

Stock Code: 4772



2024 Annual Report

Publication date: April 14, 2025

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

The Company's website: <https://www.tscs.com.tw>

Translation - In case of any discrepancy between Chinese and English versions, the Chinese version shall prevail.

I. Spokesperson of the Company

Name: Chieh-Che Liao

Title: Director, Finance and Accounting Department

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Name: Chia-Chi Wu

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Title: Manager, Technology Department

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II. Address and telephone number of Headquarters and Plant

Headquarters and Changbin Plant: No. 1, Zhangbin W. 3rd Rd., Xianxi Township, Chunghua County

Tel: (04)791-1072

III. Stock Transfer Agency

Name: Yuanta Securities Co., Ltd.

Address: B1F., No. 67, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City

Tel: (02) 2586-5859

Website: <http://www.yuanta.com.tw>

IV. CPAs for the most recent annual financial report

Name of CPA firm: KPMG

Name of CPA: An-Chih Cheng, Yong-Hua Huang

Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City

Tel: (02)8101-6666

Website: <http://home.kpmg/tw>

V. Name of the exchange where the Company's securities are traded overseas, and the method by which the Company's securities are inquired:

None.

VI. Company website

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

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I. Letter to Shareholders

Dear Shareholders,

First of all, I would like to thank all shareholders for their support and care for the Company. We mainly focus on the production of precision high-end electronic-grade gases and chemicals, and the sales of Disilane, Trisilane and agency products are the current sources of our revenue. We hereby report the summary report on the business results of 2024 and the business plan in 2025 as follows:

I. 2024 Business results

(I) Results of implementation of business plan

In 2024, the Company continued to introduce key major suppliers' supply chains and expand revenue from agency products. The Company's operating revenue for 2024 reached NTD 873,964 thousand, representing a 57.89% growth compared to 2023. Revenue continues to show a growth trend, with a net profit after tax of NTD 385,593 thousand.

Results of implementation of business plan are as follows:

Unit: NT\$1,000

Item/Year	2024	2023	Percentage of Increase/Decrease
Operating Revenue	873,964	553,523	57.89%
Operating cost	411,209	343,290	19.78%
Gross profit	462,755	210,233	120.12%
Operating expenses	98,081	72,435	35.41%
Net operating income	364,674	137,798	164.64%
Net income before tax	385,593	139,199	177.01%
Net income of the current period	385,593	155,653	147.73%

(II) Implementation of operating income and expense budget

In 2024, the Company has no external financial forecast.

(III) Financial structure and expense and profitability analysis

Item/Year		2024	2023
Financial Structure	Debt to asset ratio (%)	4.53	4.55
	Ratio of Long-term funds to Property, Plant, and Equipment (%)	246.38	127.59
Analysis of profitability	Return on assets (%)	14.76	8.55
	Return on equity (%)	15.46	9.02
	Net profit before tax to paid-in capital (%)	26.11	10.07
	Profit margin (%)	44.12	28.12

(IV) Financial balance

In 2024, the Company's operating revenue was NTD 873,964 thousand, operating costs were NTD 411,209 thousand, operating expenses were NTD 98,081 thousand, net non-operating income was NTD 20,919 thousand, net income before tax was NTD 385,593 thousand, and net profit of the current period was NTD 385,593 thousand, which indicates that the financial balance is normal.

(V) Research and development (R&D)

1. Research and development expenditure in 2024

Unit: NT\$1,000

Item/Year	2024	2023
R&D Expenditures	18,439	18,314
Operating Revenue	873,964	553,523
Ratio of R&D expenses to net operating revenue (%)	2.11%	3.31%

2. Annual research and development achievements in 2024

(1) Electronic-grade dry etching gas dispensing facility system and technology.

3. Future R&D plan

(1) Development of special gas product materials and process setup for carbon silicon and nitrogen silicon precursors derived from chlorosilane.

- (2) Development of testing and analysis techniques for trace metal impurities in specialized gases or specialty chemicals for advanced etching and electronic-grade silicon-based precursor products, as well as the establishment of related facilities.

II. Summary of the Business Plan for 2025

(I) Business Policy

The Company has accumulated numerous market advantages, such as sales performance with multiple top-tier international semiconductor customers, synthesis and purification process technology for silane-based specialty gases, advanced logistics equipment for specialty gases, an intelligent cylinder management system, a healthy financial position, and a professionally compliant specialized production base for specialty gases, all of which are favorable for expansion and development.

To strengthen the Company's product portfolio, the Company will invest in the independent development of silicon-based precursor products this year. At the same time, it will expand the ultra-trace element analysis laboratory to enhance market competitiveness. The Company will streamline and eliminate bottlenecks in the Disilane specialty gas production line using self-developed technology. This approach will effectively increase production capacity without significant capital expenditures, further enhancing the core market competitiveness. In addition, the Company will select high-quality specialized and specialty gas industry chain partners to form strategic alliances, engaging in vertical integration and horizontal division of labor. This localized strategy will rapidly enrich the product portfolio, positioning the Company as a comprehensive solution provider for high-end transistor manufacturing.

(II) Expected sales volume and its basis

In 2025, the Company's shipment volume and revenue are expected to benefit from the expansion of advanced process applications in logic chips, which will further increase the demand for high-end specialty gas materials, contributing to growth in the Company's main product, Disilane. Additionally, the new product, anhydrous hydrogen fluoride, will be introduced into the process in 2025 to contribute to revenue. However, due to the stringent product certification process, the shipment volume is expected to grow gradually in stages. In addition to consolidating growth in existing market product sales, the overseas agency business is expected to bring another wave of growth to the Company in 2025, as customer mass production plans unfold. The revenue target for the entire year of 2025 is to achieve a double-digit growth rate.

(III) Important production and marketing policies

1. Continuously innovate concepts to generate cash inflows from operating activities.
2. The core production goal is to ensure the highest quality assurance and continuously strengthen production safety.
3. Build new operational growth momentum.
4. Increase production capacity utilization to meet market demand growth.
5. Continuously optimize customer service, increase added value, and enhance customer loyalty.

(IV) Future development strategies for the Company

1. Continuously develop next-generation products, stay at the forefront of the market, and create new blue oceans.
2. Rapidly enrich the product portfolio through industry integration to create a new industrial value chain.
3. Undergo digital transformation, leveraging automation and intelligence to drive growth.
4. Operate with ethical corporate management, establishing a business value and culture that takes pride in Taiwan's specialty chemicals industry.

(V) Impact of the external competition, legal, and overall economic environments

1. The global specialty gas producers are facing market competition threats due to Chinese specialty gas manufacturers adopting low-price strategies for dumping caused by overcapacity. Particularly for exports to customers in China, although the Company is not restricted by its domestic production policy from exporting to the region, the prevailing price-cutting trend in the local market poses a threat to ASP. The Company will adopt a more proactive and flexible strategy to address this irrational and unhealthy market competition. In addition to leveraging cost advantages to secure market share, the Company will also take into account the domestic production policy of China. Without transferring technology, talent, or investments, it will assess strategies that comply with the laws of the Taiwan while enhancing competitiveness in the Chinese market.
2. It is anticipated that after the new U.S. administration takes office, tariff strategies will be employed as a means to pursue national interests, leading to a new wave of changes in the global economic and trade landscape. A regionalized, small-yard, high-fence economic system is expected to take shape amid escalating trade disputes. The Company, in response to this development, has assessed its competitive advantages and should still have room for flexible adaptation. In the short term, there is not expected to be a significant

impact on the Company's operational growth. However, in the long term, it remains essential to continuously monitor global semiconductor market trends and respond to challenges as they arise.

3. The establishment of a carbon-neutral operating environment has become a global trend, with increasingly stringent requirements from policies, regulations, and customers regarding energy conservation and carbon reduction. As the Company's processes utilize low-carbon technology, this provides a competitive advantage in securing orders. Moving forward, the Company will continue to focus on developing new products using low-carbon production techniques, not only aligning with customers' carbon reduction demands but also mitigating the impact of climate change on its operations. At the same time, the Company will continue to expand the power generation capacity of its solar power plants, increasing the coverage and utilization of green energy, with the core objective of achieving RE100.

Finally, we would like to thank all shareholders again for coming here. Your support is the greatest blessing and motivation for all our colleagues. Thank you and wish you all the best!

We wish you a healthy and prosperous life.

Chairman: Hsiu-Lan Hsu

President: Hsiung-Fei Chang

Chief Accountant: Teng-Jen Lai

II. Corporate Governance Report

I. Information on directors, supervisors, General Managers, Deputy General Managers, assistant managers, and heads of various departments and branches

(I) Director information

1.Name of director, academic/professional background, shareholdings, and nature of shareholdings

March 20, 2025; shares; %

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election (assumption of office)	Term of office	Shares held at the time of election		Shares currently holding		Shares held by spouse and underage children		Shares held in the name of others		Major academic/professional background	Concurrent positions held in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree of kinship of the Company's directors or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Chairperson	Sino-American Silicon Products Inc.	—	Republic of China	2018/7/16	2024/5/6	3 years	41,590,354	30.09	42,123,354	28.52	—	—	—	—	—	—	—	—	—	—
	Representative: Hsiu-Lan Hsu	Female 61 to 70 years old		2018/7/16	2024/5/6		—	—	—	—	—	—	—	—	Master of Computer Science, University of Illinois General Manager, Sino- American Silicon Products Inc. Chairperson, GlobalWafers Co., Ltd.	Chairperson and CEO, Sino-American Silicon Products Inc., Chairperson and CEO, GlobalWafers Co., Ltd., Corporate Director Representative, Actron Technology Corporation, Corporate Director Representative, Advanced Wireless Semiconductor Company, Corporate Director Representative, SAS Sunrise Inc., Corporate Chairperson Representative, Sunrise PV Three Co., Corporate Chairperson Representative, Chung Hsin Investment Co., Ltd., Corporate Chairperson Representative, Sustainable Energy Solution Co., Ltd., Corporate Chairperson Representative, Sunrise PV Four Co., Corporate Chairperson Representative, Huan Chiu Hsin Investment Co., Ltd., Director, Global Semiconductor Inc., Chairperson and CEO, GlobiTech Incorporated, Chairperson, GlobalWafers Japan Co., Ltd., Chairperson, MEMC Japan Ltd., Vice Chairperson, Kunshan Zhongchen Silicon Crystal Co., Ltd., Chairperson, Topsil GlobalWafers A/S, Director, GlobalWafers Singapore Pte. Ltd., Director, GlobalWafers B.V., Director, MEMC Korea Company, Chairperson, GlobalWafers America, LLC, Corporate Chairperson Representative, Crystalwise Technology Inc., Director, Crystalwise Technology (HK) Limited, Corporate Chairperson Representative, GlobalWafers Capital Co., Ltd, Independent Director of Delta Electronics, Inc.	—	—	—	—
Vice chairperson	Sino-American Silicon Products Inc.	—	Republic of China	2018/7/16	2024/5/6	3 years	41,590,354	30.09	42,123,354	28.52	—	—	—	—	—	—	—	—	—	—

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election (assumption of office)	Term of office	Shares held at the time of election		Shares currently holding		Shares held by spouse and underage children		Shares held in the name of others		Major academic/professional background	Concurrent positions held in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree of kinship of the Company's directors or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
	Representative: Cheng-Chien Chen	Male, 51 to 60 years old		2024/10/24	2024/5/6		—	—	—	—	—	—	—	—	M.A., Department of Business, National Taiwan University Executive Director, Senior Partner, COO of Audit Department, KPMG Director and CEO, KPMG Education Foundation	General Manager of Sino-American Silicon Products Inc., Corporate Director Representative, Advanced Wireless Semiconductor Company, Corporate Director Representative, Sunrise PV Three Co., Corporate Director Representative, Sunrise PV Four Co., Corporate Director Representative, Sustainable Energy Solution Co., Ltd., Chairman, Sunrise Intelligent Energy Co., Ltd., Corporate Chairperson Representative, Billion Electronic Co., Ltd., Director, MEMC Electronic Materials S.p.A. Corporate Director Representative, Accusolarpower Co., Ltd., Corporate Chairperson Representative, Billion Watts Technologies Co., Ltd., Corporate Chairperson Representative, Sunrise Intelligent Energy CO., LTD., Corporate Director Representative, Mosel Vitelic Inc., Corporate Chairperson Representative, Ainiel Power Co., Ltd., Corporate Chairperson Representative, Waferchem Technology Corporation.,	—	—	—	—
Director	Sino-American Silicon Products Inc.	—	Republic of China	2018/7/16	2024/5/6	3 years	41,590,354	30.09	42,123,354	28.52	—	—	—	—	—	—	—	—	—	—
	Representative: Hsiu-Ling Hsu	Female 51 to 60 years old		2024/2/27	2024/5/6		—	—	—	—	—	—	—	—	Graduate Institute of Business Administration, National Taipei University Director, PwC Taiwan Accounting Manager, Sunrise Global Solar Energy Co., Ltd.	Assistant Manager, Finance and Accounting Division, Sino-American Silicon Products Inc., Director, Sino Silicon Technology Inc., Supervisor, Sustainable Energy Solution Co., Ltd., Corporate Director Representative, Crystalwise Technology Inc., Supervisor, Shanghai Sawyer Technology Material Co., Ltd., Supervisor, Chizhou Yuan Hung Information Material Co., Ltd., and Supervisor, Yuan Hung (Shandong) Photoelectric Material Co., Ltd. Supervisor, Ainiel Power Co., Ltd.,	—	—	—	—
Director	Hsin-Ming Kao	Female 71 to 80 years old	Republic of China	2024/5/6	2024/5/6	3 years	50,000	0.04	50,000	0.03	—	—	—	—	Graduate Institute of International Business Administration, National Taiwan University Director, Institute of Electronics, ITRI	Chairperson and CEO, Marketch International Corp., Chairperson, Ji Xuan Investment Co., Ltd., Director, WT Microelectronics Co., Ltd., Director, Probeleader Co., Ltd., Director, Ezoom Information Inc., Director, ADAT Technology Co., Ltd., Director, Vertex System Corporation, Director, Forward Science Corp., Director, Brillian Network & Automation Integrated System Co., Ltd., Director, Bolite Co., Ltd., Chairperson, Smart Group Solutions Corp., Ltd., Chairperson, Marketop Smart Solutions Co., Ltd.	—	—	—	—
Director	Hsin-Jung Chen	Male 51 to 60 years old	Republic of China	2024/5/6	2024/5/6	3 years	1,371,269	0.99	1,010,700	0.68	—	—	—	—	Department of Industrial Management, Asia Eastern University of Science and Technology	General Manager, Shieh Shun International Co., Ltd.	—	—	—	—
Independent Director	Chung-Hsien Liu	Male, 61 to 70 years old	Republic of China	2022/6/17	2024/5/6	3 years	—	—	—	—	—	—	—	—	Master of Management Sciences, Tamkang University Chairperson, Huei Hung Investment Co., Ltd. General Manager, CEO, Chairperson, Ruentex Development Co., Ltd.	Lecture Professor, Soochow University, Independent Director, Actron Technology Corporation, Independent Director, Advanced Wireless Semiconductor Company, Independent Director, Johnson Health Tech .Co., Ltd.	—	—	—	—

Title	Name	Gender Age	Nationality or place of registration	Date of initial appointment	Date of election (assumption of office)	Term of office	Shares held at the time of election		Shares currently holding		Shares held by spouse and underage children		Shares held in the name of others		Major academic/professional background	Concurrent positions held in the Company and other companies	Other supervisors, directors, or supervisors who are spouses or relatives within 2nd degree of kinship of the Company's directors or supervisors			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Independent Director	Ru-Sheng Hung	Male, 61 to 70 years old	Republic of China	2022/6/17	2024/5/6	3 years	—	—	—	—	—	—	—	—	PhD, Department of Chemical Engineering, University of Tokyo, Japan Researcher, National Renewable Energy Laboratory, U.S. Department of Energy Science and Technology Specialist, Taipei Economic and Cultural Representative Office in Japan	Full-time Professor, Department of Chemical Engineering, National Taiwan University of Science and Technology	—	—	—	—
Independent Director	Ding-Kuo Chen	Male, 81 to 90 years old	Republic of China	2023/5/12	2024/5/6	3 years	—	—	—	—	—	—	—	—	PhD of Business Administration, University of Michigan President of Chinese Academy of Business	Honorary Founding President of Chinese Academy of Business Independent Director of SHINY CHEMICAL INDUSTRIAL CO., LTD. Independent Director of Namchow Holdings Co., Ltd.	—	—	—	—

2. Major shareholders of corporate shareholders:

Name of corporate shareholders	Major shareholders of corporate shareholders
Sino-American Silicon Products Inc.	Hung Wang Investment Co., Ltd. (3.91%), Hua Nan Commercial Bank as Custodian of Yuanta Taiwan Value High Dividend ETF Securities Investment Trust Fund Account (3.57%), Taipei Fubon Commercial Bank Co., Ltd. as Custodian of Fuh Hua Taiwan Technology Dividend Highlight ETF Securities Investment Trust Fund Account (3.44%), Taiwan Cooperative Bank (2.41%), Nan Shan Life Insurance Co., Ltd. (2.34%), Ching-Chao Chang (2.17%), United Taiwan High Dividend Recovery 30 ETF (2.16%), CW & ET Link Inc. (2.05%), KGI Life Insurance Co., Ltd. (1.76%), Ming-Kuang Lu (1.73%)

3. Major shareholders of corporate shareholders that are legal entities

Name of corporate shareholder	Major shareholders of corporate entity
Hung Wang Investment Co., Ltd.	CW & ET Link Inc. (39.02%), GlobalWafers Co., Ltd. (30.98%), Actron Technology Corporation (30.00%)
CW & ET Link Inc.	Hung Mao Investment Co., Ltd. (30.46 %)

4. The professional knowledge and independence of directors:

Conditions Name	Professional Qualification and Experience	Independence	Number of other public companies concurrently serving as independent director
Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu	Master of Computer Science, University of Illinois General Manager, Sino-American Silicon Products Inc. Chairperson, GlobalWafers Co., Ltd.	The Company's Board of Directors is committed to continuously assessing the independence of its directors, taking into account all relevant factors, including whether the directors can consistently pose constructive questions to management and other directors, whether their viewpoints remain independent of management or other directors, and whether their conduct within and outside the board is appropriate. The biographies of all directors and relevant individuals, including (if applicable) the relationships among members, are set out on pages 5 to 6 of this annual report. The three independent directors listed on the left have met the qualification requirements stipulated in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" issued by the FSC and Article 14-2 of the Securities and Exchange Act both in the two years prior to their appointment and during their tenure. Furthermore, all independent directors have been granted full authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities and Exchange Act, enabling them to independently perform their	—
Sino-American Silicon Products Inc. Representative: Cheng-Chien Chen	M.A., Department of Business, National Taiwan University Executive Director, Senior Partner, COO of Audit Department, KPMG Director and CEO, KPMG Education Foundation		—
Sino-American Silicon Products Inc. Representative: Hsiu-Ling Hsu	Graduate Institute of Business Administration, National Taipei University Director, PwC Taiwan Accounting Manager, Sunrise Global Solar Energy Co., Ltd.		—
Hsin-Ming Kao	Graduate Institute of International Business Administration, National Taiwan University Director, Institute of Electronics, ITRI		—

Conditions Name	Professional Qualification and Experience	Independence	Number of other public companies concurrently serving as independent director
Hsin-Jung Chen	Asia Eastern University of Science and Technology General Manager, Shieh Shun International Co., Ltd.	respective duties.	
Chung-Hsien Liu	Master of Management Sciences, Tamkang University Chairperson, Huei Hung Investment Co., Ltd. General Manager, CEO, Chairperson, Ruentex Development Co., Ltd.		3
Ru-Sheng Hung	PhD, Department of Chemical Engineering, University of Tokyo, Japan Researcher, National Renewable Energy Laboratory, U.S. Department of Energy Science and Technology Specialist, Taipei Economic and Cultural Representative Office in Japan		—
Ding-Kuo Chen	PhD of Business Administration, University of Michigan President of Chinese Academy of Business		2

5. Board Diversity: The Company's "Corporate Governance Best Practice Principles" have established guidelines for the composition of board members and the overall competencies required. Additionally, a board diversity policy has been formulated. The selection of board members is based on the principle of meritocracy, ensuring a diverse and complementary range of cross-industry expertise. This includes fundamental composition factors such as age, gender, and nationality, as well as industry experience and relevant skills. Each member also possesses competencies in business judgment, corporate management, leadership decision-making, and crisis management. To enhance the functions of the Board of Directors and achieve the optimal goals of corporate governance, Article 20 of the Company's "Corporate Governance Best Practice Principles" explicitly stipulates the overall competencies that the board should possess as follows:

- (1) Business judgment capability; (2) Accounting and financial analysis capability; (3) Management capability; (4) Crisis management capability; (5) Industry knowledge; (6)

International market perspective; (7) Leadership capability; (8) Decision-making capability

The diversity of the members of the Company's Board of Directors is implemented as follows:

The Company currently has 8 directors, of which 3 are independent directors (38%) and 3 are female directors (38%). The terms of the 3 independent directors are all under 3 years. The Company values gender equality among board members, with female directors accounting for more than one-third of the board.

