



中華紙漿股份有限公司
Chung Hwa Pulp Corporation

2024 ANNUAL REPORT

STOCK CODE 1905

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Company website is [WWW.CHP.COM.TW](https://www.chp.com.tw)



Publishing Date: April 21, 2025

1. Spokesperson and Acting spokesperson

Name	Title	Telephone	E-mail
Spokesperson Ray Chen	President	+886-2-2396-2998	IR.CHP@yfy.com
Acting spokesperson Claire Hou	Vice President	+886-2-2396-2998	IR.CHP@yfy.com

2. Headquarters, Branch office & Mill

Headquarters	No.100, Guanghua St., Ji'an Township, Hualien County	TEL : +886-3-842-1458
Taipei Office	12F., No.51, Sec.2, Chungching South Rd. Taipei	TEL : +886-2-2396-2998
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Guanyin Mill	No. 16, Guorui Rd., Guanyin Dist., Taoyuan City	TEL : +886-3-272-9888
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3. Stock Administration

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Address: 10044 3F, No. 17, Boai Road, Taipei, Taiwan

Website: agencyaffairs.sinotrade.com.tw

Tel: +886-2-2381-6288

4. Auditors

Auditors: Shioh-Ming Shue and Hui-Min Huang

Accounting Firm: Deloitte and Touche Taiwan

Address: 11073 20F, No.100, Songren Rd., Taipei, Taiwan

Website: www.deloitte.com.tw

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5. Overseas Securities Exchange: None

6. Company Website: www.chp.com.tw

7. Stakeholders Contact: csroffice.chp@yfy.com

8. Investors Contact: IR.chp@yfy.com

Notice to readers

This annual report is a translation of the Chinese version and if there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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Letter to Shareholders

Dear Shareholders, Ladies and Gentlemen,

As global trade gradually picks up in 2024, Taiwan has benefited from the development of new emerging technologies, experiencing higher than expected export and investment growth. Data forecasts released by the Directorate-General of Budget, Accounting and Statistics at the end of November indicates that the economy is expected to grow by 4.27% in 2024, an upward revision of 0.37 percentage points. Looking ahead to 2025, the World Economic Situation and Prospects (WESP) report released by the United Nations in early January 2025 slightly adjusted forecast global economic growth for 2025 upwards to 2.8%. However, Taiwan still faces risks from uncertainties related to geopolitical issues and the potential for conservative policies to disrupt trade. In addition, the two major economies of the United States and China have also been impacted by consumer and investment issues respectively, leading to 2025 remaining a year full of challenges for each industry.

The paper pulp industry in 2024 has been greatly affected by the overall economic climate and economic policies. Traditional industries have been significantly impacted by China's economic stagnation and production oversupply, leading to weaker than expected economic recovery momentum. The paper pulp industry has been similarly affected. Looking back on pulp prices for the first half of 2024, pulp prices rose steadily due to strong support from declining costs and a reduction in labor strikes. However, in the second half of the year the weak global economy and sluggish demand for final consumer products, along with the news that China and South Africa will gradually add millions of tons of new pulp production capacity, led to decreased market confidence and a price decline in the traditional off-season, with prices only stabilizing during the peak season in December. Looking ahead to 2025, supply and demand in the pulp market will remain being affected by factors such as raw materials, energy resources, labor, and transportation. However, as countries around the world continue to increase consumption demand and stabilize economic growth, and as global interest rates cuts take place, there is hope for demand in the pulp industry to stabilize. Nevertheless, the challenge of how to adapt to changing product demand in the consumer market remains. Additionally, as international environmental policies become stricter and businesses and consumers become more environmentally-conscious, pulp and paper products increasingly need to be made from sustainable wood fibers. Chung Hua Pulp Corporation will put a greater focus on the development of environmentally-friendly products and promote energy conservation, carbon reduction, and environmental-

friendliness throughout the production process. In the future, we will develop in an increasingly green and low carbon direction, in order to overcome the challenges of establishing a complete green manufacturing system.

CHP's consolidated operating income for 2024 amounted to approximately NT\$20.77 billion, a decrease of about NT\$190 million from NT\$20.96 billion in 2023. The net loss after tax attributable to the Company in 2024 is approximately NT\$250 million. The Company produced 342,491 metric tons of pulp in 2024. In addition to 226,640 metric tons for Company use, export pulp sales were 70,898 metric tons. Paper production was 358,633 metric tons. Domestic paper sales was 168,532 metric tons and export sales was 222,495, totaling 391,027 metric tons. Cardboard production was 122,260 metric tons. Domestic cardboard sales was 122,084 metric tons and export sales was 36,558, totaling 158,642 metric tons.

CHP's consolidated operating income for 2023 amounted to approximately NT\$20.96 billion, a decrease of about NT\$2.69 billion from NT\$23.65 billion in 2023. The net loss after tax attributable to the Company in 2023 is approximately NT\$570 million. The Company produced 368,660 metric tons of pulp in 2023. In addition to 231,677 metric tons for Company use, export pulp sales were 140,892 metric tons. Paper production was 383,800 metric tons. Domestic paper sales was 177,127 metric tons and export sales was 229,041, totaling 406,168 metric tons. Cardboard production was 116,618 metric tons. Domestic cardboard sales was 115,877 metric tons and export sales was 28,956, totaling 144,833 metric tons.

CHP has long been cultivating and investing in green energy sources and products, closely in line with carbon reduction trends which put the environment first. Apart from earning renewable energy certificates from the bioenergy power generation facilities at our Hualien mill in 2023, we have also in 2024 obtained ISO 14067 Carbon Footprint of Products green power certification, and became the first in Taiwan to obtain ISO 13065 Sustainability Criteria for Bioenergy green sustainability certification. This year, we shall invest an additional NT\$3 billion into constructing new high-efficiency recycled biomass power generation facilities, greatly increasing our green power generation efficiency and moving closer towards our goal of having our entire mill become self-sufficient on green energy, producing zero emissions.

At the same time, we will actively adjust our green products portfolio, obtain third-party carbon emissions verification for the life cycle assessment (LCA) of our products, and comply with Taiwan's green procurement laws to offer a complete line of products

with Forestry Stewardship Council (FSC) certification, as well as work towards obtaining environmental certification and carbon footprint labels for our other products.

In 2025, CHP will continue focusing on the development of environmentally-friendly products, move towards becoming more green and low carbon, and promote more energy-saving, carbon-reducing, and environmentally-friendly production processes in order to create a green manufacturing system and maintain steady business operations and sustainable development.

Best regards,

Chairperson Kirk Hwang

2.1 Directors and Management Team

2.1.1 Directors (A)

April 21, 2025

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Note
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	ROC	YFY INC.	-	6/17/2022	3	6/13/2007	627,827,989	56.93	627,827,989	56.93	-	-	-	-	-	-	-	-	-	-
Chairperson	ROC	YFY Inc. Representative: Kirk Hwang	Male Above 70	6/17/2022	3	7/1/2011	995,737	0.09	995,337	0.09	-	-	-	-	CEO, CHP	Director of CHP International (BVI) Corp. Director of Guangdong Dingfung pulp & paper Co., Ltd. Other non-consolidated company positions please refer to the Note 1	-	-	-	-
Director	ROC	YFY Inc. Representative: Huey-Ching Yeh	Female 50 ~ 70	6/20/2024	3	6/20/2024	-	-	-	-	-	-	-	-	Chairperson, YFY Inc.	Note2	-	-	-	2024.6.20 Institutional director reassigned representati-ve
Director	ROC	YFY Inc. Representative: Guu-Fong Lin	Male Above 70	6/17/2022	3	12/12/2007	49,132	-	49,132	-	565	-	-	-	COO, CHP	CFO of CHP Director of CHP International (BVI) Corp. Chairperson of Guangdong Dingfung pulp & paper Co., Ltd. Chairperson and GM of Zhaoqing Dingfung Forestry Co., Ltd. Chairperson of Zhaoqing Xinchuan Green Technology Co., Ltd. Chairperson of Hwafong Investment Co.,Ltd. Chairperson of Guizhou Yuanfong Forestry Co., Ltd. Other non-consolidated company positions please refer to the Note 3	-	-	-	-
Director	ROC	YFY Inc. Representative: Jean Liu	Female 50~70	6/17/2022	3	5/17/2021	-	-	-	-	-	-	-	-	-	-	-	-	-	2024.6.20 Institutional director removed representati-ve
Director	ROC	YFY Paradigm Investment Co., Ltd.	-	6/17/2022	3	10/7/2020	7,752,732	0.70	7,752,732	0.70	-	-	-	-	-	-	-	-	-	-
Director	ROC	YFY Paradigm Investment Co., Ltd. Representative: Ray Chen	Male 50~70	6/17/2022	3	6/24/2016	45	-	45	-	-	-	-	-	Executive Vice President, CHP	President of CHP Chairperson of Shenzhen Jinglun paper Co., Ltd. Other non-consolidated company positions please refer to the Note 4	-	-	-	-
Independent Director	ROC	Donald Chang	Male Above 70	6/17/2022	3	6/18/2014	-	-	-	-	-	-	-	-	President of Greater China of 3M	-	-	-	-	-
Independent Director	ROC	Hsiao-Kan Ma	Male Above 70	6/17/2022	3	7/20/2021	-	-	-	-	-	-	-	-	Professor, NTU	Note 5	-	-	-	-
Independent Director	ROC	Wan-Yu Liu	Female 40 ~ 50	6/17/2022	3	6/17/2022	-	-	-	-	-	-	-	-	Professor, NCHU	Note 6	-	-	-	-

Note1: CSO & CTO of YFY Inc., Chairperson of Shin Foong Specialty and Applied Materials Co., Ltd., Director of Shin Foong Trading SDN BHD, Director of Sustainable Carbohydrate Innovation Co., Ltd. , Director of Global Views Educational Foundation, Chairperson of Taiwan Paper Industry Association , Director of Taiwan Carbon Capture Storage and Utilization Association , Director of Taiwan-US Carbon Capture, Utilization and Storage (CCUS) Industries Promotion Alliance (TUCA), and President of Taiwan Technical Textiles Association.

Note2: Chairperson of YFY Inc., Director of Shin Foong Specialty and Applied Materials Co., Ltd., Director of YFY Mauritius Corporation, Chairperson of Effion Enertech Co., Ltd., Chairperson of Ensilience Co., Ltd. and Chairperson of San Ying Enterprises Co., Ltd.

Note3: Director of NTU Innovation Incubation Co., Ltd.

Note4: Director of Union Paper Corp. and Director of China Color Printing Co., Ltd.

Note5: TC Member of Environmental Analysis Laboratory, Environmental Protection Administration, Independent Director of Chung Hwa Chemical Industrial Works, Ltd., Independent Director of Data Image Corporation, Independent Director of Ho-Ping Power Company, President of Taiwan Carbon Capture Storage and Utilization Association, Honorary President of Chinese Boiler Association, Honorary Director of The Combustion Institute of R.O.C. and Senior Consultant of Institute of Environment and Resources.

Note6: Professor of Department of Forestry, National Chung Hsing University, Adjunct Professor of National Chengchi University, Independent Director of the National Defense Industry Development Foundation, Independent Director of Lion Travel Service Co., Ltd., Independent Director of Superalloy Industrial Co., Ltd. and Independent Director of Ch Biotech R&D Co., Ltd.

Major shareholders of the institutional shareholders

December 31, 2024

Name of Institutional Shareholders	Major Shareholders
YFY INC.	Ho Tze Yi Enterprise Co., Ltd.(9.92%), Hsin-Yi Foundation(5.66%), Hsin-Yi Enterprise Co., Ltd.(4.69%), Hsinex International Corp.(3.76%), Cheng-Ting Ho(2.92%), YFY Inc. Labor Retirement Reserve Supervisory Committee(2.79%), Ru Yi Enterprise Co., Ltd.(2.69%), Mei-Yu Ho(2.65%), Chen Yu Co., Ltd.(2.20%), Felix Ho(2.14%)
YFY Paradigm Investment Co., Ltd.	YFY INC.(100.0%)

Major shareholders of the Company's major institutional shareholders

December 31, 2024

Name of Institutional Shareholders	Major Shareholders
Ho Tze Yi Enterprise Co., Ltd.	Ho Tze Chia Investment Ltd. (100.0%)
Hsin-Yi Foundation	Founded in 1971, main donors: Chuan Ho (deceased), Shou-Shan Ho (deceased), S. C. Ho, Lin-Fu-Xiang Ho (deceased), Yeh Sun (deceased), YFY MFG (donated prior to becoming a listed company) and Hsin-Yi Enterprise Co., Ltd.
Hsin-Yi Enterprise Co., Ltd.	S. C. Ho (27.84%), Jucheng Investment & Management Co., Ltd. (12.50%), BRILLIANT PRIDE LIMITED (12.50%), Gao Da Global Ltd. (12.50%), Mei-Yu Ho (12.50%), Guan Yu Investment Co., Ltd. (5.91%), Tsai-Hui-Shin Ho (2.48%), Richard Ho (2.18%), Jin Jie Investment Ltd. (1.52%), Hoss Educational Foundation (1.48%), Hoss Cultural Foundation (1.48%)
Hsinex International Corp.	S. C. Ho (27.13%), Sing-Ju Chang (26.00%), Yi-Chia Ho (24.48%), Felix Ho (22.28%), Chen Yu Co., Ltd. (0.11%)
Ru Yi Enterprise Co., Ltd.	S. C. Ho (76.00%), Yi-Chia Ho (24.00%)
Chen Yu Co., Ltd.	S. C. Ho (40.75%), Sing-Ju Chang (30.00%), Yi-Chia Ho (22.92%), Felix Ho (6.33%)

Directors (B)

1. Disclosure of information on the professional qualifications of Directors and the independence of Independent Directors:

April 21, 2025

Qualifications Name	Professional qualifications and experience	Independence criteria	Number of concurrent posts at other listed companies as Independent Director
Kirk Hwang	Kirk Hwang has a Ph.D. in Materials Chemistry from the University of Wisconsin, R&D and multinational enterprise management expertise, experience as the Company's CEO and President, and served as a senior executive of a well-known global company.	Chairperson Kirk Hwang serves as an important manager in the parent company YFY Inc. and concurrently serves as a director of subsidiary Guandong Dingfung Pulp & Paper Co., Ltd. and CHP International (BVI) Corp.	-
Huey-Ching Yeh	Director Huey-Ching Yeh holds a master's degree from the Graduate Institute of Economics at National Chengchi University. He has previously served as the first director of the Bureau of Energy at the Ministry of Economic Affairs, director of the Tainan City Government Economic Development Bureau, director of the New Taipei City Economic Development Department, and vice-mayor. He possesses in-depth knowledge of public sector energy policies and carbon management.	Director Huey-Ching Yeh serves as the Chairperson of the parent company YFY Inc. and a sister company of the Group.	-
Guu-Fong Lin	Guu-Fong Lin received a certificate of completion for the MBA program of the National Taipei University. He has accounting expertise and has been dispatched overseas to complete projects related to the establishment of factories for invested subsidiaries.	Director Guu-Fong Lin serves as the Company's CFO and concurrently serves as the Chairperson of subsidiaries Guandong Dingfung Pulp & Paper Co., Ltd., Zhaoqing Dingfung Forestry Co., Ltd., Zhaoqing Xinchuan Green Technology Co., Guizhou Yuanfung Forestry Co., Ltd., and Hwa Fong Investment Co., Ltd. and a director of CHP International (BVI) Corp.	-
Ray Chen	Ray Chen holds a master's degree from the Department	Director Ray Chen serves as the President of the Company	-

Qualifications Name	Professional qualifications and experience	Independence criteria	Number of concurrent posts at other listed companies as Independent Director
	of Forestry and Resource Conservation, National Taiwan University and is a senior manager of the Company. He has accumulated more than 20 years of experience in the paper industry and is familiar with the development and ecology of the paper industry.	and concurrently serves as a chairperson of subsidiary Shenzhen Jinglun Paper Co., Ltd.	
Donald Chang	Donald Chang has a bachelor's degree in chemical engineering from the Chinese Culture University and has expertise in managing multinational enterprises. He has served as the CEO of Greater China of the well-known global company 3M.	Independent Director Donald Chang, Independent Director Hsiao-Kan Ma, and Independent Director Wan-Yu Liu do not have any of the situations set forth in Article 3, Paragraph 1, Subparagraphs 1 to 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and therefore meet the independence criteria.	-
Hsiao-Kan Ma	Hsiao-Kan Ma holds a Ph.D. in mechanical engineering from the University of Illinois and was a professor in the Department of Mechanical Engineering at National Taiwan University. He has thermodynamics, fluid mechanics, combustion, air pollution control, fuel cells, and SiO ₂ film formation expertise.		2
Wan-Yu Liu	Wan-Yu Liu holds a Ph.D. from the Department of Agricultural Economics (Environmental and Resource Economics Group) of National Taiwan University. She has forest resources evaluation, climate change and carbon sequestration, natural carbon sinks and carbon rights, environmental and resource economics, and forest recreation management expertise.		3

Note: None of the provisions in Article 30 of the Company Act is applicable to the Company's Directors.

2. Board diversity policy and independence criteria:

(1) Board diversity

The Company adopts a nomination system for the election of Directors. The Board of Directors consists of 7 Directors, including 4 Directors and 3 Independent Directors. Members of the Board of Directors include the Company's senior managers, university professors, directors of public companies, and managers of reputable global enterprises. Director Kirk Hwang has expertise in materials development and innovation, Director Huey-Ching Yeh has expertise in public sector energy policies and carbon management, and Directors Guu-Fong Lin and Ray Chen have years of experience in the paper industry. Independent Director Donald Chang has a solid business management background and extensive experience in global markets. Independent Director Hsiao-Kan Ma is an expert in combustion and conduction in Taiwan who has also conducted in-depth research on renewable energy and the environment. Independent Director Wan-Yu Liu is skilled in environmental issues such as climate change and agricultural and forestry circular economies. The Company highly values gender equality within the Board of Directors. The term of the Board of Directors elected at the 2022 shareholder's meeting will soon expire, and in order to promote diversity within the Board of Directors, the Company shall incorporate expert opinions from the community, and strive to have female director candidates make up at least one-third of the nominees for the new Board of Directors. Currently, 2/7 of the Executive Directors are also managers of the Company. They are between 40 to 75 years old. The relevant implementation status is as follows:

Diversification Name	Gender	Staff	Age			Director office term			Accounting and financial analysis	Transnational operations	Paper industry	Material research and development	Risk management
			< 50 years old	50-70 years old	70 and above	< 3 years	3-9 years	9 years and above					
Kirk Hwang	Male				V			V	V	V	V	V	V
Huey-Ching Yeh	Male			V		V			※	-	-	-	V
Guu-Fong Lin	Male	V			V			V	V	V	V	-	V
Ray Chen	Male	V		V			V		※	V	V	※	V
Donald Chang	Male				V		V		V	V	-	-	V
Hsiao-Kan Ma	Male				V	V			※	※	-	-	V
Wan-Yu Liu	Female		V			V			V	-	V	-	V

Note: * equip part of the ability.

