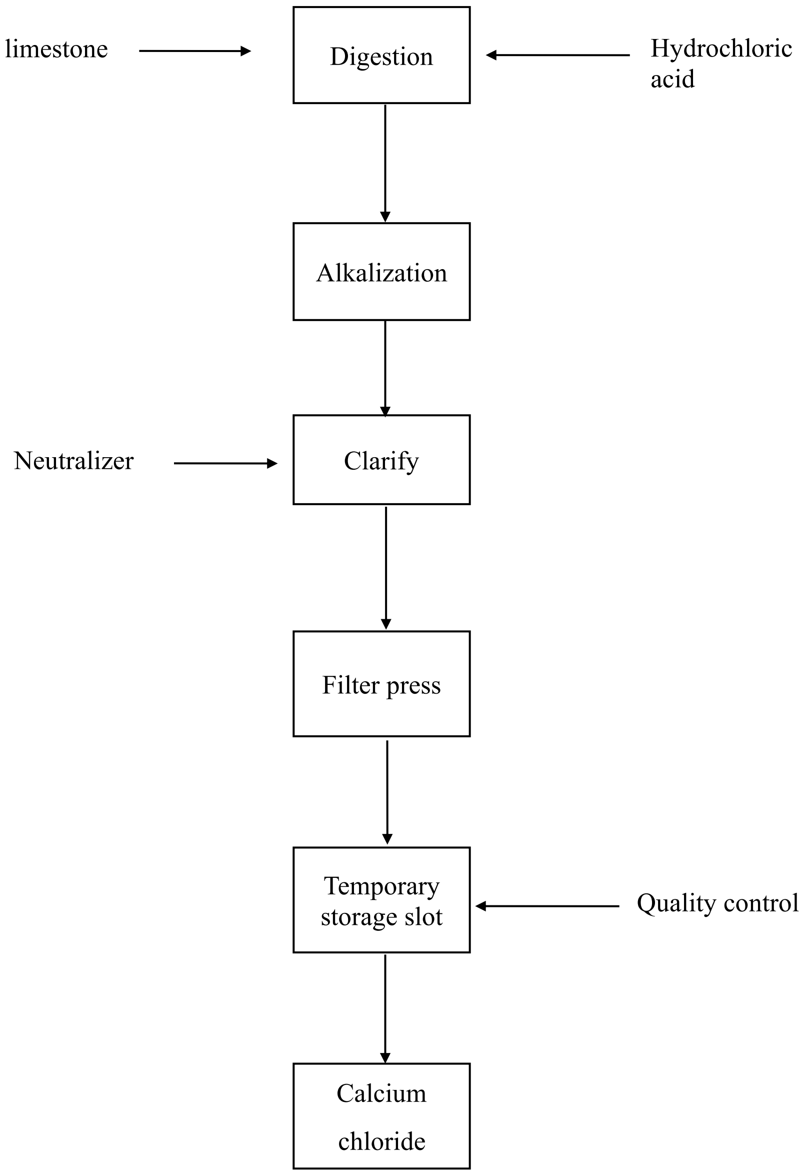
2. Production processes of main products:

Sulfate of potash and hydrochloric acid

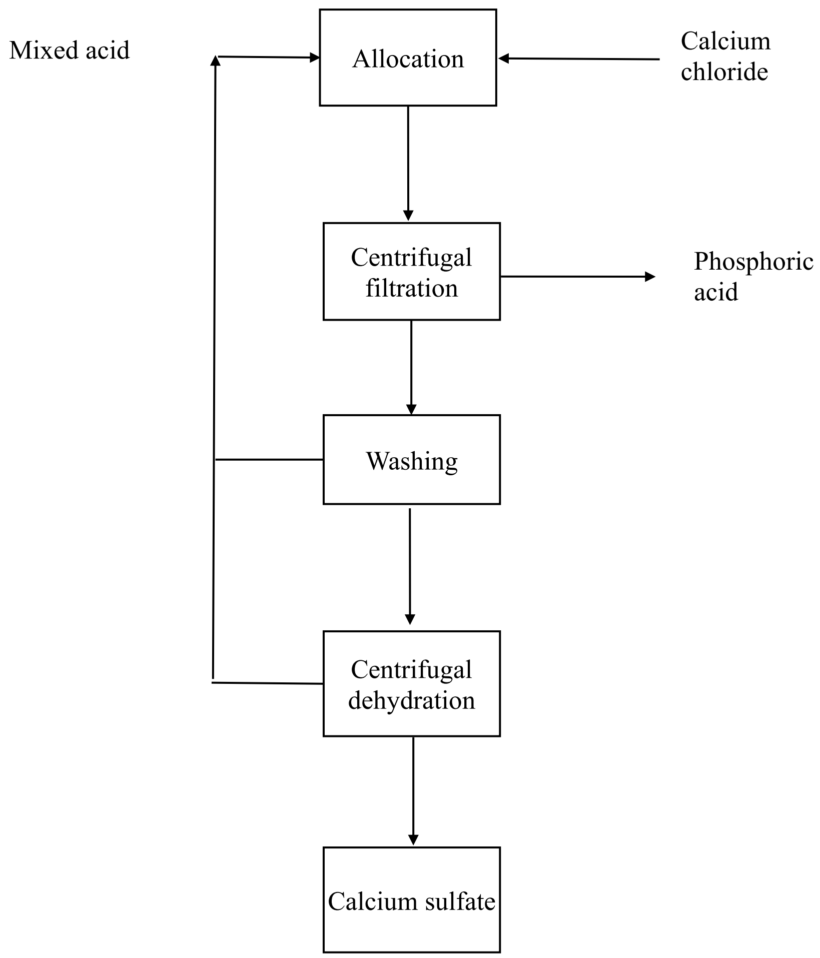
$$2KCl + H_2SO_4 \longrightarrow K_2SO_4 + 2HCl$$



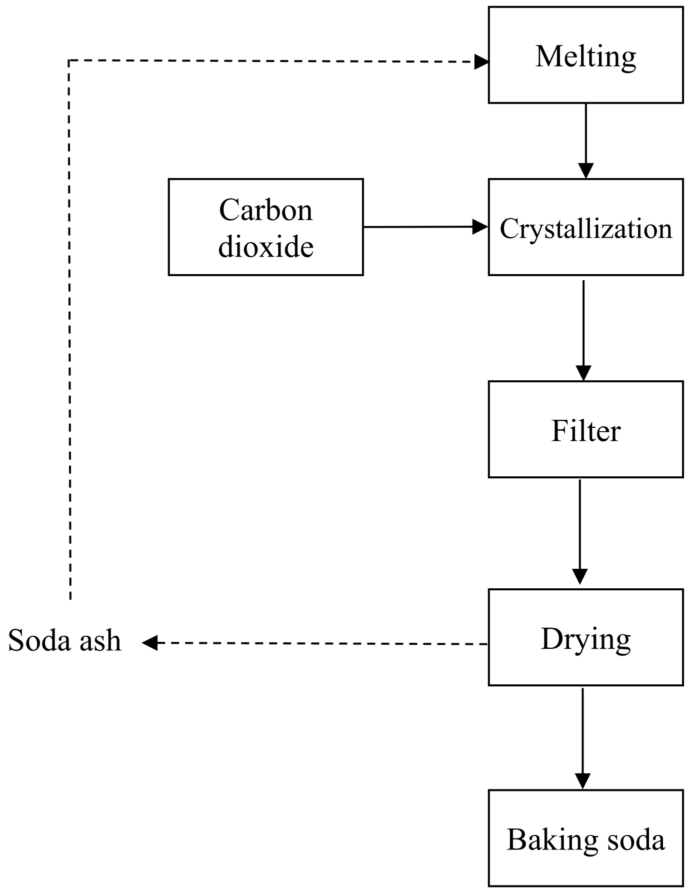
Liquid Calcium Chloride



Calcium sulfate (gypsum)