The board members possess the professional knowledge, skills, and experience as outlined in the following table:

Title	Chairperson	Director	Director	Director	Director
Name	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu	Sino-American Silicon Products Inc. Representative: Cheng-Chien Chen	Sino-American Silicon Products Inc. Representative: Hsiu-Ling Hsu	Hsin-Ming Kao	Hsin-Jung Chen
Gender	Female	Male	Female	Female	Male
Nationality	Republic of China	Republic of China	Republic of China	Republic of China	Republic of China
Age	61 to 70	51 to 60	51 to 60	71 to 80	41 to 50
Concurrently serving as employee of the Company	None	None	None	None	None
Professional knowledge and skills					
Commerce	✓	✓	✓	✓	✓
Technology	✓			✓	
Finance/Accounting		✓	✓		
Marketing	✓	✓	✓	✓	✓
Capability and experience					
Leadership capability	✓	✓	✓	✓	✓
Decision-making capability	✓	✓	✓	✓	✓
International market perspective	✓	✓	✓	✓	✓
Industry knowledge	✓	✓	✓	✓	
Financial management capability		✓	✓	✓	
Operation and manufacturing	✓	✓		✓	
Risk management/crisis management	✓	✓	✓	✓	✓

Title	Independent Director	Independent Director	Independent Director
Name	Chung-Hsien Liu	Ru-Sheng Hung	Ding-Kuo Chen
Gender	Male	Male	Male
Nationality	Republic of China	Republic of China	Republic of China
Age	61 to 70	61 to 70	81 to 90
Concurrently serving as employee of the Company	None	None	None
Professional knowledge and skills			
Commerce	✓		✓
Technology		✓	
Finance/Accounting	✓		✓
Marketing	✓	✓	✓
Capability and experience			
Leadership capability	✓	✓	✓
Decision-making capability	✓	✓	✓
International market perspective	✓	✓	✓
Industry knowledge		✓	
Financial management capability	✓		✓
Operation and manufacturing	✓		✓
Risk management/crisis management	✓	✓	✓

(II) General Manager, Deputy General Manager, Assistant Managers, and heads of various departments and branches

March 20, 2025; shares, %

Title	Name	Gender	Nationality	Date of assumption	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Major academic/professional background	Positions concurrently held in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
General Manager and Business Division Director	Hsiung-Fei Chang	Male	Republic of China	2020/10/7	65,192	0.04	—	—	—	—	Department of Electronic Engineering, Tung Fang Design University Director, Business Division, Top Green Energy Technology Inc. Deputy General Manager, Able China Co., Ltd. Deputy General Manager, Modify Technology Co., Ltd. Business Manager, Tai-Lien Automatic Technical Co., Ltd.	—	—	—	—	—
Chief Technology Officer and Plant Director	Teng-Chih Li	Male	Republic of China	2017/5/1	55,691	0.04	—	—	—	—	Department of Chemical Engineering, Tunghai University Deputy Plant Director, Production Plant, Top Green Energy Technology Inc. Chemical Engineer, RSEA Engineering Corporation Privatized Deputy Team Leader, Manufacturing, TCC Chemical Corporation	—	—	—	—	—
Director and Head of Corporate Governance, Finance and Accounting Division	Jie-Che Liao	Male	Republic of China	2014/7/1	47,940	0.03	15,962	0.01	—	—	Department of Accounting, Tunghai University Manager of Finance and Accounting Department, Top Green Energy Technology Inc. Section Chief, Audit Section, Glory Science Co., Ltd. Deputy Team Leader, Ernst & Young Global Limited	—	—	—	—	—
Deputy Director of Procurement and Materials Department and Supervisor of Information	Wei-Tsun Hsu	Male	Republic of China	2018/3/1	5,950	—	—	—	—	—	Department of Information Management, National Taichung University of Science and Technology ERP Engineer, Yao-I Fabric Co., Ltd.	—	—	—	—	—

Title	Name	Gender	Nationality	Date of assumption	Shares held		Shares held by spouse and underage children		Shares held in the name of others		Major academic/professional background	Positions concurrently held in other companies	Managers who are spouses or relatives within 2nd degree of kinship			Remarks
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relations	
Center											Engineer, Information Department, Top Green Energy Technology Inc.					
Head of Audit Manager	Chia-Chi Wu	Female	Republic of China	2014/7/1	17,190	0.01	—	—	—	—	Department of Accounting Information, National Chung Hsing University Assistant Manager, Accounting Department, Top Green Energy Technology Inc. Project Manager, LNC Technology Co., Ltd., Pou Chen Group Senior Manager, Stack Devices Corp.	—	—	—	—	—
Occupational Safety Center Assistant Manager	Shu-Fu Yin	Male	Republic of China	2020/5/18	1,000	—	—	—	—	—	Master of Science and Management, Institute of Industrial Education and Technology, National Changhua University of Education Manager, Occupational Safety Team, Power ElectroChemical Corporation Specialist, Administration Department, Depo Auto Parts Industrial Co., Ltd.	—	—	—	—	—
Quality Assurance Center Assistant Manager	Wei--ChihWang	Male	Republic of China	2024/7/1	14,000	0.01	—	—	—	—	Department of Chemical Engineering, National Chung Hsing University Deputy Section Chief, R&D, Top Green Energy Technology Inc.	—	—	—	—	—

Note: When the Chairperson and the General Manager or an equivalent position (the highest manager) are the same person, or when they are spouses or first-degree relatives, the reasons, rationale, necessity, and corresponding measures should be disclosed. This situation does not apply to the Company.

(III) The remuneration paid to directors, supervisors, General Manager, and Deputy General Managers in the most recent year

1. Remuneration to general directors and independent directors

December 31, 2024; Unit: NTD thousand; %

Title	Name	Director remuneration								The sum of A, B, C and D and as a percentage of net income after tax		The relevant remuneration received by the employees who also serve as employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Directors' remuneration (C)		Business execution expense (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
Cash amount	Stock amount															Cash amount	Stock amount					
General directors	Sino-American Silicon Products Inc. Representative: Hsiu- Lan Hsu	—	—	—	—	2,020	2,020	185	185	2,205 及 0.57%	2,205 及 0.57%	—	—	—	—	—	—	—	2,205 及 0.57%	2,205 及 0.57%	58,117	
	Sino-American Silicon Products Inc. Representative: Cheng- Chien Chen																					
	Sino-American Silicon Products Inc. Representative: Tang- LiangmYao (Note 1)																					
	Sino-American Silicon Products Inc. Representative: Hsiu- Ling Hsu																					
	Sino-American Silicon Products Inc. Representative: Chun- Chen Yang (Note 2)																					
	Hsin-Ming Kao																					
	Hsin-Jung Chen																					
	Wintech Innovation Co., Ltd. Representative:																					

Title	Name	Director remuneration								The sum of A, B, C and D and as a percentage of net income after tax		The relevant remuneration received by the employees who also serve as employees								The sum of A, B, C, D, E, F and G as a percentage of net income after tax		Remuneration from the reinvested business other than the subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Directors' remuneration (C)		Business execution expense (D)				Salaries, bonuses, and special allowances (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
	Cash amount															Stock amount	Cash amount	Stock amount				
	Ri-Chun Li(Note 3)																					
Independent Director	Chung-Hsien Liu	2,160	2,160	—	—	—	—	110	110	2,270 及 0.59%	2,270 及 0.59%	—	—	—	—	—	—	—	—	2,270 及 0.59%	2,270 及 0.59%	—
	Ru-Sheng Hung																					
	Ding-Kuo Chen																					
1. Please describe the independent director's remuneration policy, system, standards, and structure, and explain the relationship between the remuneration amount and factors such as the responsibilities, risks, and time commitment involved.																						
The Company pays independent directors a fixed monthly remuneration and transportation allowances for attending board meetings. Additionally, based on the extent of their participation and contribution to the Company's operations, as well as the results of the director performance evaluation, the Company will determine the independent directors' remuneration distribution from the director remuneration allocated annually according to the Company's profit status. The remuneration amount allocated to the aforementioned independent directors is subject to approval by the Remuneration Committee and will then be submitted for resolution by the Board of Directors.																						
2. In addition to the disclosures in the table above, there were no remuneration payments made to the Company's directors for providing services to all companies included in the financial statements (such as acting as consultants for the parent company, all companies within the financial statements, or reinvested businesses that are not employees).																						

Note 1: The representative of the corporate director, Sino-American Silicon Products Inc., was changed to Cheng-Chien Chen on October 24, 2024.

Note 2: The representative of the corporate director, Sino-American Silicon Products Inc., was changed to Hsiu-Ling Hsu on February 27, 2024.

Note 3: The Board of Directors was completely re-elected on May 6, 2024. The term of Ri-Chun Li , the representative of Wintech Innovation Co., Ltd., ended on May 5, 2024.

Remuneration brackets table

Range of remuneration for the directors	Name of directors			
	Total of the four types of remuneration (A+B+C+D)		Total of the seven types of remuneration (A+B+C+D+E+F+G)	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Less than NTD 1,000,000	Sino-American Silicon Products Inc., Corporate representative: Hsiu-Lan Hsu, Corporate representatives: Cheng-Chien Chen, Tang-Liang Yao, Hsiu-Ling Hsu, Chun-Chen Yang, Hsin-Ming Kao, Hsin-Jung Chen, WINTECH INNOVATION CO., LTD., Corporate representatives: Ri-Chun Li, Chung-Hsien Liu, Ru-Sheng Hung, Ding-Kuo Chen	Sino-American Silicon Products Inc., Corporate representative: Hsiu-Lan Hsu, Corporate representatives: Cheng-Chien Chen, Tang-Liang Yao, Hsiu-Ling Hsu, Chun-Chen Yang, Hsin-Ming Kao, Hsin-Jung Chen, WINTECH INNOVATION CO., LTD., Corporate representatives: Ri-Chun Li, Chung-Hsien Liu, Ru-Sheng Hung, Ding-Kuo Chen	Sino-American Silicon Products Inc., Corporate representative: Hsiu-Lan Hsu, Corporate representatives: Cheng-Chien Chen, Tang-Liang Yao, Hsiu-Ling Hsu, Chun-Chen Yang, Hsin-Ming Kao, Hsin-Jung Chen, WINTECH INNOVATION CO., LTD., Corporate representatives: Ri-Chun Li, Chung-Hsien Liu, Ru-Sheng Hung, Ding-Kuo Chen	Sino-American Silicon Products Inc., Corporate representative: Hsiu-Lan Hsu, Corporate representatives: Cheng-Chien Chen, Tang-Liang Yao, Hsiu-Ling Hsu, Chun-Chen Yang, Hsin-Ming Kao, Hsin-Jung Chen, WINTECH INNOVATION CO., LTD., Corporate representatives: Ri-Chun Li, Chung-Hsien Liu, Ru-Sheng Hung, Ding-Kuo Chen
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	—	—	—	—
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	—	—	—	—
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	—	—	—	—
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	—	—	—	—
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)	—	—	—	—
More than NTD 100,000,000	—	—	—	—
Total	Total of 11 people	Total of 11 people	Total of 11 people	Total of 11 people

2. Remuneration of supervisors: The Company has appointed an audit committee, so there is no supervisor remuneration.

3. Remuneration of the President and Vice Presidents

December 31, 2024; Unit: NTD 1,000; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee remuneration (D)				The sum of A, B, C and D and as a percentage of net income (%)		Remuneration from the reinvested business other than the subsidiaries or the parent company
		The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements	The Company		All companies included in the financial statements		The Company	All companies included in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsiung-Fei Chang	5,196	5,196	216	216	-	-	1,074	-	1,074	-	6,486 及 1.68%	6,486 及 1.68%	-
Chief Technology Officer	Teng-Chih Li													

Remuneration brackets table

Range of remuneration for the President and Vice Presidents	Names of the President and Vice Presidents	
	The Company	All companies included in the financial statements
Less than NTD 1,000,000	—	—
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	—	—
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Teng-Chih Li	Teng-Chih Li
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Hsiung-Fei Chang	Hsiung-Fei Chang
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	—	—
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)	—	—
More than NTD 100,000,000	—	—
Total	Total of 2 people	Total of 2 people

(IV) The names of the managers who received employee remuneration and the distribution status:

Unit: NT\$1,000; %

Title	Name	Stock amount	Cash amount	Total	Total amount as a percentage of net income
President	Hsiung-Fei Chang	-	1,307	1,307	0.34
Chief Technology Officer	Teng-Chih Li				
Chief Financial Officer (CFO), Finance and Accounting Department	Jie-Che Liao				

(V) Analysis and description of the total remuneration, as a percentage of net income after tax, as paid by the Company and by the companies included in the consolidated financial statements during the past two years to directors, supervisors, President, and Vice Presidents, and an explanation of the policies, standards, and packages by which the remuneration was determined, and its linkage to operating performance and future risks:

1. Analysis of the remuneration to the Company's directors, supervisors, President, and Vice Presidents as a percentage of net income (loss) in the last two years:

Item \ Year	Total remuneration as a percentage of net income			
	2023		2024	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Director	3.27	3.27	1.16	1.16
Supervisors	—	—	—	—
President and Vice Presidents	3.25	3.25	1.68	1.68

2. The remuneration to directors, supervisors, President, and Vice Presidents - the policies, standards, and packages by which the remuneration was determined, and its linkage to operating performance and future risks:

(1) The policy, standard and packages of remuneration

The remuneration of the Company's directors includes three categories: directors' compensation, directors' remuneration, and professional service expenses, which are handled in accordance with the Articles of Incorporation and relevant regulations; the remuneration of the President and Vice Presidents includes salaries, bonuses, and employee remuneration, which are determined in accordance with the Articles of Incorporation and the level of authority.

(2) Procedures for determining remuneration

If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' and supervisors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses.

The employee remuneration mentioned in the preceding paragraph may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors and supervisors referred to in the preceding paragraph shall be paid only in cash.

By a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, the Company shall have the profit distributable as employees' compensation in the preceding two paragraphs distributed; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

A company which has the profit distributed to employees in the form of shares by a resolution of the meeting of board of directors in accordance with the provision of the preceding paragraph may resolve, at the same meeting of the board of directors, to distribute the shares by way of new shares to be issued by the company or existing shares to be re-purchased by the company.

The business execution fee is only distributed in the form of travel allowance for each Board of Directors meeting. The procedures for determining the remuneration to directors shall be based on the performance evaluation of the Board of Directors of the Company, and the reasonable remuneration shall be given by taking into account their level of participation and contribution to the Company's operations. The remuneration to the Company's President and Vice Presidents and the payment methods are handled in accordance with the Company's "Regulations Governing the Remuneration to Managers" and "Regulations Governing the Remuneration to Employees".

The Company has also established the Remuneration Committee in 2022. The Committee will regularly review the performance evaluation of directors and managers, and the policies, systems, standards and structures of remuneration, and submit it to the Board of Directors for discussion.

(3) Linkages between business performance and future risks

The performance evaluation and remuneration of the Company's directors and managers are based on the usual standards in the industry, the operating results, and level of participation (including the attendance rate of directors, communication frequency, and suggestions provided), and their contribution to the Company's performance (including financial indicators such as revenue and profitability achievement rate, non-financial indicators such as laws and regulations, and internal control compliance, or special achievements). The amount of remuneration, payment methods, and future risks of the Company are also comprehensively considered, which are highly related to the Company's business responsibilities and overall performance.

II. Corporate Governance Implementation Status

(I) Board of Directors Meeting Status

The Board of Directors held 8 meetings in 2024. The attendance of all directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Chairperson	Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu	8	0	100	Re-elected on May 6, 2024
Vice Chairperson	Sino-American Silicon Products Inc. Representative: Cheng-Chien Chen	2	0	100	Re-elected on May 6, 2024/Representative Cheng-Chien Chen was reappointed on October 24, 2024
Director	Sino-American Silicon Products Inc. Representative: Tang-Liang Yao	6	0	100	Re-elected on May 6, 2024/Representative Cheng-Chien Chen was reappointed on October 24, 2024
Director	Sino-American Silicon Products Inc. Representative: Hsiu-Ling Hsu	7	0	100	Representative was changed to Hsiu-Ling Hsu on February 27, 2024, and was re-elected on May 6, 2024.
Director	Sino-American Silicon Products Inc. Representative: Chun-Chen Yang	1	0	100	Representative was changed to Hsiu-Ling Hsu on February 27, 2024
Director	Hsin-Ming Kao	5	0	100	Elected on May 6, 2024
Director	Hsin-Jung Chen	5	0	100	Elected on May 6, 2024
Director	WINTECH INNOVATION CO., LTD., Representative: Ri-Chun Li	3	0	100	Representative was Ri-Chun Li on June 17, 2022, and was released from duty in the re-election on May 6, 2024.
Independent Director	Chung-Hsien Liu	8	0	100	Re-elected on May 6, 2024
Independent Director	Ru-Sheng Hung	7	1	88	Re-elected on May 6, 2024
Independent Director	Ding-Kuo Chen	7	1	88	Re-elected on May 6, 2024
	<p>Additional Information:</p> <p>1. If the operation of the Board of Directors meets any of the following conditions, specify the date, session, contents of motions, opinions of all independent directors, and the Company's handling of such opinions:</p> <p>(1) Items listed under Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has appointed an Audit Committee, which is applicable to Article 14-5 of the Securities and Exchange Act.</p> <p>(2) Any other documented objections or qualified opinions raised by independent directors against board resolutions in relation to matters other than those described above: None.</p> <p>2. For the recusal of a director from a proposal due to a conflict of interest, the name of the director, the content of the proposal, the reason for recusal, and the participation in voting shall be stated:</p> <p>(1) On May 6, 2024, the Board of Directors discussed the appointment of the second Remuneration Committee members. Independent Director Liu Chung-Hsien, Independent Director Hung Ju-Sheng, and Independent Director Chen Ding-Kuo recused themselves from the discussion and voting of this motion, as they are independent directors of the Company's Remuneration Committee.</p> <p>3. TWSE/TPEX listed companies shall disclose the evaluation cycle and duration, scope, method and content of the evaluation of the Board of Directors' self-assessment (or peer-to-peer assessment), and fill in the form of the Board of Directors' evaluation implementation status:</p>				

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	January 1, 2024 to December 31, 2024	Board of Directors Individual directors of functional committees (including Audit Committee, Remuneration Committee and Nomination Committee)	Board of Directors' internal self-evaluation Self-evaluation of board members Internal self-evaluation of the functional committees	Board of Directors performance evaluation: 1. Level of participation in the Company's operations 2. Improvement of the quality of the Board of Directors' decision making 3. The composition and structure of the Board of Directors 4. Election and continuing education of directors 5. Internal control 6. Concerns on sustainable operation (ESG) Director performance evaluation: 1. Understanding of the Company's goals and missions and concerns on sustainable operation (ESG) 2. Awareness of the duties of a director 3. Level of participation in the Company's operations 4. Management of internal relationship and communication 5. Professional and continuing education of directors 6. Internal control Function Committees performance evaluation: 1. Level of participation in the Company's operations 2. Awareness of the duties of a functional committee 3. Improvement of the quality of the functional committee's decision making 4. The composition and election of the functional committee members 5. Internal control
4. Objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (e.g. setting up an audit committee, improving information transparency, etc.) and the implementation evaluation:				
Strengthen the functionality of the Board of Directors		Evaluation of implementation		
Appointment of independent directors		Strengthen the professional directors' independent and objective functions to supervise the Board of Directors' operations.		
Establishment of the Remuneration Committee		Assist the Board of Directors in the implementation and evaluation of the overall remuneration and welfare system of the Company, and regularly review the appropriateness of the remuneration to directors, supervisors and managers.		
Establishment of the Audit Committee		Exercise the powers and authorities stipulated in the Securities and Exchange Act, the Company Act and other relevant laws and regulations.		
Establishment of the Nomination Committee		Strengthen the nomination system for the Company's directors and senior managers.		
Continue to improve information transparency		The Company has appointed dedicated personnel to be responsible for the disclosure of company information and updating the company's website information.		
Actively establish communication with stakeholders		The Company has spokesperson and acting spokespersons as communication channels with the stakeholders. The Company accepts shareholder proposals in accordance with the agenda at the annual shareholders' meeting. Shareholders with the right to submit proposals may apply to the Company during the acceptance period. The Company will convene a Board of Directors to review the proposals.		
Enhance the operation efficiency and decision-making ability of the Board of Directors		The Company has established the "Rules of Procedure for Board of Directors Meetings" to strengthen the implementation of the functions of the Board of Directors and promote the sound progress of the Board of Directors' participation in decision-making.		
Strengthen professional knowledge		The number of hours of continuing education of the Company's directors shall meet the requirements of the competent authorities. The Board of Directors is encouraged to participate in various professional courses, and the relevant laws and regulations shall be promoted at the Board of Directors to comply with the laws and regulations.		
Appointment of a Corporate Governance Officer		In order to implement corporate governance and improve the performance of the Board of Directors, the Board of Directors approved the establishment of the position of a Corporate Governance Officer on July 29, 2022, to assist directors in performing their duties with the relevant information and other necessary assistance.		

(II) Operation of the Audit Committee or Supervisors' participation in the Board of Directors' operation:

1. Operation of the Audit Committee:

The Audit Committee held 7 meetings in 2024, and the attendance of independent directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Independent Director	Chung-Hsien Liu	7	0	100	Re-elected on May 6, 2024
Independent Director	Ru-Sheng Hung	6	1	86	Re-elected on May 6, 2024
Independent Director	Ding-Kuo Chen	7	0	100	Re-elected on May 6, 2024

For the professional qualifications and experience of the members of the Audit Committee, please refer to the content of "Three. Corporate Governance Report/I. Director Information/4. Director's Professional Qualifications and Independent Director's Independence Information Disclosure" of this annual report.

Formation and operation of the Audit Committee

The Audit Committee of the Company consists of three independent directors, and the Committee's operations mainly aim to supervise the following matters:

- I. Adequate presentation of the Company's financial statements
- II. Selection (relief) of CPAs and their abilities, qualifications, independence and performance
- III. Effective implementation of internal control
- IV. The Company complies with relevant laws and regulations
- V. Management of existing or potential risks of the Company

Additional Information:

- I. If the operation of the Audit Committee meets any of the following conditions, the date, session, content of motions, independent directors' objections, reserved opinions or major suggestions, Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions shall be stated.