(2) Board independence

The Company has a total of three Independent Directors, accounting for 3/7 of Board of Directors. The office term of all Independent Directors is less than nine years and they have no business dealings with the Company. They meet the independence regulations and have not violated Article 26-3 of the Securities and Exchange Act. They are not related to another Director.

2.1.2 Management Team

April 21, 2025

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
President	ROC	Ray Chen	Male	11/3/2023	45	-	-	-	-	-	President of Cellulosic Materials Division of CHP	Chairperson of Shenzhen Jinglun Paper Co., Ltd. non-consolidated company positions please refer to the Note 1	-	-	-	-
CFO	ROC	Guu-Fong Lin	Male	9/1/2013	49,132	-	565	-	-	-	CHP COO	Director of CHP International (BVI) Corp. Chairperson of Guangdong Dingfung Pulp & Paper Co., Ltd. Chairperson and GM of Zhaoqing Dingfung Forestry Co., Ltd. Chairperson of Zhaoqing Xinchuan Green Technology Co., Ltd. Chairperson of Hwafong Investment Co., Ltd. Chairperson of Guizhou Yuanfong Forestry Co., Ltd. non-consolidated company positions please refer to the Note 2	-	-	-	-
CTO of Adhesive Materials Application	Japan	Yoshihiro Akiyama	Male	11/3/2023	-	-	-	-	-	-	3M West Japan Administrative	-	-	-	-	-
Chief engineer	ROC	Yen-Chang Hsieh	Male	1/1/2022	57	-	1,000	-	-	-	CHP Director	Director of Hwafong Investment Co., Ltd.	-	-	-	-
Vice President of Cellulosic Materials Division	ROC	Alex Chen	Male	7/1/2016	-	-	-	-	-	-	CHP Manager	non-consolidated company positions please refer to the Note 3	-	-	-	-
Vice President of Cellulosic Materials Division	ROC	Peter Huang	Male	3/1/2021	-	-	-	-	-	-	CHP Manager	-	-	-	-	-
Vice President of Specialty Processing Division	ROC	Hank Chen	Male	8/11/2021	-	-	-	-	-	-	3M Alphabeta Vice President	-	-	-	-	-
Factory Director of Cellulosic Materials Division	ROC	Yung-Shun Chen	Male	3/1/2018	-	-	-	-	-	-	CHP Factory Director	-	-	-	-	-

Title	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			Note
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Factory Director of Cellulosic Materials Division	ROC	Shih-Ming Chen	Male	1/1/2022	-	-	-	-	-	-	CHP Deputy Director	non-consolidated company positions please refer to the Note 5	-	-	-	-
Factory Director of Cellulosic Materials Division	ROC	Yi-Sheng Chiu	Male	1/1/2022	-	-	-	-	-	-	CHP Deputy Director	-	-	-	-	-
Factory Director of Specialty Processing Division	ROC	Murphy Ho	Male	11/6/2023	-	-	-	-	-	-	Product and Engineering Manager of Alpha Beta Global Tapes and Adhesives Co., Ltd. 3M	-	-	-	-	-
CISO	ROC	Casper Wu	Male	4/1/2023	-	-	-	-	-	-	Fidelis IT Solutions Co., Ltd. Manager	Manager, Fidelis IT Solutions Co., Ltd.	-	-	-	-
Finance Officer and Corporate Governance Officer	ROC	Claire Hou	Female	6/1/2024	-	-	-	-	-	-	CHP AVP	Director of Hwafong Investment Co., Ltd. Director of Syntax Communication (H.K.) Ltd.	-	-	-	Note4
Finance Officer and Corporate Governance Officer	ROC	David Lin	Male	1/1/2015	-	-	-	-	-	-	CHP Manager	-	-	-	-	Note5
Accounting Officer	ROC	Jung-Min Huang	Male	3/17/2014	-	-	-	-	-	-	CHP Manager	Supervisor of Hwafong Investment Co., Ltd.	-	-	-	-
Audit Officer	ROC	Shu-Chen Chen	Female	11/13/2024	-	-	-	-	-	-	YFY Inc. Manager	-	-	-	-	Note6
Audit Officer	ROC	Steven Chen	Male	8/17/2018	-	-	-	-	-	-	CHP Manager	-	-	-	-	Note7

Note 1: Director of Union Paper Corp., and Director of China Color Printing Co., Ltd.

Note 2: Director of NTU Innovation & Incubation Co., Ltd.

Note 3: Director of Union Paper Corp.

Note 4: Approved by the Board of Directors on May 13, 2024, appointed on June 1, 2024.

Note 5: Approved by the Board of Directors on May 13, 2024, dismissed on June 1, 2024.

Note 6: Approved by the Board of Directors on November 13, 2024 and appointed.

Note 7: Resigned on August 1, 2024.

2.2 Remuneration of Directors (include Independent Directors), President, and Vice Presidents

2.2.1 Remuneration of Directors and Independent Directors

December 31, 2024, Unit: NT\$ thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C) Note 2		Allowances (D)				Salary, Bonuses, and Allowances (E) Note 3		Severance Pay (F)		Employee Compensation (G) Note 2						
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairperson	YFY Inc. Representative: Kirk Hwang	0	0	0	0	0	0	278	445	278/(0.11)	445/(0.18)	10,515	10,515	0	0	0	0	0	0	10,793/(4.28)	10,960/(4.35)	20,501
Director	YFY Inc. Representative: Huey-Ching Yeh	0	0	0	0	0	0	113	113	113/(0.04)	113/(0.04)	0	0	0	0	0	0	0	0	113/(0.04)	113/(0.04)	
Director	YFY Inc. Representative: Guu-Fong Lin	0	0	0	0	0	0	226	504	226/(0.09)	504/(0.09)	7,153	8,297	108	108	0	0	0	0	7,487/(2.97)	8,909/(3.53)	
Director	YFY Inc. Representative: Jean Liu	0	0	0	0	0	0	113	113	113/(0.04)	113/(0.04)	0	0	0	0	0	0	0	0	113/(0.04)	113/(0.04)	
Director	YFY Paradigm Investment Co., Ltd. Representative: Ray Chen	0	0	0	0	0	0	226	226	226/(0.09)	226/(0.09)	7,814	7,814	108	108	0	0	0	0	8,148/(3.23)	8,148/(3.23)	
Independent Director	Donald Chang	1,000	1,000	0	0	0	0	292	292	1,292/(0.51)	1,292/(0.51)	0	0	0	0	0	0	0	0	1,292/(0.51)	1,292/(0.51)	0
Independent Director	Shiao-Kan Ma	1,000	1,000	0	0	0	0	292	292	1,292/(0.51)	1,292/(0.51)	0	0	0	0	0	0	0	0	1,292/(0.51)	1,292/(0.51)	
Independent Director	Wan-Yu Liu	1,000	1,000	0	0	0	0	292	292	1,292/(0.51)	1,292/(0.51)	0	0	0	0	0	0	0	0	1,292/(0.51)	1,292/(0.51)	

Note1: Independent Directors’ remuneration policy, system, standards, and structure, and description of the relevance to the amount of remuneration according to the responsibilities, risks, and time investment: The remuneration of the Independent Directors of the Company was drawn up with reference to the academic experience and social status of the Independent Directors, and market salary surveys and industry standards, and is based on the principle of meeting the general market standards and established after considering the Company's operating results and the contribution of the Independent Directors in terms of their responsibilities. The remuneration must be reported to the Board of Directors for resolution. The Company will continue to review the Independent Directors’ remuneration policy in a timely manner depending on the operating conditions and legal requirements to pursue reasonable remuneration and sustainable operations.

Note 2: Number of resolutions passed by the Board of Directors on March 14, 2025.

Note 3: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$1,248 thousand.

Explanation of the relevance and rationality of after-tax income and changes in remuneration:
The remuneration of the Directors of the Company is handled in accordance with the Articles of Incorporation approved by the shareholders' meeting on June 17, 2022. No more than 2% of the profit for the year (i.e., the profit before employee and Director remunerations is deducted from profit before tax) less the cumulative losses is allocated as the remuneration of the Directors. Because of the loss in 2024, the Board of Directors decided on March 14, 2025 not to pay remuneration to the Directors, so Directors’ remuneration is not estimated.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	All companies in the financial statements	The company	Parent company and all investment businesses group
Less than NT\$ 1,000,000	Kirk Hwang, Huey-Ching Yeh, Guu-Fong Lin, Jean Liu, Ray Chen	Kirk Hwang, Huey-Ching Yeh, Guu-Fong Lin, Jean Liu, Ray Chen	Huey-Ching Yeh, Jean Liu	Huey-Ching Yeh, Jean Liu
NT\$1,000,000 ~ NT\$1,999,999	Donald Chang, Shiao-Kan Ma, Wan-Yu Liu	Donald Chang, Shiao-Kan Ma, Wan-Yu Liu	Donald Chang, Shiao-Kan Ma, Wan-Yu Liu	Donald Chang, Shiao-Kan Ma, Wan-Yu Liu
NT\$2,000,000 ~ NT\$3,499,999	-	-	-	-
NT\$3,500,000 ~ NT\$4,999,999	-	-	-	-
NT\$5,000,000 ~ NT\$9,999,999	-	-	Guu-Fong Lin, Ray Chen	Guu-Fong Lin, Ray Chen
NT\$10,000,000 ~ NT\$14,999,999	-	-	Kirk Hwang	Kirk Hwang
NT\$15,000,000 ~ NT\$29,999,999	-	-	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-	-	-
Greater than or equal to NT\$100,000,000	-	-	-	-
Total	8	8	8	8

Note: Representative of YFY INC.: Kirk Hwang, Huey-Ching Yeh, Guu-Fong Lin, Jean Liu; Representative of YFY Paradigm Investment Co., Ltd.: Ray Chen

2.2.2 Remuneration of the President and Vice Presidents

December 31, 2024, Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C) (Note 1)		Employee Compensation (D) (Note 2)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Ray Chen	3,005	3,005	108	108	4,809	4,809	0	0	0	0	7,922/ (3.14)	7,922/ (3.14)	0
CFO	Guu-Fong Lin	2,476	3,004	108	108	4,678	5,293	0	0	0	0	7,261/ (2.88)	8,405/ (3.33)	
CTO of Adhesive Materials Application	Yoshihiro Akiyama	3,208	3,208	0	0	1,180	1,180	0	0	0	0	4,388/ (1.74)	4,388/ (1.74)	

Note 1: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$ 858 thousand.

Note 2: Number of resolutions passed by the Board of Directors on March 14, 2025.

Range of Remuneration

Range of Remuneration	Name of President and Vice Presidents	
	The company	Parent company and all investment businesses group
Less than NT\$ 1,000,000	-	-
NT\$1,000,000 ~ NT\$1,999,999	-	-
NT\$2,000,000 ~ NT\$3,499,999	-	-
NT\$3,500,000 ~ NT\$4,999,999	Yoshihiro Akiyama	Yoshihiro Akiyama
NT\$5,000,000 ~ NT\$9,999,999	Ray Chen, Guu-Fong Lin	Ray Chen, Guu-Fong Lin
NT\$10,000,000 ~ NT\$14,999,999	-	-
NT\$15,000,000 ~ NT\$29,999,999	-	-
NT\$30,000,000 ~ NT\$49,999,999	-	-
NT\$50,000,000 ~ NT\$99,999,999	-	-
Greater than or equal to NT\$100,000,000	-	-
Total	3	3

2.2.3 Managerial officers with the top five highest remuneration

December 31, 2024, Unit: NT\$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C) (Note 1)		Employee Compensation (D) (Note 2)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Ray Chen	3,005	3,005	108	108	4,809	4,809	0	0	0	0	7,922/ (3.14)	7,922/ (3.14)	283
CFO	Guu-Fong Lin	2,476	3,004	108	108	4,678	5,293	0	0	0	0	7,261/ (2.88)	8,405/ (3.33)	
CTO of Adhesive Materials Application	Yoshihiro Akiyama	3,208	3,208	0	0	1,180	1,180	0	0	0	0	4,388/ (1.74)	4,388/ (1.74)	
Chief engineer	Yen-Chang Hsieh	2,219	2,219	0	0	723	723	0	0	0	0	2,942 (1.17)	2,942 (1.17)	
Factory Director	Yung-Shun Chen	1,802	1,802	0	0	1,011	1,011	0	0	0	0	2,813 (1.12)	2,813 (1.12)	

Note 1: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$ 858 thousand.

Note 2: Number of resolutions passed by the Board of Directors on March 14, 2025.

2.2.4 Names of Managers and the Distribution of Employee's Compensation

December 31, 2024, Unit: NT\$ thousands

Title		Name	Employee Compensation - in Stock	Employee Compensation - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	President	Ray Chen	0	0	0	0
	CFO	Guu-Fong Lin				
	CTO of Adhesive Materials Application	Yoshihiro Akiyama				
	Chief Engineer	Yen-Chang Hsieh				
	Vice President of Cellulosic Materials Division	Alex Chen				
	Vice President of Cellulosic Materials Division	Peter Huang				
	Vice President of Specialty Processing Division	Hank Chen				
	Factory Director of Cellulosic Materials Division	Yung-Shun Chen				
	Factory Director of Cellulosic Materials Division	Shih-Ming Chen				
	Factory Director of Cellulosic Materials Division	Yi-Sheng Chiu				
	Factory Director of Specialty Processing Division	Murphy Ho				
	CISO	Casper Wu				
	Finance Manager and Corporate Governance Manager	Claire Hou				
	Finance Manager and Corporate Governance Manager	David Lin ^{Note 1}				
	Accounting Manager	Jung-Min Huang				
	Audit Manager	Shu-Chen Chen				
	Audit Manager	Steven Chen ^{Note2}				

Note: According to the resolution by the Board of Directors on March 14, 2025, the company will not distribute the employee remuneration for the year 2024.

Note1: Approved by the Board of Directors on May 14, 2024 to be dismissed on June 1, 2024.

Note2: Resigned on August 1, 2024.

2.2.5 Comparison of remuneration for Directors, President and Vice Presidents in the most recent two fiscal years and remuneration policy for Directors, President and Vice Presidents

Item	Ratio of total remuneration paid to Directors, President and Vice Presidents to net income (%)					
	2024		2023		Difference	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	(12.08)	(12.71)	(4.79)	(5.05)	(7.29)	(7.66)
President and Vice President	(7.76)	(8.22)	(3.13)	(3.31)	(4.63)	(4.91)

The policies, standards, and packages for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risks.

1. Remuneration of the Company's Directors: includes travel allowances, surplus earning distribution, and salary as an employee of the Company. Travel allowance standards for Directors are based on industry standards; Directors' remuneration is based on operating performance and future risks, and is handled in proportion to the Company's Articles of Incorporation.
2. Remuneration of the President and Executive Vice President is paid on a monthly basis: includes a monthly salary, allowances (e.g., additional duty payments and meal expenses), and other regular compensation. The annual bonuses and employee remuneration are paid separately. The salary standards are handled according to the agreement at the beginning of employment, while additional duty payments are determined by the position; performance bonus and other bonuses are based on business performance and personal performance. The information is consolidated each year and sent to the Remuneration Committee for review.
3. Since the loss in 2024 was smaller compared to the previous year, the remuneration of Directors, the President, and Executive Vice Presidents accounted for changes in the income after tax. The actual remuneration paid to Directors and the President in 2024 was approximately equivalent to that in 2023.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

In the recent year (2024), the 19th Board of Directors met 5 times (A), the Directors' attendance is as follows:

Title	Name		Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Chairperson	Kirk Hwang	YFY Inc. Representative	5	0	100	-
Director	Huey-Ching Yeh		3	0	100	Appointed by the Institutional Representative and assumed office on June 20, 2024
Director	Guu-Fong Lin		5	0	100	-
Director	Jean Liu		2	0	100	Reassigned and dismissed by the Institutional Representative on June 20, 2024
Director	Ray Chen	YFY Paradigm Investment Co., Ltd. Representative	5	0	100	-
Independent Director	Donald Chang		5	0	100	-
Independent Director	Hsiao-Kan Ma		5	0	100	-
Independent Director	Wan-Yu Liu		5	0	100	-

Other mentionable items:

1. If any of the following circumstances have occurred amid operations of the Board of Directors, the date, period, agenda content, the opinions of all Independent Directors, and the handling of the opinions of the Independent Directors by the Company shall be specified:

(1) Matters prescribed under Article 14-3 of the Securities and Exchange Act:

Date	Agenda item	All Independent Directors' opinions and actions taken by the Company in response to Independent Directors' opinions
March 11, 2024 (19th-term 9th time)	1. Approved the 2023 employee and Directors remuneration. 2. Approved the replacement of former CPAs with CPAs Shio-Ming Shue and Hui-Ming Huang.	Three Independent Directors recused themselves from the first proposal on Independent Director remuneration due to a conflict of interest. Independent Directors had no opinion on the second proposal. Passed as proposed.
May 13, 2024 (19th-term 10th time)	1. Approved proposal on replacing the Corporate Governance Supervisor and Financial Officer.	Independent Directors had no opinion. Passed as proposed.
August 13, 2024 (19th-term 11th time)	1. Indirectly invested into Guangdong Dingfung Paper Co., Ltd. through a company based in a third area, converting accumulated surplus of US\$4.2 million into capital.	Independent Directors had no opinion. Passed as proposed.
November 13, 2024 (19th-term 12th time)	1. Approved the third stock repurchase and second employee stock purchase plan. 2. Approved the appointment of the Chief Auditor.	Independent Directors had no opinion. Passed as proposed.
December 16, 2024 (19th-term 13th time)	1. No matters prescribed under Article 14-3 of the Securities and Exchange Act were included in this Board meeting.	N/A

(2) Aside from the above matters, other resolutions adopted by the Board of Directors with regard to which an Independent Director had a dissenting or qualified opinion that is on record or stated in a written statement: None.

2. Any Directors who had to recuse from a proposal to prevent conflicts of interest:

In the 19th-term 9th Board meeting on March 11, 2024, three Independent Directors had a conflict of interest with the 2023 employee remuneration and Director remuneration proposal. Thus, the Independent Directors recused themselves from discussions on the Independent Director remuneration portion of this proposal, while the remaining Directors discussed and voted on the proposal.