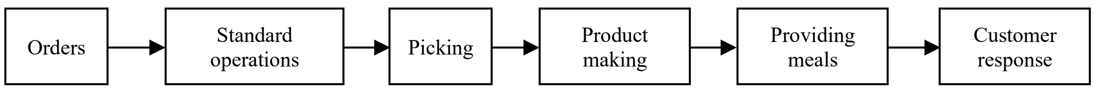


Baking soda



(2) Subsidiary shipping business: as service industry, it is not applicable.

(3) Subsidiary catering business



(III) Supply status of main raw materials

Main items	Important vendors	Supply conditions
Muriel of potash	Vendor A	Delivery time / quality stability
Sulfuric acid	Vendor B	Delivery time / quality stability

(IV) List of main purchase and sales customers in the last two years

1. Major customer transaction status:

Unit: NTD Thousand

	2023				2024			
Item	Designation	Amount	Percentage of total annual net sales (%)	Relation-ship with issuer	Designation	Amount	Percentage of total annual net sales (%)	Relation-ship with issuer
1	Others (none attaining 10%)	5,879,183	100.00	None	Others (none attaining 10%)	6,366,238	100.00	None
	Net sales	5,879,183	100.00		Net sales	6,366,238	100.00	

2. Supplier transaction status:

Unit: NTD Thousand

	2023				2024			
Item	Designation	Amount	Percentage of total annual net purchases (%)	Relation-ship with issuer	Designation	Amount	Percentage of total annual net purchases (%)	Relation-ship with issuer
1	Vendor A	1,115,937	51.48	None	Vendor A	1,269,759	58.72	None
2	Vendor D	373,644	17.24	None	Vendor D	309,487	14.31	None
	Others (none attaining 10%)	678,099	31.28	None	Others (none attaining 10%)	583,330	26.97	None
	Net purchases	2,167,680	100.00		Net purchases	2,162,576	100.00	

III. Practitioner information

(I) Information of employees in the latest two years and as of the publication date of the annual report

1. Sesoda Corporation's practitioner information

March 18, 2025

Year		2023	2024	The current year as of March 18, 2025
Number of employees	Headquarters	42	40	36
	Suao Main Plant	135	129	140
	Changhua Plant	6	6	6
	Taichung Plant	5	5	5
	Total	188	180	187
Average age		44.10	43.73	43.36
Average years of service		13.58	11.83	11.51
Education distribution ratio	Ph.D.	0%	0%	0%
	Master's degree	8%	8%	9%
	College and university	32%	31%	28%
	High school	50%	51%	51%
	Below high school	10%	10%	12%

2. Information on the number of employees in the consolidated company under the group structure

March 18, 2025

Year / Number of People / Company	2023	2024	The current year as of March 18, 2025
SSC	0	0	0
SSMHC	0	0	0
SIL	0	0	0
East Tender Trading	0	0	0
E-Teq Venture Co.	0	0	0
Yukari Group	13	17	16
YUN SHENG INVESTMENT., LTD.	0	0	0
SESC	22	22	22
SMGC	22	22	22
SMTC	22	22	22
SEHC	22	22	22
SEBC	22	22	22
SEAC	22	22	22
SEMC	22	22	22
SECC	22	22	22
Zaifeng Motor	6	6	6
SEDC	22	22	22
SEGC	22	22	22
SEPC	22	22	22
SERC	22	22	22
SEEC	22	22	22
SEFC	22	22	22
SEVC	22	22	22
SEJC	0	0	0

Note: Because the merged companies are mostly a foreign company, the employee information of the merged companies, such as length of service, average age and educational background, cannot be obtained.

IV. Environmental protection expenditure information

(I) Losses due to environmental pollution in the last two years

Item	2023	2024
Pollution status (type, process)	Occupational safety and health	As shown in table below
Compensation recipient or disciplinary authority	Northern Occupational Safety Center	As shown in table below
Compensation amount or disciplinary action	NT$50,000	As shown in table below

Year	113	
Item	Number of cases	Penalty amount (in 10 thousands)
Air pollution	0	0
Water pollution	0	0
Waste pollution	0	0
Health and safety	2	25.0
Total	2	25.0

(II) Countermeasures

1. Based on its commitment to a continuous improvement policy of environmental protection, the Company still actively implements improvement measures.

   (1) Strictly control and monitor the emission reduction of air, water, and waste in the process, with a view to achieving the goal of zero pollution.

   (2) Strengthen the operation and inspection of pollution prevention equipment, and continue to maintain pollution prevention equipment.

   (3) Encourage the classification of business waste, implementing waste reduction and resource recovery.

   (4) Implement an environmental management system, strengthen employee education and training, and strengthen emergency response capabilities.

   (5) The production process implements operating environment testing, and planting trees in the plant area establishes a clean operating environment.

2. Estimated environmental capital expenditure in the next three years

	2025	2026	2027
(a) Implementation of environmental improvement and beautification operations and pollution prevention work	Continuous improvement of factory-wide pollution prevention work and site greening and	Continuously improve the pollution prevention and control work of the main plant and the greening and	Continuously improve the pollution prevention and control work of the main plant and the greening and

	2025	2026	2027
	beautification operations	beautification of the plant area	beautification of the plant area
(b) Expected performance improvement	Commitment to continuous improvement and enhancement of corporate image	Commitment to continuous improvement and enhancement of corporate image	Commitment to continuous improvement and enhancement of corporate image
(c) Capital expenditure	NT$5,000 thousand	NT$5,000 thousand	NT$5,000 thousand

3. Impact after improvement

	2025	2026	2027
(a) Impact on net profit	Increase depreciation costs by about NT$ 1 million a year	Increase depreciation costs by about NT$ 1 million a year	Increase depreciation costs by about NT$ 1 million a year
(b) Impact on competitive position	Enhance corporate image, Operate production in compliance with national environmental protection standards, enabling the enterprise to move toward internationalization and establishing opportunities for sustainable operations	Enhance corporate image, Operate production in compliance with national environmental protection standards, enabling the enterprise to move toward internationalization and establishing opportunities for sustainable operations	Enhance corporate image, Operate production in compliance with national environmental protection standards, enabling the enterprise to move toward internationalization and establishing opportunities for sustainable operations

4. Portion of countermeasures not taken: None.

V. Labor Relations

(I) Various employee welfare measures, advanced education, training, retirement systems and their implementation status, as well as the agreements between labor and management and various employee rights protection measures

1. Various employee welfare measures, advanced studies, training, work environment, personal safety protection, and implementation status: The Company has established work rules according to the Labor Standards Act and formed an Employee Welfare Committee. It also makes monthly contributions to the employee welfare fund, holds regular labor–management meetings, implements various employee vocational training based on actual needs, conducts regular employee health examinations, implements various workplace environment measurements, and provides appropriate protective equipment and facilities to protect employees' physical health. Greening and beautifying the plant environments, creating a beautiful and fresh workplace. Further implement automatic safety and health inspections, implement safety and health regulations, implement a safety and self-protection system, promote zero-incident rewards and punishments, and encourage employees to participate in legitimate recreational activities.