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

All motions in 2024 were approved by all members present at the meeting, and all directors present at the meeting. The operation of the Audit Committee in 2024 was as follows:

Audit Committee Term/Date	Proposal content	Items listed under Article 14-5 of the Securities and Exchange Act:	Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions shall be stated.
2024.02.19 2024 1st meeting	2023 business report and financial statement.	✓	Approved by all members of the Audit Committee present at the meeting.
	The Company's surplus distribution plan for 2023.	✓	
	Statement of Internal Control System 2023	✓	
	Amendment to the "Property, Plant and Equipment Control Procedure"	✓	
	Amendment to the "Computerized Information Process"	✓	
	Establishment of the "Information Security Management Policy"	✓	
	Establishment of the "Procedures for the Control of Seals"	✓	
	Establishment of the "General Principles for the Policy of Approval of Non-Assurance Services in Advance"	✓	
	Amendment to the "Audit Committee Charter"	✓	

	Amendment to the "Rules of Procedure for Board of Directors Meetings"	✓	
	CPA's audit quality index	✓	
2024.03.25 2024 2nd meeting	Report on the Company's risk management	✓	Approved by all members of the Audit Committee present at the meeting.
2024.05.02 2024 3rd meeting	Quarter One 2024 financial statement	✓	Approved by all members of the Audit Committee present at the meeting.
2024.07.08 2024 4th meeting	The Company's plan to issue new shares for cash capital increase	✓	Approved by all members of the Audit Committee present at the meeting.
2024.08.05 2024 5th meeting	Quarter Two 2024 financial statement	✓	Approved by all members of the Audit Committee present at the meeting.
	The proposal for distribution of new shares issued to non-managerial officers before the Company's cash capital increase prior to the listing on the Taipei Exchange.	✓	
2024.11.04 2024 6th meeting	Quarter Three 2024 financial statement	✓	Approved by all members of the Audit Committee present at the meeting.
	2025 Audit Plan	✓	
2024.11.25 2024 7th meeting	The competence, independence and professional fees of the CPAs	✓	Approved by all members of the Audit Committee present at the meeting.
	2024 and 2025 Annual Sustainability Report Specific Performance Indicator Information Assurance and CPAs' Fees	✓	
	Amendment to the "Internal Control System" and "Internal Audit System"	✓	
	Amendment to the "General Principles for the Approval of Non-Assurance Services in Advance"	✓	

(II) Any other matters not approved by the Audit Committee but approved by more than two thirds of all directors: None.

II. For the recusal of an independent director from a proposal due to a conflict of interest, the name of the independent director, the content of the proposal, the reason for recusal, and its participation in the voting shall be stated: No occurrence of the above.

III. Communication between independent directors and internal audit officers and CPAs (e.g. the items, methods and results of communication on the Company’s financial and business status).

(I) The internal audit officer of the Company communicates with the members of the Audit Committee regularly on the audit report and the implementation of the follow-up report.

The summary of the communication between the independent directors and the internal audit officers in 2024 is as follows

Date	Communication focus	Suggestions and results
2024/02/19 Audit Committee	Chief internal auditor reported the internal audit business report	No opinion was raised in this meeting
2024/05/02 Audit Committee	Chief internal auditor reported the internal audit business report	No opinion was raised in this meeting
2024/08/05 Audit Committee	Chief internal auditor reported the internal audit business report	No opinion was raised in this meeting
2024/11/04 Audit Committee	Chief internal auditor reported the internal audit business report 2025 Audit Plan	No opinion was raised in this meeting

- (II) At the meeting of the Audit Committee, the Company's CPAs reported to the independent directors on the results of the review or audit of the Company's financial statements and other communication matters required by the laws and regulations.

The summary of the communication between the independent directors and the CPAs in 2024 is as follows

Date	Communication focus	Suggestions and results
2024/02/19 Audit Committee	The CPAs explained the audit status and results of the 2023 financial statements, and discussed about the application of some accounting principles and the impact of the newly revised laws and regulations.	No opinion.
2024/05/02 Audit Committee	The CPAs explained the audit status and results of the Quarter One 2024 financial statements, and discussed about the application of some accounting principles and the impact of the newly revised laws and regulations.	No opinion.
2024/08/05 Audit Committee	The CPAs explained the audit status and results of the Quarter Two 2024 financial statements, and discussed about the application of some accounting principles and the impact of the newly revised laws and regulations.	No opinion.
2024/11/04 Audit Committee	The CPAs explained the audit status and results of the Quarter Three 2024 financial statements, and discussed about the application of some accounting principles and the impact of the newly revised laws and regulations.	No opinion.

IV. Key Work of the Audit Committee for the Year:

The Audit Committee held 7 meetings in 2024 to review the following motions

(I) Adequacy of the Company's financial statements

Review of the 2023 financial statements and the 2024 Q1-Q3 financial statements

(II) Selection (relief) of CPAs and their competence, independence and performance, and the fees for audit services

Review of the suitability and independence of the CPAs in 2024

CPA professional fees

(III) The effective implementation of the Company's internal control system

Review the internal audit report and revise the internal control system

(IV) Review and revision of the regulations of the Company

Review on the Internal Control System, Internal Audit System, the General Principles for the Approval of Non-Assurance Services in Advance, and the regulations of Property, Plant and Equipment Control Procedure.

2. Participation of Supervisors in Board of Directors Meetings:

The Company held a by-election of independent directors at the general shareholders' meeting on June 17, 2022. After the new independent directors were elected and established the Audit Committee, the existing supervisors were relieved of duty. The Audit Committee composed of all independent directors replacing the supervisors. Therefore, this is not applicable.

(III) The Company's corporate governance practices and any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation item	Operation status			Any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Does the Company establish and disclose the corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and disclosed it on the Company's website.	No significant difference.
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company have established internal procedures to handle shareholders' suggestions, queries, disputes, and litigations, and have the procedures implemented accordingly?	✓		(I) The Company's spokesperson and stock affairs agency handle shareholders' suggestions and queries and other related matters.	No significant difference.
(II) Does the Company possess a list of its major shareholders and ultimate controllers of its major shareholders?	✓		(II) The Company has the shareholder registry information provided by the stock affairs agency, and the monthly internal stock change declaration, to keep track of the list of major shareholders and ultimate controllers of major shareholders who actually control the Company.	No significant difference.
(III) Does the Company establish and implement risk control and firewall mechanisms between itself and its affiliates?	✓		(III) The finance and business of the Company and its affiliates are operated independently. The internal auditors regularly review the affiliates to avoid the derivatives of the affiliates, which may cause the Company's risks. The Company has established the "Regulations Governing Transaction Management of the Group, Specific Company, Related Party and Affiliated Enterprises" to clarify the management operations with the affiliates.	No significant difference.
(IV) Does the Company have internal policies in place to prohibit insiders from trading securities using unpublished market information?	✓		(IV) The Company has established the "Regulations Governing Prevention of Insider Trading" to prohibit insiders from trading securities using unpublished market information.	No significant difference.
III. The composition and duties of the Board of Directors				
(I) Does the Board of Directors have a diversity policy, specific management goals, and implementation plans for its composition?	✓		(I) The Company's "Corporate Governance Best Practice Principles" has outlined the composition of the Board of Directors and the abilities that board members are required to have, and the policy of diversity for board members. For the academic background, professional qualifications, independence and diversity of the Directors of the Company, please refer to the "Two. Corporate Governance Report" and "I. Director Information" in this annual report. The above information is also disclosed on the Company's website.	No significant difference.
(II) In addition to the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		(II) The Company has established the Remuneration Committee, Audit Committee and Nomination Committee to strengthen corporate governance. The ESG Sustainability Committee has been established, and regularly reports to the Board of Directors on ESG implementation and tracking matters. In the future, other functional committees will be established according to the actual needs of the Company and relevant laws and regulations.	No significant difference.
(III) Does the Company have the Board of Directors' performance evaluation methods and methods defined, and the performance evaluation is conducted annually and regularly, and the results of the	✓		(III) The Company's Board of Directors has approved the establishment of the "Regulations Governing the Board of Directors and Functional Committees Performance Evaluation" to perform performance evaluation of the Board of Directors and functional committees	No significant difference.

Evaluation item	Operation status			Any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
performance evaluation are submitted to the Board of Directors, and used as reference for individual directors' remuneration and nomination renewal?			<p>(including the Remuneration Committee and Audit Committee) at least once a year and submit the evaluation results to the Board of Directors. At the end of each year, the finance and accounting unit is responsible for the implementation and coordination of the evaluation, and internal questionnaires are adopted. The evaluation is conducted through internal self-assessment, and the performance evaluation of the Board members and functional committees, including the entire Board of Directors, individual members of the Board of Directors, and functional committees.</p> <p>The performance evaluation standards of the Board of Directors and functional committees of the Company mainly include participation in the Company's operations, improvement of the quality of the decision making of the Board of Directors and functional committees, composition and structure of the Board of Directors and functional committees, selection and continuing education of directors and functional members, and internal control. The evaluation results are submitted to the Board of Directors and used as a reference for individual directors' remuneration and the selection or nomination of directors. The Company has completed the 2024 performance evaluation, and all the results of the evaluation show that the overall Board of Directors and committees are operating well. The results of the performance evaluation were reported to the Board of Directors and disclosed on the Company's website on February 17, 2025.</p>	
(IV) Does the Company regularly assess the independence of the CPAs who perform the audit function?	✓		<p>(IV) According to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company shall regularly (at least once a year) evaluate the independence and suitability of the appointed CPAs, and shall refer to Article 47 of the Certified Public Accountant Act and the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10 for the formulation of the evaluation items. The Company has completed the 2024 assessment of the independence and performance of the CPAs, and the assessment results have been reviewed and approved by the Audit Committee and the Board of Directors on November 25, 2024.</p> <p>The independence indicators in the evaluation report include 15 items: the CPAs do not serve as directors, supervisors, managers, or positions that have significant influence on the audit cases; the CPAs have no direct or indirect significant financial interests; the CPAs have no significant close business relationship or employment relationship with the Company; the CPAs do not promote or serve as the agent of the Company's shares or other securities; the performance indicators include service quality, professional level and timeliness.</p>	No significant difference.

Evaluation item	Operation status			Any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
IV. Are the listed companies equipped with qualified and appropriate number of corporate governance personnel, and have the corporate governance officer designated to be responsible for corporate governance affairs (including but not limited to providing information required for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, handling matters related to Board of Directors and shareholders' meetings according to the law, and preparing minutes of Board of Directors and shareholders' meetings)?	✓		<p>In order to implement corporate governance and strengthen the functions of directors, the Board of Directors on July 29, 2022 approved the appointment of Mr. Ming-Hui Chien as the corporate governance officer of the Company. After the job adjustment, the Company's Board of Directors on November 27, 2023 approved the "Change of Corporate Governance Officer." The Company's Finance and Accounting Department, Director, Lennon Liao, concurrently serves as the corporate governance officer. Director Lennon Liao has more than three years of experience as a financial and stock affairs supervisor in a public company. The corporate governance officer and members of the finance and accounting department are responsible for corporate governance-related matters. The corporate governance officer is mainly responsible for providing directors with the information needed to perform their duties, assisting directors in legal compliance, assisting directors in their appointment and continuing education, handling matters related to Board of Directors, committee meetings and shareholders' meetings, and preparing meeting minutes.</p> <p>The implementation of corporate governance in 2024 is as follows:</p> <ol style="list-style-type: none"> 1. Propose and plan the Company's corporate governance related measures and implement compliance. 2. Provide the information required for directors to perform their duties and assist directors to comply with laws and regulations. 3. The Board of Directors shall be convened and all the Directors shall be notified at least 7 days prior to the meeting and sufficient meeting materials shall be provided. The minutes of the Board of Directors shall be sent to the Directors within 20 days after the meeting. 4. Register the date of the shareholders' meeting in accordance with the law, prepare the meeting notice, meeting handbook, and meeting minutes within the statutory period, and complete the change registration after amending the Articles of Incorporation or re-electing directors. 5. The Company organizes directors' continuing education courses and purchases liability insurance for directors and key personnel. 6. Maintain the relationship with investors, organize the investor conference, and establish diversified communication channels with investors. <p>The corporate governance officer must complete 12 hours of continuing education courses each year. Please refer to (IX) Continuing Education of managerial officers on corporate governance.</p>	No significant difference.
V. Does the Company have established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder section on the Company's website, and respond appropriately to important corporate social responsibility issues that are of most concern to stakeholders?	✓		The Company's spokesperson and acting spokesperson serve as the Company's external communication channels, and upload the Company's information to the MOPS as required, so that stakeholders have sufficient information to make judgments to protect their interests.	No significant difference.

Evaluation item	Operation status			Any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
VI. Does the Company have a professional stock agency appointed to handle shareholders' meeting affairs?	✓		The Company has appointed Yuanta Securities Co., Ltd. to handle the shareholders' meeting affairs.	No significant difference.
VII. Information Disclosure				
(I) Does the Company have a website that discloses financial, business, and corporate governance information?	✓		(I) The Company has set up a website to disclose the Company's financial and business information and corporate governance information in accordance with the regulations.	No significant difference.
(II) Does the Company have other means to disclose information (e.g. set up an English website, appoint dedicated personnel to collect and disclose information, implement a spokesperson system, and disclose the content of corporate briefing on the Company's website)?	✓		(II) The Company has set up an English website and has designated a dedicated person to be responsible for the collection and disclosure of corporate information, and the information of the investor conference is placed on the Company's website (https://www.tscs.com.tw), to fully disclose the Company's information, and has implemented a spokesperson system in accordance with the regulations.	No significant difference.
(III) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and monthly operating status before the prescribed deadline?	✓		(III) The Company has announced and reported its financial reports within two months after the end of the fiscal year, and announced and reported the first, second, and third quarter financial reports and monthly operating status for each month before the prescribed deadline.	No significant difference.
(VIII) Is there any other important information that helps to understand the corporate governance practices of the Company (including but not limited to the rights and care for employees, investor relations, supplier relations, rights of stakeholders, continuing education of directors and supervisors, the implementation of risk management policies and risk assessment standards, the implementation of customer policies, and the purchase of liability insurance for directors)?	✓		(I) Employee rights: The Company treats employees in good faith and has always focused on reasonable and humane management, established smooth communication channels, maintained good relations between labor and the Company, and protected the legal rights and interests of employees in accordance with the Labor Standards Act and the Company's personnel regulations. (II) Employee Care: Through various welfare systems and training systems, the Company has established good relationship of mutual trust and dependence with employees. Examples: the establishment of the Employee Welfare Committee, employee travel, employee insurance, various subsidies and benefits, and free annual health examination. (III) Investor relations: The Company fully discloses information through the MOPS and the Company's website to enable investors to fully understand the Company's operational status, and communicate with investors through shareholders' meetings and spokespersons. (IV) Rights of suppliers and stakeholders: The Company has smooth communication channels with suppliers and stakeholders. Each dedicated department is responsible for communication and coordination to protect their legitimate rights. (V) Continuing education for the directors or supervisors: The Company will inform the directors or supervisors about the continuing education from time to time and provide the information on the amendments to the Securities and Exchange Act and related continuing education as required by the competent authorities.	No significant difference.

Evaluation item	Operation status			Any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			(VI) Implementation of risk management policies and risk assessment standards: The Company has established various internal regulations in accordance with the law, for the purpose of conducting risk assessment and control. (VII) Implementation of customer policies: The Company maintains good and stable relations with customers at all times and regularly keeps in close contact with them to ensure that products can achieve the expected reliability and quality and create company profits. (VIII) Liability insurance for directors: Liability insurance has been purchased for directors.	
IX. Please explain improvements made based on the corporate governance evaluation results published by the corporate governance center of Taiwan Stock Exchange Corporation in the most recent year, and propose prioritized enhancements for the issues and measures that have not yet been improved: The Company is not included in the evaluation, and no such matter.				

Note: Regardless of the answer, "Yes" or "No", descriptions need to be provided in the summary column.

(IV) If the Company has established a Remuneration Committee or Nomination Committee, the composition, duties and operation of the committee shall be disclosed:

1. Information of the Remuneration Committee Members

Identity	Condition Name	Professional Qualification and Experience	Independence	Number of other public companies that the director concurrently held the position as the Remuneration Committee member
Independent Director (Convenor)	Ru-Sheng Hung	Please refer to the content of "Two. Corporate Governance Report/I. Director Information/4. Director's Professional Qualifications and Independent Director's Independence Information Disclosure" of this annual report.	Please refer to the content of "Two. Corporate Governance Report/I. Director Information/4. Director's Professional Qualifications and Independent Director's Independence Information Disclosure" of this annual report.	3
Independent Director	Chung-Hsien Liu			0
Independent Director	Ding-Kuo Chen			2

2. Responsibilities of the Remuneration Committee

The Committee shall exercise the due care of a prudent manager to faithfully perform the following duties and submit recommendations to the Board of Directors for discussion.

- (1) Regularly review the performance evaluation of directors and managers, and the policies, systems, standards and structures of remuneration.
- (2) Regularly assess and review the content and amount of the remuneration to directors and managers.

3. Operation Information of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of three members, who is the only independent director.
- (2) The term of office of the current members: from May 6, 2024 to May 5, 2027. The Remuneration Committee held 2 meetings in the most recent year, and the attendance of the members is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate in Person (%)	Remarks
Convenor	Ru-Sheng Hung	1	1	50	Re-elected on May 6, 2024
Committee member	Chung-Hsien Liu	2	0	100	Re-elected on May 6, 2024
Committee member	Ding-Kuo Chen	2	0	100	Re-elected on May 6, 2024

Additional Information:

- (I) If the Board declines to adopt or revise the recommendations of the Remuneration Committee, specify the date, session, contents of the motion, the resolution of the Board, and the Company's handling of the Remuneration Committee's opinions (if the Board resolved a higher level of remuneration than the Remuneration Committee's recommendation, specify the difference and the reason for it): None.
- (II) If any member has a dissenting or qualified opinion with respect to a resolution of the Remuneration Committee, and said dissenting or qualified opinion has been recorded or prepared as a written declaration, the date and session of the meeting, the content of the proposal, the opinions of all members, and how said dissenting or qualified opinion has been handled shall be stated: None.

(III) Operation status of the Remuneration Committee is as follows:

Remuneration Committee Term/Date	Proposal content	Resolution outcome	The Company's handling of the Remuneration Committee's opinions
2024.02.19 2024 1st meeting	The 2023 remuneration to employees and directors/supervisors	✓	Approved by all members of the Remuneration Committee present at the meeting.
2024.08.05 2024 2nd meeting	The 2023 remuneration to employees and directors/supervisors	✓	Approved by all members of the Remuneration Committee present at the meeting.
	Allocation of managers' remuneration for 2023	✓	
	The proposal for distribution of new shares issued to managerial officers before the Company's cash capital increase prior to the listing on the Taipei Exchange.	✓	
	2024 Employee bonus plan	✓	
	The Company's personnel promotion plan	✓	

(V) The Company's implementation of Sustainable Development and the deviation and the reason for deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies"

Evaluation item	Operation status			Any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
I. Does the Company have a governance structure that promotes sustainable development, and have a unit that specializes (or is involved) in promoting sustainable development, and have the Board of Directors authorize senior management to handle, and have the Board of Directors supervise the situation?	✓		<p>In order to achieve the goal of sustainable operation and fulfill corporate social responsibility, the Board of Directors of Taiwan Speciality Chemicals Corporation (TSCC) approved the establishment of the "ESG Sustainable Development Committee" in February 2023, and the name was changed to the "Corporate Sustainable Development Committee" on November 25, 2024. At the same time, the organizational charter is established. The organizational structure of the Committee is shown in the following figure. The Committee consists of supervisors at the manager level or above and the Chairperson of the Board acts as the Committee Chairperson. The Vice Chairperson and the President act as the Vice Chairpersons and a director general is appointed. The Committee is divided into 3 functional groups to coordinate the Company's corporate social responsibility and sustainable development aspects.</p> <p>The Corporate Sustainable Development Committee is the highest level of sustainable management and supervision organization within the organization. To implement environmental, social and governance activities, the committee integrates the concerns of each department and implements various sustainability issues, and regularly tracks, audit and review. The committee vice chairpersons review the performance and target achievement every year and continue to review and improve, and through the division of work among various departments, the Committee implements the corporate sustainable development commitment.</p> <p>The Committee is supervised by the Board of Directors, and regularly reports to the Board of Directors on the implementation of ESG. The Board of Directors supervises the goal setting and implementation of sustainable development, and gives relevant advice and guidance based on the contents of the Committee's report.</p>	No significant difference.
II. Does the Company follow the principle of materiality to assess the risks associated with environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies? (Note 2)	✓		The Company has established the Sustainable Development Best Practice Principles and Code of Ethical Conduct in accordance with the law, and has also included environmental issues in the decision-making. In the future, the Company will establish relevant guidelines.	No significant difference.
III. Environmental Topics				
(I) Does the Company have established a suitable environmental management system based on its industrial characteristics?	✓		(I) The Company has implemented and passed the ISO 14001 environmental management system certification, regularly reviews environmental impacts and safety risks every year, and revises the management system.	No significant difference.
(II) Does the Company strive to improve the efficient use of various resources and use renewable materials with low impact on the environment?	✓		(II) The Company has implemented water-saving and power-saving measures to achieve resource conservation. The Company has also formulated "Supplier Code of Conduct" to require suppliers to comply with the "Responsible Business Alliance Code of Conduct" for the raw materials they provide, and to restrict the use of raw materials such as lead, mercury, cadmium, hexavalent chromium and PBB, and PBBDE.	No significant difference.
(III) Does the Company assess the potential risks and opportunities of climate change to the present and future of the Company, and take countermeasures for climate-related issues?	✓		(III) As a manufacturer, the Company has taken greenhouse gas inventory, energy conservation and carbon reduction, and ecological care issues into consideration in its decision making in response to the sustainability of the environment in the future. The Company also follows environmental protection and energy conservation guidelines to improve overall	No significant difference.

Evaluation item	Operation status			Any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
			environmental performance indicators and thereby improve environmental quality, and establish the direction of sustainable development of the environment.	
(IV) Does the Company keep statistics on the greenhouse gas emission, water consumption and total weight of waste in the past two years, and formulate policies on energy saving and carbon reduction, greenhouse gas reduction, water consumption or other waste management?		✓	(IV) The Company has calculated the total water consumption and the total weight of waste, and has calculated the total greenhouse gas emission and conducted the third-party verification. The Company has promoted the ISO-50001 energy management system and completed the verification since 2024, and evaluated the energy-saving improvement plan. The Company has formulated the environmental policy and planned the short-, medium- and long-term reduction of emissions and waste. In the face of the issue of sustainable development of the environment in the future, the Company will continue to conduct greenhouse gas inventory, energy management, energy-saving and carbon reduction, and ecological care, and other related issues are included in the decision-making, and the Company will also improve the overall environmental performance indicators and improve the quality of the environment by following the principles of environmental protection and energy saving, in order to establish the direction of sustainable development of the environment.	No significant difference.
IV. Social Topics				
(I) Does the Company have the relevant management policies and procedures stipulated in accordance with relevant laws and regulations and international human rights conventions?	✓		(I) The Company supports the principles of the United Nations "Global Compact," and follows the goals of the United Nations "Universal Declaration of Human Rights" and the International Labor Organization Convention to respect human rights and comply with all local labor laws. The basic wages, working hours, vacations, pension payments, labor health insurance payments, and occupational hazard compensation of the Company's hiring of workers are in compliance with the relevant provisions of the Labor Standards Act. The Employee Welfare Committee has been established to handle various welfare matters through the Welfare Committee elected by the employees. The Company holds labor-management meetings regularly to understand the thoughts of both parties, achieve a win-win situation, and respect the basic labor human rights principles that are internationally recognized. The Company's employment policies do not have differential treatment and do not have any incidents that endanger the basic rights and interests of workers. The Company has formulated the human rights policy.	No significant difference.
(II) Does the Company have and implement reasonable employee welfare measures (including remuneration, leave and other benefits, etc.), and appropriately reflect business performance or results in employee remuneration?	✓		(II) The Company has established the Attendance Regulations in accordance with the Labor Standards Act, which specifies the rights and privileges of employees on leave. In addition to the general benefits such as labor insurance, health insurance, group insurance, and pension payment, the benefits provided by the Company include year-end bonus, birthday and festival gifts, year-end banquet, wedding, funeral, and childbirth subsidies, and complete education and training seminars. According to the Articles of Incorporation, the Company shall set aside no less than 1% of its annual profits, if any, as remuneration to employees.	No significant difference.
(III) Does the Company provide employees with a safe and healthy work environment, and provide regular safety and health education to employees?	✓		(III) The Company values safety and health and workplace health management. It has formulated safety and health management related measures for the workplace, provides employees with a safe working environment, and conducts employee safety and health education and training, in order to reduce the safety and health risks of corporate operations.	No significant difference.