3. Information about the Board's self-evaluation:

(1) The Company approved the Board of Directors Performance Evaluation Guidelines in the 18th-term 3rd Board meeting on November 13, 2019, and made amendments in the 18th-term 8th Board meeting on November 12, 2020.

(2)Implementation status of the evaluation of Board of Directors in 2024:

Evaluation cycle	Evaluation period	Scope of evaluation	Assessment method	Evaluation content
Implemented once a year	2023.11.1-2024.10.31	Performance evaluation of the Board of Directors	Self-evaluation of the Board	The performance evaluation of the Board includes five aspects: A. Understanding of and recommendations for Company operations, B. improving the quality of Board decisions, C. Board composition and structure, D. election and continuing education of the Directors, and E. internal control.
Implemented once a year	2023.11.1-2024.10.31	Performance evaluation of Board members	Self-evaluation of the Board members	The measures for evaluating the performance of the Board members includes the following six aspects: A. Familiarity with the goals and missions of the Company, B. understanding of the roles and responsibilities of Directors, C. understanding of and recommendations for Company operations, D. management of internal relationship and communication, E. Director's professionalism and continuing education, and F. internal control.
Implemented once a year	2023.11.1-2024.10.31	Performance evaluation of the Audit Committee	Self-evaluation of committee members.	The measures for evaluating the performance of the Audit Committee includes the following five aspects: A. Understanding of and recommendations for Company operations, B. understanding of the roles and responsibilities of the Audit Committee, C. improvement of the quality of Audit Committee decisions, D. composition of the Audit Committee and the selection of its members, and E. internal control.
Implemented once a year	2023.11.1-2024.10.31	Performance evaluation of the Remuneration Committee	Self-evaluation of committee members.	The measures for evaluating the performance of the Remuneration Committee includes the following four aspects: A. Understanding of and recommendations for Company operations, B. understanding of the roles and responsibilities of the Remuneration Committee, C. improvement of the quality of Remuneration Committee decisions, and D. composition of the Remuneration Committee and the selection of its members.
Implemented once a year	2023.11.1-2024.10.31	Performance evaluation of the ESG Committee	Self-evaluation of committee members.	The measures for evaluating the performance of the ESG Committee includes the following four aspects: A. Understanding of and recommendations for Company operations, B. understanding of the roles and responsibilities of the Sustainability Committee, C. improvement of the quality of Sustainability Committee decisions, and D. composition of the Sustainability Committee and the selection of its members.

(3)Results of the evaluation of Board of Directors in 2024:

To implement corporate governance and enhance the performance of the Company's Board of Directors, the Company approved the Board of Directors Performance Evaluation Guidelines on

November 12, 2020. Internal and self-evaluations were carried out in 2024. The performance evaluation results of the Company's Board of Directors, Directors, and functional committees (Audit Committee, Remuneration Committee, and ESG Committee) in 2024 are as follows:

Scope of evaluation	Evaluation indicator	Evaluation results
Board of Directors	A. Understanding of and recommendations for Company operations.	98.1
	B. Improving the quality of Board decisions.	98.3
	C. Board composition and structure.	98.8
	D. Election and continuing education of the Directors.	95.5
	E. Internal control.	97.1
Directors	A. Familiarity with the goals and missions of the Company.	96.2
	B. Understanding of the roles and responsibilities of Directors.	100.0
	C. Understanding of and recommendations for Company operations.	97.9
	D. Management of internal relationship and communication.	99.0
	E. Director's professionalism and continuing education.	99.0
	F. Internal control.	97.1
Audit Committee	A. Understanding and recommendations for Company operations.	100.0
	B. Understanding of the roles and responsibilities of the Audit committee.	100.0
	C. Improvement of the quality of the Audit Committee decisions.	99.0
	D. composition of the Audit Committee and the selection of its members.	100.0
	E. Internal control.	97.8
Remuneration Committee	A. Understanding and recommendations for Company operations.	100.0
	B. Understanding of the roles and responsibilities of the Remuneration Committees.	98.7
	C. Improvement of the quality of the Remuneration Committee decisions.	99.0
	D. composition of the Remuneration Committee and the selection of its members.	100.0
ESG	A. Understanding and recommendations for Company operations.	100.0

Scope of evaluation	Evaluation indicator	Evaluation results
Committee	B. Understanding of the roles and responsibilities of the Sustainability Committees.	97.8
	C. Improvement of the quality of the Sustainability Committee decisions.	100.0
	D. composition of the Sustainability Committee and the selection of its members.	100.0

The performance evaluation results for each committee have been reported in the meetings of the Audit Committee, Remuneration Committee, and ESG Committee convened on March 10, 2025, and the full evaluation results reported to the meeting of the Board of Directors convened on March 14, 2025.

4. Evaluation of targets and performance of the Board's functions for current year and past year:

- (1) Three Independent Directors form the Company's Audit Committee in substitution of Supervisors. Matters prescribed under Article 14-5 of the Securities and Exchange Act is submitted to the Audit Committee for discussion and resolution. The convener of the Audit Committee is responsible for reporting resolutions passed by the Audit Committee to the Board of Directors.
- (2) The Company discloses information regarding attendance to Board meetings, Director continuing education, and important resolutions passed during Board meetings and shareholders' meetings in the annual report.
- (3) To increase information transparency, the Company posts all important resolutions passed during Board/shareholders' meetings on the Company website immediately following such meetings.
- (4) In consideration of legal risks faced by Directors, the Company and its subsidiaries have purchased director liability insurance for all Directors.
- (5) The Company periodically provides information on corporate governance courses to the directors and assists those who are interested in participating in further education with the registration process.
- (6) The Company has established the Board of Directors Performance Evaluation Guidelines. Once the evaluations are done every year, the Company's Corporate Governance officer submits a report of the evaluation to the Board of Directors' the performance evaluation of the Board of Directors for 2024 was handled by internal evaluation. The evaluation results were reported to the Board on March 14, 2025.

2.3.2 Audit Committee

The Company elected three Independent Directors at the shareholders' meeting on June 17, 2022 and established an Audit Committee in accordance with the Securities and Exchange Act. The Committee's purpose is to verify the fair presentation of the Company's financial statements, the independence and performance of the CPAs; the

effectiveness regarding implementation of the Company's internal control system; compliance with relevant regulations and rules; and the Company's control of existing or latent risks.

Six meetings of the 3rd Audit Committee were held in 2024. Key focuses for the year are described below:

1. Review financial reports

The Board of Directors prepared and submitted the 2023 business report, the 2023, 2024 Q1, Q2, and Q3 financial statements, and the 2023 loss appropriation proposal. The Company's Audit Committee reviewed them and found no instances of noncompliance. Deloitte & Touche audited the 2023 financial statements and submitted an audit report.

2. Assess internal control system effectiveness

The Company's Audit Committee assessed the effectiveness of policies and procedures of the Company's internal control system (including finance, operations, risk management, information security, legal compliance, and other control measures) and audited the Company's Auditing Department and CPA, as well as regular reports by managers, including risk management and compliance.

3. Approved the replacement of former CPAs with CPAs Shiow-Ming Shue and Hui-Ming Huang

The Company's CPAs were originally CPAs Shu-Wan Lin and Hui-Ming Huang of Deloitte Taiwan. Due to the accounting firm's internal rotation policy for its accountants in compliance with legal requirements, the Company's original CPAs were replaced by CPAs Shiow-Ming Shue and Hui-Ming Huang.

4. Evaluate the independence and competence of CPAs

The Company's Audit Committee evaluated and found that CPAs Shiow-Ming Shue and Hui-Ming Huang of Deloitte & Touche Taiwan did not have direct or indirect interest in the Company that would compromise their independence, and that they fulfill the independence and competence requirements of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies, and have established a suitable and effective method to communicate with the Company and our Audit Committee

5. Approved amendments to the internal control operating procedures stipulated in the Company's Sustainability Data Management Procedures

The Company's Audit Committee has approved amendments to the internal control operating procedures stipulated in the Sustainability Data Management Procedures, pursuant to the amendments to the Regulations Governing Establishment of Internal Control Systems by Public Companies announced by the Financial Supervisory

Commission.

6. Approved the Company's stock repurchase and employee stock purchase plan for non-managerial employees

The Company's Audit Committee approved the Company's stock repurchase and employee stock purchase plan for non-managerial employees, pursuant to the Financial Supervisory Commission's letter and the Board of Directors resolution.

7. Approved replacement of the Company's Financial Officer and Chief Auditor

The Company's former Financial Officer and Chief Auditor have both resigned for personal reasons. Pursuant to Article 14-5 of the Securities and Exchange Act, the appointment and dismissal of the Financial Officer and Chief Auditor must be approved by the Audit Committee.

In 2024, the 3rd Audit committee has convened 6 meetings (A) each, and the records of attendance of the Independent Directors are as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Independent Director	Wan-Yu Liu	6	0	100	convener
Independent Director	Donald Chang	6	0	100	-
Independent Director	Hsiao-Kan Ma	6	0	100	-

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters prescribed under Article 14-5 of the Securities and Exchange Act:

Date	Agenda item	All Independent Directors' opinions and actions taken by the Company in response to Independent Directors' opinions
February 27, 2024 (3 rd -term 7th time)	1. Approved the 2023 business report and financial statements. 2. Approved the 2023 deficit compensation proposal. 3. Approved the 2023 Statement on Internal Control. 4. Approved the replacement of former CPAs with CPAs Shiow-Ming Shue and Hui-Min Huang.	Passed as proposed.
May 10, 2024 (3 rd -term 8th time)	1. Approved the 2024 Q1 financial statements.	Passed as proposed.

Date	Agenda item	All Independent Directors' opinions and actions taken by the Company in response to Independent Directors' opinions
May 13, 2024 (3 rd -term 9th time)	1. Approved proposal on replacing the Financial Officer.	Passed as proposed.
August 7, 2024 (3 rd -term 10th time)	1. Approved the 2024 Q2 financial statements.	Passed as proposed.
November 8, 2024 (3 rd -term 11th time)	1. Approved the 2024 Q3 financial statements. 2. Approved the 2025 audit plan. 3. Approved proposal on replacing the Chief Auditor.	Passed as proposed.
December 16, 2024 (3 rd -term 12th time)	1. No matters prescribed under Article 14-5 of the Securities and Exchange Act were included in this meeting.	N/A

(2) In addition to matters above, other resolutions which did not receive the approval of the Audit Committee but were approved by more than two thirds of the entire Board of Directors: None.

2. Any Independent Directors who had to recuse themselves to avoid conflicts of interest: None.

3. Communication between Independent Directors and Internal Auditing Officer and accountants:

(1) Communication method between Independent Directors and internal auditing officer and accountants:

Communication between Independent Directors and internal auditing officer:

A. On a regular basis —

Each month, email completed audit reports to each Audit Committee member and answer questions raised by Audit Committee members promptly via telephone or email. Each quarter, communicate and discuss with Independent Directors individually via face-to-face meetings.

Each quarter, the Audit Committee submits an Audit Progress Report that contains audit practices, findings, and improvements for abnormalities of the Company as well as its subsidiaries.

B. On a non-regular basis —

Through telephone calls, emails, and meetings, communicate how to increase the Company's audit value and enhance operational efficiency and effectiveness. If any serious violations are discovered, Independent Directors must be notified according to regulations.

Communication between Independent Directors and accountants:

A. On a regular basis —

At each Audit Committee meeting, the CPA shall attend and describe the audit implementation status of the financial statements and the recommendations, and report on the recent amendments of regulations related to accounting and taxes.

B. On a non-regular basis —

If an Independent Director deems it necessary, he/she shall invite the accountants to the Company from time to time to report on or describe projects.

(2) Summary of communication between Independent Directors and internal auditing officer and accountants:

Date	Key points of communication	Communication summary and results
February 27, 2024	1. The Chief Auditor independently reported the audit implementation results and improvement status for 2023 Q4 to the Independent Directors before the Audit Committee meeting. 2. The Chief Auditor explained the 2023 Statement on Internal Control.	1. Approved and understood. 2. Passed as proposed after review.
	The CPAs independently reported on the audit status and important audit matters from their audit of the 2023 financial statements to the Independent Directors, before the Audit Committee meeting.	Passed as proposed after reviewing related conditions and discussions.
May 3, 2024	The Chief Auditor independently reported the audit implementation results and improvement status for 2024 Q1 to the Independent Directors before the Audit Committee meeting.	Approved and understood.
	The CPAs independently described the matters regarding the 2024 Q1 financial statements and communicated with the Independent Directors before the Audit Committee meeting.	Approved and understood after inquiring about and reviewing related conditions.
August 7, 2024	Auditors independently discussed the audit implementation status for 2024 Q2 with the Independent Directors before the Audit Committee meeting.	Approved and understood.
	The CPAs independently described the matters regarding the 2024 Q2 financial statements and communicated with the Independent Directors before the Audit Committee meeting.	Approved and understood after inquiring about and reviewing related conditions.
November 8, 2024	Auditors independently discussed the audit implementation status for 2024 Q3 and the audit plan for 2025 with the Independent Directors before the Audit Committee meeting.	Approved and understood. Approved the audit plan as proposed after review.
	1. The CPAs independently described the matters regarding the 2024 Q3 financial statements and communicated with the Independent Directors before the Audit Committee meeting. 2. The CPAs reported the conclusions of the 2024 key audit matters.	Approved and understood after inquiring about and reviewing related conditions.

(3) Delivered to the Independent Directors for review by the end of the next month following the completion of the audit items in accordance with Article 15 of the Regulations Governing Establishment of Internal Control Systems by Public Companies.

2.3.3 Corporate governance implementation status and deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company approved the Corporate Governance Code of Conduct in the 17-term 11th Board meeting on November 8, 2018 and disclosed it on the Company’s website under the corporate governance section under investors for investors to review.	Compliant
2. Shareholding structure & shareholders’ rights				
(1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		To protect shareholders’ interests, the spokesperson, stock affairs unit, and shareholder service agents are responsible for handling matters related to shareholders.	Compliant
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		The Company regularly obtains this information through shareholder service agents at anytime.	Compliant
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		The management of personnel, assets, and finances between the Company and its affiliates are clearly regulated and independent, and the Company regularly evaluates operating performance.	Compliant
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The Company has established the Procedures for Insider Trading Prevention and made amendments on November 11, 2022, to prohibit Directors and insiders from trading the Company’s shares during the closed period of 30 days prior to the publication of the annual financial reports and 15 days prior to the publication of the quarterly financial reports.	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			Also, when investigating insider shareholding changes every month, relevant laws and precautions related to insider shareholding changes are provided to remind Directors and insiders to abide by applicable regulations and not to trade the Company’s stock during the closed period.	
3. Composition and Responsibilities of the Board of Directors (1) Has the Board of Directors drawn up policies and specific targets on diversity of its members and implemented them?	V		<p>The adoption of the Company’s Corporate Governance Code of Conduct was approved at the Board meeting on November 13, 2018. The code stipulates the diversification policy for the composition of the Board in Article 19 under Chapter 3, titled “Composition and Responsibilities of the Board of Directors.”</p> <p>The nomination and election of Board members are according to the regulations prescribed in the Company’s Articles of Incorporation. A candidate nomination system is adopted per the Rules for Election of Directors and Corporate Governance Code of Conduct to ensure the diversity and independence of Board members.</p> <p>The professional backgrounds of the Company’s Board members include expertise in industry and business management. According to the list of members of the 19th Board of Directors, those with the ability of leadership, business judgment, business management, crisis management, and industry</p>	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			<p>knowledge include Director Kirk Hwang, Director Huey-Ching Yeh, Director Guu-Fong Lin, Director Ray Chen, and Independent Director Donald Chang. Independent Director Hsiao-Kan Ma is a Professor Emeritus of National Taiwan University and an expert in combustion and conduction in Taiwan who has conducted in-depth research on renewable energy and the environment. Independent Director Wan-Yu Liu is a professor of the Department of Forestry at National Chung Hsing University who is skilled in environmental issues such as climate change, agricultural and forestry circular economies, and carbon sink.</p> <p>The Company’s Board of Directors comprises two Directors who are employees of the Company and three Independent Directors. One Independent Director has served six years, and two were elected as Independent Directors in 2022. The age distribution of Directors is as follows: four directors are 70 years of age and above; two are 50–70 years of age; and one is under 50 years of age. The Company is committed to achieving gender equality in the composition of its Board of Directors. This term has two female members (one member is an Independent Director). The Company is committed to achieving gender equality for its Board of Directors and aims to have 1/3 of its Directors be female.</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Besides the Remuneration Committee and the Audit Committee established according to law, has the Company actively established other types of functional committees?	V		To realize social responsibility and promote the sustainable development of the economy, society, and environment, the Company approved Chairperson Kirk Hwang, Independent Director Donald Chang, Independent Director Hsiao-Kan Ma, Independent Director Wan-Yu Liu, and Director Ray Chen to serve as members of the Sustainability Committee, with Chairperson Kirk Hwang as the convener and meeting chair. The primary responsibilities of the members include the following: 1. Formulate, promote, and strengthen sustainable development policies, including corporate governance, ethical corporate management, and environmental and social goals, strategies, and action plans. 2. Review and manage the Company’s sustainable development implementation status and effectiveness and report regularly to the Board of Directors. 3. Strengthen communication with stakeholders, including shareholders, clients, suppliers, employees, the government, non-profit organizations, the community, and the media, and pay attention to their concerns. 4. Supervise other Board-approved sustainable development work and convene 3 times in 2024.	Compliant
(3) Does the Company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance	V		The Board of Directors passed the Board of Directors Performance Evaluation Guidelines on November 12, 2020. Self-evaluations were carried out in 2024.	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
<p>evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?</p> <p>(4) Does the company regularly evaluate the independence of CPAs?</p>	V		<p>The results were submitted to the Board of Directors on March 14, 2025.</p> <p>The Company’s Audit Committee evaluates CPAs’ independence and competence each year by requiring the CPAs to provide a statement of independence and AQIs. The Audit Committee also evaluates the CPAs’ independence, competence, and five AQI aspects based on the indicators in the table below. The evaluation confirmed that the CPAs and the Company have no other financial interests or business interactions except for auditing and taxation project fees. Family members of the CPAs also do not violate the independence requirements. The AQIs confirmed that the auditing experience, hours of training, and quality control of the CPAs and accounting firm have reached an acceptable level. They have also continuously introduced cloud audit platforms and applied digital audit tools in the past three years to improve audit quality. The CPA independence and competence evaluation results for the most recent year were approved by the Audit Committee on March 10, 2025, and reported to the Board of Directors on March 14, 2025 for approval.</p>	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration		
Main evaluation content:					
Accountant Independence Evaluation					
Item No.	Evaluation item			Evaluation results	Fulfillment of independence criteria
1	Has the CPA submitted an independence declaration?			Yes	Yes
2	Does the CPA firm have a system for rotating CPAs?			Yes	Yes
3	Has the Company not been using the same CPA for 7 consecutive years?			Yes	Yes
4	Does the CPA have no direct or material indirect financial interest in the Company?			Yes	Yes
5	Are there no financing or endorsements between the CPA and the Company or directors?			Yes	Yes
6	Is the CPA not a relative the Company’s directors, managers, or other individuals in positions that may have significant impact on the audit? (Evaluate at least the relations such as the spouse, underage children, and close relatives)			Yes	Yes
7	Does the CPA have no close business relations with the Company? (For example: joint investments in businesses, strategic alliances for profit, or product co-marketing or promotion)			Yes	Yes
8	Has no member of the audit service team currently served or had served as the Company’s director, supervisor, manager, or positions that may have a significant impact on the audit in the most recent two years?			Yes	Yes
9	Has the CPA not accepted valuable (with value beyond regular social norms) gifts or presents from the Company, directors, or managers?			Yes	Yes
10	Is the CPA not appointed by the Company to perform routine tasks, receive fixed salary, or serve as a director?			Yes	Yes