   The Company's employee welfare committee provides employee welfare projects every year:

   Major holiday and Labor Day bonuses, travel subsidies, children's education scholarships, and stock welfare funds.

2. Staff education and training

   (1) Staff education and training system:

   To comply with operational principles and development goals, enhance employee qualities, enrich knowledge and skills to increase work efficiency, the Company has established the "Education and Training Management Regulations" to seek effective utilization of human resources. Performance evaluation of education and training implementation will be included in performance measurement standards to fully implement these regulations.

   (2) Implementation status of employee refresher training

Year / Disclosures	2024
Total Education and Training Cost	NT$174,555
Total Hours of Education and Training Courses	1,521 hours
Number of Employees Trained	445 attendees

3. Circumstances of relevant personnel obtaining pertinent licenses

License designation	Organizer	Personnel list		
		Department	Title	Name
Accountants	Examination institute	General Manager's Office	General Manager	Liu Chih-Yung
Test of Fundamental Capabilities for Enterprise Internal Control	Securities & Futures Institute	Accounting Section	Manager	Chu Ching-Yun
Test of Fundamental Capabilities for Enterprise Internal Control	Securities & Futures Institute	General Services Office	Assistant Manager	Chang Lien-Chu
Test of Fundamental Capabilities for Enterprise Internal Control	Securities & Futures Institute	Audit Office	Assistant Manager	Li Yen-Ling
Test of Fundamental Capabilities for Enterprise Internal Control	Securities & Futures Institute	Overseas Department	Hosted by	Chen Chin-Fang
Test of Fundamental Capabilities for Enterprise Internal Control	Securities & Futures Institute	Stock Services Office	Manager	Huang Mei-Ling
Internal auditor	Internal Audit Association	General Manager's Office	General Manager	Liu Chih-Yung
Bookkeeper Training	Examination institute	General Services Office	Assistant Manager	Chang Lien-Chu
Bookkeeper Training	Examination institute	Audit Office	Assistant Manager	Li Yen-Ling
Service Personnel:	Securities & Futures Institute	Stock Services Office	Manager	Huang Mei-Ling
Basic ability test for sustainable development	Taiwan Insurance Institute	Audit Office	Assistant Manager	Li Yen-Ling
Net-Zero Carbon Planning Manager Entry-Level Competency Certification	Ministry of Economic Affairs	Audit Office	Assistant Manager	Li Yen-Ling

4. Protective measures for working environment and employees' personal safety

Our company belongs to the traditional chemical raw material manufacturing industry. We have always placed emphasis on employee occupational safety and health. Operations are implemented with “safety first” as the most basic requirement. We provide hardware facilities that comply with hygiene and safety standards for the manufacturing operation environment, establish machine equipment protection measures (fences, guards, signage, etc.) in accordance with the law, and build standard work procedure manuals. We require operating employees to implement operations according to operating procedures to ensure the safety of employee operations. Considering that operating environment conditions comply with regulatory requirements, we regularly implement operating environment concentration measurements (dust, noise, hazardous material concentrations, and lighting, etc.) to control and monitor the employee operating environment. It engages in comprehensive greening and beautification planning and maintenance of the plant area to provide employees with a safe, hygienic and comfortable working environment.

Regularly implement occupational safety and health education and training for employees, and in response to special operation requirements, send personnel engaged in special operations for external training first to obtain qualified training certificates before they are allowed to engage in related operations, to ensure that employees are familiar with operation standards, strengthen awareness and concepts of operational safety, enhance employees' safety awareness, and reduce human error. Personnel engaged in special operations are first sent for external training to obtain qualified training certificates before they can carry out related operations, ensuring that employees are thoroughly familiar with operational standards, strengthening operational safety awareness and concepts, enhancing employees' safety consciousness, and reducing human error. For contractor management, in addition to conducting regular supplier evaluations to ensure the supply and operational quality of suppliers or contractors, contractors must attend safety and health coordination meetings before entering the facility. Notification of operational hazards, permit control systems for prohibited and hot work operations, elevated work and other activities are all implemented with "safety" as the fundamental prerequisite for work execution.

Employees are the Company's greatest asset. For personal safety protection measures at work, in addition to providing adequate personal protective equipment based on different operations to protect personnel's physical safety, health examinations are implemented for all employees according to law to fully understand employees' physical conditions and implement appropriate protective measures.

To encourage employees to prioritize and participate in safety and health initiatives, in addition to implementing self-managed safety and health systems and self-protection protocols, we are also executing a "Zero Accident" incentive program. Each department participates in competitions to accumulate "Safe Working Hours." Through motivational rewards and disciplinary measures, we aim to heighten employees' safety awareness, thereby eliminating the occurrence of safety hazards.

5. Retirement system

In accordance with the Labor Standards Act, the Company has established employee retirement regulations. To comply with the amendments to the Labor Pension Act, the employee retirement regulations were revised on August 23, 2005, effective from July 1, 2005. Employees previously subject to the old system may choose between the old system and the new system according to their individual preferences. For those who choose the new system, or for employees who joined after the implementation of the new system, their years of service will be calculated under the defined contribution plan. Retirement benefits will be contributed by the Company on a monthly basis at no less than

6% of the monthly wage, which will be deposited into the employee's individual Labor Pension account. For those who choose the old system, according to the employee retirement method and in adherence to the law, the Company will allocate employee retirement funds on a monthly basis and deposit them in the special pension accounts of the Bank of Taiwan.

6. Other important agreements: None.

(II) Estimated amount of losses due to labor disputes in the last three years and countermeasures: None.

VI. Information Security Management

(I) Information security management structure

The Information Technology Department is responsible for coordinating and implementing information security policies, promoting information security messages, enhancing employee security awareness, and collecting and improving techniques, products or procedures for the performance and effectiveness of the organization's information security management system. The Audit Department conducts annual information security audits on the internal control system – electronic computer cycle – to evaluate the effectiveness of the Company's information operation internal controls.