Evaluation item	Operation status			Any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
(IV) Does the Company have established an effective career capacity development training program for employees?	✓		(IV) In order to enhance the professional skills and management knowledge of employees, the Company has established education and training programs based on the work functions of each employee, and held education and training from time to time and sent employees to on-the-job training to train them.	No significant difference.
(V) Does the Company comply with relevant laws and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant consumer protection or customer protection policies and complaint procedures?	✓		(V) The Company's products and services comply with relevant laws and international standards in terms of customer health and safety, customer privacy, marketing and labeling, and provides consumer protection policies and complaint methods in accordance with the law.	No significant difference.
(VI) Does the Company have a policy in place to manage suppliers, and require them to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights?	✓		(VI) The Company has established the "Supplier Control Procedure" including written evaluation, monthly evaluation, qualification evaluation, continuous evaluation and guidance. The Company requires suppliers to sign the "Supplier Code of Conduct" and requires suppliers to comply with relevant regulations in terms of anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, compliance with trade laws and regulations, and non-infringement.	No significant difference.
V. Does the Company refer to the internationally-prepared reporting standards or guidelines to prepare the report disclosing the Company's non-financial information, such as the Sustainability Report? Does the foregoing report obtain the assurance or assurance of the third-party verification unit?		✓	(VII) The Company has not yet prepared a sustainability report.	The Company has already planned to prepare the sustainability report in 2024 and will also conduct third-party verification.
VI. If the Company has established its own sustainable development best principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe its current practices and any deviations from the Best Practice Principles: Not applicable.				

Evaluation item	Operation status			Any deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Summary Description	
VII. Further information on the implementation of sustainable development to facilitate better understanding current implementation:				
<div>1. Environmental protection: The Company has been actively promoting energy conservation, water conservation, and savings in photocopies, and has enhanced the recycling of waste. In 2023, the Company has strengthened the recycling of water, which saved 25% of water resources. We have also encouraged digitalization, reduced the number of photocopies of 67,000 sheets, strengthened the classification of garbage, and reduced the output of domestic waste by 35% in 2023. In 2024, the Company has complied with all regulations governing pollution prevention and control of effluents and waste, and passed the certification of ISO14001.</div>				
<div>2. Social welfare activities participated in 2024:</div> <div><div>(1) Subscribe the cleaning bag for the OEM production of the Changhua County private Christian joy nursery organization, and protect the local sheltered factory.</div><div>(2) Subscribe the gift boxes for the bakery goods of the mentally and physically challenged people, and care for the disadvantaged groups.</div><div>(3) In 2024, a total of 3 tons of valuable recyclables were donated to the Tzi Chi Foundation to recycle and reuse resources.</div></div>				
<div>3. Consumer rights: The Company's main products are precision chemical materials, and the main products are sold directly to the manufacturer, so the Company does not directly face consumers. For customers, the Company has established the "Customer Complaint Handling Procedure" to provide customers with complaint channels, and externally, the Company has signed supply contracts and quality contracts with customers, to fully protect customer rights and interests.</div>				
<div>4. Human rights: The Company values human rights very much. Regardless of race, gender and age, the Company provides equal rights to work, and also provides opportunities for employees to freely express and develop their career paths, respecting them.</div>				
<div>5. Safety and health: The Company is well aware of the importance of safety in the work environment, and promotes the concept of occupational safety and health, and abides by laws and regulations, to prevent injuries and diseases caused by exposure to the work environment by employees and external personnel. The Company is committed to fulfilling its corporate social responsibility (environmental protection and safety and health responsibility), and considering the potential environmental impact or hazard risks, has taken a proactive approach to prevent and eliminate these risks, and continues to control, actively consult with workers or their representatives to understand their needs and expectations, in order to establish a good occupational safety and health culture for the Company.</div>				
<div>6. Employee health care: Employee health is a key factor for maintaining work-life balance. The Company has full-time nurses to provide care for employees' health. In addition, the Company continues to protect the health of colleagues through the four main aspects of maternal protection, prevention of human-factor injuries, prevention of labor and prevention of unlawful infringement, and creating a blissful healthy workplace. The Company also sends e-mail every month, and organizes health seminars and various types of health promotion activities from time to time, to build a blissful healthy workplace.</div>				

Note 1: If the implementation is as follows, please specify the important policies, strategies, measures, and implementation status; if the implementation is as follows, please specify the implementation status and causes in the "Deviation and causes of deviation from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" column; and specify the future plans for related policies, strategies, and measures.

Note 2: Significance refers to the material issues in the environment, society and corporate governance that have a significant impact on the Company's investors and other stakeholders.

(VI) Information on climate of TWSE/TPEX listed companies

Item	Implementation status			
1. Describe the supervision and governance implemented by the Board of Directors and management on climate-related risks and opportunities.	<p>Supervision implemented by the Board of Directors on climate-related risks and opportunities:</p> <p>The Board of Directors has realized the importance of climate change issues. In addition to the daily operations, the development of sustainable environment is included as the governance policy. The management reports to the Board of Directors every quarter on greenhouse gas emissions, energy consumption, water consumption, and other issues related to climate change.</p> <p>The responsibility of the management for assessing and managing climate-related risks and opportunities:</p> <p>The Board of Directors supports the promotion of climate change-related issues, such as annual budgets, business objectives, and supervision of important capital expenditures, to assess climate risks. It also includes water and electricity resource risks in the scope of corporate risk management.</p> <p>A sustainable environment team is established under the Corporate Sustainable Development Committee to assess the risks and opportunities brought about by climate issues through the Company's risk management process.</p>			
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-term, mid-term, and long-term).	Type	Item	Occurrence period	
	Risks	Government supervision or monitoring	Short-term occurrence likelihood (within 3 years)	
		Rising price of raw materials	Short-term occurrence likelihood (within 3 years)	
		Carbon tax/fee	Short-term occurrence likelihood (within 3 years)	
	Type	Item	Developmental potential	Technical feasibility
	Opportunity	Reduction of water usage and consumption	There is developmental potential and this is an existing policy of the Company	Mature
		Use of a more efficient production process	There is developmental potential and this is an existing policy of the Company	Under expansion
		Use of low-carbon energy	There is developmental potential and this is an existing policy of the Company	Under expansion

3. Describe the impact of extreme weather incidents and transformation actions on the financial position.	Category	Climate-related risk	Potential financial impact	Description	Countermeasures
	Risks	Government supervision or monitoring	Increase in operating costs	In 2024, TSC prepared a report in accordance with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies” and entrust an accounting firm to conduct limited assurance procedures and issue an assurance report.	Regularly disclose CPA-assured sustainability report as required.
		Rising price of raw materials	Increase in operating costs	The additional manufacturing costs incurred by suppliers due to the annual increase in electricity prices and purchase of green electricity at higher unit prices are reflected in the rising price.	Assess raw material reduction plans to reduce improper consumption and save costs.
		Carbon tax/fee	Increase in operating costs	According to the estimation based on the carbon emissions in 2023, although no carbon emission fee needs to be paid currently, the additional operating cost may be incurred if the emissions increase or the laws and regulations related to the carbon emission fee are adjusted in the future, further affecting the financial performance and competitiveness.	1. Invest in various low-carbon measures 2. Purchase renewable energy
	Opportunity	Reduction of water usage and consumption	Decrease in operating costs	1. Improve water conservation and recycling waste cooling water through process optimization 2. Promote and implement domestic water saving measures, such as reducing the water flow of sink tap by half, reducing the flush volume by putting a plastic bottle in the toilet tank, and taking showers in a specific time section to avoid waste of cold water in the hot water pipe. 3. Monitor water usage on a monthly basis and conduct statistics analysis and comparison of water usage. 4. If any abnormalities in water usage is discovered, investigate the cause immediately and make improvement by engineering or administrative means.	1. Invest in recycling equipment for waste cooling water 2. Research on improvement of process equipment and operation to reduce evaporation from cooling towers 3. Continue to develop water reduction plans
		Use of a more efficient production process	Increase in capital expenditure and decrease in	1. Use existing equipment for pre-production preheat to increase production efficiency and productivity. 2. Add filter systems to optimize filtering capacity, reduce the load of the original filter system, and	1. Install existing equipment; set up additional insulation materials and pipelines

			operating costs	increase the production cycle time.	2. Invest in some steel structures and equipment pipelines to improve production efficiency.
		Use of low-carbon energy	High upfront costs; decrease in operating costs	TSC implemented the following three energy-saving and carbon-reduction measures in 2024: Replacement of T5 lamps with LED energy-saving lamps (estimated to reduce power consumption by 12,600 kWh per year) Replacement of diesel forklifts with electric forklifts (estimated to reduce fuel by 1.5 kloe per year) Replacement of high energy-consumption explosion-proof lamps with LED energy-saving explosion-proof lamps (estimated to reduce power consumption by 34,778 kWh per year)	1. Continue to build solar energy sites in empty areas and on rooftops 2. Optimize energy saving of cooling water pumps for the ice machine system. 3. Continue paying attention to the renewable energy market.
4. Describe how the identification, assessment and management processes of climate risks are integrated into the overall risk management system.	<p>Process for management of climate-related risks:</p> <p>Systematic assessments and analyses are conducted on the scope of climate change topics. Response strategies are formulated to develop action plans and reduce the impact on the operations of the Company.</p> <p>Process for identification, assessment and management of climate-related risks:</p> <p>Periodically follow up climate change related risks every year, report analysis results to the senior executives of the Company on a regular basis, and take relevant countermeasures depending on the level of the risk.</p> <p>The identification process is as follows:</p> <ol style="list-style-type: none">1. Collection of climate risk and opportunity topics: Climate change risk factors and opportunity factors are selected based on Taiwan Climate Change Projection and Information Platform (TCCIP), National Science and Technology Center for Disaster Reduction, the strategies of the Group, the characteristics of the industry, Intended Nationally Determined Contribution (INDC), and TCFD indicators, group strategies, industrial characteristics, national self-defined expected contributions (INDC) and TCFD indicators.2. Identification of risks and opportunities related to material items: Questionnaire surveys are conducted to the Corporate Sustainability Committee of the Company to assess the correlation of various risks to the Company’s operations, the possible time of impact, and the development potential and implementability of the opportunities.3. Draw a risk and opportunity matrix.4. Assess the potential financial impacts, formulate response strategies and management mechanisms, and understand possible impacts of climate change in various aspects.				

5. If the scenario analysis is used to assess the resilience to the climate change risks, the scenarios, parameters, assumptions, analysis factors, and major financial impacts should be stated.	No plans yet. (To be introduced gradually in the future)
6. If there is a transformation plan in response to the management of climate-related risks, the contents of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks, should be stated.	No plans yet. (To be introduced gradually in the future)
7. If internal carbon pricing is used as the planning tool, the basis for setting the price should be stated.	No plans yet. (To be introduced gradually in the future)
8. If climate-related goals are set, the scope of activities covered, the scope of greenhouse gas emissions, the planning schedule, and the progress of each year should be stated. If carbon offset or renewable energy certificate (REC) are used to achieve relevant goals, the source and amount of carbon credit under the credit offset or the number of RECs should be stated.	No plans yet. (To be introduced gradually in the future)
9. Greenhouse gas inventory and assurance status, reduction targets, strategies and specific action plans (to be completed in 1-1 and 1-2).	Greenhouse gas inventory and assurance status, reduction targets, strategies and specific action plans are as follows.

1-1 Greenhouse gas inventory and assurance status of the Company in the most recent two years

1-1-1 Information on greenhouse gas inventory

Describe the greenhouse gas emissions (tCO ₂ e), intensity (tCO ₂ e/NT\$ million), and data coverage in the most recent two years					
The greenhouse gas inventory of is based on the Company's geographical boundaries and is defined using the operational control method, and the operational control method is used to set the emission boundaries of the organization. The greenhouse gas emissions in 2023 were 2,562.099 tCO ₂ e, with an intensity of 4,628.74 tCO ₂ e/NT\$ million; the greenhouse gas emissions in 2024 were 2,898.559 tCO ₂ e, with an intensity of 3,308.90 tCO ₂ e/NT\$ million.					
Year	2023		2024		Assurance body
Item	Total emissions	Intensity	Total emissions	Intensity	DNV
	(tCO ₂ e)	(tCO ₂ e/NT\$ million)	(tCO ₂ e)	(tCO ₂ e/NT\$ million)	
Scope 1	416.1225	751.78	435.3207	496.95	
Scope 2	1,776.4154	3,209.31	1,975.4230	2,255.08	
Scope 3	369.5609	667.66	487.8154	556.87	
Total	2,562.099	4,628.74	2,898.559	3,308.90	
					2023: ISO 14064-3:2019 reasonable assurance/unqualified opinion 2024: ISO 14064-3:2019 reasonable assurance/unqualified opinion

1-1-2 Information on greenhouse gas assurance

Describe the assurance status in most recent two years and up to the publication date of the annual report, including the scope of assurance, the assurance body, the assurance standards, and the assurance opinions.

TSC’s assurance status of greenhouse gas inventory in most recent two years is as follows:

Year	2023	2024	Assurance body	Assurance status (assurance certificate)
Item	Total emissions	Total emissions	DNV	2023: ISO 14064-3:2019 reasonable assurance/unqualified opinion 2024: ISO 14064-3:2019 reasonable assurance/unqualified opinion
	(tCO ₂ e)	(tCO ₂ e)		
Scope 1	416.1225	435.3207		
Scope 2	1,776.4154	1,975.4230		
Scope 3	369.5609	487.8154		
Total	2,562.099	2,898.559		
Percentage in the inventory data disclosed in 1-1-1	100%	100%		

1-2 Greenhouse gas reduction targets, strategies and specific action plans

Describe the base year for greenhouse gas reduction and its data, reduction targets, strategies, specific action plans, and achievements of the reduction targets.

The TSC’s base year for the greenhouse gas inventory is 2022 and the base value is 2,612.6351 tCO₂e. The reduction target set by the Company is 1% per year. The current reduction strategy can be classified into the following three points: 1. Promoting energy conservation and reducing power usage; 2. 7S activity of Sort (Seiri), Set in Order (Seiton), Shine (Seiso), Standardize (Seikeetsu), Sustain (Shitsuke), Safety and Speed/Saving to promote increase of efficiency and reduce unnecessary energy consumption; 3. Enhancing equipment efficiency, maintaining equipment, and reducing refrigerant effusion.

The Company has achieved the annual reduction target of 1% by replacing with energy-saving equipment and improving electrical efficiency.

Emission reduction target	Strategic action and plan	
<p>2022 is the base year and the greenhouse gas emissions are reduced by at least 1% per year.</p>	<p>The main source of greenhouse gas emissions of the Company is usage of electricity. The reduction strategy and plan of emissions are as follows:</p> <ol style="list-style-type: none"> 1. Check power usage status of equipment and assess its update and improvement to reduce energy consumption. 2. Keep a close eye on the energy usage of the equipment in the plant. Repair or replacement is conducted whenever abnormalities are identified. 3. When purchasing major energy-intensive equipment and instruments, priority is given to the products that meet international or national energy efficiency standards or have an energy-saving mark. 4. Implement energy-saving and carbon-reduction plans: <ul style="list-style-type: none"> ● Replacement of T5 lamps with LED energy-saving lamps to reduce carbon by about 6.2244 tCO₂e ● Replacement of high energy-consumption explosion-proof lamps with LED energy-saving explosion-proof lamps to reduce carbon by about 7.59945 tCO₂e ● Replacement of diesel forklifts with electric forklifts to reduce carbon by about 17.18033 tCO₂e <p>We have continued to promote environmental protection, energy-saving and carbon-reduction measures with outstanding achievements. Compared to the base year (total emission intensity of 4,908.477 in 2022), the emission intensity of greenhouse gases in 2023 was successfully reduced by 5.7%. In 2024, the Company further optimized energy management and carbon reduction measures, and the emission intensity of greenhouse gases was significantly reduced by 28.51% compared with 2023. The dramatic carbon reduction results fully demonstrate the commitment of the Company to the sustainable development.</p>	

(VII) The Company's fulfillment of ethical corporate management and the deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor:

Evaluation item	Operation status			Any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor
	Yes	No	Summary Description	
I. Establishing ethical corporate management policy and proposal				
(I) Does the Company have the ethical corporate management policy approved by the Board of Directors, and have the policies and practices of ethical corporate management stated in the regulations and external documents, and have the Board of Directors and senior management actively implement the commitment of the business policies?	✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethics" and "Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct" approved by the Board of Directors, to implement the ethical management policy. The Company's operations are in compliance with relevant laws and regulations, and the Company has established various operating procedures and regulations and announced them on the Company's website. The Company has announced that it will comply with ethical corporate management and establish related policies accordingly.	No significant difference.
(II) Does the Company have established a mechanism for assessing the risk of unethical conduct, regularly analyze and assess business activities within the scope of business with a higher risk of unethical conduct, and establish a program to prevent unethical conduct accordingly, and at least cover the preventive measures for the behaviors in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		(II) The Company has established a risk assessment mechanism for unethical conduct listed in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles and Behavioral Guidelines" of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies". All units of the Company are bound by law to investigate dishonest conduct within the scope of their business activities.	No significant difference.
(III) Does the Company have the operating procedures, code of conduct, disciplinary actions, and complaint system explicitly stated in the prevention of unethical conduct plan, and have the implementation carried out, and regularly review and revise the aforementioned plan?	✓		(III) The Company has established the "Code of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct," and "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles" to clearly stipulate that no improper benefits, or unethical acts such as breach of ethics or unlawful acts, shall be accepted. It also encourages reporting of any illegal or unethical acts, and regularly promotes the importance of ethical behavior to directors and employees. The aforementioned programs are regularly reviewed for the appropriateness and effectiveness of the prevention programs in accordance with the methods set forth by the assessment mechanism for the risk of unethical conduct, and appropriate adjustments or amendments are made.	No significant difference.
II. Ethical corporate management in practice				
(I) Does the Company evaluate the integrity of its trading counterparties and expressly provide integrity clauses in the contracts it signs with its trading counterparts?	✓		(I) The Company conducts business activities with customers and suppliers in a fair and transparent manner. When entering into contracts, the rights and obligations of both parties are clearly defined.	No significant difference.
(II) Does the Company have a unit that specializes in promoting ethical corporate management under the Board of Directors, and regularly (at least once a year) reports its implementation of ethical corporate management policies and the prevention of unethical conduct, and the supervision of implementation	✓		(II) The Company's Administration Department is responsible for reporting the implementation to the Board of Directors. Since its establishment, the Company has adhered to the ethical corporate management policy and implemented it in accordance with the law, in order to achieve sustainable development. The auditors also supervise the implementation of the ethical corporate management policy in daily audits. If there is any abnormality, they may	No significant difference.

Evaluation item	Operation status			Any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor
	Yes	No	Summary Description	
to the Board of Directors?			<p>also report to the Board of Directors at any time.</p> <p>(1) Formulation and review of integrity management policies</p> <p>The Company has established the "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct" and "Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct", which clearly stipulate that neither improper benefits shall be accepted, nor any acts such as breach of ethics or unlawful acts shall be made. The compliance section reviews and adjusts, revises and adds the regulations with reference to changes in external regulations and internal supervision implementation status.</p> <p>(2) Internal and external policy advocacy</p> <p>The Company's "Ethical Corporate Management Best Practice Principles", "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct" and "Procedures for Handling Reports of Illegal, Unethical and Dishonest Conduct" have been announced on the Company's website and internal website for the public and our colleagues to inquire at any time. The Company also requires suppliers to sign the "Supplier Code of Conduct and Supplier Commitment" which complies with the laws, ethics, environment and quality regulations, and the standard contract content signed with business partners also contains the relevant clauses of ethical management.</p> <p>(3) Complaint channels, handling and protection of the informants</p> <p>The Company has established the "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct", and established a disciplinary and appeal system for violations of the ethical management regulations, and set up and announced the employee suggestion box, email box, and complaint hotline on the Company's website and internal and external websites to encourage internal and external personnel to report. Unethical or improper behavior The Company will keep the identity of the informants and the content of the report in strict confidence, and the administrative unit will verify and handle. If there is any violation of the ethical management regulations, the Company will handle it according to the severity of the violation, and report to the competent authorities or refer to the judicial authorities for investigation if necessary.</p>	
(III) Does the Company have a policy to prevent conflicts of interest, provide appropriate communication channels, and implement such policies?	✓		(III) The Company's "Code of Ethical Conduct" specifies that the Company's personnel shall handle business in an objective and efficient manner, to prevent the use of their positions in the Company to enable themselves, others, or other enterprises to receive improper benefits, and specifies the conflict of interest policy in the "Procedures for Ethical Management and Guidelines for Conduct" to specify the avoidance of conflict of interest when a stakeholder has a conflict of interest in a proposal at a Board of Directors.	No significant difference.
(IV) In order to implement ethical management, has the Company established an effective accounting system and internal control system, and the internal audit unit formulates relevant audit plans based on the assessment results of the risk of	✓		(IV) In order to ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system. The internal auditors perform various audits in accordance with the audit plan.	No significant difference.