Evaluation Item			Implementation Status ¹		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
			Yes	No	
	11	Is the CPA not involved in any decision-making management functions of the Company?	Yes		Yes
	12	Does the CPA not provide the Company with appraisal services with material impact on the financial statements or highly subjective appraisals?	Yes		Yes

Accountant Competency Evaluation			
Item No.	Evaluation item	Evaluation results	Fulfillment of competence criteria
1	Has the CPA been disciplined or received any other disciplinary action in the past 2 years that would impair his/her professionalism or independence?	Yes	Yes
2	Has the CPA actively provided the Company with the latest information on taxation, and securities supervisory regulations, and updates of IFRS accounting standards?	Yes	Yes
3	Does the CPA help the Company communicate and coordinate with the competent authority?	Yes	Yes
4	Have all financial statements been audited and reviewed within the deadline?	Yes	Yes
5	Does the CPA maintain good communication channels with the management, Audit Committee, and directors of the Company?	Yes	Yes

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	

Audit Quality Indicators Report (AQIs)			
Item No.	Evaluation item	Evaluation results	Fulfillment of audit quality indicators report
1	Does the CPA have sufficient audit experience and training hours?	Yes	Yes
2	Are the hours spent by the CPA on auditing and reviewing of financial statements comparable to those of industry standards?	Yes	Yes
3	Are the evaluation results of the CPA performing Engagement Quality Control Review (EQCR) in the past two years in compliance with regulations?	Yes	Yes
4	Does the support capability of quality control personnel from the CPA firm meet industry standards?	Yes	Yes
5	Does the CPA firm have plans related to innovation and enhancing audit quality?	Yes	Yes

4. Does the public company have a suitable number of competent corporate governance personnel and has it appointed a corporate governance supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their duties, assisting directors with regulatory compliance, handling matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?	V		In the Board meeting on May 13, 2024, the Company appointed Financial Officer Claire Hou as the Corporate Governance Manager to help the legal, stock affairs, and HR administration office members to deal with corporate governance matters. These matters include businesses related to Board and shareholders' meetings, assisting Directors' continuing education, providing Directors with information necessary to perform their duties, legal compliance, and other matters established in the Articles of Incorporation or contracts. In 2024, key	Compliant
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Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			corporate governance items included: 1. Organized the self-evaluation of the Board of Directors and relevant committees in accordance with the Board of Directors Performance Evaluation Guidelines. 2. Reported on the status of the Company’s ethical corporate management operations to the Board of Directors on November 13, 2024 to help Directors understand the Company’s practices for and commitment to implementing ethical management. In this year up to the print date of this annual report, the cumulative training hours is 12 hours. Please refer to the company’s website for the content of the courses.	
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		The Company has set up a relevant stakeholders section (https://www.chp.com.tw/en/responsibility/stakeholders) on the Company’s website, and distinguishes between employees, customers, suppliers, shareholders and investors, government organizations, and media. Stakeholders are supported by corresponding contact channels and methods to properly respond to related issues. The Company will report on communications with each of our stakeholders to the Board of Directors at least once a year. Details on communications with all stakeholders in 2024 were submitted to the 19th-term 12th meeting of the Board of Directors on November 13, 2024.	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company has hired SinoPac Securities – Register & Transfer Agency Division to help with affairs related to shareholders’ meetings.	Compliant
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		The Company has set up a corporate website (www.chp.com.tw) and discloses information regarding the Company’s financial, business, and corporate governance status in a timely manner for investor inquiry.	Compliant
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	V		The Company has held a total of 4 investor conferences in 2024 and has disclosed the relevant information through press releases or on the Company’s website for investor inquiry. The Company has also set up a website in English to help foreign investors understand the information.	Compliant
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		The Company announces and declares the annual financial report within 75 days after the end of the fiscal year, and announces and declares the first, second, and third quarter financial reports and operating status of each month within the prescribed deadline.	Roughly compliant
8. Does the Company have other information that is helpful for understanding its status of corporate governance (including but not limited to employee rights and interests, employee well-being, investor relations, supplier relations, rights of stakeholders, further education sought by directors and supervisors, implementation of risk management policies and risk	V		1. The Company established the Corporate Governance Code of Conduct in the Board meeting on November 8, 2018. 2. The Company formulates working rules for employees and employees’ rights and interests in favor of the employees in accordance with the Labor Standards Act, and established the	Compliant

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
evaluation standards, implementation of customer policies, the purchase of liability insurance for directors and supervisors, etc.)?			<p>Employee Welfare Committee to allocate employee benefits and hold regular labor-management meetings on a monthly basis, as well as organize occupational training and recreational activities periodically.</p> <p>3. Investors can communicate with us through shareholder service agents or spokespersons. The Company has also set up an investor relations mailbox to maintain a smooth communication channel. Suppliers and handling units can also maintain good communication between each other.</p> <p>4. The Company has purchased liability insurance for the Directors and key personnel of the Company and its subsidiaries for 2024, and has reported such at the Board meeting on August 13, 2024. Periodic training information such as the stock exchange, the SFI and the Corporate Governance Association is provided for Directors to use as training reference, and laws and regulations relevant to the Directors are issued to each Director. When there are changes in the laws and regulations, the Directors will be notified by email first, and the updates will be explained to the Directors during the Board meetings.</p> <p>5. The Company requires all suppliers to sign the Honesty and Integrity Declaration, which guarantees their commitment when dealing with relevant Company personnel to fulfill their</p>	

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
			obligations of honesty, integrity, environmental protection, and employment. 6. The Company has set up a stakeholder section on its website to provide relevant contact information for stakeholders to provide feedback and file complaints.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.				
Evaluation Indicators			Improvement	
Does the Company’s Board of Directors regularly (at least once a year) evaluate the independence and competence of its CPAs based on the Audit Quality Indicators (AQIs), and disclose these assessment procedures in detail in the annual report?			A proposal on the evaluation of CPA independence and competence has been submitted to the Company’s Board of Directors on March 11, 2024. Please refer to the annual report for more details on the evaluation procedures.	

Directors’ training records:

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
Chairperson	Kirk Hwang	2022/06/17	2024/01/25	Taiwan Institute for Sustainable Energy	The 35th TCCS Board Meeting and CEO Lectures	2.0	10.0
			2024/04/25	Taiwan Institute for Sustainable Energy	The 36th TCCS Board Meeting and CEO Lectures	2.0	
			2024/12/02	Taiwan Corporate Governance Association	AI and the Industrial Revolution - Generative AI Systems Based on iFA Architecture	3.0	

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
			2024/12/02	Taiwan Corporate Governance Association	New Approach to Overall Business Strategy (Nine New Theories)	3.0	
Director	Huey-Ching Yeh	2024/06/20	2024/10/01	Taiwan Corporate Governance Association	How the Board of Directors can Establish ESG Sustainable Governance Strategies	3.0	12.0
			2024/12/02	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI systems based on iFA architecture	3.0	
			2024/12/02	Taiwan Corporate Governance Association	New Approach to Overall Business Strategy (Nine New Theories)	3.0	
			2024/12/24	Taiwan Academy of Banking and Finance	Sustainable Development Goals and Information Disclosure Framework	3.0	
Director	Guu-Fong Lin	2022/06/17	2024/12/02	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI systems based on iFA architecture	3.0	6.0
			2024/12/02	Taiwan Corporate Governance Association	New Approach to Overall Business Strategy (Nine New Theories)	3.0	
Director	Ray Chen	2022/06/17	2024/08/29	Taipei Foundation Of Finance	Corporations x TNFD, Development and Outlook of the Taskforce on Nature-related Financial Disclosures	2.0	6.0
			2024/07/18	Taiwan Institute for Sustainable Energy	The 37th TCCS Board Meeting and CEO Lectures	2.0	
			2024/01/25	Taiwan Institute for Sustainable Energy	The 35th TCCS Board Meeting and CEO Lectures	2.0	
Independent Director	Donald Chang	2022/06/17	2024/12/02	Taiwan Corporate Governance Association	New Approach to Overall Business Strategy (Nine New Theories)	3.0	6.0
			2024/11/05	Taiwan Corporate Governance Association	Creating a Corporate Sustainability Roadmap	3.0	
Independent Director	Hsiao-Kan Ma	2022/06/17	2024/12/02	Taiwan Corporate Governance Association	AI and the Industrial Revolution: Generative AI systems based on iFA architecture	3.0	15.0
			2024/12/02	Taiwan Corporate Governance Association	New Approach to Overall Business Strategy (Nine New Theories)	3.0	

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
			2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	6.0	
			2024/03/22	Taiwan Stock Exchange Corporation	Create a new carbon era publicity conference with sustainable knowledge	3.0	
Independent Director	Wan-Yu Liu	2022/06/17	2024/05/21	Securities & Futures Institute	Corporate ESG Sustainable Governance Knowledge and Implications - Global Net Zero Emissions Trends and Corporate Responses	3.0	9.0
			2024/05/21	Taiwan Corporate Governance Association	Protection of Business Secrets	3.0	
			2024/01/19	Taiwan Corporate Governance Association	Senior Manager Remuneration and Designing ESG Performance-linked Systems	3.0	

2.3.4 Composition, responsibilities and operations of the Remuneration Committee

1、Information on members of the Remuneration Committee

April 21, 2025

Identity	Qualifications	Professional qualifications and experience	Independence criteria (Note)	Number of publicly listed companies in which the member concurrently serves as a remuneration committee member
	Name			
Independent Director (Convener)	Donald Chang	Donald Chang has a bachelor's degree in chemical engineering from the Chinese Culture University. He has served as the CEO of Greater China of the well-known global company 3M. He has expertise in managing multinational enterprises and an international market perspective.	The committee members meet the independence criteria. Relevant related parties do not own shares of the Company, have not been a Director, Supervisor, or manager in any subsidiaries other than the Company, and have not received compensation from business dealings with the Company's group in the last two years.	-
Independent Director	Hsiao-kan Ma	Independent Director Hsiao-Kan Ma holds a Ph.D. in mechanical engineering from the University of Illinois. He previously worked as a professor in the Department of Mechanical Engineering at National Taiwan University. He is currently an independent director of Chung Hwa Chemical Industrial Works, Ltd., Data Image, and Ho-Ping Power Company (a private company). His expertise includes thermodynamics, fluid mechanics, combustion, and air pollution control.		2
Independent Director	Wan-Yu Liu	Wan-Yu Liu holds a Ph.D. from the Department of Agricultural Economics of the National Taiwan University. She serves as a judge for the National Enterprise Environmental Protection Award and the National Environmental Education Award of the Environmental Protection Administration, Executive Yuan, and was a member of the Board of Examiners and the Vice Dean of the International College of Innovation and Industry Liaison. She is currently a professor of the Department of Forestry at National Chung Hsing University and is skilled in natural carbon sinks and carbon rights, environmental and resource economics, and agriculture and forestry economics.		3

2、Attendance of members at Remuneration Committee meetings

- (1) The Company's Remuneration Committee is comprised of three persons.
- (2) Term of the current members: June 17, 2022 to June 16, 2025; in the most recent year (2024), the 5th Remuneration Committee has convened 3 meetings (A). The records of attendance of

committee members are listed below:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Donald Chang	3	0	100	
Committee Member	Hsiao-Kan Ma	3	0	100	
Committee Member	Wan-Yu Liu	3	0	100	
Other mentionable items: None					

(3) Functions of the Company's Remuneration Committee

The purpose of the Company's Remuneration Committee is to professionally and objectively evaluate the salary and compensation policy of the Company's Directors and managers. The committee should meet at least twice a year and convene as necessary, and provide its recommendations to the Board of Directors for reference in decision-making.

Responsibilities of the Company's Remuneration Committee.

- I. Establish and conduct regular review of the policies, systems, standards, and structures for performance appraisal and remuneration of the Company's Directors and managers.
- II. Regularly review Directors' and Managers' remuneration.

The Company's Remuneration Committee shall perform the abovementioned duties based on the following principles:

- I. The performance evaluations and compensation of Directors and managers should reference the common standards of industry peers, as well as consider the fairness of links between individual performance, the Company's operational performance, and future risks.
- II. There shall be no incentive for Directors or managers to pursue remuneration by engaging in activities that exceed the risk appetite of the Company.
- III. For Directors and senior managers, the percentage of bonuses to be distributed based on their short-term performance and the time for payment of any variable remuneration shall be decided with regard to the characteristics of the industry and nature of the Company's business.

(4) Summary of communications between the Company and the Remuneration Committee

Meeting date	Main issues	Resolutions	Actions taken by the Company in response to the opinion of the committee members
February 27, 2024 (5th-term 4th time)	1. 2023 Director remuneration distribution 2. 2023 employee remuneration distribution	Approved by all the present committee members, and the resolution was submitted to the Board of Directors and presented to the shareholders' meeting.	Submitted to the Board of Directors on March 11, 2024 and presented to the shareholders' meeting on June 26, 2024.

November 11, 2024 (5th-term 5th time)	1. Report on the annual adjustment of employee remuneration. 2. 2023 remuneration status report of main managers. 3. Explanations of the Company's third stock repurchase and second employee stock purchase plan.	1. Approved and understood by all the present committee members after discussion. 2. Approved and understood by all the present committee members after the report. 3. Approved by all committee members present after hearing report. The resolution was submitted to the Board of Directors.	1. The annual adjustment of employee remuneration took effect on July 1, 2024. 2. Not applicable 3. Not applicable
December 16, 2024 (5th-term 6th time)	List of managerial employees for the third stock repurchase and second employee stock purchase plan.	Approved by all committee members present. The resolution was submitted to the Board of Directors.	Not applicable.

2.3.5 Composition and operating status of the Company's ESG Committee:.

1. Composition of the ESG Committee: The Company's Board of Directors approved the ESG Committee Charter on November 13, 2023. The Committee members elected Chairperson Kirk Hwang as the convener and Director Ray Chen and Independent Directors Donald Chang, Hsiao-Kan Ma, and Wan-Yu Liu are members of the Sustainability Committee.

2. Composition and operating status of the Company's ESG Committee:

(1) The Company's ESG Committee is comprised of five persons.

(2) Term of the current members: November 13, 2023 to June 16, 2025; in the most recent year (2024), the 1st ESG Committee has convened 3 meetings (A). The records of attendance of committee members are listed below:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Kirk Hwang	3	0	100	
Committee Member	Donald Chang	3	0	100	
Committee Member	Hsiao-Kan Ma	3	0	100	
Committee Member	Wan-Yu Liu	3	0	100	
Committee Member	Ray Chen	2	1	67	Attended on behalf by CFO Guu-Fong Lin
Other mentionable items: None					

(3) Responsibilities of the Company's ESG Committee:

A. Formulate, promote, and strengthen sustainable development policies, including corporate

governance, ethical corporate management, and environmental and social goals, strategies, and action plans.

- B. Review and manage the Company's sustainable development implementation status and effectiveness and report regularly to the Board of Directors.
- C. Strengthen communication with stakeholders, including shareholders, clients, suppliers, employees, the government, non-profit organizations, the community, and the media, and pay attention to their concerns.
- D. Supervise other Board-approved sustainable development work.

(4) Summary of communications between the Company and the ESG Committee:

Meeting date	Main issues	Resolutions	Actions taken by the Company in response to the opinion of the committee members
May 3, 2024 (1st-term 1st time)	The working teams assigned to Community Outreach, Corporate Governance, Employee Care (Safety, Health and Environment), Environmental Sustainability and Climate Change, Customer Relationships and Supply Chain Management, and Sustainable Products and Technological Innovation reported on their plans for the year.	Approved by all the present committee members, and the resolution was submitted to the Board of Directors and presented to the shareholders' meeting.	Submitted to the Board of Directors on November 13, 2024.
August 7, 2024 (1th-term 2nd time)	1. Proposal on 2023 Sustainability Report. 2. Replaced team leaders for the Company's Sustainability Committee.	1. Approved the contents of the two reports above. 2. In the future, the working teams assigned by the Sustainability Team need to improve their presentation of: each team's project goals, implementation status, and future plans, in order to confirm the achievements made and provide assistance.	Submitted to the Board of Directors on November 13, 2024.
November 8, 2024 (1th-term 3rd time)	1. Sustainability Committee Year-end Progress Report for each team. 2. Progress report on sustainability projects for the secretariat division.	(I) Sustainable Development Roadmap: Please use the sustainable development roadmaps of foreign companies as a reference, and engage in communications with stakeholders. (II) Improve corporate governance evaluation: Review each individual item in the corporate governance evaluation to check which items have not been achieved, and strive to improve score rankings. (III) Supply chain management: The cross-industry collaboration project on recycling and reuse has achieved good results. Recommended to further improve project development, and consider whether to donate recycled books in order to create more ESG benefits. (IV) New Product Introduction (NPI): Product design, development, testing, and application needs to be accelerated. The product's sustainable value also needs to be defined, and a product patent applied for in order to ensure that the intellectual property rights for this new technology can be used by the Company to create sustainable value.	Submitted to the Board of Directors on November 13, 2024.

		(V) Energy-conserving equipment and systems: Electricity and energy-conservation results have been good. Subsequently, the carbon reductions achieved by each implemented measure should be summed up and presented in the Sustainable Development Roadmap.	
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2.3.6 Sustainable development implementation status, discrepancies between its implementation and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and reasons for such discrepancies".