(II) Information security policy

To implement information security management, the Company has established an internal control system. Through the joint efforts of all colleagues, we hope to achieve the following policy objectives:

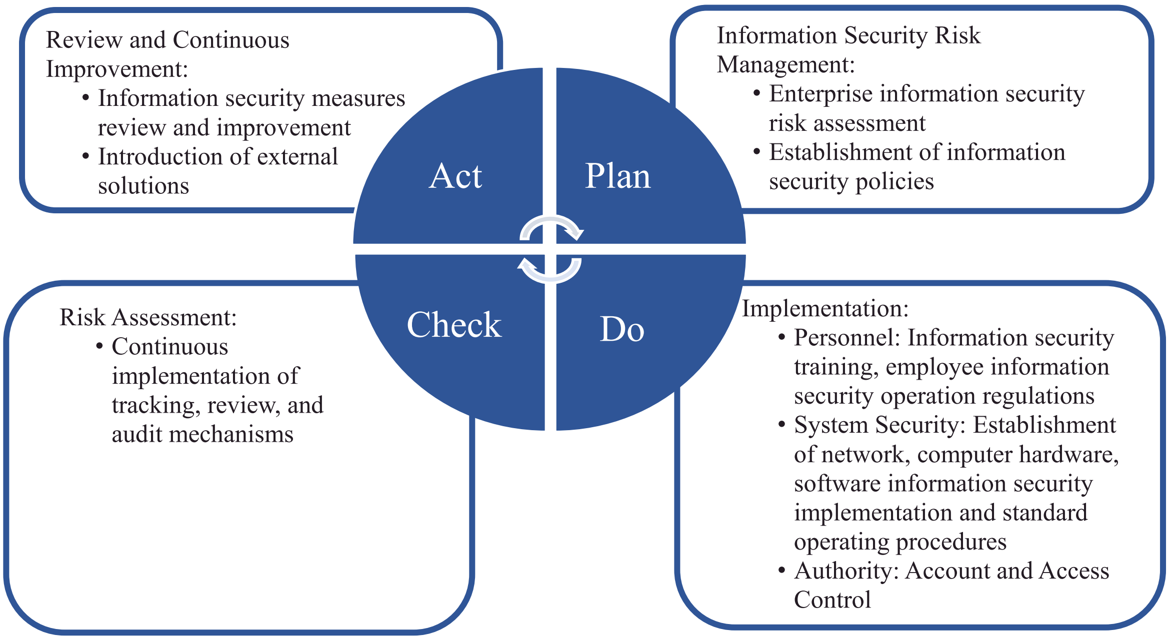
- Establish information security management guidelines in compliance with regulations and customer requirements.
- Achieve a consensus that information security is everyone's responsibility and obligation through organization-wide awareness.
- Ensure the confidentiality and integrity of information assets.
- Ensure data access according to departmental functional specifications.
- Ensure continuous operation of information systems.
- Prevent unauthorized modification or use of data and systems.
- Regularly conduct information security audits to ensure implementation of information security.

1. Specific management plans

Internet security control	Data access control	Response and recovery mechanisms	Awareness promotion
● Installation of protective equipment ● Regular scanning of computer systems and data storage media ● Implementation of network services according to information security policies ● Regularly review the logs of network service items to track abnormal situations.	● Computer equipment should be managed by designated personnel and configured with accounts and passwords. ● Assign different access permissions based on job functions. ● Cancel the original permissions for employees who have left their positions. ● Remove or overwrite confidential, sensitive data and copyright software before equipment disposal. ● Remote login to manage information systems should be properly approved. ● Conduct periodic inventory of employee accounts/permissions.	● Regularly review emergency response plans. ● Perform annual disaster recovery drills. ● Establish system backup mechanisms and implement off-site backup. ● Regularly review computer network security control measures.	● Promote information security information to enhance employee security awareness.

2. Continuous improvement framework

The organizational operation model adopts PDCA management to ensure the achievement of reliability targets and continuous improvement



(III) Implementation status

- The Company has not experienced any major information security incidents causing operational damage.
- We continue to implement information security management policy objectives and regularly conduct recovery plan drills to protect the Company's critical systems and data security.

VII. Important Contracts:

Long-term loan contracts

Item	Contract nature	Group subsidiary	Contract counterparty	Contract date	Contract period	Main content	Restrictive Covenants
1	Collateralized bank loans	Sesoda Corporation	Bank of Taiwan	2023/07/12	5 years from contract signing	Lending receipts	Note 1
2	Collateralized bank loans	SE Marine Corporation	Bank of Taiwan, Chung Hsiao Br.	2015/11/10	10 years from the start date	Credit agreement	Note 1
3	Collateralized bank loans	SE Delta Corporation	The Export-Import Bank of the Republic of China	2016/06/02	10 years from the start date	Credit agreement	Note 1
4	Collateralized bank loans	SE Carrier Corporation	Bank of Taiwan, Chung Hsiao Br.	2017/01/09	10 years from the start date	Credit agreement	Note 1
5	Collateralized bank loans	SE Evermore Corporation	The Export-Import Bank of the Republic of China	2016/12/20	10 years from the start date	Credit agreement	Note 1
6	Collateralized bank loans	SE Victory Corporation	Bank of Taiwan, Chung Hsiao Br.	2017/01/09	10 years from the start date	Credit agreement	Note 1
7	Collateralized bank loans	SE Royal Corporation	Bank of Taiwan, Chung Hsiao Br.	2017/12/28	10 years from the start date	Credit agreement	Note 1
8	Collateralized bank loans	SE Glory Corporation	The Export-Import Bank of the Republic of China	2018/10/03	10 years from the start date	Credit agreement	Note 1
9	Collateralized bank loans	SE Fortune Corporation	Bank of Taiwan, Chung Hsiao Br.	2018/11/07	10 years from the start date	Credit agreement	Note 1
10	Collateralized bank loans	SE Peace Corporation	Mega International Commercial Bank Co., Ltd. Central Branch	2018/09/28	10 years from the start date	Credit agreement	Note 1

Note 1: The loan agreements signed between the Group's subsidiaries and banks are in line with general market business practices, and none of them contain any major restrictions on business operations or shareholders' equity.

V. Financial status and financial performance review analysis and risk issues

I. Review and analysis financial status

(I) Comparative analysis table of financial status Unit: NTD Thousand

Year / Item	2024	2023	Difference	
			Amount	%
Current assets	4,037,419	3,353,583	683,836	20.39
Property, plant and equipment	9,466,136	9,293,472	172,664	1.86
Intangible assets	--	--	--	--
Other assets	207,650	430,024	(222,374)	(51.71)
Total assets	13,711,205	13,077,079	634,126	4.85
Current liabilities:	3,461,227	3,429,575	31,652	0.92
Non-current liabilities:	2,996,789	3,280,945	(284,156)	(8.66)
Total liabilities	6,458,016	6,710,520	(252,504)	(3.76)
Capital stock	2,490,017	2,490,017	--	--
Capital surplus	59,170	105,364	(46,194)	(43.84)
Retained earnings	4,485,474	3,869,436	616,038	15.92
Other equity interest	218,528	(98,258)	316,786	322.40
Total equity	7,253,189	6,366,559	886,630	13.93

Explanation: No significant differences.