Evaluation item	Operation status			Any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor
	Yes	No	Summary Description	
unethical conduct, and conducts audits on the compliance with the prevention of unethical conduct programs, or entrusts a CPA to perform audits?				
(V) Does the Company organize internal and external training on ethical management on a regular basis?	✓		(V) The Company continues to promote the ethical corporate management philosophy to the management and employees in daily operation management.	No significant difference.
III. Operation of the Company's whistle-blowing system				
(I) Does the Company have a concrete whistle-blowing and reward system stipulated, a convenient whistle-blowing channel established, and a dedicated staff designated to deal with the person being reported?	✓		(I) The Company has established a concrete system in the "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct", including the establishment of an email box and the handling principles, to implement the ethical management policy. The Company's finance and accounting officer and the audit officer accept the report of whistle-blowing. After the case is verified, the handling unit will investigate and handle the case according to the Company's "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct." If the case is verified as truth, the whistle-blower may be awarded appropriate rewards depending on the importance of the case.	No significant difference.
(II) Does the Company have standard procedures in place to investigate reported misconducts, and have proper measures and confidentiality mechanisms in place to ensure that all reported misconducts are investigated?	✓		(II) The Company has established corresponding investigation and handling procedures for the whistle-blowers and the case types in the "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conducts", and the handling of the whistle-blowers' reports are kept confidential, and the whistle-blowers are protected, and the corresponding person is provided with the opportunity to appeal, to ensure the legitimate rights and interests of the whistle-blowers and the corresponding person. If the reported incident is verified as truth, the Company will immediately request the person to cease the incident, take appropriate actions, and assign relevant units to review and propose improvement measures, and report to the Chairperson.	No significant difference.
(III) Does the Company take measures to protect the whistle-blowers from improper treatment due to their whistle-blowing?	✓		(III) The Company handles the whistle-blowing cases in a confidential manner in accordance with the "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct", and fully protects the identity of the whistle-blowers. The identity of the whistle-blowers and the content of the whistle-blowing cases will be kept confidential, and the whistle-blowers themselves will not be subject to any improper treatment. The personnel handling the whistle-blowing cases issue a written statement to declare that the identity of the whistle-blowers and the content of the whistle-blowing cases are kept confidential.	No significant difference.
IV. Enhance information disclosure				
(I) Does the Company disclose its ethical corporate management best practice principles and its implementation on its website and the MOPS?	✓		Relevant information on the Company's website, including the corporate culture, business policy, "Code of Ethics", "Procedures for Ethical Management and Guidelines for Conduct", and "Procedures for Handling Reports of Illegal, Unethical, and Dishonest Conduct", and the implementation of ethical management.	No significant difference.
V. If the Company has established its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please describe its current practices and any deviations from the Best Practice Principles: The Company has established the "Ethical Corporate Management Best Practice Principles" to clearly regulate the matters to be followed by the Company's personnel. The rewards and punishments are also specified in the relevant measures, and there is no significant deviation from the "Ethical Corporate Management Best Practice Principles for				

Evaluation item	Operation status			Any deviation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reason therefor
	Yes	No	Summary Description	
TWSE/GTSM Listed Companies".				
VI. Other important information that helps to understand the Company's ethical corporate management practices (e.g. the Company's review and revision of its ethical corporate management best practice principles, etc.):				
<div>1. The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, applicable rules and regulations governing TWSE/TPEX listed companies, and other applicable laws and regulations governing business activities, as the prerequisite for the implementation of ethical management. The Company also spares no effort in complying with environmental and quality policies, and adopts high standards.</div> <div>2. In the "Rules of Procedure for Board of Directors Meetings" of the Company, the recusal system for directors' conflicts of interest is defined. For the proposals listed by the Board of Directors, if the directors themselves or their representatives have conflicts of interest, which may cause harm to the interests of the Company, the directors may not participate in the discussion and voting, and they should recuse themselves during the discussion and voting, and they may not exercise the voting rights on behalf of other directors.</div> <div>3. The Company has established the "Management Procedure for Prevention of Insider Trading" which expressly prohibits insiders, quasi-insiders, and information receivers from knowing the material information in accordance with the law, and from trading the Company's listed stocks or other equity securities on the Taiwan Stock Exchange or the Taipei Exchange within 18 hours before the material information is confirmed or before the public disclosure of the material information, or from selling the Company's non-equity corporate bonds listed on the Taiwan Stock Exchange or the Taipei Exchange, so that anyone who gain knowledge of the material information will not step on the red line of insider trading due to lack of legal knowledge. In addition, the "Regulations Governing Prevention of Insider Trading" stipulate that directors, managers, and natural persons who are designated to perform their duties in accordance with Article 27, Paragraph 1 of the Company Act shall not trade their shares during the period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report. After the Company's stock affairs personnel arranges the date of the Board of Directors in the next year, they shall inform the prohibited trading period for the regulated entity, and the stock affairs personnel shall arrange the monthly equity declaration to review the compliance of the regulated entity.</div> <div>4. The Company's "Ethical Corporate Management Procedure and Code of Conduct" is amended with reference to the "Sample Template of XXX Co., Ltd. Ethical Management Procedure and Code of Conduct" published by the Taipei Exchange in February 2020. The Company's current organizational structure specifies that the Administration Division is the dedicated unit for ethical management.</div>				

Note 1: Regardless of the answer, "Yes" or "No", descriptions need to be provided in the summary column.

(VIII) Other important information that helps to understand the corporate governance of the company should be disclosed together: The company has made its best effort to disclose the information related to corporate social responsibility on the company's website <https://www.tscs.com.tw>. Any matters not disclosed will be provided with the best effort in the future.

(IX) Implementation of internal control system
1. Statement of Internal Control

Taiwan Speciality Chemicals Corporation

Statement of Internal Control System

Date: February 17, 2025

The Company states the following with regards to the results of its 2024 internal control system based on self-assessment:

- I. The Company is aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board of Directors and managers. The Company has established this system. The purpose is to reasonably ensure the effectiveness and efficiency of operations (including profitability, performance and security of assets), the reliability, timeliness, transparency and compliance with relevant regulations and relevant laws and regulations.
- II. The internal control system has inherent limitations. No matter how robust the design is, an effective internal control system can only provide reasonable assurance for the three goals mentioned above. In addition, changes in the environment and circumstances may alter the effectiveness of the internal control system. However, the Company has a self-monitoring mechanism under its internal control system. Once a defect is identified, the Company will take corrective actions.
- III. The Company evaluates the effectiveness of its internal control system design and execution based on the criteria provided in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria adopted by the "Regulations" for the internal control system are based on the process of management control, which divides the internal control system into five elements: 1. Control environment; 2. Risk assessment; 3. Control operations; 4. Information and communication; and 5. Monitoring operations. Each element further includes several items. For the said items, please refer to the "Regulations".
- IV. The Company has adopted the above-mentioned criteria to determine the effectiveness of the design and execution of the internal control system.
- V. According to the findings of the abovementioned evaluation, the Company believes that the design and execution of its internal control system as of December 31, 2024, Note 2, including its understanding of the extent to which the operating effectiveness and efficiency objectives have been achieved, the reliability, timeliness, and transparency of its reporting, and its compliance with relevant laws and regulations, are effective, and capable of reasonably ensuring the achievement of the above objectives.
- VI. This statement will become an integral part of the annual report and prospectus, and will be disclosed to the public. If the content of the above-mentioned public information is fraudulent or deceptive, the Company will be held liable under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement was approved by the Board of Directors on February 17, 2025, with all 8 Directors in common consent.

Taiwan Speciality Chemicals Corporation

Chairperson: Hsiu-Lan Hsu

President: Hsiung-Fei Chang

Note 1: If there is a major defect in the design and implementation of the internal control system of a public company in the year, an explanatory paragraph should be added after Item 4 of the statement of internal control system, listing and explaining the major defects found in the self-assessment, as well as the improvement actions and improvements taken by the Company before the date of assets and liabilities.

Note 2: The date of declaration is "the end of the fiscal year".

2. If a CPA has been appointed to audit the internal control system, the CPA's report shall be disclosed: Not applicable.

(X) Major resolutions of the shareholders' meeting and the Board of Directors in the most recent year and up to the date of publication of the annual report:

1. Major resolutions of the shareholders' meeting

Major resolutions	Implementation Status
Ratification of the 2023 business report and financial statement.	The proposal was approved by the general shareholders' meeting.
Ratification of the Company's surplus distribution plan for 2023.	The proposal was approved by the general shareholders' meeting.
Approved the motion for amendments to the Articles of Incorporation.	After the resolution of the shareholders' meeting, the registration was approved by the Ministry of Economic Affairs on May 31, 2024, and the new revised provisions were implemented.
Approved the motion for amendments to the Rules and Procedures of Shareholders' Meeting.	After the resolution of the shareholders' meeting, the new revised articles are implemented.

2. Major resolutions of the Board of Directors

Time	Major Board of Directors resolutions
2024.2.19	<ul style="list-style-type: none"> (1) The Company's 2023 business report and financial statement. (2) The 2023 remuneration to employees and directors (3) The Company's surplus distribution plan for 2023. (4) Statement of Internal Control System 2023 (5) Credit line application with financial institutions (6) Amendments to the Articles of Incorporation. (7) Amendments to the "Property, Plant and Equipment Control Procedure" (8) Amendments to the "Computerized Information Process" (9) Establishment of the "Information Security Management Policy" (10) Amendments to the "Procedures for the Control of Seals" (11) Amendments to the "General Principles for the Policy of Pre-Approval of Non-Assurance Services" (12) Amendments to the "Audit Committee Charter" (13) Amendments to the "Rules of Procedure for Board of Directors Meetings" (14) Amendments to the "Rules and Procedures of Shareholders' Meeting" (15) Amendments to the "Audit Committee Charter" (16) Establishment of the first term of the Nomination Committee of the Company (17) Full re-election of directors (18) Proposal to lift the restrictions on non-competition for newly-recruited directors.

Time	Major Board of Directors resolutions
	(19) Convening of the 2024 General Meeting of Shareholders Agenda and acceptance of shareholder proposals and nominations (20) CPA's audit quality index (21) Appointment of R&D Supervisor
2024.3.25	(1) 2023 performance evaluation of the Board of Directors and functional committees (2) Quarter Two and Three 2024 financial forecast (3) Agreement on the distribution of the excess and the specific shareholder's locking period
2024.5.2	(1) The Company's Quarter One 2024 financial statement (2) The Company's cash dividend ex-dividend date and other related matters (3) Credit line application with financial institutions
2024.5.6	(1) Election of the new Chairperson (2) Appointment of the Company's 2nd term of Nomination Committee members (3) Appointment of the Company's 2nd term Remuneration Committee members
2024.7.8	(1) The Company's plan to issue new shares for cash capital increase (2) The Company signed the "Industry-Academia Cooperation and Feedback Mechanism Contract" with the National Taiwan University of Science and Technology.
2024.8.5	(1) The Company's Quarter Two 2024 financial statement (2) Credit line and foreign exchange line provided by financial institutions (3) Allocation of directors' remuneration for 2023 (4) Allocation of employees' remuneration for 2023 (5) The proposal for distribution of new shares issued to managerial officers before the Company's cash capital increase prior to the listing on the Taipei Exchange. (6) The proposal for distribution of new shares issued to non-managerial officers before the Company's cash capital increase prior to the listing on the Taipei Exchange. (7) 2024 Employee bonus plan (8) The Company's personnel promotion plan
2024.11.4	(1) The Company's Quarter Three 2024 financial statement (2) The Company's 2025 Audit Plan (3) Election of the Vice Chairperson (4) Credit line application with financial institutions
2024.11.25	(1) The Company's 2025 Operations Plan (2) The competence, independence and professional fees of the CPAs (3) The Company's 2024 and 2025 Annual Sustainability Report Specific Performance Indicator Information Assurance and CPAs' Fees

Time	Major Board of Directors resolutions
	(4) Establishing the "Corporate Sustainable Development Committee Charter" (5) Amendments to the "Internal Control System" and "Internal Audit System" (6) Amendments to the "Procedures for Handling Material Inside Information" (7) Amendments to the "General Principles for the Approval of Non-Assurance Services in Advance"
2025.2.17	(1) The 2024 remuneration to employees and directors (2) The Company's 2024 business report and financial statement. (3) The Company's surplus distribution plan for 2024. (4) Statement of Internal Control System 2024 (5) Credit line application with financial institutions (6) Amendments to the Articles of Incorporation. (7) Determination of the scope of "junior staffs" of the Company (8) Formulation of the "Sustainable Reporting and Assurance Procedures" (9) Amendments to the "Procedures for the Control of Seals" (10) Amendments to the "Procedures for Handling Material Inside Information" (11) Replacement of the Company's CPAs in line with the internal business adjustment of the CPA firm (12) Nomination of the Company's Nomination Committee members (13) Appointment of new acting spokesman (14) Convening of the 2025 General Meeting of Shareholders Agenda and acceptance of shareholder proposals and nominations (15) 2025 Employee bonus plan (16) The Company's personnel promotion plan
2025.4.7	(1) Amendments to the "Procedures for Acquisition or Disposal of Assets" (2) Proposal to Change the Company's Accounting Manager (3) Add Agenda Items for the 2025 Shareholders' Annual Meeting

- (XI) If the directors or supervisors have expressed dissenting opinions with respect to the material resolutions of the Board of Directors in the most recent year and up to the date of publication of the annual report, and such dissenting opinions have been recorded or prepared as written statements, the main content of such dissenting opinions shall be stated: None.

III. CPA professional fees

(I) CPA professional fees

Unit: NT\$1,000

Name of CPA Firm	Name of CPA	CPA's audit period	Audit fees	Non-audit fees	Total	Notes
KPMG	An-Chih Cheng	2024	1,670	180	1,850	Notes
	Yong-Hua Huang					

Note: Non-audit fees are fees for services such as tax compliance audit, internal control audit, and business registration.

(II) If the audit fee paid for the year of the change is less than the audit fee in the previous year, the amount and the reason for the change shall be disclosed: None.

(III) If the audit fee is reduced by more than 10% compared to the previous year, the amount, percentage and reason for the reduction shall be disclosed: None.

IV. Information of changes in CPAs: The Company changed its CPAs in the past two years due to internal organizational adjustments and business arrangements at KPMG Taiwan, without changing the CPA firm.

V. The Company's Chairman, General Manager, or managers responsible for financial or accounting matters, having served in the CPA firm or its affiliates within the past year, must disclose their name, title, and the duration of their service at the CPA firm or its affiliates: None.

VI. The transfer and pledge changes of shares held by directors, supervisors, managers, and shareholders holding more than 10% of the shares for the most recent fiscal year and up to the publication date of the annual report.

(I) Changes in shareholdings of directors, supervisors, managers, and shareholders with more than 10% of shares : Inquiry website: <http://mops.twse.com.tw/>.

(II) Information on cases where the counterparty in share transfers involving directors, supervisors, managers, and shareholders holding more than 10% of the shares is a related party: None.

(III) Information on cases where the counterparty in share pledges involving directors, supervisors, managers, and shareholders holding more than 10% of the shares is a related party: None.

VII. Information on whether the top ten shareholders by shareholding ratio are related parties to one another, or are spouses or relatives within the second degree of kinship

Unit: shares; %

NAME	SHARES HELD BY THE PERSON		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		THE NAMES OR IDENTITIES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES TO ONE ANOTHER, OR ARE SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Company Name (or name)	Relations	
Sino-American Silicon Products Inc.	42,123,354	28.52	—	—	—	—	—	—	—
Sino-American Silicon Products Inc. Representative: Hsiu-Lan Hsu	—	—	—	—	—	—	—	—	—
WINTech INNOVATION CO., LTD.	7,765,517	5.26	—	—	—	—	—	—	—
WINTech INNOVATION CO., LTD. Representative: Ri-Chun Li	—	—	—	—	—	—	—	—	—
Meng-Hsia Tsai	3,231,053	2.19	—	—	—	—	—	—	—
Yu-Ching Chen	2,940,000	1.99	—	—	—	—	Han-Cheng Chen	Relatives within the second degree of kinship	—
Han-Cheng Chen	2,263,954	1.53	—	—	—	—	Yu-Ching Chen	Relatives within the second degree of kinship	—

NAME	SHARES HELD BY THE PERSON		SHARES HELD BY SPOUSE AND UNDERAGE CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHERS		THE NAMES OR IDENTITIES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PARTIES TO ONE ANOTHER, OR ARE SPOUSES OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		REMARKS
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Company Name (or name)	Relations	
United Renewable Energy Co., Ltd.	2,225,746	1.51	—	—	—	—	—	—	—
United Renewable Energy Co., Ltd. Representative: Chuan-Hsien Hung	—	—	—	—	—	—	—	—	—
CDIB Capital Group	2,161,638	1.46	—	—	—	—	—	—	—
CDIB Capital Group Representative: Chung-Ying Ku	—	—	—	—	—	—	—	—	—
Yu-Hua Lin	2,051,523	1.39	—	—	—	—	—	—	—
Powercom Co., Ltd.	1,950,005	1.32	—	—	—	—	—	—	—
Powercom Co., Ltd. Representative: Powercom Investment Co., Ltd.	217,787	0.15	—	—	—	—	—	—	—
Marketch International Corp	1,858,827	1.26	—	—	—	—	—	—	—
Marketch International Corp. Representative: Hsin-Ming Kao	50,000	0.03	—	—	—	—	—	—	—

VIII. The number of shares held by the Company, its directors, supervisors, managers, and businesses directly or indirectly controlled by the Company in the same invested venture, along with the consolidated shareholding ratio calculated together: No such situation.

III. Financing Status

I. Capital and Shares

(I) Source of share capital

1. The process of capital formation up to the publication date of the annual report:

Unit: Thousand shares; NT\$ thousand

Year/Month	Issuance price	Approved share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Use of assets other than cash to offset share payments	Others
2013.03	10	50	500	50	500	Cash establishment	None	Note 1
2013.05	10	150,000	1,500,000	75,350	753,500	Debt offset against share payments amounted to NT\$753,000 thousand	None	Note 2
2013.09	10	150,000	1,500,000	87,350	873,500	Cash capital increase amounted to NT\$81,800 thousand Debt offset against share payments amounted to NT\$38,200 thousand	None	Note 3
2014.06	10	150,000	1,500,000	97,830	978,300	Capital increase in cash by NTD 104,800 thousand	None	Note 4
2014.11	10	150,000	1,500,000	109,949	1,099,490	Capital increase in cash by NTD 121,190 thousand	None	Note 5
2015.03	10	150,000	1,500,000	116,251	1,162,514	Cash capital increase amounted to NT\$63,024 thousand	None	Note 6
2017.01	10	400,000	4,000,000	290,967	2,909,675	Cash capital increase amounted to NT\$1,738,567 thousand Debt offset against share payments amounted to NT\$8,594 thousand	None	Note 7
2021.12	10	400,000	4,000,000	138,237	1,382,366	Capital reduction to offset losses amounted to NT\$1,527,309 thousand	None	Note 8
2024.10	10	400,000	4,000,000	147,682	1,476,816	Cash capital increase amounted to NT\$94,450 thousand	None	Note 9

Note 1: Approved by the Letter Jing-Shou-Zhong-Zi No. 10233318370 on March 27, 2013

Note 2: Approved by the Letter Jing-Shou-Shang-Zi No. 10201096830 on May 24, 2013

Note 3: Approved by the Letter Jing-Shou-Shang-Zi No. 10201184320 on September 9, 2013

Note 4: Approved by the Letter Jing-Shou-Shang-Zi No. 10301103930 on June 17, 2014

Note 5: Approved by the Letter Jing-Shou-Shang-Zi No. 10301231780 on November 14, 2014

Note 6: Approved by the Letter Jing-Shou-Shang-Zi No. 10401052420 on March 31, 2015

Note 7: Approved by the Letter Jing-Shou-Shang-Zi No. 10501301090 on January 10, 2017

Note 8: Approved by the Letter Jing-Shou-Shang-Zi No. 11001234880 on December 21, 2021

Note 9: Approved by the Letter Jing-Shou-Shang-Zi No. 11330181980 on October 23, 2024

2. Type of shares

March 31, 2025; Unit: shares

Type of shares	Approved share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	147,681,552	252,318,448	400,000,000	The stock is listed on the Taipei Exchange

(II) Related information on the general reporting system: None.

(III) List of major shareholders (shareholders holding more than 5% of shares; if fewer than ten, disclose the top ten shareholders by name, number of shares held, and shareholding percentage):

March 20, 2025; Unit: shares

Shares Name of major shareholders	Number of shares held	Shareholding ratio
Sino-American Silicon Products Inc.	42,123,354	28.52%
WINTech INNOVATION CO., LTD.	7,765,517	5.26%
Meng-Hsia Tsai	3,231,053	2.19%
Yu-Ching Chen	2,940,000	1.99%
Han-Cheng Chen	2,263,954	1.53%
United Renewable Energy Co., Ltd.	2,225,746	1.51%
CDIB Capital Group	2,161,638	1.46%
Yu-Hua Lin	2,051,523	1.39%
Powercom Co., Ltd.	1,950,005	1.32%
Marketch International Corp	1,858,827	1.26%

(IV) The Company's dividend policy and its implementation status

1. The dividend policy as stipulated in the Company's Articles of Incorporation

If there is a surplus earning in the Company's annual final accounts, it shall first allocate for taxes to cover accumulated losses, and then allocate 10% of the balance as the legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision

shall not apply. When necessary, after the special surplus reserve is allocated or reversed according to the laws or regulations of the competent authority, if there is any surplus, it shall be added to the undistributed surplus of the previous year. The board of directors shall prepare a surplus distribution proposal to be submitted to distribute the surplus in cash, based on Article 240, Paragraph 5 of the Company Act, the board of directors is authorized to distribute all or part of the shareholders' dividends in cash with more than two-thirds of the directors present and a resolution passed by more than half of the directors present, which shall be submitted to the shareholders' meeting; if it is done by issuing new shares, it shall be submitted to the shareholders' meeting for resolution after distribution. If it is distributed by issuing new shares, it shall be submitted to the shareholders' meeting for resolution.