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
1. Has the Company established a governance structure to promote sustainable development? Does the Company have a dedicated (concurrent) unit responsible for promoting sustainable development? Is the unit run by senior managers, which are authorized by and report their progress to the Board of Directors?	V		The Audit Committee and Board of Directors approved the establishment of the Sustainability and Social Responsibility Guidelines on November 6 and November 8, 2018, respectively, to serve as the policy for promoting matters regarding social responsibility and sustainable development. The Company regularly promotes sustainable policies and education and reports to management, such as the Chairman and President. In response to the Financial Supervisory Commission’s “Corporate Governance 3.0 - Sustainable Development Roadmap,” CHP changed the name of its “CSR Office” to “ESG Office” on September 1, 2021. It reports directly to the Chairman and has full-time staff. The 8th meeting of the 19th Board of Directors of the Company approved the establishment of the Sustainability Committee on November 13, 2023, with Chairman Hwang, Kirk as the convener elected by directors. For the review and management of the Company’s sustainable development implementation status and effectiveness, this committee shall report to the Board of Directors at least once a year and convene meetings at any time as needed. Six teams were set up under this committee: “Environmental Sustainability & Climate Change,” “Sustainable Products & Technological Innovation,” “Corporate Governance,” “Customer Relations & Supply Chain Management,” “Employee Care,” and “Social Welfare.” Each unit’s top manager serves as a team leader. The ESG Office facilitates lateral communication and works towards implementing and realizing sustainable development. In 2024, 3 Sustainability Committee meetings were convened, and the meeting agendas included: Sustainable development projects, the planning and implementation progress for these projects, creation of the Sustainable Development Roadmap, improving corporate governance evaluation results, and cross-industry collaborations on recycling and reuse	Compliant. The Company has a dedicated unit in charge of handling sustainability matters. The Company complies with the Sustainable Development Best Practice Principles.

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			<p>projects.</p> <p>The Company’s 2023 Sustainability Report was issued in August 2024. For more details on the Company’s specific implementation plans and the results achieved by our sustainable development projects, please refer to the Corporate Social Responsibility section of the Company’s website.</p>	
2. Does the Company assess risks in environmental, social, and corporate governance issues relevant to its business activities and devise risk management policies and strategies based on the principle of materiality?	V		<p>To advance the Company’s organizational operations, CHP devises rules to be followed by relevant units and implements management guidelines for internal management per the law. CHP lays out short, medium, and long-term ESG goals and countermeasures. CHP regularly holds business management meetings to discuss and identify key risks, including business, financial, and environmental risks, and then formulates response measures. The scope of risk assessment includes a disclosure boundary covering the Taipei headquarters, other business locations in Taiwan, the Kaohsiung Jiutang, Hualien, Taitung, and Taoyuan Guanyin mills, and our overseas subsidiaries the Syntax representative office in Shanghai, Jinglun Paper in Shenzhen, Syntax Communication (HK), Guandong Dingfung Pulp & Paper, Zhaoqing Dingfung Forestry, and Guizhou Yuanfung Forestry. Operational risks are distributed and managed by various departments according to their functions. The ESG Office facilitates lateral communication and works towards implementing and realizing sustainable development. The audit department regularly and project-examines the implementation and compliance of the regulations, systems, and procedures of each department.</p>	Compliant. The Company realizes risk management policies, formulates strategies, and complies with the Sustainable Development Best Practice Principles.

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3. Environmental topics (1) Has the Company established a proper environmental management system based on the characteristics of the industry?	V		All production units of the Company have obtained ISO 14001, environmental management systems, ISO 9001, quality management systems, and FSC-COC, chain of custody certifications, conducts ISO 14064-1, greenhouse gas inventory each year and continues to realize the carbon management and FSC global forest management system standards. The Company continues to implement the ISO 50001 energy management system and has established energy-saving objectives. At the same time, each mill is equipped with dedicated personnel to confirm that the environmental management system is operating effectively. Every year, CHP will identify risks and create improvement plans for its sustainable strategy plan in response to the effects of climate change.	Compliant
(2) Is the Company committed to improving energy efficiency and using recycled materials which have a low environmental impact?	V		The core policy of CHP is to build a sustainable, circular management system named R3. With 3R (Recycle/Reclaim/Regenerate) as the core strategy, CHP actively achieved the consistent production of forest, pulp, and paper. CHP will focus on becoming green and move towards achieving the three main goals of green energy, manufacturing, and products. Every year, the Company invests a significant amount of money into improving production equipment to reduce energy consumption, waste, and solid materials. We continue to enhance technologies for recycling residual heat, waste, and solid materials to reduce waste heat, improve energy efficiency (in 2024, alternative energy inputs accounted for 51% of energy used), and reduce the use of fossil fuels (in 2024 the heating value of fossil fuel inputs decreased by 26% compared to the base year 2021). The Company was awarded again for excellence in green purchasing by the Ministry of Environment and obtained the green product mark.	Compliant

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(3) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and adopt appropriate countermeasures?	V		<p>The Company has incorporated global climate change and sustainable development trends into risk management for many years, and has identified items and results as an important basis for operating strategies. TCFD risk identification will begin in 2022 to actively enhance the climate risk management system and response measures, which will help the Company to realize sustainable development.</p> <p>The TCFD compliance assessment was completed in March 2023. BSI, the unit conducting the evaluation, has given the Company’s climate-related financial disclosure maturity model a Level-5: Excellence rating, the highest level.</p> <p>The Company implemented a management framework for governance, strategy, risk management, and metrics and targets based on TFCF’s recommendations for these four thematic areas to disclose climate-related risks and opportunities in the short, medium, and long term, aiming to accelerate the response to and deployment of low-carbon development and adjustment strategies to gain a key competitive advantage. CHP is committed to finding solutions for climate change mitigation and enhancing sustainable business development.</p> <ul style="list-style-type: none">• Here are the climate change management strategies that the Company has already completed: <table><tr><th>Core</th><th>Management strategies and actions</th></tr><tr><td>Governance</td><td><ul style="list-style-type: none">● The Environmental Sustainability & Climate Change Team analyzes and monitors the relevant risks of the corresponding units according to the risk management responsibilities of the supervisors of each mill/department.● The ESG Office coordinates cross-departmental risk management interactions and communication and reports to the Chairperson and President during annual business management</td></tr></table>	Core	Management strategies and actions	Governance	<ul style="list-style-type: none">● The Environmental Sustainability & Climate Change Team analyzes and monitors the relevant risks of the corresponding units according to the risk management responsibilities of the supervisors of each mill/department.● The ESG Office coordinates cross-departmental risk management interactions and communication and reports to the Chairperson and President during annual business management	Compliant
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(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and formulate	V		In response to climate change and global trends in controlling greenhouse gas emissions, 1. The Company continues to establish management strategies to address environmental concerns like greenhouse gas emissions control, water resource management, energy management, and resource recycling. The disclosure boundary includes the Taipei headquarters, other business locations in Taiwan, the Kaohsiung	Compliant								

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policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?			<div>Jiutang, Hualien, Taitung, and Taoyuan Guanyin mills, and overseas subsidiaries Guandong Dingfung Pulp & Paper and Zhaoqing Dingfung Forestry.</div> <table><tr><th>Environmental management items</th><th>Outlook and response measures</th></tr><tr><td>Water resources</td><td>1. Conduct water inventory to continue to carry out water conservation plans; strengthen water quality monitoring and establish response measures. 2. Control operating procedures and strengthen water treatment technologies. 3. Actively monitor the quality of discharge water and strengthen information transparency of discharge water, such as building the external platform, disclosing real-time water quality data. 4. Introduce artificial wetlands to promote ecological restoration. 5. The water consumption in 2023 is 28,159 million liters, as audited in the sustainability report. The water consumption in 2024 is 28,655 million liters.</td></tr><tr><td>Energy resources</td><td>1. Propose energy conservation plans and equipment improvements. 2. Increase the proportion of biofuel and energy efficiency. 3. Build green power generation equipment: Upgrade the capacity of biomass conversion equipment and use heat recovery technology to increase power generation</td></tr></table>	Environmental management items	Outlook and response measures	Water resources	1. Conduct water inventory to continue to carry out water conservation plans; strengthen water quality monitoring and establish response measures. 2. Control operating procedures and strengthen water treatment technologies. 3. Actively monitor the quality of discharge water and strengthen information transparency of discharge water, such as building the external platform, disclosing real-time water quality data. 4. Introduce artificial wetlands to promote ecological restoration. 5. The water consumption in 2023 is 28,159 million liters, as audited in the sustainability report. The water consumption in 2024 is 28,655 million liters.	Energy resources	1. Propose energy conservation plans and equipment improvements. 2. Increase the proportion of biofuel and energy efficiency. 3. Build green power generation equipment: Upgrade the capacity of biomass conversion equipment and use heat recovery technology to increase power generation	
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			<div>capacity and efficiency.</div> <div> Production by-products 1. Circular economy promotion: Make various materials with process waste through recycling and technological reengineering. Actively work towards achieving zero waste and zero emissions. 2. CHP’s production process residual materials are non-hazardous waste. Total solid residue materials in 2024 are 170,300 metric tons, a decrease of 33% across the most recent 3 years (2022-2024). 3. The data on the CHP’s residual materials from the production processes are reported to the Ministry of Environment’s “Business Waste Reporting and Management Information System”, which is regularly inspected by the Environmental Protection Bureau every month. The total amount of waste is audited and approved by the sustainability report. </div> <div> Gas emissions 1. CHP established a GHG Reduction Team to conduct inventories of greenhouse gas emission sources in the mills, develop reduction measures, register the inventory results on the national greenhouse gas tracking platform (Taiwan mills) after they are verified by a reputable third party, and disclose the results in the sustainability reports. The 2023 audit has been completed, and planning for the 2024 audit is underway. 2. Regularly maintain, repair, and replace old equipment. 3. Improve energy-saving measures for production </div>	

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			<p>equipment and power generation systems.</p> <p>4. Pollutant reduction plan.</p> <p>5. 2023 GHG emissions are 958,100 metric tons CO₂e (754,800 metric tons Co₂e in Scope 1 emissions, 203,200 metric tons Co₂e in Scope 2 emissions). Emissions density is 45.72 (metric tons CO₂e/NT\$1 million).</p> <p>2024 GHG emissions are 909,900 metric tons CO₂e (726,500 metric tons Co₂e in Scope 1 emissions, 183,400 metric tons Co₂e in Scope 2 emissions). Emissions density is 43.81 (metric tons CO₂e/NT\$1 million).</p> <p>2. Energy conservation and carbon reduction: The Company promotes the integration and reuse of resources within each mill, and formulates emission reduction plans. The Company conducts mutual inspections of each mill every quarter and continues the promotion of energy saving projects among mills and offices. We regularly maintain, repair, and replace LED lights, use high-efficiency motors, and purchase office equipment and supplies with energy-efficiency marks. At the same time, technological exchange meetings are held to introduce energy saving related technologies and improve each mill’s energy efficiency. We aim to move forward in the direction of energy conservation and environmental protection. In 2024, the Company reduced carbon emissions by 24,724 tons of carbon dioxide equivalents from energy-saving projects.</p>	
4. Social topics (1) Does the Company comply with relevant laws and regulations and internationally recognized	V		The Company supports the principles and spirit of the Universal Declaration of Human Rights and the Global Compact of the United Nations, the International Labor Office Tripartite Declaration of Principles, the OECD Guidelines for Multinational Enterprises. The Company established related declarations such as the Human Rights	Compliant

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covenants on human rights, and have related management policies and procedures in place?			Declaration, management policies, and procedures, and set up employee grievance channels to help employees solve problems. We also provide regular safety and health training according to the regulations and have set up a System and Regulations Review Team to discuss labor laws regularly and cooperate with law amendment announcements. Specific management policies and implementation status include the prohibition of forced labor, compliance with local government labor regulations, execution of a vacation system, and encouragement of colleagues to prioritize work-life balance. In 2024, the FSC labor rights policy (4 main axes) course was conducted over one session, with a total participation of 12 individuals and a total duration of 24 hours.	
(2) Has the Company established and implemented reasonable employee benefits (including remuneration, leave, and other benefits), and ensured business performance or results are reflected adequately in employee remuneration?	V		<p>The Company provides a comprehensive remuneration system, welfare measures, and performance management system while meeting requirements in the external business environment and building a fair and reasonable internal system. We provide a leave system that is more favorable than regulatory requirements and uphold the ideal of sharing profits with employees by attracting, retaining, developing, and encouraging talents.</p> <p>1. Salary in line with market conditions</p> <p>(1) The Company participates in compensation surveys in the industry or on the market and determine the salaries of employees based on their academic records, work experience, skills, and position.</p> <p>(2) Salary is not determined by gender or age.</p> <p>2. Bonus and compensation</p> <p>(1) Year-end bonus and other incentives: The Company has established regulations on the year-end bonus to include at least 30 days of salary. The Company also established related standards for the issuance of additional bonuses based on the Company’s operations and the employees’ rank and performance. The bonuses are</p>	Compliant

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			<p>competitive and used as incentives to encourage employees to make more contributions and grow with the Company.</p> <p>(2) Employee’s remuneration: The Company’s Articles of Incorporation specifies that if the Company earns a profit every year, 1% or more of the income shall be set aside as employee remuneration.</p> <p>3. Salary adjustment</p> <p>(1) The Company has implemented salary adjustments every year for the past three years (2022-2024), with salary adjustments accounting for 2%~3% of the total salary of all employees.</p> <p>(2) Employees receive a raise when they are promoted as a way to reserve, encourage, and retain outstanding talent.</p>	
(3) Does the Company provide a safe and healthy work environment, and provide employees with regular safety and health training?	V		<p>The Company has promoted the occupational safety and health management system for many years. We are certified in OHSAS 18001 systems and ISO 45001 international standards and follow the PDCA cycle for managing our mills’ occupational safety and health to serve as the foundation of sustainable development.</p> <p>The Company has set up an Occupational Safety and Health Committee according to the Regulations Governing Occupational Safety and Health to supervise the effectiveness of the implementation of the occupational safety and health plans and the performance of occupational safety and health. The committee convenes one meeting per quarter and reports to the President regularly. We have also added an Operational Safety Management Committee to patrol, inspect, improve, and track the equipment, environment, and personnel of the mills to strive for excellence and build a safer workplace.</p> <p>Employees must undertake at least three hours of safety and health training every three years. 7,291 person-times of safety and health training was delivered in 2024. There were 20 occupational accidents in 2024, accounting for 0.69% of the total employees</p>	Compliant

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			of CHP. In the future, CHP will strengthen employee education and training and increase the frequency of inspections. The Company had no fire incidents in 2024.	
(4) Does the Company offer its employees effective occupational empowerment training programs?	V		Every year, each unit of the Company prepares the personnel training budget according to actual needs. The HR administration and management unit evaluates and plans the skills the personnel should have and conducts internal and external education and training regularly to enhance the employees’ career skills and improve the career development platform. To ensure employee stability after retirement, assist with retirement plans, and pass on technical knowledge to the younger generation, CHP hired retired senior employees as consultants to guide the younger generation through experience sharing. By learning from the experiences of others, the next generation can make better plans for their retirement. The Company organized various education and training courses for employees in 2024, including 14,132 person-times and 36,965 hours, an average of 12.85 hours per person, of internal and external training.	Compliant
(5) Does the Company comply with relevant laws and international standards in relation to customer health and safety, customer privacy, marketing, and labeling of products and services, and does it establish relevant consumer or customer protection policies and	V		The Company operates in accordance with the laws and regulations of the locations of the mills, and provides customers with responsible products and services. The marketing and labeling of the Company’s products and services comply with relevant laws and international standards, such as FSC, PEFC, ISO, etc. The Company’s website provides certification consultation inquiries based on each product category, with a dedicated telephone line and email address to actively respond to the needs of customers and the general public.	Compliant

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grievance procedures?				
(6) Does the Company establish supplier management policies, which require suppliers to observe relevant regulations on environmental protection, occupational safety and hygiene, or labor and human rights? If so, describe the implementation results.	V		The Company has formulated the Supplier Code of Conduct and Due Diligence Statement that shall be signed by suppliers to ensure that CHP’s supply chain complies with relevant regulations related to environment, health and safety, labor rights, code of ethics, and sustainable procurement. Since 2023, the Company has requested all new suppliers to sign the code of conduct before they are qualified for cooperation. New suppliers shall first fill in the “Supplier Information Survey” (including the Integrity Commitment Letter). After the supplier is internally evaluated as qualified, the Company can proceed with procurement operations with such a supplier in the material system. Suppliers are subject to regular evaluations (twice a year), and their level is determined based on data from procurement cases and scores from relevant user units through the system. For suppliers who fail to pass the evaluation, the Company will take relevant measures such as counseling for improvement or freezing the qualifications of qualified suppliers.	Compliant
5. Does the Company reference internationally accepted reporting standards or guidelines when preparing reports that disclose non-financial information of the Company, such as sustainability reports? Does the Company obtain third-party assurance or qualified opinion for the reports above?	V		The Company commissioned a third party, British Standards Institution (BSI), to verify the annual Sustainability Report according to the GRI Sustainability Reporting Standards, AA1000AS v3 Assurance Standard, and SASB (Sustainability Accounting Standards Board). The report is verified to be in compliance with AA1000 Type 1 moderate-level assurance and the Core Option Criteria for GRI Standards.	Compliant

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6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The Audit Committee and Board of Directors approved the establishment of the Company’s Sustainability and Social Responsibility Guidelines on November 6 and November 8, 2018 respectively. The Company has set up a ESG Committee to serve as the unit responsible for promoting sustainable development. The ESG Office (formerly, CSR Office), established under the ESG Committee, is responsible for cross-department communication, planning and implementing relevant strategies and systems, and reviewing and improving implemented plans. There are no major differences between the operations and the Company’s Sustainability and Social Responsibility Guidelines.				
7. Other useful information for explaining the status of corporate social responsibility practices: (1) Set up an environmental protection plan group to be responsible for implementing various response measures, and take the initiative to communicate and coordinate with the environmental stakeholders such as the public and community residents to form a consensus. (2) Actively contact various local environmental protection administrations, township (district) offices, representatives’ associations, environmental protection groups, agencies, and schools to carry out various cooperation projects and coexist with the community. (3) ESG achievements:				
Environmental protection	* CHP has been awarded for excellence for green purchasing by the Environmental Protection Administration for many consecutive years. In addition to the strict and rigorous work on environmental protection, the mill also participates in various activities and certifications to promote environmental protection. For example: ISO, FSC, and GHG inventory. * The Company was awarded for excellence in green purchasing in 2023 (11th consecutive award). * The Hualien mill has been awarded as an excellent adoption unit in the Air Quality Purification Zone of the Environmental Protection Administration for seven consecutive years. The Company was recognized as a 2024 Greenhouse Gases Reduction Model Company. In 2024, the Company was certified by the Ministry of Environment as an Environmental Education Center, and established the Chung Hwa Pulp Environmental Education Park, becoming the first manufacturer in Hualien Country to obtain this certification. * The Taitung mill is committed to reusing process waste and improving process efficiency. At the end of 2018, it was awarded the Star Award in the Waste Resource Circular Economy Evaluation, practicing the paper industry’s circular economy concept. The Company was awarded the Handling of Recyclable Waste Industry Assessment Program - Resource Recycling Cornerstone Mark of the Environmental Protection Administration in 2022. * The Jiutang mill was recognized as a 2022 Greenhouse Gases Reduction Model Company by the Industrial Development Bureau, MOEA; also won the 2023 Harvard Business Review Ding Ge Model Large Enterprise of Smart Manufacturing Award and the ESG Special Award.			