II. Financial Performance

(I) Comparative Analysis of Business Results

Unit: NTD Thousand

Item \ Year	2024	2023	Amount of increase or decrease	Change (%)
Operating revenue	6,366,238	5,879,183	487,055	8.28
Operating costs	4,256,021	5,019,654	(763,633)	(15.21)
Operating margin	2,110,217	859,529	1,250,688	145.51
Operating Expenses	925,697	649,378	276,319	42.55
Operating profit	1,184,520	210,151	974,369	463.65
Non-operating income and expenses	80,797	(196,899)	277,696	141.03
Profit (loss) from continuing operations before tax	1,265,317	13,252	1,252,065	9,448.12
Less: Income tax expense	290,747	41,710	249,037	597.07
Net profit after tax for continuing operations	974,570	(28,458)	1,003,028	3,524.59

Analysis and explanation of increases and decreases in ratios reaching 20%:

1. Gross and Net Profit: Mainly due to increased potassium sulfate prices, decreased raw material costs, and improved daily charter rates in the shipping business.
2. Operating Expenses: Primarily due to significantly increased transportation costs from higher by-product sales volume and substantial increases in employee/director compensation provisions resulting from improved profitability.
3. Non-operating Income and Expenses: Mainly due to increased foreign exchange gains from the disposal of non-current assets held for sale and favorable exchange rate differences during the year.
4. Income Tax Expense: Primarily due to increased profitability.

(II) Estimated sales volume and its basis:

The Company’s estimated sales volume for 2025 is compiled based on reasonable assumptions such as the Company’s business strategy, operating goals, and budget, with reference to the overall industry prospects, development trends, and operating performance over the years. Projected sales volumes are as follows:

Unit: Tons

Product type	Expected Sales Volume in 2025
Manufacturing	418,138
Trade	51,804

(III) The possible impact on the company’s future financial business and the corresponding plan:

Continue to explore new markets and strengthen customer benefits to achieve profit targets.

III. Cash flows

Cash flow analysis

Unit: NTD Thousand

Beginning cash balance	Annual net cash inflow (outflow) from operating activities	Other cash inflows (outflows) in the year	Cash balance (insufficiency) amount	Remedial measures for cash shortages	
				Investment plan	Financing plan
1,600,594	1,883,959	513,057	2,113,651	0	0

(I) Analysis of the changes in cash flows for the current year:

1. Operating activity: Net cash inflow (outflow) from operating activities 1,883,959

2. Investment activity: Net cash inflow (outflow) from investing activities (329,682)

3. Financing activities: Net cash inflows (outflows) from financing activities

(1,077,382)

4. Effect of exchange rate changes 36,162

Net cash inflow (outflow) in the current year 513,057

(II) Analysis of cash liquidity in the coming year

Unit: NTD Thousand

Beginning cash balance	Estimated annual net cash inflow (outflow) from operating activities throughout the year	Estimated other annual cash inflows (outflows)	Cash balance (insufficiency) amount	Remedial measures for cash shortages	
				Investment plan	Financing plan
2,113,651	693,540	(805,866)	2,001,325	0	0

1. Analysis of cash flow status in the coming year:

   (1) Operating activities: Mainly due to the estimated cash inflows of the company’s profits and depreciation expenses.

   (2) Investment Activities: Mainly capital expenditures for the chemical core business and vessel operations, including routine maintenance.

   (3) Financing activities: Mainly due to expected cash dividend distribution and long-term and short-term borrowings and loan repayments.

2. Remedial measures and liquidity analysis for expected cash shortage:

   Maintain/retain credit facilities to enhance operational contingency capability.

IV. The impact of major capital expenditures in recent years on financial operations

(I) The use of major capital expenditures and sources of funds:

Unit: NTD Thousand

Plan item	Actual or expected source of funds	Actual or expected completion date	Required funds (As of 2024)	Actual use of funds			
				2021	2022	2023	2024
5-1 Addition/expansion of the finished goods warehouse	Own funds and bank loans	December 2024	51,757	1,125	35,782	8,541	6,309
New establishment of warehouse No. 15	Own funds and bank loans	December 2024	121,953		28,469	78,784	14,700
Potassium Plant No.1 building structure repair and reinforcement Company's own funds and bank loans	Own funds and bank loans	December 2025	36,801		10,306	26,293	202
Calcium chloride/salt storage system main power lines and switchboard installation project	Own funds and bank loans	June 2024	14,686		121	13,816	749
Continuous liquid calcium chloride production equipment project	Own funds and bank loans	December 2025	77,525		1,340	9,033	67,152
Waste gas and waste heat recovery boiler project	Own funds and bank loans	December 2025	11,382				11,382
Structural reinforcement project of the R.C. plant of the calcium chloride plant	Own funds and bank loans	August 2025	10,401				10,401

(II) Expected benefits:

1. Improve plant operating environment and space facilities to enhance labor safety and health goal management.
2. Development of new products and supply for market demand.

V. Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year

(I) Reinvestment policy

In addition to focusing on the operation of the chemical industry, the shipping business of the subsidiary and the catering business of the subsidiary, the Company will adopt strategic cooperative investment and increase investment in different industries to increase revenue and diversify operations, so that the Company can diversify industry risks and expand its operating base.

(II) Main reason for profit or loss

For the fiscal year 2024, the total investment loss recognized under the equity method amounted to NT$10,085 thousand, mainly due to the recognition of the first quarter operating loss of East Tender Optoelectronics (which was reclassified as non-current assets held for sale in March 2024).

(III) Improvement program

Non-productive investments will be disposed of or urged for activation for the best benefit of the Company, while profitable investments will continue to be assessed for investment adjustment or an increase in return.

(IV) Investment plan for the coming year

In response to social responsibility and sustainable operations, in addition to steadily maintaining our core business, we will continue to invest in emission reduction/waste reduction while researching opportunities to utilize these efforts to develop new products. We will also collaborate with industry peers and upstream/downstream partners to grow together and increase competitiveness. Development of new or strengthening or increasing existing investments with good performance.

VI. Analysis and assessment of risk issues in the most recent year and up to the date of publication of the annual report:

(I) The impact of interest rate, exchange rate changes, and inflation on the Company’s profit and loss and future countermeasures:

Item	2024
Interest expense (net)	214,065
Currency conversion benefits (net)	94,347

The Company's main risks are the risks of exchange rate changes and interest rate changes.

Exchange rate risk:

The revenue of the Company and its subsidiaries is mainly U.S. dollars, and the main expenditures are also mainly in U.S. dollars. Although there is a certain degree of risk associated with changes in the real exchange rate, the overall impact on the Company is relatively small.

Countermeasures:

The Company is familiar with relevant financial instruments and will use forward foreign exchange contracts or foreign exchange swap contracts to reduce the risk of exchange rate changes when necessary.

Interest rate risk:

The Company's borrowings are all in floating interest rates. Because the shipbuilding business is a business with high capital expenditure and high financial leverage, the interest rate risk faced by the high loan balance is greater.