The Company's dividend policy will cooperate with business development and expansion in the future. The distribution of profit shall take into account the Company's future capital expenditure budget and capital needs. The annual after-tax surplus shall be deducted from the legal reserve and special reserve with no less than 50% of after-tax profit being reserved for shareholder dividends; however, when the annual after-tax surplus is less than 5% of the paid-in capital after deducting the legal reserve and special reserve, it may not be distributed; the distribution of shareholder dividends can be made in cash or shares, of which the distribution ratio of cash dividends shall not be less than 50% of the total shareholder dividends.

For the net deduction of other interests accumulated in the previous period, the same amount of special reserve shall be withdrawn from the undistributed surplus of the previous period. If there is still any insufficiency, the amount included in the undistributed surplus of the current period from the current after-tax surplus plus items other than the current after-tax surplus shall be set aside for special reserve.

2. The proposed (or approved) dividend distribution for the current year:

The Company's 2024 earnings distribution proposal was resolved by the Board of Directors on February 17, 2025. A cash dividend of NT\$2.00 per share, totaling NT\$295,363 thousand, is planned to be distributed and will be reported at the 2025 annual general shareholders' meeting.

3. When a significant change in the dividend policy is expected, an explanation should be

provided: None.

(V) The impact of the proposed stock dividend at this shareholders' meeting on the Company's operating performance and earnings per share: Not applicable.

(VI) Remuneration to employees, directors, and supervisors

1. The percentages and scope of remuneration for employees, directors, and supervisors as stipulated in the Articles of Incorporation:

If the Company makes any profit in any particular fiscal year, no less than 1% of such profit shall be allocated as employee remuneration, and no more than 1% shall be allocated as directors' remuneration. However, if the Company has any accumulated losses, it shall first reserve the profit for covering such losses. The employee remuneration mentioned may be paid in stock or cash, and the recipients of the payment may include the employees of the parents or subsidiaries who meet certain conditions, and the relevant regulations may be formulated by the board of directors. The remuneration of directors referred to in the preceding paragraph shall be paid only in cash.

2. The basis for estimating the remuneration amounts for employees, directors, and supervisors for the current period, the calculation basis for the number of shares allocated as employee remuneration in stock, and the accounting treatment of any differences between the estimated and actual distributed amounts:

The remuneration for employees, directors, and supervisors of the Company is based on the percentages stipulated in the Articles of Incorporation, and is estimated each year according to this principle, with the report being approved by the Board of Directors and submitted to the shareholders' meeting. In the future, if there is a difference between the actual distribution amount and the estimated amount, the difference will be handled according to accounting estimates.

3. The remuneration distribution approved by the Board of Directors

(1) The amount of employee and director remuneration distributed in cash or stock. If there is a difference between the recognized expense and the estimated amount for the year, the difference, reasons, and handling of the discrepancy should be disclosed:

The Company, on February 17, 2025, as approved by the Board of Directors, passed the distribution proposal for employee and director remuneration for 2024. The employee remuneration amounted to NT\$14,140 thousand, and the director remuneration amounted to NT\$2,020 thousand, both distributed in cash. As these amounts are identical to the estimated amounts, there is no discrepancy in expense recognition.

- (2) The ratio of employee remuneration distributed in stock to the current period's parent company only or consolidated net income after tax and total employee remuneration: Not applicable.

4. The distribution of remuneration and its results as reported at the shareholders' meeting:

The Company's distribution of employee and director remuneration for 2024 was approved by the Board of Directors on February 17, 2025, and will be reported at the 2025 annual general shareholders' meeting.

5. The actual distribution of employee, director, and supervisor remuneration for the previous year (including the number of shares, amounts, and share prices), and if there is any difference between the recognition of employee, director, and supervisor remuneration, the discrepancy, reasons, and handling of the difference should be explained:

The 2024 annual general shareholders' meeting approved the distribution of NT\$5,070 thousand in employee remuneration and NT\$720 thousand in director and supervisor remuneration from the distributable earnings of 2023, both distributed in cash. The actual distribution is identical to the originally recognized amounts, with no discrepancies.

- (VII) The situation regarding the repurchase of the Company's shares: None.

II. The situation regarding the issuance of corporate bonds: None.

III. The situation regarding the issuance of preferred stock: None.

IV. The situation regarding the issuance of overseas depositary receipts: None.

V. The situation regarding the issuance of employee stock options: None.

VI. The situation regarding employee restrictions on new shares: None.

VII. The situation regarding the issuance of new shares for mergers or the acquisition of shares from other companies: None.

VIII. The situation regarding the implementation of the capital utilization plan: None.

IV. Operational Overview

I. Business Scope

(I) Business scope:

1. The main business activities of the Company:

The Company is primarily engaged in the manufacturing and trading of semiconductor special gases and precision chemicals.

2. Sales percentage:

Unit: NT\$1,000

Products \ Year	2023		2024	
	Operating Revenue	Sales percentage	Operating Revenue	Sales percentage
Semiconductor special gases and precision chemicals	553,523	100.00%	873,311	99.93%
Others	—	—	653	0.07%
Total	553,523	100.00%	873,964	100.00%

3. The Company's current products (services):

A. Electronic grade pure disilane (4N8-5N)

The Company's main product is high-purity disilane, a specialized gas used for dielectric silicon layer films in semiconductor wafer processing. The product is utilized in the chemical vapor deposition (CVD) process in the technology industry, where it undergoes a diffusion reaction to form silicon compound films (poly-Si, SixOy, SixNy), which are used to create dielectric layer films for electronic circuits. Compared to traditional silane (SiH₄), it offers superior electrical properties and process benefits, providing higher density, better smoothness, and a faster deposition rate. It also offers a thermal budget that is 100°C higher than silane, enabling materials to help advanced processes break through physical limitations. This makes it a critical material for silicon-based compound films in the semiconductor industry as it enters the era of advanced processing.

B. High-purity trisilane (4N)

Another product of the Company is trisilane (Si_3H_8), which can also be used as a specialized raw material gas for dielectric silicon layer films. Its semiconductor application properties are superior to disilane, and it is considered a key next-gen material for silicon-based compound films. Due to limitations in semiconductor equipment and technology development, it is not yet widely used in the market. However, trisilane has already been successfully applied in the production of analog chips.

C. Supply service of electronic grade silane (6N)

The Company has past experience in silane (SiH_4) process development, gaining extensive operational experience with silane gas. Although the Company does not currently produce silane specialty gas in-house, it still provides high-purity silane specialty gas supply services. This is primarily for use as a raw material in silicon compound film deposition in the optical panel manufacturing industry, as well as for silicon-based compound film epitaxial deposition in semiconductor processes.

D. Semiconductor-grade dry etching specialty gas - anhydrous hydrogen fluoride (5N)

The Company, leveraging its accumulated specialty gas operational experience and know-how, has engaged in technical and strategic cooperation with a leading international supplier of specialized etching chemicals in Taiwan. This collaboration has enabled the development of a localized packaging process system and technology for semiconductor-grade anhydrous hydrogen fluoride specialty gas, as well as the establishment of hardware facilities such as container loading systems and supply services. This initiative aims to eliminate the ongoing reliance on foreign manufacturers for regulated halogen etching specialty chemicals and to overcome trade and transportation restrictions. The product process facilities were completed in 2024, have obtained certification following a review of Class A hazardous work sites, and have been tested by international semiconductor wafer fabs, receiving positive feedback. Continuous cross-validation is underway with different application sites and advanced processes. Anhydrous hydrogen fluoride is

the fundamental specialty gas and trend for advanced process dry etching applications, with demand comparable to—or even exceeding—that of silicon-based specialty gases.

E. Special gas service platform

To serve overseas customer needs and in view of the demands of advanced semiconductor processes with a wide range of specialty gas raw materials, the Company has established comprehensive warehousing and logistics facilities along with a complete global network of semiconductor customers, enabling the provision of end-to-end supply chain platform sales services. In addition to independently developing and manufacturing products, the Company expands its specialty gas product portfolio through strategic alliances with quality partners, thereby forming a complete specialty gas supply chain. In line with the expansion of customers' overseas factories, the Company has established overseas specialty gas service capabilities, creating a stable and reliable supply chain system. Several key specialty gas products are now being sold to international markets, including the United States, Japan, and Europe.

4. New products (services) planned to be developed:

A. Electronic grade dry etching/cleaning specialty gases

In semiconductor processes, in addition to specialty gases or chemicals used for film deposition, there are also etching gases and cleaning gases for film removal. In addition, through collaboration with local international etching specialty chemical suppliers developing and supplying semiconductor-grade anhydrous hydrogen fluoride, the Company has mastered the production and packaging technology for etching specialty gas products. However, to meet the differences in semiconductor process techniques and demands, there are several etching or cleaning specialty gas products with high market potential. The Company can collaborate with industry-leading suppliers both domestically and internationally to introduce and develop, or independently localize the development of etching and cleaning specialty gas products that are not yet produced locally in Taiwan, in order to address the growing process volume demands of Taiwan's advanced semiconductor industry.

B. Electronic grade silicon-based precursor specialty gases and specialized materials

Considering the demand and trends for advanced semiconductor process specialty gases and specialized materials, along with the limitations in market supply and transportation constraints, the Company plans to develop high-value and high-barrier core technology electronic-grade silicon-based precursor products. These will be used as specialty chemical materials for nitrogen-silicon and oxygen-silicon dielectric layers in advanced semiconductor processes such as atomic layer deposition (ALD), as well as for High-k and Low-k dielectric materials. These materials are essential in various high-end chip processes, offering the advantage of improving the yield of silicon-nitride and silicon-oxide dielectric layer films at lower temperatures. Currently, most silicon-based precursor materials are supplied by large foreign manufacturers, making them highly suitable for localized production. The Company has mastered the reaction synthesis technology for these precursor materials. These specialized chemical materials are applied in advanced logic chips and flash memory chip processes, making them crucial for future semiconductor processes, with usage growing year by year.

(II) Industry Overview:

1. Current status and development of the industry:

Gases used in semiconductor processes can be divided into bulk gases and specialty gases. Bulk gases refer to those produced and sold in large volumes with relatively lower purity requirements, mainly applied in industrial sectors, such as oxygen (CO_2), nitrogen (N_2), argon (Ar) from air separation, as well as synthesis gases like carbon dioxide (CO_2) and acetylene (C_2H_2). Specialty gases include standard gases, high-purity gases, and electronic specialty gases. Among these, electronic specialty gas products are pure gases with specific requirements in certain fields. Although their production and sales volumes are smaller than those of standard and high-purity gases, they are key materials for the semiconductor, solar cell, and display panel industries, and are widely used in diffusion, doping, cleaning, etching, ion implantation, and chemical vapor deposition processes, such as high-purity silane, disilane, phosphine (PH_3), arsine (AsH_3), nitrogen trifluoride (NF_3), and carbon tetrafluoride (CF_4).

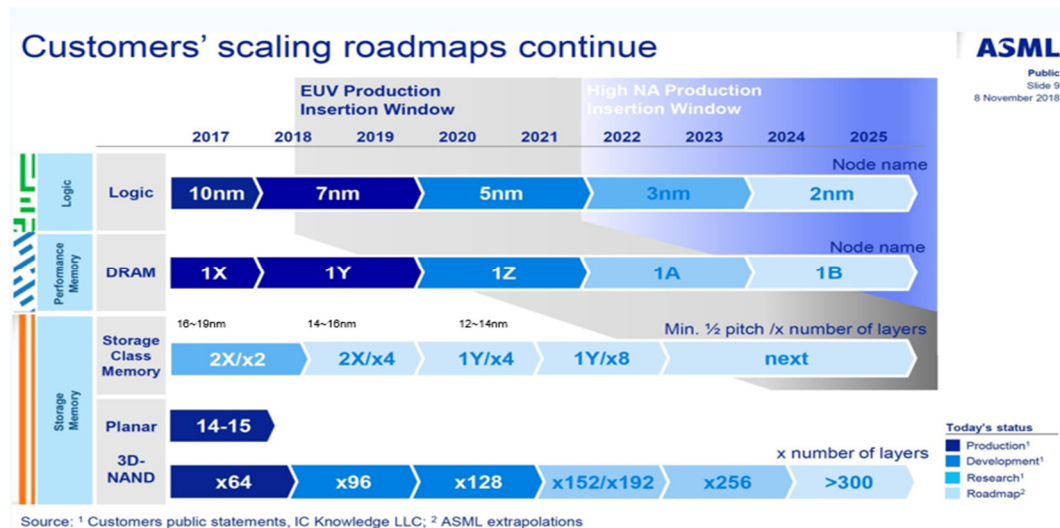
According to estimates from Grand View Research, by 2028, the global specialty gases market is projected to reach USD 18.221 billion, with a compound annual growth rate of approximately 9.7% from 2023 to 2028, significantly

outperforming the 6.8% CAGR of industrial gases. Additionally, data from research firm LinxConsulting indicates that electronic specialty gases account for roughly 70% of semiconductor market demand, making the semiconductor industry the largest application area for electronic specialty gases.

The high-grade silane gases produced by the Company are primarily used in the logic and memory sectors of semiconductor integrated circuits. Their application is focused on the chemical vapor deposition (CVD) process in the industry, serving as raw materials for dielectric films in electronic circuits. Through diffusion reactions, silicon compound films (poly-Si, SixOy, SixNy) are formed, offering higher density, improved smoothness, and faster deposition rates compared to conventional materials, while also providing a greater thermal budget during processing. These are critical materials that enable the semiconductor industry to advance into more sophisticated processes. Therefore, an analysis of the current status and development of the semiconductor and memory industries is presented as follows:

A. Semiconductor

The Company's main products are applied in the semiconductor industry. In the race for advanced semiconductor processing, Taiwanese, Korean, and American foundries each leverage their own proprietary technologies in their respective niches. The strategic directions of these leading players are expected to trigger a new round of changes in the global foundry landscape. In the future, aside from the continuing impact of the COVID-19 pandemic on the global economy and consumer sentiment, overall, emerging application areas and the intensification of semiconductor supply chain issues will drive major countries to shift from a global division of labor toward protectionism, as they begin to establish their own semiconductor production bases. As countries attempt to build their own supply chains, it will also impact the development of the next stage in the global semiconductor supply chain layout. According to the ITRI's International Division, the global semiconductor industry has recently experienced high growth momentum due to full capacity utilization. As semiconductor supply and demand gradually return to normal levels, the global semiconductor market is expected to have a compound annual growth rate of 3.7% from 2021 to 2025. The outlook for the global semiconductor market remains positive, with a forecasted market size of USD 683.6 billion by 2025. Looking ahead, high-performance computing (HPC) applications such as smartphones, mobile devices, and the Internet of Things (IoT) will continue to grow, especially as mobile devices gradually integrate 5G, artificial intelligence (AI), and the metaverse. These devices will require significant data, image, and information processing capabilities, while still evolving toward compact designs. Only advanced process chips will be able to meet these needs. Advanced processes are expected to be the driving force for continuous growth in the semiconductor market. The future development trends of the semiconductor industry are shown in the diagram below.



Taiwan has a complete semiconductor industry ecosystem and technical advantages. Due to a significant decline in global consumer electronics sales and active capacity expansion by global wafer foundries, the demand for mature processes has gradually slowed. However, with the emergence of new applications such as data centers, 5G/6G communication equipment, electric vehicles, and the Internet of Things (IoT), the required technical specifications have also been upgraded. This has led to a shift in the demand for advanced processes and mature processes in 2022, showing a pattern of growth in one and decline in the other. Taiwanese leading wafer foundries not only maintain a high market share in advanced processes but also expand their capacity for specialized processes to meet the demands of the automotive market. Additionally, they are continuously carrying out global expansion by constructing wafer fabs to mitigate geopolitical risks, which has resulted in their operational performance consistently setting new historical highs. According to the latest forecast from Gartner, global revenue from artificial intelligence semiconductors is expected to reach USD 71 billion in 2024, marking a 33% growth compared to 2023. The demand for high-performance artificial intelligence chips in data centers is continuously rising due to GenAI. In 2024, the market size of artificial intelligence accelerators used in servers is expected to reach USD 21 billion. Gartner predicts that this market will continue to expand, reaching a scale of USD 33 billion by 2028. In 2024, shipments of artificial intelligence personal computers (AI PCs) are expected to account for 22% of total PC shipments.

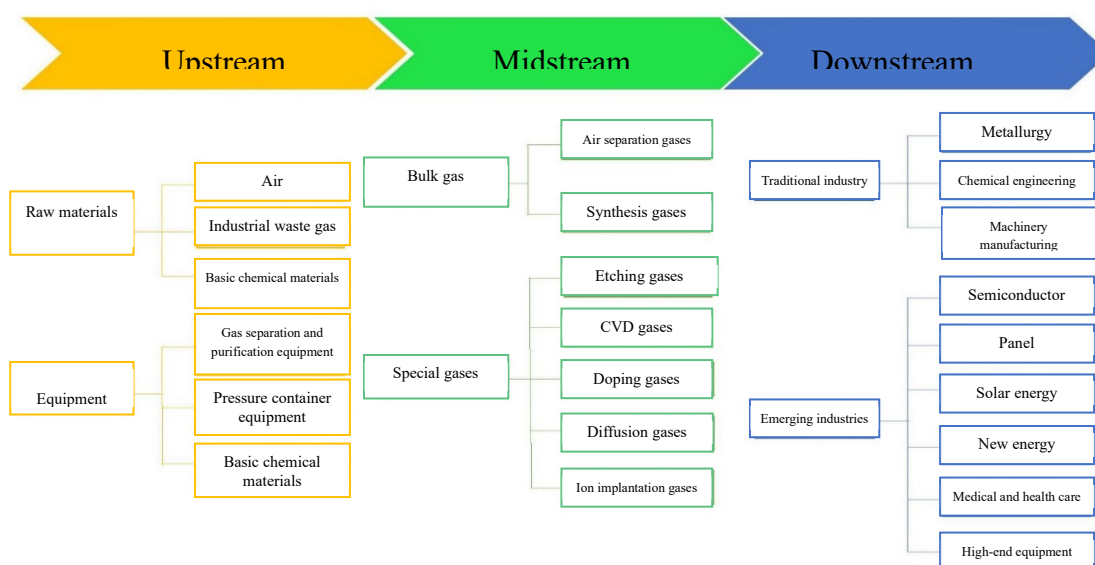
B. Computer memory

As pointed out by Gartner in its report, the global semiconductor market will grow with the momentum in the memory sector. As for the NAND and DRAM markets, the global storage market is expected to show strong growth in 2025, with an annual growth rate reaching 20.5%, and the market will reach a record high of

US\$196.3 billion. As for the NAND Flash market, the price of NAND Flash increased significantly by 60% in 2024 due to insufficient supply. However, it is expected that the price will rebound slightly by about 3% in 2025 with the improvement of the supply. Overall, the NAND market is expected to achieve 12% annual growth, with a market scale of US\$75.5 billion, under the dual effect of reduced supply and slow development of the price environment in 2025. As for the DRAM market, the price of DDR5 DRAM rose due to improvement of shortage in supply, significantly increased production of HBM increased significantly, and strong market demand for DRAM products. It is expected that the total revenue of DRAM will reach US\$115.6 billion in 2025. HBM will be the hot spot in the market. It is expected that its revenue will achieve remarkable growth of more than 70% in 2025, and the market scale will reach US\$21 billion.

2. The connection between the upstream, midstream, and downstream of the industry:

The Company is a midstream manufacturer in the electronic special gases industry chain. The downstream applications are in industries such as semiconductors, panels, and solar energy. The upstream and downstream relationships in the industry to which the Company belongs are listed as follows:



3. Product development trends:

A. Semiconductor supply chain localization trend

With the global spread of the COVID-19 pandemic, countries around the world have realized the importance of localizing supply chains. Following the semiconductor ban imposed by the United States on China, the trend toward localizing semiconductor production capacity has become even more apparent. Geopolitical risks are prompting the global semiconductor industry to shift from a global division of labor to regionalization, and localizing supply chains will be a key trend in the future

development of the semiconductor industry. The Company is located in the heart of the global advanced semiconductor chip production hub. The advantageous geographical location provides excellent conditions and opportunities for fast and flexible supply, creating a head start in advanced process application certifications. This allows the Company to offer customers prompt and close product support and after-sales services. Short-distance transportation also reduces the carbon footprint, and compared to imported specialty gases, the Company's products are exempt from carbon tariffs, thereby creating a cost advantage.

B. Technical barriers of specialty gases continue to rise

With the rapid advancements in integrated circuit technology globally, wafer sizes have evolved from 6-inch and 8-inch to 12-inch, and manufacturing technologies have progressed from 28nm, 14nm, 7nm, 5nm to 3nm. Specialty gases, as key materials in integrated circuits, continue to increase in precision with the rapid technological advancements in downstream industries. High-end silane specialty gases offer superior electrical properties and process benefits, providing higher density, better smoothness, and faster deposition rates, which can help overcome physical limitations in advanced processes. The semiconductor market benefits from the increased demand for AI training due to AI accelerators, the upgrade demand for AI PCs, and the need for more advanced process applications with the rise of smartphones, servers, and the Wi-Fi 7 upgrade. Specialty gases are key materials for the semiconductor industry as it enters the era of advanced manufacturing processes.

C. Increased penetration of high-end silane gases

Disilane is used as a material for depositing silicon compound films in chemical vapor deposition processes. In mature semiconductor processes, silane is commonly used as a raw material. However, as the transistor density in advanced processes continues to increase, it becomes necessary to shrink the node and line width. The characteristics of silane can no longer meet the demands of advanced processes. Therefore, as Moore's Law continues to advance in semiconductor processes, the market demand for disilane will gradually increase in line with the evolution of these processes. In addition, in the panel industry, where silane usage is highest in the plasma-enhanced chemical vapor deposition (PECVD) process, the need to diversify end products, reduce process costs, and improve yield may lead to a paradigm shift in product applications. The material properties of disilane will provide an excellent solution, potentially replacing some of the silane applications, making its product application potential very high.

D. Competition will gradually shift towards a trend of comprehensive service capabilities

The variety of special gases is extensive, and downstream customers have diverse

requirements for gas products in their production processes. When considering cost, warehousing management, and supply stability, customers demand more customized and comprehensive solutions from specialty gas suppliers regarding their technology, process standards, and product variety. The Company focuses on reshaping its overall competitiveness through five key areas, including product portfolio development, service efficiency, process coverage, core industry skills, and production technology. In addition to actively developing high-end, critical specialty gases and specialty chemicals to solidify existing market products and collaborate with customers on development, the Company also seeks quality partners to expand its product portfolio for semiconductor processes through its well-established specialty gas storage and logistics facilities. This approach aims to provide customers with a complete supply chain platform and establish the Company as a comprehensive solutions provider for advanced transistor manufacturing.