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				<p>* Biofuel power generation: The Company plans to expand the power generation capacity of the Hualien mill’s Lignin Cogeneration Power Generator, in order to achieve self-sufficient green power generation and move towards a green industry transition.</p>	
	Social welfare			<p>The Company has long paid attention to and implemented the promotion of popular science education in rural areas. In particular, we hope that Huadong students will not fall behind others through the power of the enterprise. With a foundation in science education, students can use science and technology education to transform their lives. We are committed to implementing our corporate spirit of deepening cultivation in the local area and fostering mutual prosperity in the community.</p> <p>* Chung Hwa Pulp Environmental Education Park</p> <p>In view of the development of global climate change trends, CHP has in recent years invested more than NT\$3 billion into updating our equipment and site facilities, increasing our investment into renewable energy, and enhancing our digital transition. The Chung Hwa Pulp Environmental Education Park is located in Hualien’s Ji’an Township, and became certified by the Ministry of Environment as an Environmental Education Center in 2024, making us the first manufacturer in Hualien County to receive this certification. CHP makes full use of the rich paper pulp production resources at the site, turning these resources into a demonstration ground and designing field courses based on high-school chemistry course content. Through providing students with a different learning environment and hands-on courses, we hope that they can better understand how companies can use resource recycling concepts to implement a circular economy, spreading awareness on ecological protection. In 2024, we collaborated with schools such as National Hualien Girls’ High School and National Dong Hwa University, with more than 200 students in total participating in courses at the park.</p> <p>* Yuan T. Lee Science Competition</p> <p>The Company has sponsored the Yuan T. Lee Science Competition to promote science education for many years. The competition lets senior and vocational high school students work on creative topics, where they can learn from difficult knowledge in the textbook by finding answers in real life, realizing the popularization of popular science education. We hope that with correct learning guidance, young students will be interested in exploring scientific knowledge.</p> <p>* Yuan T. Lee Science Camp</p> <p>The Company has cooperated with the Yuan T. Lee Foundation Science Education for All since 2013, and has sponsored the Science Foundation Program, which aims to shorten the educational gap between urban and rural areas, and popularize science and math education. This program is organized in many schools in Huadong, including 20 primary and junior high schools such as Hualien Yi Chang Junior High School and Taitung County Changbin Junior High School. Approximately 2,000 children have benefited from this program in total.</p> <p>* Tamkang University Chemistry On the Go</p> <p>The aim of Chemistry On the Go happens to be the same as the 17 SDGs advocated by the United Nations, especially the beliefs of the 4th goal, quality education, and the 17th goal, developing partnerships. Since 2017, the Company has cooperated with the Center for Science Education of</p>	

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<p>Tamkang University for many years in a row, becoming the university’s partner in chemical courses and events. The Company participates in coming up with teaching plans, provides materials for experiments, and participates in events as volunteers develop children’s interest in science. The Company brings popular science education and chemistry experiments to rural schools in Hualien and Taitung through employee participation. More than 100 students participated in 2024.</p> <p>* Promoting coding education</p> <p>CHP started cooperating with Coding Nations in 2019 to promote basic programming education in Huadong. In 2022, CHP partnered with the Hualien County Government to organize the National 2022 CHP Cup Scratch Interscholastic Competition and Summer Camp. Eight teams from coding primary schools nationwide were formed, and 120 teachers and students participated in the two-day event, letting the Scratch coders demonstrate their learning achievements while learning from each other. Also, CHP’s Taitung mill adopted six primary schools in its surroundings and conducted basic programming courses twice a week. CHP hopes to use the power of the enterprise to cooperate with Taitung to promote education and train teachers. Currently, we have conducted Scratch programming courses through the integration of IT courses. Over 100 students have benefited from the courses. This way, children in rural areas can also have the ability to stay ahead in the AI era and we are paving the way for the next generation of IT talent.</p> <p>* CHP Public Welfare Cup National Drone Computing Thinking Competition</p> <p>Since 2019, CHP has held the CHP Public Welfare Cup with the aim of promoting basic science education. In 2023 and 2024, the Hualien County Government and CHP jointly held the 3rd CHP Public Welfare Cup, the National Drone Computing Thinking Competition and the AI Self-Driving Robot Competition, reaching more than 1,000 students in total. Through these competitions, CHP incorporated AI and programming into education, helping students demonstrate their potential in this technological age. At the same time, the CHP volunteer team also thoughtfully prepared a handmade paper experience area and environmental education exhibition area, allowing participating teachers and students to enjoy themselves through hand-making paper and environmental education, taking a break from the tension of competition.</p> <p>* Keng Sheng Daily News Cup Mathematics Competition</p> <p>Since 2021, CHP has been dedicated to improving the academic performance of local students in the Hualien and Taitung regions. We partnered with Keng Sheng Daily News to organize math competitions and award scholarships to deserving students. In 2024, a total of 1,262 primary and secondary school students in Hualien and Taitung participated in the competition. We hope to use our corporate influence to advance mathematics education in Taiwan and contribute to our communities and society.</p> <p>* The Growing Up Together + 1 Dreams Come True project, which makes yearbooks for primary schools located in the rural areas of Hualien and Taitung</p> <p>Certain aboriginal primary schools in rural areas have limited resources and small student populations, making it difficult for them to cover the costs of yearbook photos and compilation. Thus, CHP and the Taiwan Photography Association have worked together from 2022 onwards to take pictures</p>	

Evaluation Item		Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
		Yes	No	Abstract Explanation	
				<p>of the primary school students in rural areas of Hualien and Taitung and produce the yearbook, hoping that students graduate with good memories and memorable keepsakes that can accompany them through life.</p> <p>It’s common for schools in rural areas to see less than ten students graduating each year. Therefore, creating yearbooks is not cost-effective and might not be affordable for schools or parents. In light of this, CHP hopes to leverage its corporate power by enlisting the help of employees who enjoy photography and partnering with the photography association to make yearbooks for these students to preserve their childhood memories and witness their growth.</p> <p>* Sustainable Reading Series Parent-Child Activities</p> <p>From 2022 onwards, the Kaohsiung Public Library and CHP have jointly implemented the Forest Thrives: Reading Sustainability Project, featuring activities such as the Comic Love the Earth Shorts: Storytelling Mother Action Drama, the Hands-on Fun: Handmade Paper Experience Camp, Knowledge Learning: Mobile Book Cart/Forest Green Treasure/Wetland Walk, and the Animal Forest Library AR Technology Reading. Through this project, we hope to encourage participation and exchange among CHP employees’ families and community residents, realizing the Company's commitment to local cultivation and community prosperity.</p>	
	Governance performance			<p>* The Company has actively enhanced the disclosure of corporate governance information and strengthened the importance and investment in maintaining sustainable development, friendly environments, and social welfare, and won the TCSA - Top Taiwan Corporate Sustainability Award. The Company coordinated with downstream clients, paper machine mills, and paper recycling mills for the recycling system, which won the TCSA - Growth through Innovation Award.</p> <p>* In 2017, the Company added new declaration documents in line with international sustainable management trends, including the Green Purchasing Declaration, Wood Chips and Pulp Procurement Declaration, Human Rights Declaration, and Support for the United Nations Convention to enhance the supply chain management needs of the Company and customers and fulfill our corporate social responsibility.</p> <p>* Officially approved by the Board of Directors: Establishment of a Corporate Governance Supervisor. Establishment of the Board of Directors Performance Evaluation Guidelines (implemented in 2020), Corporate Governance Code of Conduct, Ethical Corporate Management Best Practice Principles, and Sustainability and Social Responsibility Guidelines.</p> <p>* The Company’s resource reutilization measures have been recognized by the Asia Responsible Enterprise Award (Circular Economy) in 2020.</p> <p>* The Company won the 2021 TSAA Gold Award and the Company’s CircuWell Non-Plastic All-Paper Recyclable Solution won the SDG 12: Responsible Consumption and Production Award.</p> <p>* The CircuWell Total Recyclable Packaging Solution won the 2022 Taiwan Excellence Silver Award, the highest honor for Taiwan’s products.</p> <p>* The 2022 corporate governance evaluation was in the 21%-35% range.</p> <p>* 2022 Asia Responsible Enterprise Award (AREA) - Circular Economy Leadership</p> <p>* 2022 Asia Pacific Enterprise Awards (APEA) - Master Entrepreneur Award</p>	

Evaluation Item			Implementation Status		Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
			Yes	No	
		<ul style="list-style-type: none"> * 2023 Taiwan Corporate Sustainability Awards (TCSA) - The Most Prestigious Sustainability Awards – Top 100 Domestic Companies * 2023 Taiwan Corporate Sustainability Awards (TCSA) - Corporate Sustainability Report Award - Paper Industry - First Group Silver Award * 2023 Harvard Business Review Ding Ge Model Large Enterprise of Smart Manufacturing Award and the ESG Special Award * 2023 “Golden Pin Design Award” Concept Design Mark in the Integrated Design Category * 2024 Taiwan Sustainability Action Awards (TSAA) - SDG4: Bringing Science Education to Rural Areas through Paper - Gold Award * 2024 Taiwan Sustainability Action Awards (TSAA) - SDG12 Forest and Pulp Paper Reliance - Gold Award * 2024 Taiwan Corporate Sustainability Awards (TCSA) - Corporate Sustainability Report Award - Paper Industry - First Group Silver Award * 2024 TCSA Taiwan Corporate Sustainability Award (TCSA) - Overall Performance Award * 2024 Kaohsiung City Government Education Bureau - 2024 Kaohsiung City Contribution to Social Education Award * 2024 The British Chamber of Commerce in Taipei (BCCT) - 7th Better Business Awards - Highly Commended * 2024 Commonwealth Magazine 1.5°C Enterprise Carbon Reduction Thermometer * 2024 Ministry of Environment - Joint Defense Support Contribution Award * 2024 Business Weekly - 2024 Top 100 Carbon Competitiveness Companies 			

2.3.7 Climate related information of public companies

Implementation status of climate related information

Item	Implementation status
1. Explain how the Board of Directors and management oversee and manage climate-related risks and opportunities.	The Board of Directors plays a critical role in identifying and managing risks for the Company, including risk assessment, prioritization, and response measures. Established under the Board of Directors, the Company’s Chairperson and internal managers form the ESG Committee and the Business Development and Strategy

Item	Implementation status
	<p>Committee to strengthen corporate governance operations. A Climate Change Response Team has been established under the ESG Committee to ensure effective risk management. A manager with over three years of financial and management experience has been appointed to oversee corporate governance matters and collaborate with members of the CFOs, legal affairs, shareholder services, accounting, auditing, and ESG offices on topics that include assessing and managing climate and environment-related issues.</p>
<p>2. State the impact of the identified climate risks and opportunities on the Company's business, strategy, and finances (short, medium, and long term).</p>	<p>The Company evaluates climate-related risks and opportunities based on the TCFD framework and explores emerging climate change business opportunities by adopting the paper industry's circular economy model and sustainable afforestation.</p> <p>(1) Short-term impact:</p> <p>Stricter environmental regulations may result in particular risks for the Company, such as the imposition of carbon and water conservation fees and fossil fuel emission restrictions. These may lead to an increase in short-term operating costs. Response strategies include applying for voluntary reduction plans, using alternative fuels, and conserving water and electricity to reduce expenses.</p> <p>(2) Medium-term impact:</p>

Item	Implementation status
	<p>Extreme weather conditions, such as drought, can decrease the water supply. Similarly, high temperatures and an increase in pests and diseases can lead to a shortage of raw materials. Response strategies include planning water circulation systems to enhance recycling, finding alternative materials, and increasing raw material yield.</p> <p>(3) Long-term impact:</p> <p>Due to high carbon emissions, the papermaking industry faces increased negative press and legal and financial risks. Adoption of low-carbon transformation will increase operating costs in the long run. Response strategies include boosting low-carbon green energy production, improving transparency in information disclosure, and improving the industry's image.</p>
3. State the financial implications of extreme weather events and transformation actions.	<p>Extreme weather events, such as typhoons, floods, or droughts, can damage mills, equipment, and inventory and affect transportation and supply chains, leading to production interruptions and revenue losses. In recent years, stricter environmental protection regulations, such as greenhouse gas emission regulations and carbon and water conservation fees, will impact future operations. Climate transformation actions such as investing in environmental protection, replacing old equipment with new ones, and investing in low-carbon</p>

Item	Implementation status
	product development will increase costs. However, these actions also create business opportunities in emerging markets, such as providing renewable energy and green products and services, which will help diversify income. Transformation actions can reduce losses caused by risks, stabilize operations in the long term, and enhance brand value.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	In 2021, the Company developed risk response strategies based on the TCFD framework to enhance climate-sustainable governance. The Environmental Sustainability & Climate Change Team of the Sustainability Committee has organized a team to analyze and monitor the relevant risks of the corresponding units according to the risk management responsibilities of the supervisors of each mill/department. The ESG Office will coordinate the collaboration across departments to integrate, identify, and evaluate climate-related risks, quantify and evaluate financial impacts, formulate management strategies, and implement ISO management systems within the mills.
5. If scenario analysis is used to assess resilience to climate change risks, describe the scenarios, parameters, assumptions, analysis factors, and main financial impacts.	For analyzing climate scenarios, the Company mainly conducts climate change risk and opportunity assessments, then uses the results to make adjustments to bolster decision-making quality. CHP adopts the Nationally Determined Contribution (NDC) and Representative Concentration Pathways (RCP) simulation scenarios to analyze the impact of the Company's strategies on transformation and physical

Item	Implementation status
	<p>risks and opportunities. The results of this analysis are then used to evaluate and adjust response strategies. Climate scenario identification and factors under transformation risks include carbon fees/emissions trading and emission targets/policies. The main financial impacts include carbon fees of NT\$100-300/metric ton of CO₂ in the short and medium term and carbon fees of NT\$100-1,500/metric ton of CO₂ in the long term. Climate scenario identification and factors under physical risks include heavy rain and floods, droughts, strong winds, high temperatures, and lightning strikes. Refer to the sustainability report's risk management and TCFD chapters for details.</p>
<p>6. If a transformation plan exists to manage climate-related risks, describe its content and the indicators and targets used to identify and manage physical and transformation risks.</p>	<p>To assess climate-related risks, the Company mainly checks indicators such as GRI 302-1 to 5 (energy), GRI 303 (water resources), and 305-1 to 7 (emissions) to better track various energy performances. Response measures and management plans are monitored regularly and combined with the operational processes of the Company's quality management system (ISO 9001), environmental management system (ISO 14001), energy management system (ISO 50001), and greenhouse gas management system (ISO 14064-1) to integrate into all aspects of risk management across the Company. In addition, the Company ensures effective</p>

Item	Implementation status
	implementation through ISO-related and business management meetings. Refer to the sustainability report's risk management and TCFD chapters for relevant risk response plans.
7. If internal carbon pricing is utilized as a planning tool, describe the basis for setting the price.	The Company introduced internal carbon pricing in 2023 to expand business opportunities for developing low-carbon products through multiple niching. We have completed establishing an internal carbon price for 2024 mainly based on an implicit price assessment that used the Company's coal-substitution plans, the energy-conservation plans implemented by each mill, and the renewable energy sources used by each plant as a basis for determining the carbon price. Subsequently, we will continue developing operating procedures and plans for internal carbon pricing, with the hope that these measures can help improve our competitiveness and strengthen our sustainable development strategy, allowing us to respond actively to international carbon reduction trends.
8. If climate-related targets are set, specify the covered activities, scope of greenhouse gas emissions, planning period, and the progress made in terms of annual achievement. If carbon offsets or renewable energy certificates (RECs) are used to meet relevant targets, describe the source and amount of carbon credits or the quantity of RECs used.	The Company's emission boundaries cover mills in Taiwan and China. Our targets include a 7% carbon reduction by 2025, a 30% reduction by 2030, and achieving net-zero emissions by 2050 (2024 emissions were reduced by 75,000 metric tons compared with the 2018 base year. This equates to an 11% reduction, showing that CHP has reached the 2025 emission reduction target early). CHP

Item	Implementation status
	established a GHG Reduction Team to conduct inventories of greenhouse gas emission sources in the mills, develop reduction measures, register the inventory results on the national greenhouse gas tracking platform (Taiwan mills) after they are verified by a reputable third party, and disclose the results in the sustainability reports.
<p>9. Greenhouse gas inventory and assurance status and reduction goals, strategies, and concrete action plans.</p> <p>9-1. The Company's greenhouse gas inventory and assurance status in the last two years</p> <p>9-1-1. Information about the greenhouse gas inventory State the GHG emissions (metric tons CO₂e) and intensity (metric tons CO₂e/NT\$1 million) and what the data covers.</p>	<p>The greenhouse gas disclosure boundary includes the Taipei headquarters, other business locations in Taiwan, the Kaohsiung Jiutang, Hualien, Taitung, and Taoyuan Guanyin mills, and overseas subsidiaries the Syntax representative office in Shanghai, Jinglun Paper in Shenzhen, Syntax Communication (HK), Guandong Dingfung Pulp & Paper, Zhaoqing Dingfung Forestry, and Guizhou Yuanfung Forestry.</p> <p>2023 GHG emissions are 958,100 metric tons CO₂e (754,800 metric tons Co₂e in Scope 1 emissions, 203,200 metric tons Co₂e in Scope 2 emissions). Emissions density is 45.72 (metric tons CO₂e/NT\$1 million). 2024 GHG emissions are 909,900 metric tons CO₂e (726,500 metric tons Co₂e in Scope 1 emissions, 183,400 metric tons Co₂e in Scope 2 emissions). Emissions density is 43.81 (metric tons</p>

Item	Implementation status
	<p>(2) Reduce the use of fossil fuels and adopt low-carbon and renewable energy sources</p> <p>(3) Continue to increase investments in biofuel</p> <p>(4) Reduce waste and recycle</p> <p>(5) Invest in low-carbon R&D and innovative technologies</p> <p>(6) Adopt internal carbon pricing (ICP)</p> <p>(7) Respond and commit to SBTi science-based targets</p> <p>(8) Promote forestation projects</p> <p>Concrete action plan:</p> <p>The Company will reduce coal consumption every year, improve energy efficiency, utilize equipment and local advantages at the mills, and adopt renewable energy sources, such as biomass and solar energy, to increase the use of alternative fuels to achieve net zero by 2050.</p>

2.3.8 Implementation of ethical corporate management and measures and deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and reasons for deviation.