Countermeasures:

Short-term interest rates have been regularly locked in for ship loans to delay the impact of interest rate changes; the Company will also regularly assess the trend of financing interest rates and maintain close cooperation with various financial institutions to obtain the latest economic news, data and research reports at home and in various regions abroad. In addition to striving for preferential loan interest rates, the Company will assess the appropriate time to control its open interest rate risk by means of interest rate swaps. In addition, according to the investment plan, after interest rates increase, idle funds will be appropriately used for early loan repayment to reduce the interest burden.

(II) Policies for engagement in high risk and high leverage investment, loaning to a third party, guarantee/endorsement, and derivative trade, the main reason for profit or loss, and the response in the future:

The Company and its subsidiaries do not engage in high-risk, high-leverage investments, and do not conduct other derivative trading except for general forward foreign exchange transactions for hedging.

Loans and Endorsement Guarantees: Currently, guarantees are only provided to 100% controlled subsidiaries as necessary for their operations. Fund surpluses and shortfalls are balanced among subsidiaries and sub-subsidiaries, with fund lending arrangements made between them to enable more efficient use of idle funds across subsidiaries while reducing external financing needs and financing costs. All procedures follow the “Procedures for Lending Funds and Making Endorsements/Guarantees” established in accordance with regulatory requirements, with risks remaining under control. For details, please refer to note 13 of “IV. Financial Statements of the Most Recent Year” and its attached schedule.

(III) Future R&D plans and estimated R&D expenses:

1. Core Industrial Chemical Business

(1) Considering the improvement of the quality of existing production chemicals, the Company will implement process and equipment improvements to enhance the stability of product quality and process capabilities, so that the Company’s products can meet the needs of the international market and users.

Benefit: expanding product market and enhancing product competitiveness.

(2) Comply with the Company’s operating strategy, break through the bottleneck of traditional industries, and seek opportunities for diversified chemical industry cooperation.

(3) Capture of carbon dioxide gas generated from the calcium chloride production process, converted into the green product, sodium bicarbonate.

Benefits: Reducing carbon emissions, avoiding carbon tax, turning waste into resources, enhancing corporate image.

(4) In response to the Company’s operational needs, additions include: (a) four sets of vertical digestion towers ($38 million) to increase liquid calcium chloride production capacity in response to growing market demand. (b) Waste heat boiler ($10 million) to replace the sodium bicarbonate electric heating boiler, reducing electricity consumption. (c) Circular granulation ($30 million) to enhance practicality in response to customer demand. (d) Inorganic sludge washing machine ($22 million), which can reduce the sludge generated from liquid calcium chloride production by more than 40% after washing.

2. Subsidiary shipping business: as service industry, it is not applicable.

3. Subsidiary catering business:

Invest in the development of its own catering brand, seek new business opportunities and expand different customer groups to strengthen the Company's competitive market advantage.

(IV) The impact of important domestic and foreign policies and legal changes on the Company’s financial business and corresponding measures:

Important changes in policies and laws: Major policy changes will be actively updated and handled in compliance; for new regulations, equipment will be upgraded or alternative methods will be approved before the deadline set in the regulations. On the financial side, there may be an impact due to additional capital expenditures.

Countermeasures:

Actively update regulatory information to obtain sufficient time to respond to changes. In addition to updating or formulating methods, we will also cooperate with qualified suppliers/maintainers to update equipment. In terms of capital, the Company maintains a good relationship with banks, and maintains a fairly flexible capital utilization quota to meet the capital expenditure requirements for equipment renewal.

(V) The impact of technological changes and industrial changes on the Company’s financial business and corresponding measures:

Our Company and its subsidiaries in their respective industries are committed to sustainability through emission/waste reduction research initiatives and targets. Within current technological feasibility, we develop responsive products or establish agreements/collaborations with upstream and downstream companies to achieve emission reduction goals. Related research and updated/new equipment investments require company funds for capital expenditures.

Countermeasure:

Seek banking assistance to secure funding or government subsidies, and collaborate with upstream/downstream companies or relevant professional consultants to obtain methodologies, technologies, and stable, appropriate funding sources.

(VI) The impact of corporate change on corporate crisis management and countermeasures:

The Company's corporate culture is conservative and stable; its legitimate operations are profitable and stable, and it complies with laws and regulations. The Company does not have a corporate image of intentional misconduct. The Company has a low-key style and strives to operate pragmatically without media hype.

Countermeasure:

In addition to complying with the regulations of the competent authority, the Company proactively handles corporate briefings to let the outside world know about the Company. Always pay attention to and correct major false news. The spokesperson responds to inquiries or visits from shareholders or media in accordance with regulations, providing detailed responses. For issues related to internal and external corporate matters, relevant procedures have been established, with employee training and evaluation serving as preventive crisis management. In the event of unexpected issues, the approach is to actively confront them by addressing problems proactively at their source through self-imposed requirements to improve company procedures. Therefore, there is no risk of changes in corporate image leading to crises.

(VII) Expected benefits and possible risks of mergers and acquisitions and countermeasures:

The Company and its subsidiaries currently have no specific acquisition targets.

Risk: Not applicable because of the absence of the above facts.

(VIII) Expected benefits and possible risks of plant expansion and countermeasures

1. Core Industrial Chemical Business: The expansion of the plant is primarily due to the Company's commitment to fulfilling corporate social responsibility and investing in equipment and production line adjustments needed for emission/waste reduction to promote environmental friendliness. The recovery efficiency/economic benefits are continuously evaluated and reviewed by the team.

   Countermeasures: Constantly adjusting and improving the optimal overall measures for corporate social responsibility, environmental friendliness, and economic benefits. Additionally, plant equipment has its fundamental value, and the Company has established corresponding asset management procedures for maintenance to preserve its proper value.

2. Shipping Business Subsidiary: Not applicable.

3. Subsidiary catering business: Not applicable.

(IX) Risks and countermeasures faced by purchase or sales concentration:

1. Core Industrial Chemical Business

(1) Purchase: The major raw material suppliers Company A and Company D are long-term international companies with stable relationships and have maintained good interactions for a long time. At the same time, these companies are also the main purchase targets for global inter-industry transactions. Therefore, the purchase status is not abnormal. Existing suppliers are not monopolistic manufacturers of raw materials internationally, so the risk in terms of supply is minimal.

Risk: very small, as explained above.

(2) Sales: Sales revenue contributions of existing sales customers did not exceed 10% in 2024, so there is no sales concentration risk problem.

Countermeasures: Customer retention credit assessment. When necessary, implement prepayment for goods or request payment protection through bank letters of credit, while also obtaining insurance to safeguard against payment and transportation risks.

2. Subsidiary shipping business

(1) Purchase: The suppliers of main equipment parts and consumables are long-term suppliers, and the supply status is stable and good; because of the global route operation, there are many suppliers and the substitution is also high, so there is no risk of concentration of purchases.

(2) Sales: All existing lessees are reputable international companies with well-maintained relationships, resulting in minimal risk.

Countermeasures: When selecting lessees, we primarily choose reputable international companies with practical shipping needs rather than speculative sub-lessors.

3. Subsidiary catering business

(1) Purchase: The Company operates Japanese cuisine and catering services, featuring a diversified menu design, with the use of complementary and highly replaceable raw materials. It does not purchase any items in a centralized manner, so there should be no important raw materials.