4. Market competition dynamics:

Currently, the major global competitors in the high-end silane specialty gas industry with considerable production scale include companies such as Voltaix from the United States, SK Specialty, and Mitsui Chemicals Inc. These companies have been established for a longer time and offer a diverse product lineup. In the post-pandemic era, the semiconductor industry has become a global strategic priority for many countries. Localization of the semiconductor industry and its supply chain has become an urgent task for nations worldwide. After the US-China technology war, China has accelerated its push for semiconductor self-sufficiency, actively developing its own semiconductor supply chain. This includes advancing to high-end semiconductor processes, which has led to an increasing demand for specialty gases required in these advanced processes. Local gas suppliers, such as NanKing ArgoTech, have announced plans to enter the production of high-end silane specialty gases.

(III) Technology and R&D Overview: In the most recent year and up to the publication date of the annual report, the R&D expenses invested and the technologies or products successfully developed.

1. Technology level and R&D status:

The Company's specialty chemical gas manufacturing technology is based on the patented process and method technology transfer for producing silane through the silimethane method. This serves as the foundation for self-developed improvements, covering the entire process from the reaction process system, purification process, filling and packaging process, to the product analysis and inspection systems, as well as the planning, construction, and production testing operations for the exhaust gas and wastewater treatment processes. Through improved processes and technology,

combined with the developed catalyst application technology, the Company has developed high-grade silane products. These products, along with self-developed purification methods and technologies, meet the stringent requirements of semiconductor processes. In 2015, the Company obtained a patent for the silane production process, and the high-grade silane purity has been certified by third-party inspection agencies, with quality surpassing the specifications of international major manufacturers.

The Company has years of experience and expertise in specialty gas development, integrating silane manufacturing process application technologies and experience. By combining self-developed silane gas thermal cracking technology with the chemical distillation and purification system design technology from the ITRI, the Company completed the development of a highly efficient and cost-effective high-grade silane reaction production process in 2017. This process has become the largest single capacity dual high-grade silane reaction production process in the world. Between 2018 and 2019, the Company obtained four invention and utility model patents in various countries and passed product testing and certification by the world's most advanced semiconductor wafer manufacturing companies. Not only has the Company established a strong foothold in Taiwan's semiconductor specialty gas raw material supply market, but it also exports products to semiconductor foundries, DRAM manufacturers, 3D NAND flash memory manufacturers, and advanced automotive chip manufacturers in the United States, China, Japan, South Korea, and Germany. These products are used in advanced semiconductor process wafer manufacturing, 64-layer and above stacked solid-state flash memory technology, and advanced automotive chip processes.

With the development experience and technology in the disilane process, TSC started to develop the reaction and distilling purification processes for production of chlorosilanes and high-value silicon-based precursors during the period from 2020 to 2022, and completed the establishment of the pilot process and the trial run of the conversion. Trial production samples were inspected and analyzed by a third party and a positive development result was obtained. Although there is still room for improvement in the design of the pilot process, the trial production samples reflect positive development and design and application of the method. The design and establishment of relevant pilot processes deepen the development experience and technology in special gas products, and lay the foundation for breakthrough in the

extension and feasibility of the localized development technology for specialty chemical products. They also establish the development direction and deployment with the high-value silicon-based precursors as the development targets to continuously deepen related technologies and developments.

In addition to the development of the silicon-based precursors, the Company engaged in technical and strategic cooperation with top-notch international special halogen etching chemical manufacturers in Taiwan in 2023 to install hardware facilities and provide supply services, such as high purity special halogen etching gas agency services and product packaging technology - process systems, containers, etc. Through strategic cooperation, the Company has gradually established relevant experience and technology for etching special gas products, and completed the installation and operation of a supply system of special halogen etching gas products in Q4 of 2024, and obtained preliminary positive sample feedback from advanced semi-conductor process customers. In response to the rising demand in the future, the Company continues to plan, design and establish ancillary facility systems and technologies for the product, particularly in the aspects of quality monitoring and inspection management technology of products, which will be the focus at the next development phase. The Company invests necessary resources in development to improve the integrity of the product services, and lays the foundation for the development of special chemical or gas products for other halogen etching or cleaning applications.

2. The ratios of R&D expenses to net operating revenue for the past five years are as follows:

Unit: NT\$1,000; %

Item \ Year	2020	2021	2022	2023	2024
R&D Expenditures	5,105	18,865	26,185	18,314	18,439
Net Operating Revenue	416,631	515,666	532,279	553,523	873,964
R&D expenses as a percentage of operating	1.23	3.66	4.92	3.31	2.11

3. The technologies or products successfully developed in the most recent year and up to the publication date of the annual report are as follows:

Year	Technologies or products successfully developed
2020	The mass production process technology for 4N electronic-grade high-purity trisilane
2021	Silane butane production process technology
2022	Monochlorosilane synthesis reaction pilot system and technology Silicon-based precursor specialty material pilot system and reaction technology
2023	Chlorosilane extension specialty reaction pilot system and technology
2024	Electronic-grade dry etching gas dispensing facility system and technology

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

1. Short-term business development plans

The short-term goal is to expand market channels and increase coverage. This will be achieved by obtaining customer certification for the Company's high-end silane products and integrating them into customers' production supply chains to enhance coverage. Further efforts will focus on expanding applications across different customer processes to improve penetration rates and boost product sales.

Additionally, by leveraging the distribution channels of certified customers and utilizing the Company's comprehensive facilities and resources, such as warehousing, quality assurance, inspection, and emergency response, the Company can act as an agent for related specialty gas products. This approach will enhance revenue and increase profitability.

2. Mid- and long-term business development plans

Independently develop deposition and high-end etching specialty gas products required for advanced semiconductor processes, expand the product portfolio, and sustain business expansion and growth momentum.

Leverage the Company's resources and proprietary customer channels to establish a specialty gas sales platform, targeting specialty gas products required for advanced chip manufacturing processes. Engage in strategic industry alliances with international specialty gas manufacturers through product distribution, repackaging and sales, raw material purification, and collaborative production.

II. Market and Production and Sales Overview

(I) Market analysis:

1. Main sales (service) regions for major products (services):

The Company's revenue and proportion by region for the past two years are as follows:

Unit: NT\$1,000; %

Item \ Year	2023		2024	
	Sales amount	%	Sales amount	%
Taiwan	408,392	73.78	578,923	66.24
Other- Asia regions	117,145	21.17	175,808	20.12
America	23,272	4.20	107,428	12.29
Northeast Asia (Japan, Korea)	4,714	0.85	10,439	1.19
Europe	—	—	1,366	0.16
Total	553,523	100.00	873,964	100.00

Source: Audited financial reports by CPAs and the Company's compilation.

2. Market share:

Among the four global disilane producers, all except the Company have histories exceeding 20 to 30 years. The highest global market share is held by Voltaix from the United States, which was an early pioneer in the semiconductor specialty gas sector and possesses numerous production patents along with a diverse product line. The second-largest market share belongs to Japan's Mitsui Chemicals, followed by South Korea's SK Specialty, whose products are supplied directly to all semiconductor manufacturing facilities of its parent company, Hynix Group, making it the third-largest globally. While the Company is a relatively new entrant compared to its competitors, it strategically positioned itself from the outset in the most advanced logic chip manufacturing processes. Currently, the Company has established a notable presence in the supply of disilane ethane for advanced logic chip processes.

3. Future market supply and demand conditions and growth potential:

The Company's main product, high-end silane specialty gases, is primarily used in the semiconductor industry's chemical vapor deposition process, generating silicon compound

thin films through diffusion reactions. Due to the superior material properties of high-end silane specialty gases compared to standard silane products, these gases play a crucial role in advancing semiconductor manufacturing as process nodes shrink towards their physical limits. In chip manufacturing fields such as logic ICs, dynamic random-access memory (DRAM), and 3D NAND flash memory, the demand for high-end silane gases has steadily increased in line with advancements in process technology. According to a forecast by the China Forward Industry Research Institute in April 2023, the global specialty gas market is expected to grow at a compound annual growth rate of 9.9% from 2023 to 2028. By 2028, the global specialty gas market size is projected to reach USD 19 billion.

4. Competitive niche:

A. Core technologies are well protected by patents:

The Company's production processes, from design and development to construction and operation, are all independently developed. This process has led to a deep understanding of the characteristics of silane, operational experience with the process, and core technologies for silane-derived products. With the Company's intellectual property portfolio, these experiences and technologies have been patented in the United States, China, South Korea, and Taiwan, effectively preventing infringement of the technologies and intellectual property rights by other gas manufacturers entering the high-end silane market due to its market value and future application potential.

B. Production process technology with cost advantages, environmental protection, and energy efficiency:

The Company's silane process technology has broken through the capacity barrier for disilane production in traditional silane reaction methods and further enables the simultaneous production of trisilane. Both products exhibit purity and quality comparable to or even superior to those of leading international silane raw material manufacturers, while manufacturing costs remain highly competitive. Compared to silane, which has been used in panel and semiconductor processes for many years, high-grade silane offers superior application characteristics, aligning with the trends of advanced semiconductor processes and future semiconductor technologies. As a result, it has higher market potential and value. Unlike traditional chemical processes and industries, the production lines for single products involve various high-energy-consuming rotating equipment and utility fluid systems, such as fluid delivery pumps

and refrigeration or heating equipment for utility fluids. These systems maintain the operation of process fluids in equipment pipelines and the distillation and purification process environment. Our product manufacturing process, in line with the physical characteristics of the product, significantly reduces the application of rotating equipment. Additionally, it utilizes a single common refrigerant fluid and effectively uses its temperature range across different stages of the process, reducing the need for multiple high-energy-consuming refrigeration systems and their associated maintenance, thus effectively maintaining low-energy consumption in the production operation. The production process uses a single raw material and environmentally compatible substances, reducing the waste byproducts generated during production line operations and ensuring minimal environmental impact. With the rising global awareness of environmental protection and trends, industrial carbon emissions control will inevitably be incorporated into regulations, prompting industry-wide changes. However, the Company's production process is already equipped with significant advantages and competitiveness to participate in the international competition of the carbon-neutral era.

C. Obtained certification from multiple advanced semiconductor process customers and maintained strong and stable customer relationships

Due to the high requirements and long verification time for semiconductor specialty gases, once the evaluation by major manufacturers is passed and continuous supply begins, the Company works closely with customers on management, systems, hardware and software development, and quality specifications to ensure ongoing improvement. At the same time, this also builds a competitive barrier for other suppliers entering the market. As semiconductor process technologies continue to advance and new product applications rapidly develop, the demand for refinement in specialty gases is increasing. In addition to continuously improving product technology, specialty gas suppliers also closely collaborate with customers on product development plans to stay ahead of future product trends required for upcoming processes. The Company's products have passed certification from multiple advanced semiconductor process customers and maintain long-term, stable relationships with these customers, demonstrating the ability to meet customer demands in terms of product quality and delivery services. The Company also continues to collaborate with customers in the development of new products and technologies to reduce production costs. Through close cooperation between both

parties, this will strengthen the customer's order competitiveness and help establish a solid partnership, contributing to the stability of order sources.

5. Favorable and unfavorable factors to the development vision and countermeasures:

A. Favorable factors:

(a) The continuous advancement of semiconductor processes ensures a promising demand for high-grade silane gases

The high-grade silane gases produced by the Company demonstrate superior performance in thin film processes, and have gradually been replacing silane in advanced processes. In contrast, more silane is used in mature processes due to budget considerations. Benefiting from the increasing demand for AI training in AI accelerators, the replacement demand for AI PCs, and the need for more advanced processes with the upgrade of smartphones, servers, and Wi-Fi 7 for higher efficiency, the demand for high-grade silane gases continues to rise as semiconductor manufacturers push forward with their processes. The Company's production capacity for high-grade silane products is sufficient, and during the process design and planning stages, energy savings, carbon reduction, and environmental sustainability issues are considered. This builds international competitiveness in the era of carbon neutrality, aligning with the market trends of advanced semiconductor processes.

(b) The advantageous geographical location within Taiwan's semiconductor industry cluster

According to SEMI, it is estimated that 18 new semiconductor fabs will begin construction globally in 2025. These new fabs will mainly consist of 12-inch wafer fabs, with a total of 15, and 3 will be 8-inch wafer fabs. More than 60% of these fabs will be located in Asia. By 2027, the number of advanced process wafer fabs is expected to reach 10. This indicates that the semiconductor industry is actively investing in the R&D of advanced process technologies and capacity building to meet the strong demand for advanced chips in fields such as high-performance computing and artificial intelligence. The Company is located at the core of the global semiconductor chip production hub, allowing it to provide customers with rapid and close product support and after-sales service. It can also collaborate with

customers on product development plans, keeping pace with the latest trends in advanced processes. In addition, the short transportation time of the products reduces the carbon footprint. Compared to imported specialty gases, the Company's products are exempt from carbon tariffs, creating a cost advantage. The superior geographic location provides a competitive edge in fast delivery.

- (c) The R&D team is highly competitive, and the purity and quality of the products are trusted. The Company has obtained certifications from international semiconductor customers

The Company's core technology team has an average of over 10 years of experience in the field of chemical materials. These are specialized gas operation professionals developed in-house. The team possesses independent R&D capabilities for advanced key specialty gas material synthesis and purification manufacturing technologies and has obtained new and invention patents in Taiwan, China, the United States, and South Korea. The high-level silane products produced by the Company are loaded into high and low-pressure specialty gas cylinders. The Company has created an innovative intelligent cylinder quality control system that allows traceability of the product's production history, from raw material inspection to the automated filling of high-purity products. Afterward, the products undergo quality confirmation through an ISO 17025 certified laboratory, where precision testing is performed with ultra-trace elemental analysis at the level of one-billionth of a unit. The product purity and quality meet high standards and have passed certification from multiple international semiconductor customers, gaining deep trust in its quality.

B. Unfavorable factors:

- (a) Competitors' investment in the development of high-grade silane gases

High-grade silane products are crucial raw materials for the semiconductor chemical vapor deposition process, being high-priced electronic specialty gases. Multiple gas manufacturers have successively invested in the development of these products.

Countermeasures

Given the trend of localizing electronic specialty gases required for chip manufacturing and the increasing global demand for semiconductors, the Company is closely collaborating with advanced semiconductor customers and continuously planning to develop silane-based thin film deposition products, advanced etching products, precursor products, and more. These products will cover various precision specialty gases needed for the transistor formation cycle process in the semiconductor industry. The Company is simultaneously enhancing product quality requirements to establish higher competitive barriers. The high-grade silane products produced by the Company have already met the market specification of 4N8+ (99.998%) purity and are currently producing 5N (99.999%) grade products steadily. Customized 5N+ purified products are also available based on customer needs. The Company will continue to improve quality while meeting customer demands for higher purity raw materials in advanced processes, increasing customer reliance on the Company's products and raising the difficulty for later competitors to enter the high-grade silane product market.

(b) The product portfolio is focused on silane-based products

The Company's production technology is independently developed through patented innovation, and its product portfolio is currently focused on silane-based products.

Countermeasures

In addition to continuously developing new products to deepen its existing product offerings, the Company adopts three strategic approaches, namely strategic technical collaborations, product agency development, and enhancing its product portfolio. These strategies aim to diversify market risks, increase core competitiveness, and expand the product range in the semiconductor supply market. The Company possesses in-house R&D capabilities, which are reflected in the development of its current high-end silane products. It will continue to develop new products and manufacturing lines to meet the ever-evolving semiconductor market, planning to launch advanced, high-purity raw materials to satisfy the ongoing advancements in the semiconductor industry both in Taiwan and globally. In addition to investing in in-house R&D, the Company also leverages competitive advantages such as advanced production technologies, ultra-trace element analysis laboratories, and unique on-demand backup and storage services for specialty gas products in Taiwan's industry. By selecting excellent specialty gas partners to form strategic alliances, the Company enriches its product portfolio through collaborative production and sales methods, working together to achieve localization and global

supply objectives.

(c) The cultivation and recruitment of professional technical talent is challenging

The production technology of the Company requires long-term cultivation of the experience and professional capabilities of R&D personnel. When designing and developing products, a sufficient number of highly qualified R&D personnel are required. However, the Company's factory is located in Xianxi Township, Changhua County, which is an important cluster for precision chemicals manufacturing in Taiwan, and there is significant competition in recruiting and retaining professional technical talent.

Countermeasures

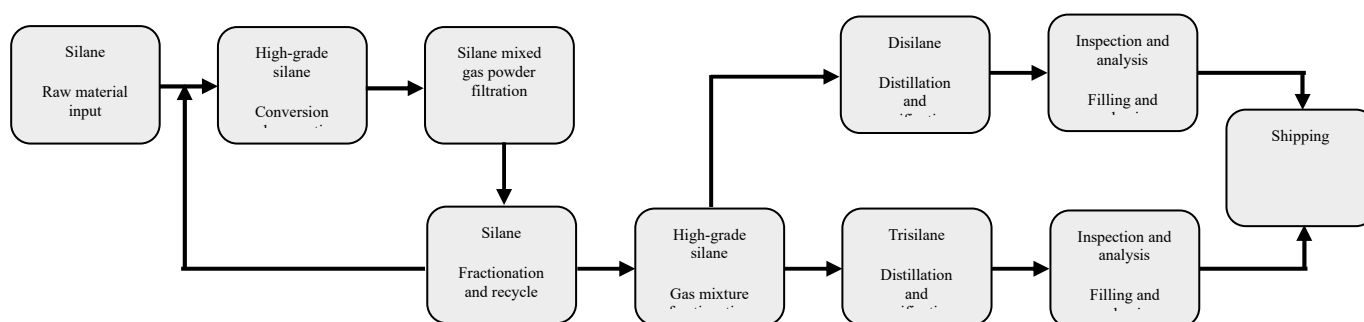
In addition to continuously improving employee salaries, benefits, and bonuses, the Company also invests in a healthy workplace, regularly organizing various health seminars and wellness activities. The Company places great importance on maintaining a work-life balance for its employees. Furthermore, as the Company's technology is self-researched and developed, it will strengthen educational training to nurture employees. The Company also plans to apply for listing to increase visibility and attract and retain more outstanding talent.

(II) Important uses and production processes of the main products

1. Important uses of main products

The Company's main products include "Silane", "Disilane", and "Trisilane", which are used in the semiconductor industry for applications such as logic chips, 3D NAND flash memory, DRAM chips, analog chips, display panels, and silicon-based precursor materials.

2. Production processes of main products



(III) Supply of main raw materials

The main raw materials of the Company are gases and chemicals. The Company's main suppliers are all long-term partners and we have good and stable cooperative relationships with them. The production is stable and sufficient.

(IV) The name of the customer that accounted for more than 10% of the total purchase (sales) amount in any of the most recent two years, the proportion of the purchase (sales) amount

1. List of main purchase customers in the most recent two ears

Unit: NT\$1,000; %

Item	2023				2024				As of the previous quarter in 2025			
	Name	Amount	As a percentage of net purchase of the year	Relations with the issuer	Name	Amount	As a percentage of net purchase of the year	Relations with the issuer	Name	Amount	As a percentage of net purchase of the year	Relations with the issuer
1	Supplier A	69,190	53.64	None	Supplier A	120,120	53.04	None	Not applicable			
2	Supplier B	36,566	28.35	None	Supplier B	60,466	26.70	None				
3	Supplier C	7,392	5.73	None	Supplier C	11,585	5.11	None				
4	Others	15,848	12.28	—	Others	34,319	15.15	—				
	Net purchase	128,996	100.00	—	Net purchase	226,490	100.00	—				

Reasons for changes:

There was no significant change in the Company's main suppliers in 2023 and 2024.

The purchase amount increased due to consideration of the market supply and demand situation and the production plan.

2. List of main sales customers in the most recent two years

Unit: NT\$1,000; %

Item	2023				2024				As of the previous quarter in 2025			
	Name	Amount	As a percentage of net sales of the year	Relations with the issuer	Name	Amount	As a percentage of net sales of the year	Relations with the issuer	Name	Amount	As a percentage of net sales of the year	Relations with the issuer
1	Customer A	330,048	59.63	None	Customer A	527,388	60.35	None	Not applicable			
2	Customer B	110,817	20.02	None	Customer B	157,159	17.98	None				
3	Customer C	46,812	8.46	None	Customer C	94,208	10.78	None				
4	Others	65,846	11.89	—	Others	95,209	10.89	—				
	Net sales	553,523	100.00	—	Net sales	873,964	100.00	—				

Reasons for changes:

Mainly due to the market demand for sales products.

III. Employees

Employee information in the most recent two years and up to the publication date of the annual report:

Unit: person; %

Year		2023	2024	March 31, 2025
Number of employees	Direct labor	31	34	38
	Indirect labor	64	73	75
	Total	95	107	113
Average age (unit: age)		39	39	39
Average years of service (unit: year)		5.01	4.90	4.78
Educational background	Doctoral degree	1%	0%	0
	Master's degree	12%	15%	14%
	University/college	65%	65%	65%
	Senior high school (or below)	22%	20%	21%
	Total	100%	100%	100%

IV. Information on environmental expenditure

1. According to laws and regulations, if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the status of such applications, payment or establishment should be stated.

(1) The Company has obtained the following relevant permits

Item	Category	Acquisition
1	Water pollution prevention and control measures plan	V
2	SVHC approval documents	V
3	Waste disposal plan	V
4	Wastewater discharge and sewer connection permit	V
<ul style="list-style-type: none"> The Company has applied for the discharge permit of the pollution facilities in accordance with the law. 		

(2) Payment of the pollution prevention fee

Unit: NT\$1,000

Item	Category	2023	2024
1	Air pollution control fee	-	-
2	Sewer connection fee	135	144
3	Waste disposal fee	104	119

(3) Establishment of a designated unit/person for environmental protection

Item	Category	Establishment
1	Designated personnel for prevention of air pollution	Not applicable
2	Designated personnel/unit for water pollution prevention	Not applicable
3	Professional personnel for waste materials	Not applicable
4	Professional management personnel for toxic and concerned chemical substances	V
<ul style="list-style-type: none"> The Company does not meet the standard requiring setup of dedicated personnel according to the law. 		