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policy and approaches				
(1) Has the Company implemented a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and senior management towards enforcement of such policy?	V		Through the approval of the Board on November 8, 2018, the Company has established the Ethical Corporate Management Best Practice Principles and amended the Procedures for Insider Trading Prevention through the Board on November 11, 2022, to actively prevent dishonest behavior and conflicts of interest, establish whistleblowing channels, and regulate the conduct of relevant personnel.	Compliant
(2) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?		V	The Company complies with the relevant laws and regulations, and will establish an evaluation mechanism and measures in the future to take appropriate response measures. The Company established the Ethical Corporate Management Operating Procedures and Code of Conduct in accordance with the Ethical Corporate Management Best Practice Principles to clearly define disciplinary actions and complaint systems. The Company reviews and revises the actions and systems in a timely manner.	Changes are made gradually
(3) Does the Company clearly specify the operating	V		The Company has already established the Ethical	Compliant

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?			<p>Corporate Management Operating Procedures and Code of Conduct and our prevention methods against dishonest behaviors are listed below:</p> <ol style="list-style-type: none"> 1. Prevention of dishonest behavior and the prohibition of bribery acceptance: Detailed information about disciplinary actions and the reporting system are listed in Chapter Four: Service Regulations of the Work Rules. 2. Protection of intellectual property rights: Achieved by requiring employees to sign the Integrity and Confidentiality of Intellectual Property Agreement as well as the employment contract. 3. Employee Code of Conduct: Established to implement the Company’s core values, maintain high ethical standards, provide employees with standard compliance requirements when performing their daily duties and tasks, protect the Company’s reputation, and earn the respect and trust of our clients, vendors, and other individuals. 	
2. Implementation of Ethical Corporate Management				
(1) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	V		In the credit evaluation process of business partners, we assess integrity of their records. Likewise, we clearly specify in the procurement contract as well as the Honesty and Integrity Declaration that absolutely no bribery or dishonest behavior are allowed.	Compliant
(2) Does the Company have a dedicated unit responsible	V		The Company set up an Integrity Management Team	Compliant

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
for business integrity under the Board of Directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?			in accordance with the Ethical Corporate Management Best Practice Principles. The Accounting Department presented a report of the status at the 12th meeting of the 19th Board of Directors on November 13, 2024. The main task is to promote integrity management matters, arrange integrity management courses for Directors and senior staff, and provide a dedicated email address for reports from stakeholders. Furthermore, the internal audit unit regularly checks the implementation status of these matters and includes the findings in the audit reports to be submitted to the Board of Directors.	
(3) Does the Company have policies that help prevent conflicts of interests, provide appropriate channels for filing related complaints, and precisely enforce them?	V		The Company has established the Ethical Corporate Management Operating Procedures and Code of Conduct, which have regulations for Directors, managers, supervisors, and employees to avoid conflicts of interest. Anyone who may have a conflict of interest must recuse themselves.	Compliant
(4) Does the Company have effective accounting and internal control systems in place to implement business integrity? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or engage CPAs to perform the audits?	V		The Company’s current accounting and internal control system implements a separation of powers and responsibilities to prevent personnel from having an opportunity for dishonesty. Internal auditors include staff integrity as a reference basis for relevant audits.	Compliant
(5) Does the Company regularly provide internal and	V		The Company arranges relevant internal and external	Compliant

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
external training on ethical corporate management?			education and training courses to promote ethical corporate management. The Company organized internal training on ethical corporate management to ensure that the appropriate personnel understands fraud and violations of the honesty and integrity principles. New employees reporting for work are required to sign the Letter of Commitment, a Confidentiality of Intellectual Property Agreement, and the Insider Trading Prevention Commitment. Employees will also be provided with the Employee Code of Conduct, allowing them to understand the Company’s determination to implement ethical management practices. In 2024, internal education and training courses on ethical management (topic: Specific Measures for Protecting Trade Secrets) and labor rights policy (the 4 Main Axes) were held. In total, 22 individuals participated in these courses for a total of 34 hours.	
3. Implementation of the Company’s whistleblowing system (1) Does the Company have in place a concrete whistleblowing and reward system as well as a convenient reporting channel and appropriate designated personnel with regard to the party being reported on?	V		There are many open reporting channels. The Company established a Personnel Evaluation Committee to investigate the reports and implement disciplinary actions. The Company also set up the Employee Code of Conduct as a standard for personnel to follow, and has reporting channels and dedicated staff for employees to report illegal acts.	Compliant

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(2) Does the Company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		After the report is processed, a record is made and the relevant unit will conduct an investigation and report the results to the responsible manager. After investigating and confirming that the specific behaviors violate the integrity regulations, the Company will severely discipline dishonest behaviors in accordance with the Employee Rewards and Disciplinary Actions, and record the situation as a serious offense at minimum or terminate the labor contract.	Compliant
(3) Does the Company adopt measures to protect whistleblowers from improper treatment?	V		The Company will keep confidential the employees or personnel who report violations or participate in the investigation process. Those who know the identity or content of the whistleblower due to their duties or business shall not disclose the information. The Company promises not to treat the whistleblower improperly due to the whistleblowing.	Compliant
4. Reinforcing information disclosure Has the Company disclosed the contents or its Ethical Corporate Management Guidelines as well as relative implementation results on its website and on the Market Observation Post System?	V		The Company has disclosed the Ethical Corporate Management Guidelines on the Company’s website (www.chp.com.tw) and the Market Observation Post System. The relevant promotion situation and effectiveness will be gradually disclosed according to the promotion schedule.	Compliant
5. If the Company has implemented its own ethical corporate management principles by following the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the practice and any discrepancies with regard to the Best Practice Principles:				

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
The Company established the Ethical Corporate Management Guidelines and relevant operational procedures in 2018 and incorporated the principles of ethical corporate management into applicable regulations. The operations comply with the Company’s Ethical Corporate Management Guidelines and relevant regulations.				
6. Other important information to facilitate better understanding of the Company’s implementation of ethical corporate management: (e.g., review/revision of the Company’s ethical corporate management principles, etc.) :				
<div>(1) The Company requires all suppliers and third parties to sign the Honesty and Integrity Declaration to guarantee their commitment to fulfill their obligations of conducting honest business operations.</div> <div>(2) The Board of Directors approved the Employee Code of Conduct in 2016 to implement the Company’s core values, maintain high ethical standards, provide employees with standard compliance requirements when performing their daily duties and tasks, protect the Company’s reputation, and earn the respect and trust of our clients, vendors, and other individuals.</div> <div>(3) In 2017, the Board of Directors approved the Procedures for Insider Trading Prevention, which is followed by Directors and other insiders when trading stocks and is included in the internal control system. Auditors regularly understand the status of compliance to implement the management of insider trading.</div> <div>(4) In 2018, the Board of Directors approved the Ethical Corporate Management Best Practice Principles as a basic policy for all employees of the Company and its subsidiaries to maintain the corporate culture and develop comprehensive integrity management.</div> <div>(5) The Board of Directors approved the Rules Governing Financial and Business Matters Between the Company and its Related Parties in 2023 to improve the financial and business standards between related parties.</div>				

2.3.9 Other important information regarding corporate governance

1. The Company established a Business Development and Strategy Committee on October 19, 2020 to plan and discuss short-, mid-, and long-term business development and strategies, and listen to the opinions of Independent Directors. The 2024 committee has five members, including the Chairman, President, and three Independent Directors of the Company. Relevant employees are invited to attend meetings according to the meeting agenda.

The 2nd Business Development and Strategy Committee held 4 meetings (A) each in 2024. The attendance details are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairperson	Kirk Hwang	4	0	100	Chairperson
Independent Director	Donald Chang	4	0	100	international business management expertise
Independent Director	Hsiao-Kan Ma	4	0	100	renewable energy and environmental expertise
Independent Director	Wan-Yu Liu	4	0	100	agriculture and forestry economics, natural carbon sinks, and carbon rights expertise
President	Ray Chen	4	0	100	-

The 2024 communication status is as follows:

Date	Participants	Matters of communication	Communication results
February 27, 2024	Present: Chairperson Kirk Hwang, Independent Director Donald Chang, Independent Director Hsiao-Kan Ma , Independent Director Wan-Yu Liu, and President Ray Chen. In attendance: CFO Guu-Fong Lin	Reported on the impact of recent market changes on business performance, and the response strategy adopted.	Independent Directors made recommendations on each proposal as a reference for the management team.
May 3, 2024	Present: Chairperson Kirk Hwang, Independent Director Donald Chang, Independent Director Hsiao-Kan Ma , Independent Director Wan-Yu Liu, and President Ray Chen. In attendance: CFO Guu-Fong Lin	Reported on the impact of recent market changes on business performance, and the response strategy adopted.	Independent Directors made recommendations on each proposal as a reference for the management team.
August 3, 2024	Present: Chairperson Kirk Hwang, Independent Director Donald Chang, Independent Director Hsiao-Kan Ma , Independent Director Wan-Yu Liu, and President Ray Chen. In attendance: CFO Guu-Fong Lin	Reported on the impact of recent market changes on business performance, and the response strategy adopted.	Independent Directors made recommendations on each proposal as a reference for the management team.
November 8, 2024	Present: Chairperson Kirk Hwang, Independent Director Donald Chang, Independent Director Hsiao-Kan Ma , Independent Director Wan-Yu Liu, and President Ray Chen. In attendance: CFO Guu-Fong Lin	1. Reported on the impact of recent market changes on business performance, and the response strategy adopted. 2. Presented 2025 business plan.	Independent Directors made recommendations on each proposal as a reference for the management team.

2. Deliver laws and regulations relevant to Directors to the Directors for reference.
3. Disclose important information in a timely manner and hold regular investor conferences to announce the results of operations, and disclose the relevant information on the Company's website (www.chp.com.tw) as well as the Market Observation Post System.
4. Since 2015, the Company started preparing corporate social responsibility reports, Sustainability Report since 2022 and disclosed them on the Company's website and the Market Observation Post System.

2.3.10 Internal control systems

1. Internal Control Statement

Chung Hwa Pulp Corporation Statement of Internal Control System

Date : March 14 2025

Based on the findings of a self-assessment, CHP states the following with regard to its internal control system during the year 2024 :

1. CHP's Board of Directors and Management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and CHP takes immediate remedial actions in response to any identified deficiencies.
3. CHP evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring.
4. CHP has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, CHP believes that on December 31, 2024, it has maintained, in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.
6. This Statement shall become a main part of the annual report and prospectus and be disclosed to the public. If there are any deceptive or concealed statements herein, the Company shall be liable for violations of Articles 20, 32, 171 and 174 of the Securities and Exchange Act..
7. This Statement has been passed by the Board of Directors in their meeting held on March 14, 2025, where all of the seven attending directors express dissenting opinion and affirmed the content of this Statement.

Chung Hwa Pulp Corporation

2. Has the Company delegated CPAs to review its internal audit system and issued an audit report:
None

2.3.11 Major resolutions of shareholders' meeting and board meetings

1. Important resolutions of the 2024 Shareholders' Meeting (June 26, 2024) (abstract):

- (1). Approved the acknowledgment of the Company's 2023 financial statements.
- (2). Approved the acknowledgment of the Company's 2023 deficit compensation appropriation.
Implementation status: After the resolution of the shareholders' meeting, the Company will handle the matters (1) to (2) according to the resolutions of the shareholders' meeting.

2. Important Board resolutions

Important resolutions of the 9th meeting of the 19th Board of Directors on March 11, 2024 (abstract):

- (1) Approved the 2023 financial statements.
- (2) Approved the 2023 loss appropriation plan.
- (3) Approved the 2023 employee and Directors remuneration.
- (4) Approved the 2023 Statement on Internal Control.
- (5) Approved the amendments to the Rules and Procedures for Board of Directors Meetings.
- (6) Approved the amendments to the Audit Committee Organizational Rules.
- (7) Approved the location for and other relevant matters regarding the 2024 shareholders' meeting.
- (8) Approved the replacement of former CPAs with CPAs Hsiu-Ming Hsu and Hui-Ming Huang.
- (9) Approved the Company's interbank lending credit line application.
- (10) Approved the Company to be the joint promissory note maker of subsidiaries' interbank lending credit line applications.
- (11) Approved the total amount of guarantees for endorsements for external parties by the Company and its subsidiaries as of the fourth quarter of 2023.

Important resolutions of the 10th meeting of the 19th Board of Directors on May 13, 2024 (abstract):

- (1) Approved the Company's 2024 Q1 financial statements.
- (2) Approved the Company's interbank lending credit line application.
- (3) Approved the total amount of guarantees for endorsements for external parties provided by the Company and our subsidiaries as of the first quarter of 2024.
- (4) Approved important personnel changes for the Company.

Important resolutions of the 11th meeting of the 19th Board of Directors on August 13, 2024 (abstract):

- (1) Approved the Company's 2024 Q2 financial statements.
- (2) Approved the 2023 Sustainability Report prepared by the Company.
- (3) Approved the Company's interbank lending credit line application.

- (4) Approved the Company to be the joint promissory note maker of subsidiaries' interbank lending credit line applications.
- (5) Approved the total amount of guarantees for endorsements for external parties provided by the Company and our subsidiaries as of the second quarter of 2024.
- (6) Approved the Company's indirect investment into Guangdong Dingfung Pulp & Paper Co., Ltd. through a company based in a third area, converting accumulated surplus of US\$4.2 million into capital.

Important resolutions of the 12th meeting of the 19th Board of Directors on November 13, 2024 (abstract):

- (1) Approved the Company's 2024 Q3 financial statements.
- (2) Approved the Company's 2025 audit plan.
- (3) Approved amendments to the internal control operating procedures stipulated in the Company's Sustainability Data Management Procedures.
- (4) Approved the Company's third stock repurchase and second employee stock purchase plan.
- (5) Approved the Company's interbank lending credit line application.
- (6) Approved the total amount of guarantees for endorsements for external parties provided by the Company and our subsidiaries as of the third quarter of 2024.
- (7) Approved the appointment of the Company's Chief Auditor.

Important resolutions of the 13th meeting of the 19th Board of Directors on March 14, 2025 (abstract):

- (1) Approved the 2024 financial statements.
- (2) Approved the 2024 loss appropriation plan.
- (3) Approved the 2024 employee and Directors remuneration.
- (4) Approved the amendments to the Company's Articles of Incorporation.
- (5) Approved the 2024 Statement on Internal Control.
- (6) Approved compliance with CPA independence and competence requirements after an evaluation, as required by the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- (7) Approved the election of the 20th Board of Directors and Independent Directors during the 2025 shareholders' meeting.
- (8) Approved proposal to the shareholders' meeting to remove the Company's non-competition restriction for new Directors and the institutional entities they represent.
- (9) Approved the location for and other relevant matters regarding the 2025 shareholders' meeting.
- (10) Approved proposal to build new biofuel power generation capacity and facilities at the Hualien mill.
- (11) Approved the Company's interbank lending credit line application.

(12) Approved the Company to be the joint promissory note maker of subsidiaries' interbank lending credit line applications.

(13) Approved the total amount of guarantees for endorsements for external parties provided by the Company and our subsidiaries as of the fourth quarter of 2024.

2.3.12 Major issues of record or written statements made by any director dissenting to important resolutions passed by the board of directors: None

2.3.13 Internal audit licenses

Certified Internal Auditor (CIA): 1 person in the Audit Department

2.4 Audit Fee

Unit: NT\$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
Deloitte & Touche	Shiow-Ming Shue Hui-Ming Huang	2024/1/1~2024/12/31	3,500	25	3,525	-

Note: The non-supervisor full-time employee salary information checklist for 2023 is NT\$25 thousand.

1. Where the Company's replacing accounting firm and audit fees paid for the year were less than that in the previous year before replacement: None.
2. Where the audit fees decreased by more than 10% compared to the previous year: None.

2.5 Replacement of Certified Public Accountant (CPA):

I. Regarding the former CPA

Replacement Date	From 1 st Quarter, 2024
Replacement reasons and explanations	Due to the internal rotation policy of accountants in Deloitte and Touche Taiwan, the accountant responsible for auditing was changed from Shu-Wan Lin accountant to Shiow-Ming Shue accountant.

Describe whether the Company terminated or the CPA did not accept the appointment	<div>Parties Status</div>		CPA	The Company
	Termination of appointment		N/A	N/A
	No longer accepted (continued) appointment		N/A	N/A
Other issues (except for unqualified issues) in the audit reports within the last two years	None			
Differences with the company	Yes		Accounting principles or practices	
			Disclosure of Financial Statements	
			Audit scope or steps	
			Others	
	None	V		
	Remarks/specify details:			
Other Revealed Matters	None			

II. Regarding the successor CPA

Name of accounting firm	Deloitte and Touche Taiwan
Name of CPA	Shiow-Ming Shue and Hui-Ming Huang
Date of appointment	3/11/2024(From 1st Quarter 2024)
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	NA
Succeeding CPA's written opinion of disagreement toward the former CPA	None

III. The former CPA's reply to items in Article 10-6-1 and 10-6-2-3: None.

2.6 The Chairperson, President and Financial or Accounting Managerial Officer of the Company who had worked for the Independent CPA or the affiliate in the past year:

None

2.7 Shareholding Transferred or Pledged by Directors, Management, and Major Shareholders Who Holds 10% of The Company Shares or More:

Unit: Shares

Title	Name		2024		As of April 21, 2025	
			Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	YFY INC.		-	-	-	-
Chairperson	Kirk Hwang	Representative of YFY INC.	-	-	-	-
Director	Huey-Ching Yeh		-	-	-	-
Director	Guu-Fong Lin		-	-	-	-
Director	Jean Liu ^{Note 1}					
Director	YFY Paradigm Investment Co., Ltd.		-	-	-	-
Director	Ray Chen	Representative of YFY Paradigm Investment Co., Ltd.	-	-	-	-
Independent Director	Donald Chang		-	-	-	-
Independent Director	Hsiao-Kan Ma		-	-	-	-
Independent Director	Wan-Yu Liu		-	-	-	-
President	Ray Chen		-	-	-	-
CFO	Guu-Fong Lin		-	-	-	-
CTO of Adhesive Materials Application	Yoshihiro Akiyama		-	-	-	-
CISO	Casper Wu		-	-	-	-
Finance and Corporate Governance Officer	Claire Hou		-	-	-	-

Title	Name	2024		As of April 21, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Finance and Corporate Governance Officer	David Lin ^{Note 2}	-	-	-	-
Accounting Officer	Jung-Min Huang	-	-	-	-
Audit Officer	Shu-Chen Chen	-	-	-	-
Audit Officer	Steven Chen ^{Note 3}	-	-	-	-
Major shareholder	YFY INC.	-	-	-	-

Note1: Reassigned and dismissed by the Institutional Representative on June 20, 2024

Note2: Approved by the Board of Directors on May 13, 2024 to be dismissed on June 1, 2024.