(2) Sales: Most of the Company's sales targets are general consumers, so there is no sales concentration.

(X) The influence and risk of the massive transfer of shares or the replacement of the directors, supervisors, or major shareholders holding more than 10% of the shares issued by the Company, and the response:

The Company’s directors, supervisors or major shareholders holding more than 10% of the Company's shares have not undergone a massive transfer of equity.

Risk: Not applicable because of the absence of the above facts.

(XI) The impact, risks and countermeasures of a change of management rights on the Company:

The Company has experienced no change in management rights.

Risk: Not applicable because of the absence of the above facts.

(XII) Litigation or non-litigation events impacting the Company and its directors, supervisors, general managers, substantive persons in charge, and major shareholders whose shareholding ratio exceeds 10%, and major litigation or non-litigation events or administrative disputes confirmed or still being adjudicated for affiliated companies, where the outcomes may have a significant impact on shareholders' equity or the price of securities.

The Company is experiencing no major litigation or non-litigation events.

Risk: Not applicable because of the absence of the above facts.

(XII) Other important risks and countermeasures: None.

(XIV) Information security and network risk assessment

The Company places special emphasis on information security protection to enhance its ability to defend against external attacks. Comprehensive information security control measures have been implemented, including the installation of protection systems on personal computers and servers, the establishment of necessary data backups, and periodic information security education and training for employees to promote information security awareness, thereby strengthening overall security.

The Company has established a backup mechanism and disaster recovery plan, sends backup media to a remote site for storage, and backs up data at the remote site to reduce the possibility of asset loss due to service interruptions caused by man-made or force majeure events, ensuring that work can resume normal operations. Through annual disaster recovery drills, we ensure that the expected system recovery time objectives are met.

To adapt to the rapidly changing external environment, the Company continues to adjust information security protection and management methods to ensure information service resilience and reduce operational impacts.

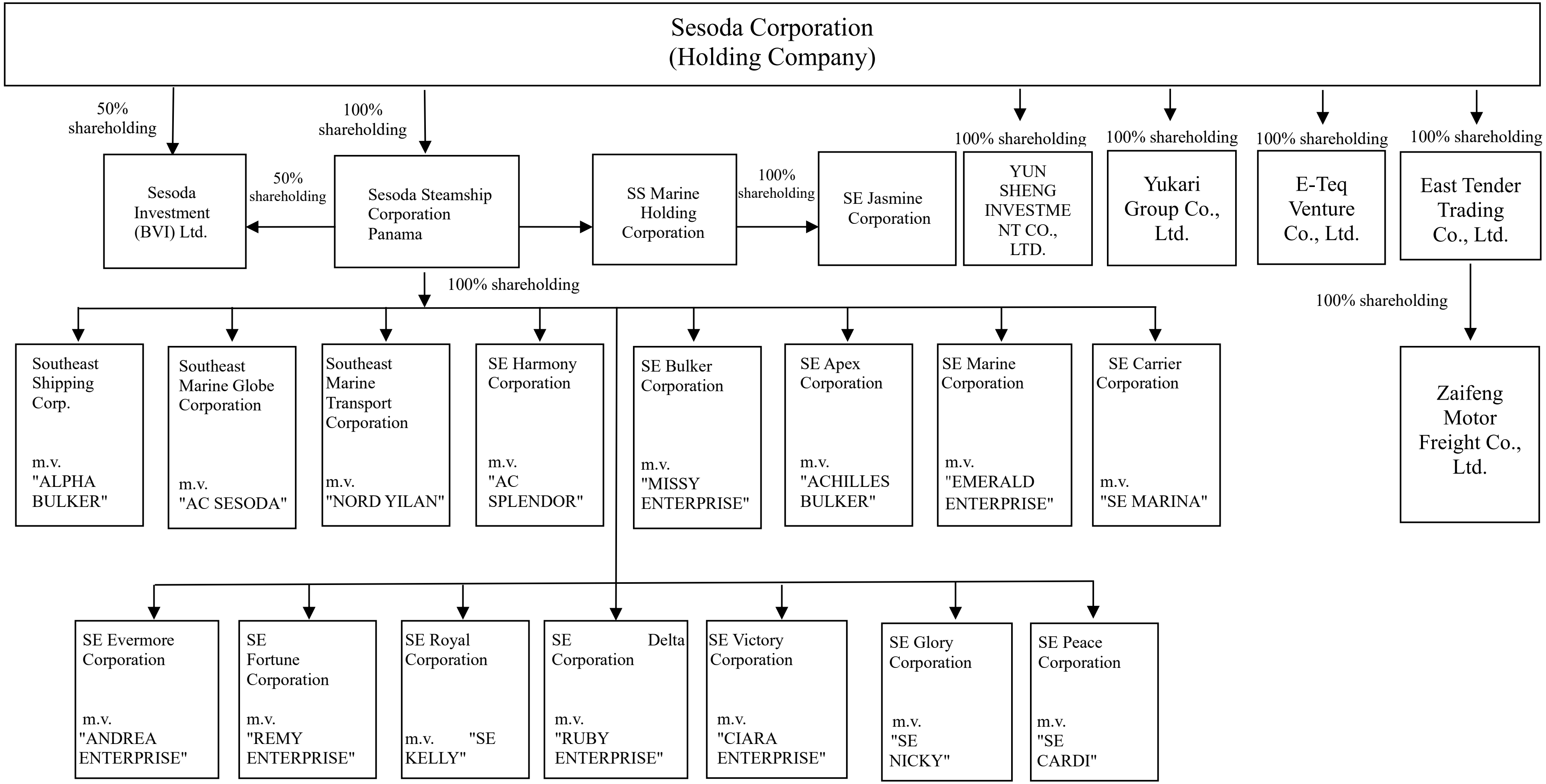
VII. Other important matters: None

VI. Special Notes

I. Related information of affiliated companies:

(I) Affiliated business merger report

1. Organization chart of affiliated companies: December 31, 2024



2. Basic information of each affiliated company:

December 31, 2024

Units: NTD Thousand; USD Thousand

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
East Tender Trading Co., Ltd.	1984.05.09	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan	NTD32,000	General import and export trade
Yukari Group Co., Ltd.	2012.09.19	1F, No. 9, Lane 160, Yanji Street, Da'an District, Taipei City	NTD26,000	Catering business
E-Teq Venture Co., Ltd.	2015.12.02	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan	NTD103,800	Investment business
Yun Sheng Investment Co., Ltd.	2022.02.23	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan	NTD30,000	Investment business
Sesoda Steamship Corporation	1995.11.21	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
SS Marine Holding Corporation	2015.10.06	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Cayman Islands)	Share capital collected in advance USD59	Overseas investment holding company
Southeast Shipping Corp.	2005.08.10	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
Southeast Marine Transport Corporation	2009.07.27	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
Southeast Marine Globe Corporation	2010.01.25	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
SE Harmony Corporation	2010.04.26	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
SE Bulker Corporation	2011.03.25	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
SE Apex Corporation	2012.06.06	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD10	Bulk carrier shipping
SE Marine Corporation	2013.02.25	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Carrier Corporation	2013.02.25	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping

December 31, 2024

Units: NTD Thousand; USD Thousand

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
SE Evermore Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Fortune Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Royal Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Delta Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Glory Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Peace Corporation	2014.02.17	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Victory Corporation	2014.03.25	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	USD11	Bulk carrier shipping
SE Jasmine Corporation	2015.10.06	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: Panama)	Share capital collected in advance	Bulk carrier shipping
Sesoda Investment (BVI) Ltd.	2007.01.29	23F, No. 99, Sec. 2, Dunhua S. Road, Taipei City, Taiwan (Registration: British Virgin Islands)	USD2	Overseas investment holding company
Zaifeng Motor Freight Co., Ltd.	1983.05.17	No. 220, Lane 680, Guangxing Road, Guangxing Village, Dongshan Township, Yilan County	NTD19,000	General truck freight transportation business

3. Information of the same shareholders who are presumed to have holdings and affiliation: None.
4. Industries covered by the business of the overall related company: chemical industry business, trade, shipping, holding company, truck freight, transportation, and catering.

5. Information on directors, supervisors and general managers of related companies

December 31, 2024
Unit: Shares

Enterprise Name	Title	Name or Representative	Number of shares held		Remarks
			Shares	Percentage of shareholding	
East Tender Trading Co., Ltd.	Chairman/General Manager Director Director Supervisor	Chen Jung-Yuan Huang Chih-Cheng Liu Chih-Yung Chen Chih-Chun	3,200,000	100%	Representative, Sesoda Corporation
Yukari Group Co., Ltd.	Chairman Director Director Supervisor	Chen Yi-Te Chu Ching-Yun Chen Chih-Chun Huang Chih-Cheng	2,600,000	100%	Representative, Sesoda Corporation
E-Teq Venture Co., Ltd.	Chairman Supervisor	Liu Chih-Yung Chen Chih-Chun	10,380,000	100%	Representative, Sesoda Corporation
Yun Sheng Investment Co., Ltd.	Chairman Supervisor	Chen Cheng-Te Huang Chih-Cheng	3,000,000	100%	Representative, Sesoda Corporation
Sesoda Steamship Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Corporation
SS Marine Holding Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	(Note 2)	100%	Representative, Sesoda Steamship Corporation
Southeast Shipping Corp. (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation
Southeast Marine Transport Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation
Southeast Marine Globe Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation
SE Harmony Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation
SE Bulker Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation
SE Apex Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	10	100%	Representative, Sesoda Steamship Corporation

December 31, 2024
Unit: Shares

Enterprise Name	Title	Name or Representative	Number of shares held		Remarks
			Shares	Percentage of shareholding	
SE Marine Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Carrier Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Evermore Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Fortune Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Royal Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Delta Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Glory Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Peace Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Victory Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	11	100%	Representative, Sesoda Steamship Corporation
SE Jasmine Corporation (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	(Note 2)	100%	Representative, SS Marine Holding Corporation
Sesoda Investment (BVI) Ltd. (Note 1)	Director/General Manager Director Director	Chen Kai-Yuan Chen Jung-Yuan Wu Chung-Li	1,760	100%	Representative, Sesoda Corporation
Zaifeng Motor Freight Co., Ltd. (Note 1)	Director/General Manager Director Director Supervisor	Chen Hsin-Hung Huang Chih-Cheng Liu Chih-Yung Chen Chih-Chun	19,000	100%	Representative, East Tender Trading Co., Ltd.

Note: 1. It is a company directly (indirectly) held by the Company.

2. Among the prepaid shares of SS Marine Holding Corporation and SE Jasmine Corporation, the investment has not been completed yet.

6. Overview of operations of each affiliated company

Unit: NTD Thousand unless otherwise specified

Enterprise Name	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operat-ing profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
Sesoda Steamship Corporation	312	5,784,848	828,084	4,956,764	-	(17,426)	230,771	23,077,076
Southeast Shipping Corporation	353	230,457	30,062	200,395	132,146	40,617	43,409	4,340,928
Southeast Marine Globe Corporation	320	259,625	17,811	241,814	117,099	19,578	23,013	2,301,304
Southeast Marine Transport Corporation	313	374,014	14,052	359,962	122,582	29,513	30,179	3,017,868
SE Harmony Corporation	312	307,494	5,703	301,791	126,533	15,919	17,558	1,755,796
SE Bulker Corporation	295	581,246	9,379	571,867	135,117	35,392	37,186	3,718,604
Sesoda Investment (BVI) Ltd.	51	761	85	676	-	(127)	(113)	(64)
SE Apex Corporation	300	293,484	29,093	264,391	105,549	(97,048)	(83,276)	(8,327,605)
SE Marine Corporation	337	539,332	151,009	388,323	132,298	32,289	29,364	2,669,410
SE Carrier Corporation	336	612,147	218,308	393,839	123,897	30,197	19,319	1,756,266
SE Evermore Corporation	343	628,455	230,603	397,852	132,856	31,676	21,633	1,966,604
SE Fortune Corporation	338	703,973	261,928	442,045	136,459	41,436	27,661	2,514,638
SE Royal Corporation	337	687,976	253,229	434,747	158,532	65,086	51,597	4,690,640
SE Delta Corporation	347	596,908	204,074	392,834	125,035	30,325	22,929	2,084,463
SE Victory Corporation	339	605,089	228,805	376,284	122,222	23,040	13,251	1,204,653
SE Glory Corporation	339	707,154	268,590	438,564	137,503	38,309	24,748	2,249,845

Enterprise Name	Capital	Total assets	Total liabilities	Net Value	Operating revenue	Operat-ing profit	Current profit and loss (after tax)	Earnings per share (NTD) (after tax)
SE Peace Corporation	334	724,146	271,815	452,331	136,234	39,727	22,487	2,044,310
SS Marine Holding Corporation	-	206	43	163	-	(117)	(155)	-
SE Jasmine Corporation	-	-	41	(41)	-	(39)	(39)	-
East Tender Trading Co., Ltd.	32,000	47,811	9,647	38,164	-	(48)	651	-
Zaifeng Motor Freight Co., Ltd.	19,000	27,034	2,322	24,712	19,369	(659)	(641)	(34)
Yukari Group Co., Ltd.	26,000	18,327	12,584	5,743	32,552	(6,391)	(6,488)	(2)
E-Teq Venture Co., Ltd.	103,800	99,421	528	98,893	-	(477)	(3,177)	-
Yun Sheng Investment Co., Ltd.	30,000	30,406	143	30,263	-	(51)	253	-

(II) Consolidated statements of related companies:

Please refer to the MOPS website: https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&seamon=&mtype=A&co_id=1708&year=113

(III) Relationship report: None.

II. Handling of privately placed securities in the most recent year and as of the date of publication of the annual report: None.

III. Other necessary supplementary explanations: None

VII. Matters with significant impact

In the most recent year and as of the printing date of the annual report, the occurrence of the matters that have a significant impact on shareholders' equity or securities prices: None.