2. The Company's experience in improvement of environmental pollution in the most recent two years and up to the publication date of the annual report; if any pollution related disputes occurred, the handling process should be stated: None.

3. For any losses (including compensations and violations of environmental protection regulations disclosed in environmental protection inspection results) of the Company due to environmental pollution in the most recent two years and up to the publication date of the annual report, the punishment date, punishment reference number, the provision of law violated, the content of the violations, and the scope of the punishment should be disclosed. The current and future possible estimated amounts and countermeasures should be disclosed: None.
4. The current pollution and the impact of improvement on the Company's earnings, competitive position and capital expenditure, and the expected significant capital expenditure on environmental protection in the next two years: None.

V. Labor-management relations

- (I) The Company's employee welfare measures, continuing education, training, retirement system and its implementation, labor-management agreements. and measures for protection of employees' rights and interests

1. Employee welfare measures

The Company takes out labor insurance and national health insurance in accordance with relevant labor laws and regulations, so that all the employees can be protected. In addition, to take care of employees thoroughly, the Administration Division of the Company coordinates and plans welfare measures and their operations for employees to improve their welfare. The welfare measures of the Company are as follows:

- A. Benefits: Wedding cash gifts, hospitalization allowances, and funeral subsidies.
- B. Cultural and recreational activities: Annual trips, year-end party arrangements, departmental dinner parties, etc.
- C. Other subsidies: Festival bonuses, employee remuneration, performance bonuses, group insurance, regular employee health checkups, and hotel discounts.

2. Continuing education and training

- A. Internal training: Education and training for new employees, internal departmental education and training, environmental safety training, other internal professional courses, direct labor training, fire escape training, industrial safety training, basic business training, process training.
- B. External training: The department heads and employees apply for the courses and training organized by external organizations based on their work requirements.

3. Retirement system and its implementation

Since the establishment in 2013, the Company has implemented the retirement system in accordance with the Labor Pension Act by contributing 6% of the monthly salary to the individual pension account of the employee and dealing with the pension-related matters in accordance with the regulations of the Labor Pension Act to fully protect the rights and interests of employees.

4. Labor-management agreements and the protection of employees' rights and interests

The Company has maintained harmonious labor-management relations and has

always placed great emphasis on bilateral communication to maintain these good relations. There are no major labor disputes to date.

(II) Describe the losses arising as a result of labor disputes in the most recent year and up to the publication date of the annual report (including any violation of the Labor Standards Act found in labor inspections; the punishment date, punishment reference number, the provision of law violated, the content of the violations, and the scope of the punishment should be disclosed). The current and future possible estimated amounts and countermeasures should be disclosed. The reasons should be stated in cases where the losses cannot be reasonably estimated

(1)The loss arising as a result of labor disputes in the most recent two years and up to the publication date of the annual report: None.

(2)The estimated amount of possible losses due to labor disputes in the future and the countermeasures:

The Company did not have major labor disputes. Thus, it is not necessary to estimate the possible losses that may incur due to labor disputes in the future.

VI. Cybersecurity security management

(I) Describe the management structure of cyber security risks, cyber security policy, specific management plans, and resources invested in cyber security management.

1. Risk management structure

The Information Center is an independent department not under any divisions. It is responsible for the overall planning and implementation of information security policies, promotion of information security messages, improvement of employees' information security awareness, collection and improvement of the performance and effectiveness of the organization's information security management system, and collection and improvement of technologies, products or procedures.

The Audit Office conducts information security inspections on the internal control system - computerized information processing operation every year to assess its effectiveness.

2. Cyber security policy

To implement information security management, the Company has established an internal control system - computerized information processing operation, in the hope to achieve the following policy goals through the joint efforts of all the employees.

A. Ensure the confidentiality and integrity of information assets.

B. Ensure that the data is accessed according to the function of the department.

C. Ensure the continuous operation of the information system.

D. Prevent unauthorized modification or use of data and systems.

E. Regularly perform information security audits to ensure its implementation.

3. Specific management plans

Web security control	Data access control	Response and recovery mechanism	Dissemination and inspection
Install firewalls	Computer equipment is maintained by dedicated personnel with account numbers and passwords set.	Regularly review the emergency response plan	Disseminate information security at any time to enhance employees' information security awareness
Regularly scan computer systems and data storage media for viruses	Assign access rights depending on functions	Regularly exercise system recovery every year	Conduct information security inspections on a regular basis every year and report the findings to the senior management
Use network services according to the information security policy	Cancel the rights of the personnel transferred to another post	Establish a system backup mechanism and implement remote backup	
Regularly review the system log of each network service item to track the abnormality	Before equipment is scrapped, remove or overwrite confidential and sensitive data and proprietary software	Review computer and network security control measures on a regular basis	
	Obtain appropriate approval for logging in and managing information systems remotely		

4. Resources invested in cyber security management

The Company has established the rules for computerized information processing and cyber security management, implemented dissemination of information security on a regular basis, and conducted internal drills against phishing software, attacks, and social software engineering from time to time to improve internal information security.

The Company has designated personnel to conduct daily, weekly, monthly, quarterly, and annual inspections of the information security checklist on a regular basis. The Company has established an abnormality checklist to analyze and follow up information security.

Important systems, such as ERP, SPC and Report System, are virtualized, The cloud remote backup is purchased, and the system recovery is exercised on a regular basis.

- (II) List the losses, possible impacts and countermeasures caused by major information security incidents in the most recent year and up to the publication date of the annual report. The reasons should be stated in cases where the losses cannot be reasonably estimated: None.

VII. Major contracts

Contractual nature	Party	Start/end date	Main content	Restrictive clause
Purchase contract	Supplier A	2023/01/01~now	Purchases of chemicals	Non-disclosure clause
Purchase agreement	Customer A	2022/01/01 ~ 2024/12/31	Disilane	Non-disclosure clause

V. Review and Analysis of Financial Status and Financial Performance and Risks

I. Financial position

- (I) The main reasons for any material change in the Company's assets, liabilities, or equity in the most recent years, and the effect thereof

Unit: NT\$1,000; %

Item \ Year	2023	2024	Difference	
			Amount	%
Current assets	420,992	2,034,149	1,613,157	383
Property, Plant, and Equipment	1,376,941	1,311,884	(65,057)	(5)
Right-of-use assets	110	-	(110)	(100)
Intangible assets	1,195	904	(291)	(24)
Other assets	41,107	38,458	(2,649)	(6)
Total assets	1,840,345	3,385,395	1,545,050	84
Current liabilities	83,567	153,120	69,553	83
Non-current liabilities	196	107	(89)	(45)
Total liabilities	83,763	153,227	69,464	83
Share capital	1,382,366	1,476,816	94,450	7
Capital reserve	-	1,133,780	1,133,780	100
Retained earnings	374,216	621,572	247,356	66
Other equity	-	-	-	-
Total equity	1,756,582	3,232,168	1,475,586	84
1. Description of the reason for changes: (Changed by 20% or more and amounted to NT\$10 million) (1) Increase in current assets and total assets: Due to the increase in cash and cash equivalents and financial assets measured at amortized cost - current in 2024. (2) Increase in current liabilities and total liabilities: Due to the increase in accounts payable and salaries and bonuses payable in 2024. (3) Increase in capital reserve: Due to issuing at premium for cash capital increase in 2024. (4) Increase in retained earnings: Due to the profit of the Company in 2024. 2. Future response plan: No impact.				

- (II) Future response plans shall be stated if there is significant impact: None.

II. Financial performance

- (I) The main reasons for any material change in the Company's operating revenue, operating net profit, and net profit before tax in the most recent two years:

1. Comparative analysis of operating results and description of changes:

Unit: NT\$1,000; %

Item \ Year	2023	2024	Difference	
			Amount	%
Operating Revenue	553,523	873,964	320,441	58
Operating cost	343,290	411,209	67,919	20
Gross profit (loss)	210,233	462,755	252,522	120
Operating income	137,798	364,674	226,876	165
Non-operating revenue and expense	1,401	20,919	19,518	1,393
Pre-tax profit (loss)	139,199	385,593	246,394	177
Net income (loss) of the current period	155,653	385,593	229,940	148
Other current comprehensive income (net amount after tax) of the current period	-	-	-	-
Total comprehensive income	155,653	385,593	229,940	148
<p>1. Main reasons for the change of more than 20%:</p> <p>(1) Increase in operating revenue, operating cost, operating gross profit, operating income, net income before tax, net income and total comprehensive income of the current period: Due to the increase in market demand for products sold, increase in production volume, and decrease in idle capacity in 2024.</p> <p>(2) Increase in non-operating income and expenses: Due to the increase in interest income.</p> <p>2. Impact on future financial operations: None.</p> <p>3. Future response plans: Not applicable.</p>				

- (II) Sales volume forecast and the basis therefore, and the effect upon the Company's financial operations as well as measures to be taken in response:

The Company's sales forecast is based on the Company's business plan, market demand forecast, industry competition, and assessment on the business outlook of major customers, and with reference to the production capacity of the Company, new product

development plan, and other factors. It is estimated that the Company's sales performance will show stable growth, and this will have a positive impact on the finance of the Company in the future.

III. Cash flow

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

Unit: NT\$1,000; %

Item \ Year	2023	2024	Increase/decrease ratio (%)
Net cash inflow (outflow) from operating activities	234,641	528,886	125
Net cash inflow (outflow) from investing activities	(100,219)	(1,045,880)	(944)
Net cash inflow (outflow) from financing activities	(94,252)	1,087,814	1,254
Analysis of changes in cash flow: (1) The inflow/outflow from operating activities: Due to the increase in net profit of the current period in 2024. (2) The inflow/outflow from investing activities: Due to the increase in financial assets measured at amortized cost in 2024. (3) The inflow/outflow from financing activities: Due to the capital increase in cash in 2024.			

(II) Improvement plan for lack of liquidity: The working capital of the Company is sufficient and there is no lack of liquidity.

(III) Analysis of cash flow in the coming year:

Unit: NT\$1,000

Cash balance at the beginning of the year	Expected net cash flow from operating activities for the year	Expected net cash flow from investing activities for the year	Expected net cash flow from financing activities for the year	Expected cash surplus (deficit) amount	Remedies for expected cash deficiency	
					Investment plan	Financial management plan
725,590	420,052	(232,959)	(295,363)	617,320	-	-
1. Analysis of cash flow changes in the coming year: (1) Operating activities: The Company expects continuous growth of revenue and profitability, resulting in net cash inflow from operating activities. (2) Investment activities: Development of new products and optimization of products result in net cash outflow from investment activities. (3) Financing activities: Distribution of cash dividends results in net cash outflow from financing activities. 2. Remedies for expected cash deficiency and analysis of liquidity: Not applicable						

IV. Impact of major capital expenditures on financial operations in the most recent year:

1. Source and utilization of major capital expenditures: None.
2. Impact on financial operations: None.

V. Reinvestment policy in the most recent year, main reasons for the profit/loss, improvement plan, and investment plan for the next fiscal year: None.

VI. Risk management and evaluation

- (I) Impact of changes in interest and exchange rates and inflation on the profit and loss of the Company, and countermeasures to be taken in the future:

1. Changes of interest rate

Unit: NT\$1,000

Year \ Item	2023		2024	
	Amount	As a percentage of net operating revenue	Amount	As a percentage of net operating revenue
Interest income	1,113	0.20%	10,862	1.24%
Interest expense	4	0.00%	1	0.00%

Source: Financial reports for each year audited and certified by CPAs

The Company's interest income as a percentage of the net operating revenue in 2023 and 2024 was 0.20% and 1.24%, respectively. The Company's capital planning is based on the principle of conservatism and stability, mainly due to the interest income from bank deposits; since this accounts for a smaller portion of the net operating revenue, the overall impact is not significant.

The Company's interest expenses as a percentage of the net operating revenues in 2023 and 2024 were both 0%. Since the Company did not borrow money from financial institutions, the fluctuation of the interest rate in the market did not have a significant impact on the Company.

2. Changes of exchange rate

Unit: NT\$1,000

Year \ Item	2023		2024	
	Amount	As a percentage of net operating revenue	Amount	As a percentage of net operating revenue
Operating Revenue	553,523	100.00%	873,964	100.00%
Exchange gain (loss)	(2,427)	(0.44)%	8,050	0.92%
Net income before tax	139,199	25.15%	385,593	44.12%

Source: Financial reports for each year audited and certified by CPAs

- A. The Company's 2023 and 2024 exchange gain (loss) accounted for (0.44)% and 0.92% of the net operating revenue, respectively. The exchange gain (loss) was generated mainly due to fluctuation in the U.S. dollar exchange rate. The exchange gains (loss) accounted for a small proportion of the net operating revenue, indicating that the changes in exchange rate do not have a significant impact on the Company.
- B. In order to avoid the risk of exchange rate variation, the Company keeps track of the changes in the international exchange rate at all times and maintains close contact with the banks to understand the trend and information of the international exchange rate, actively control the net positions of foreign currency assets and liabilities, and convert the foreign currency position into New Taiwan Dollars in a timely manner to reduce the possible exchange rate risk.

3. Inflation

The Company is not significantly affected by inflation. We maintain good and close interaction with suppliers and customers, pay close attention to the fluctuation of raw material prices, and adjust the procurement strategy and sales price in a timely manner to

reduce the impact of inflation.

(II) Policies on engaging in high risk and high leverage investments, loaning funds to others, endorsements and guarantees as well as derivative transactions, main reasons for profit and loss, and countermeasures to be taken in the future:

1.To manage financial risks, the Company does not engage in high-risk and high financially leveraged investments. We have established internal management regulations and operating procedures based on relevant laws and regulations, including the “Regulations on Loaning of Funds”, “Procedures for Acquisition or Disposal of Assets” and “Regulations on Endorsement and Guarantees”, to manage and control relevant transaction risks.

2.The Company’s financial operations are based on the principle of conservation and stability. In the most recent year and up to the publication date of the 2025 annual report, the Company has not engaged in other high-risk and high-leverage investments, loaning of funds to others, endorsements and guarantees, and derivative transactions.

(III) Future R&D plans and expenditures expected in connection therewith.

1. Future R&D plan

TSC aims to be a professional manufacturer of semiconductor special gas and chemical materials and a key material supplier for the fabrication of the high-tech electronic commodities with our product quality specification linking up to global standards. With such objectives, TSC makes an effort to expand our product portfolio and develop products centered around the key process materials for thin film deposition, doping, special chemicals, etching, process clearing, and special substrates of semiconductor process applications. At the same time, TSC endeavors to enhance the competitiveness of such high-threshold core technologies as a special gas manufacturer and the product values to become a world-class professional manufacturer of precision raw materials for semiconductor manufacturing, as well as to fill up the lack of upstream raw material supply and complete the semiconductor industry chain in Taiwan.

2. Expected R&D expenses

The R&D expenses invested by the Company are gradually allocated according to the progress of new process technology and product development planned. To maintain and enhance the competitiveness of technologies and products, the Company will continue to invest manpower and material resources in the development of new process technologies and products. R&D expenses are expected to remain at the current level, and will be adjusted based on product process development needs.

(IV) The effect of changes in important domestic and foreign policies and laws on the Company's financial position and business operations, and response measures

There have been no changes to major policies and laws in Taiwan and overseas that impacted the Company's financial position and business performance in the most recent year and up to the publication date of the annual report. The Company's operations are in compliance with domestic and foreign laws and regulations. The Company monitors trends in domestic and foreign policies, as well as regulatory changes, and collects information for management to reference when making decisions. We also consult professionals to fully understand and respond to changes in the market environment, and make timely adjustments to our business strategies.

(V) The impacts of technology changes (including information security risks) and industry changes on the Company's financial position and business performance, and response measures

The Company pays attention to developments in semiconductor technologies, and communicates and understands changes in customer needs and industry supply and demand, in order to grasp market trends and maintain market competitiveness. Due to the continued advancement of technology, the Company also faces information security threats, and the Information Center coordinates and implements information security policies, propagates information on information security, and raises employees' information security awareness in response to the threats. The Company's financial position and business performance have not been impacted by any technology changes (including cyber security risks) and industry changes in the most recent year and up to the publication date of the annual report.

(VI) Impact of corporate image change on risk management and response measures

The Company has always adhered to the principles of integrity, pragmatism, and innovation, and complies with various laws and regulations. As of the publication date of the annual report, the Company has not had any changes in corporate image that required crisis management.

(VII) Expected benefits and potential risks of merger and acquisition and response measures

The Company did not engage in any merger and acquisition plans in the most recent year and up to the publication date of the annual report. However, the Company will

conduct cost-effectiveness assessments and avoid potential risks of strategic investments or vertical integration or even horizontal integration in the future.

(VIII) Expected benefits and potential risks of capacity expansion and response measures

The Company has no specific plans to expand its factory in the most recent year and up to the publication date of the annual report. If there are any factory expansion plans in the future, the Company will implement it and make an announcement in accordance with relevant laws and regulations.

(IX) Risks associated with over-concentration in purchase or sale and response measures

1. Risks associated with over-concentration in purchase and response measures:

The Company's purchase amount from the largest supplier accounted for 53.64% and 53.04% of the total purchase amount in 2023 and 2024, respectively. To reduce the risk of over-concentration in purchase, the Company has gradually introduced a second supplier to reduce operational risks. In addition, the Company has established stable relationships with its suppliers over a long period of time to reduce the risk of over-concentration in purchase. Therefore, the risk of over-concentration in purchase is limited.

2. Risks associated with over-concentration in sale and response measures

The Company's products are used in the chemical vapor deposition process of the semiconductor industry to produce a variety of silicon compound films through diffusion reactions, the proportion of sales to the largest customer in 2023 and 2024 accounted for 59.63% and 60.35% of the overall net sales, respectively. Although sales are concentrated, major customers have high requirements for technical level and supply stability, requiring close cooperation with suppliers in development and material supply. The Company is actively developing new customers to reduce the risk of sales concentration.

(X) Impact of mass transfer of equity by or change of directors, supervisors, or shareholders holding more than 10% interest on the Company, associated risks and response measures:

The Company's directors, supervisors, and major shareholders with more than 10% shares did not make any large share transfers in the most recent year and up to the publication date of the annual report.

- (XI) The effect of changes in management right on the Company, risks, and response measures:

There were no changes in management right in the most recent year and up to the publication date of the annual report.

- (XII) Litigation or non-litigation events

1.Litigation, non-litigation, or administrative events in the most recent two years and up to the publication date of the annual report that have been determined by verdict of a court or are still pending, the results of which may have a significant impact on shareholders' equity or stock prices, and the facts in dispute, the amount of the subject matter, date of commencement of litigation, main parties involved in litigation, and current handling situation: None

2.Events in which the Company's directors, supervisors, presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or subordinate companies are involved that have been determined by verdict of the court or are still pending in a major litigation, non-litigation, or administrative litigation in the most recent two years and up to the publication date of the annual report, the outcome of which may have a significant impact on the Company's shareholders' equity or stock prices: None.

The company's directors, supervisors, managers and major shareholders holding more than 10% of shares with the circumstances specified in Article 157 of the Securities and Exchange Act in the most recent two years and up to the publication date of the annual report, and how the company has handled the situation: None.

- (XIII) Other important risks: None.

VII. Other important matters: None

VI. Special Notes

I. Information on affiliated enterprises:

(I) Consolidated business reports of affiliated enterprises: N/A

(II) Consolidated financial statements of affiliated enterprises: N/A.

(III) Affiliation Report: Please refer to Appendix 1 of the annual report.

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

III. Other supplemental information: None.

IV. Matters, if any, that may affect shareholders' equity or stock prices specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the publication date of the annual report: None.

Appendix 1 2024 Affiliation Report

Taiwan Speciality Chemicals Corporation
Affiliation
Report
For the year ended December 31, 2024

Declaration

We hereby declare that our company's 2024 Affiliation Report (covering the period from January 1, 2024 to December 31, 2024) has been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises." The disclosed information is not materially different from that provided in the notes to our financial statements for the aforementioned period.

Hereby Declared.

Company name: Taiwan Speciality Chemicals Corporation

Declared by: Hsiu-lan Hsu

February 17, 2025

Auditors' Review Report of the Affiliation Report

We have reviewed the Affiliation Report of Taiwan Speciality Chemicals Corporation for the year ended December 31, 2024, in accordance with Ruling No. 1130382569 issued by the Financial Supervisory Commission on June 26, 2024. The purpose of this review was to determine whether the Affiliation Report of Taiwan Speciality Chemicals Corporation for the year ended December 31, 2024 was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises," and to ascertain whether the information disclosed therein is consistent with the related information disclosed in the notes to the financial statements audited by the certified public accountants for the same period.

Based on our review, nothing has come to our attention that would indicate that the preparation of the aforementioned Affiliation Report was not in compliance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises." Furthermore, no material inconsistencies were found between the information disclosed in the Affiliation Report and the related information disclosed in the notes to the financial statements for the same period.

Sincerely,

Taiwan Speciality Chemicals Corporation

KPMG

Taipei, Taiwan (Republic of China)

February 17, 2025

1. The relationship between the subordinate company and the controlling company:

Information of the relationship between the subordinate company and the controlling company

Unit: Shares; %

Name of the controlling company	Reasons of control	State of shareholding and pledged by the controlling company			Directors, supervisors, or managers assigned by the controlling company	
		Shares held (shares)	Shareholding ratio (%)	Shares Pledged (shares)	Job title	Name
SINO-AMERICAN SILICON PRODUCTS INC.	The parent company that has control over this company.	42,123,354	28.52%	0	Chairperson Vice Chairperson Director	Hsiu Lan Hsu Cheng Chien Chen Hsiu Ling Hsu

2. Business transactions:

(1) Purchase (sale) of goods: None.

(2) Property transactions: None.

(3) Financing: None.

(4) Asset leasing: None.

(5) Other significant business transactions

Transactions with the controlling company.			Unit : Thousands of NTD
Account	Amount	Outstanding Amounts Recorded as Other Payables - Related Parties.	Comparison of Transaction Terms between Ordinary Transactions and Transactions with the Controlling Company.
Other expenses	520	39	No significant differences

3. Endorsements and Guarantees: None.

4. Other matters with a significant effect on finances and business: None.

Taiwan Speciality Chemicals Corporation

Chairman: Hsiu-lan Hsu