Note3: Resigned on August 1, 2024.

2.8 Information disclosing the spouse, kinship within second degree, and relationship between any of the top ten shareholders:

April 21, 2025

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
	YFY INC.	627,827,989	56.93	-	-	-	-	YFY Paradigm Investment Co., Ltd. YFY Paradigm Investment Co., Ltd.	
Representative: Huey-Ching Yeh	-	-	-	-	-	-	-	-	-
Hsin-Yi Enterprise Co., Ltd.	50,149,248	4.55	-	-	-	-	YFY INC. Hsin-Yi Investment Co., Ltd. Yuen Shin Yi Enterprise Co., Ltd.	juristic-person director juristic-person director juristic-person director	-
Representative: Sing-Ju Chang	-	-	1,223,071	0.11	-	-	Representative of Hsin-Yi Investment Co., Ltd., S. C. Ho Representative of Yuen Hsin Yi Enterprise Co., Ltd., S. C. Ho	Spouse Spouse	-
Hsin-Yi Investment Co., Ltd.	21,090,110	1.91	-	-	-	-	Yuen Hsin Yi Enterprise Co., Ltd.	juristic-person supervisor	-
Representative: S. C. Ho	1,223,071	0.11	-	-	-	-	Representative of Hsin-Yi Enterprise Co., Ltd., Sing-Ju Chang Representative of Yuen Hsin Yi Enterprise Co., Ltd., S. C. Ho	Spouse Same Representative	-
Bank SinoPac, in Custody of the Employee Stock Trust Account of Chung Hwa Pulp Corporation	14,408,200	1.31	-	-	-	-	-	-	-
YFY paradigm Investment Co., Ltd	7,752,732	0.70	-	-	-	-	-	-	-
David Lo	-	-	-	-	-	-	-	-	-
Yuen Hsin Yi Enterprise Co., Ltd	7,231,001	0.66	-	-	-	-	-	-	-
Representative: S. C. Ho	1,223,071	0.11	-	-	-	-	Representative of Hsin-Yi Enterprise Co., Ltd., Sing-Ju Chang Representative of Hsin-Yi Investment Co., Ltd., S. C. Ho	Spouse Same Representative	-

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Vanguard Total International Stock Index Fund under the custody of JPMorgan Chase Bank	5,910,818	0.54	-	-	-	-	-	-	-
Vanguard Emerging Markets Stock Index Fund under the custody of JPMorgan Chase Bank	4,914,000	0.45	-	-	-	-	-	-	-
SPDR(R) Index Shares Funds – SPDR Portfolio Emerging Market Markets ETF	3,300,589	0.30	-	-	-	-	-	-	-
Standard Chartered Bank's State Street Global Advisors Trust Company	3,299,339	0.30	-	-	-	-	-	-	-

2.9 Comprehensive Shareholding Information Relating to Company, Directors, Management, and Companies Affiliated through Direct and Indirect Investment:

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
CHP INT'L (BVI) CORP.	61,039,956	100	-	-	61,039,956	100
Hwa Fong Investment Co., Ltd	6,600,000	100	-	-	6,600,000	100
Guangdong Dingfung Pulp & Paper Co., Ltd.	-	-	-	100	-	100
Zhaoqing Dingfung Forestry Co., Ltd.	-	-	-	100	-	100
Genovella Renewables Inc.	-	-	-	100	-	100
Shenzhen Jinglun Paper Co., Ltd	-	-	-	100	-	100
Syntax Communication (H.K.) Ltd.	-	-	-	100	-	100
Zhaoqing Xinchuan Green Technology Co., Ltd.	-	-	-	100	-	100
E Ink Holdings Inc.	20,000,000	1.74	164,671,200	14.34	184,671,200	16.08
Guizhou Yuanfong Forestry Co., Ltd.	-	-	-	67.0	-	67.0
Union Paper Corp.	-	-	34,738,935	33.55	34,738,935	33.55

Capital Overview

3.1 Source of capital

Month/ Year	Par Value (NT\$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of share capital	Capital Increased by Assets Other than Cash	Other
August, 2015	10	1,300,000,000	13,000,000,000	1,102,835,316	NT\$11,028,353,160	Undistributed Earnings	-	August 17, 2015 FSC No.1040030024

Note: The company handles cash reduction of NT\$1,200,000,000 on August 17 2015 and, the amount of paid-up capital after capital reduction to be NT\$ 11,028,353,160.

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	1,102,835,316	197,164,684	1,300,000,000	Listed stocks

3.2 Major Shareholders

April 21, 2025

Shareholder's Name	Shareholding	
	Shares	Percentage
YFY INC.	627,827,989	56.93
Hsin-Yi Enterprise Co., Ltd.	50,149,248	4.55
Hsin-Yi Investment Co., Ltd.	21,090,110	1.91
Bank SinoPac, in Custody of the Employee Stock Trust Account of Chung Hwa Pulp Corporation	14,408,200	1.31
YFY paradigm Investment Co., Ltd	7,752,732	0.70
Yuen Hsin Yi Enterprise Co., Ltd	7,231,001	0.66
Vanguard Total International Stock Index Fund under the custody of JPMorgan Chase Bank	5,910,818	0.54
Vanguard Emerging Markets Stock Index Fund under the custody of JPMorgan Chase Bank	4,914,000	0.45
SPDR(R) Index Shares Funds – SPDR Portfolio Emerging Market Markets ETF	3,300,589	0.30
Standard Chartered Bank's State Street Global Advisors Trust Company	3,299,339	0.30

3.3 Dividend Policy and Implementation Status

1. Dividend policy stipulated in the Company's Articles of Incorporation

Article 31-1: If the Company has any surplus at the end of a year, it shall first be applied to pay income taxes according to the law and cover losses from the previous years. Then 10% of the balance will be allocated to a statutory surplus reserve, and a special surplus reserve shall be allocated according to the law. A special surplus reserve or retained earnings are set aside if needed. Any remaining balance shall be distributed as dividends and bonus by the total number of shares.

Article 32: In consideration of external factors and the objectives of long term financial planning and in the interest of stable business growth, the Company's dividend policy measures future cash flows based on the capital budget and uses retained earnings to meet the cash flow requirements. An appropriate percentage of the remaining surplus will be retained as needed to support the ongoing business operations, and a minimum of 20% of the remaining surplus will be distributed in the form of cash dividends and the rest in share dividends. However, for the purpose of meeting other capital expenditure requirements, the Company may distribute the aforementioned remaining surplus in the form of share dividends only.

2. Dividend distribution to be proposed by the shareholders' meeting:

The shareholders' meeting proposes for no dividend payments.

3.4 Impact of Stock Dividend Distribution on Business Performance and EPS:

This Shareholders' Meeting did not resolve to distribute any stock dividends, so it is not applicable.

3.5 Employees' and Directors' Remunerations

1. Percentages or ranges of remuneration of employees and Directors under the Articles of Incorporation:

According to Article 31 of the Articles of Incorporation, if the Company sustains profit every year, 1% or more of the income shall be set aside as the remuneration to employees, and 2% or less shall be distributed as Directors' remuneration. However, an amount shall be set aside first to compensate cumulative losses, if any.

Directors' remuneration may be distributed by way of cash dividends, and employees' remuneration may be distributed by way of cash dividends or stock dividends. The Board of Director shall be authorized to define the qualification requirements of employees entitled to receive shares or cash, including the employees of subsidiaries of the Company that meet certain specific requirements. The distribution ratio of Directors' remunerations and the method of distribution and ratio of employees' remunerations shall be resolved by a majority vote at a Board meeting attended by more than two thirds of the Directors, and shall be reported at the shareholders' meeting.

Employee and Director's remunerations are calculated deducting the cumulative losses from the profit for the year (i.e., the profit before employee and Director Remunerations are deducted from profit before tax).

2. Basis for estimating the amount of remuneration of employees and Directors, basis for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount, for the current period:

The estimated employee and Director remunerations are recognized as expenses at the distributable amounts for the current year according to the Articles of Incorporation. Any change in the amounts on the date of resolution by the Board of Directors shall be treated as accounting adjustments and recognized as adjustments for net profit and loss of the year approved by the Board of Directors. If it is decided in the Board meeting to distribute employee remuneration in the form of shares, the number of share will be determined by dividing the approved amount by the fair price of the shares. The fair price of the shares will be calculated based on the closing price on the day before the date of the shareholders' meeting and the effect of ex-dividend/ex-rights.

3. Remuneration proposals approved by the Board of Directors:

- (1) Employee and Director Remuneration will be distributed in cash or shares:

Remuneration of Employees and Directors were not distributed this year.

- (2) The amount of remuneration to employees to be paid in shares out of the current company-level financial report in terms of the sum of net profit after tax and employee bonus.

Not applicable.

4. Any difference between actual distribution of Employee Remuneration and Director Remuneration from the previous year and recognized Employee and Director Remunerations, and the reasons as well as corresponding treatments:

Employee

Remuneration of Employees and Directors were not distributed in 2023. The actual distribution is consistent with the resolution of the Board of Directors.

3.6 Repurchases of Treasury Stock

3.6.1 Exercised:

April 21, 2025

Phase of repurchase:	Third
Purpose of repurchase	To transfer shares to employees
Repurchase period	2020/5/15-2020/7/14
Repurchase price range	The price per share ranges from NT\$7.70 to NT\$9.07, with an average buyback price of NT\$8.58 per share.
Type and quantity of repurchased shares	15,944,000 common shares
Amount of repurchased shares	NT\$136,726,350
Ratio of quantity of repurchased shares to scheduled quantity of shares to repurchase (%)	53.15%

Quantity of shares eliminated and transferred	15,944,000 shares
Date to allocate employee	March 11, 2025
Accumulated quantity of Company shares held	0 shares
Accumulated quantity of Company shares held to issued shares (%)	0 %

3.6.2 Currently exercising: None.

3.7 Corporate Bond Issuance

The Company does not issue any corporate bonds.

3.8 Preferred Stock Issuance

The Company does not issue preferred shares.

3.9 Global Depository Receipts Issuance

The Company did not issue any global depository receipts.

3.10 Employee Stock Options

The Company did not issue any employee stock options.

3.11 New Restricted Employee Shares

None

3.12 Shares Issued for Mergers and Acquisitions

None

3.13 Utilization of Funds

1. Plan: The Company does not have any specific financial plans.
2. Implementation: None

Business Overview

4.1 Scope of Business

4.1.1 Business scope

1. Main areas of business operations

Manufacturing, sales and distribution of pulp, paper, paperboard, timber, chemical products and fertilizers.

2. Revenue distribution

Unit: NT\$ thousands

Major Divisions	Total Sales in Year 2024	(%) of Total Sales
Forestry	39,002	0.19
Pulp	2,641,654	12.72
Paper	13,969,599	67.27
Paperboard	3,226,552	15.53
Tape	734,423	3.54
Other	156,300	0.75
Total	20,767,530	100.00

3. Main products

Timber, pulp (NBKP, LBKP), paper and cardboard (paper stationary products, special purpose paper, toilet paper), tape, and other process-derived products such as chemical drugs and fertilizers.

4. New products development:

Special materials.

4.1.2 Industry overview

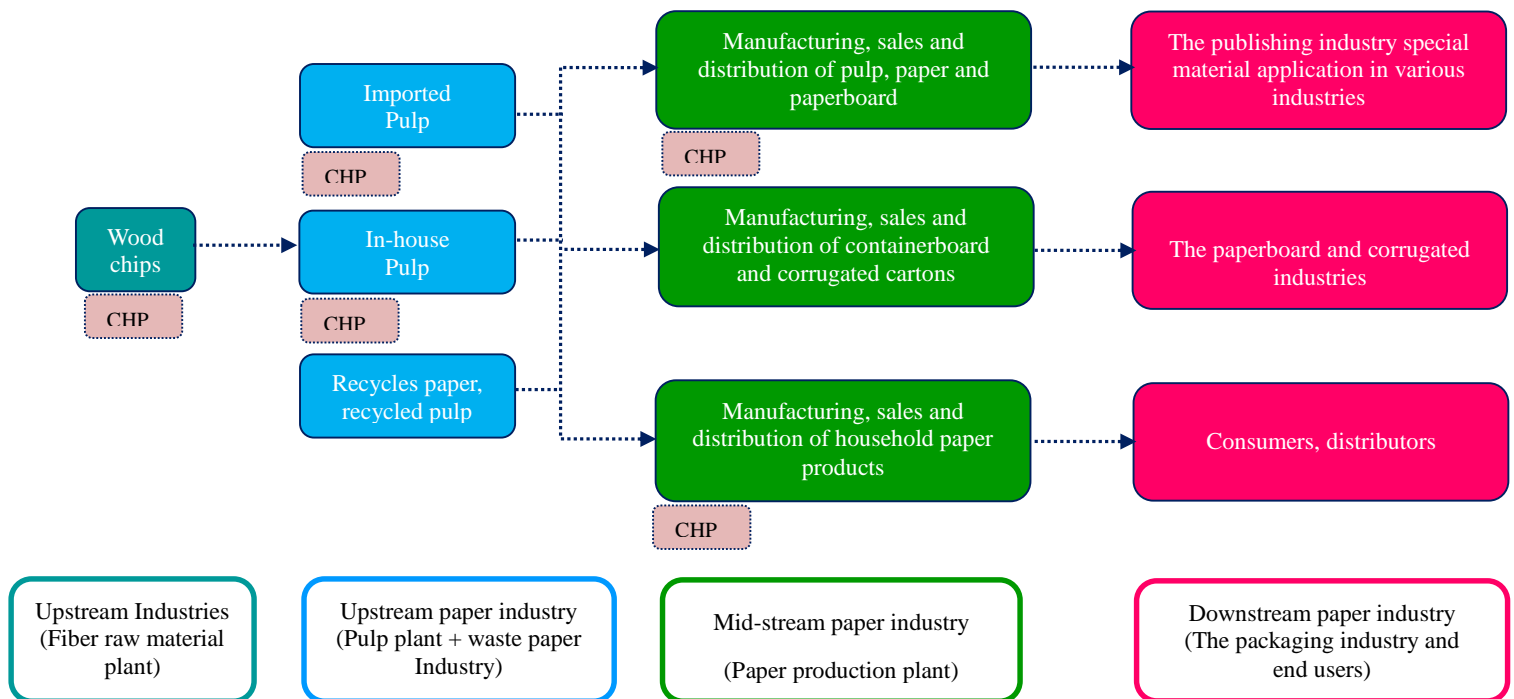
1. Overall economic environment

As global trade gradually picked up in 2024, Taiwan has benefited from the development of new emerging technologies, experiencing higher than expected export and investment growth. Nevertheless, some export products remain affected by overproduction in China and interest rate fluctuations, and overall economic momentum still appeared weak.

2. Current industry conditions and development

The paper pulp industry has been greatly affected by the overall economic climate and economic policies. Traditional industries have been significantly impacted by China's economic stagnation and production oversupply, leading to weaker than expected economic recovery momentum.

3. Relationship with up-, middle- and downstream companies



4. Product development trend and competition

In recent years, due to the impact of zero tariffs policies, imports for the domestic paper stationery products market has greatly increased, leading to fierce price competition between importers and domestic manufacturers within the industry.

On the demand side, as the world moves into the technology age, the paper stationery products market has been impacted by changes to consumer reading habits, leading to the decline of the global paper market. However, demand for packaging paper remains stable due to the prosperous development of the e-Commerce market. The development of other special purpose paper is anticipated with the development of Industry 4.0 and the Internet of Things.

Facing the fluctuation of international pulp prices, CHP supplies the demand for short-fiber pulp in various factories within the group, in order to reduce the impact of market price fluctuations on profit and loss. The paper stationery product market will implement flexible production and marketing policies and will continue to expand the trade model of sales, in order to maintain the Company's reasonable profits and market share. In addition, CHP has also continued research and development for the high-value-added special purpose paper market, circular products, and special materials to expand diversified applications.

4.1.3 Research and development

1. Research and development expenses in the past year and as of the published day:

In the past year and up to the date of publication of the annual report, the research and development expenses invested are about NT 163.08 million and 39.60 million respectively, and the relevant costs for research and development applications are not included.

2. Research and development achievements of the past year:

(1) Pulp products: The R&D of pulp products focuses on improving production efficiency and

reducing the use of wood chips to alleviate the costs caused by rising raw material prices. In addition to the strength and resilience of general paper products, pulp-plastic products can also be made into various shapes according to the load, positioning, and cushioning requirements of the packaged objects. Pulp-plastic products can replace the foamed plastic in packaging.

- (2) Paper products: We added new technical elements and researched and developed multi-domain and multi-purpose special purpose paper products to increase the added value of the products.

4.1.4 Long- and short-term business development plans

Short-term plans

- (1) Actively improve the process and management, and enhance the momentum of transformation.
- (2) Strengthen the research and development of niche products, develop all kinds of alternative products for plastic, and stabilize our position in the environmental protection products market.
- (3) Vertically integrate the supply chain, strengthen cooperative development with downstream processing mills, and increase overall industry competitiveness.
- (4) Strengthen information integration, utilize big data analytics, and improve the efficiency of procurement, production, and marketing processes.
- (5) Provide customers with innovative cash flow and logistics services to solidify our market control capabilities.

Long-term plans

- (1) Research and develop environmentally sustainable and high value-added, botanical fiber-based material products and continue promoting the transformation of product structure.
- (2) Dedicate to sustainable cycles and use the R3 (recycle, re-creation, and value reinvention) to enhance the usage of materials and promote the evolution of product diversity.
- (3) Implement a talent cultivation plan, build a succession team, and rank among the world-class materials companies.

4.2 Market and Sales Outlook

4.2.1 Market analysis

1. Sales of main products

For the pulp market, looking back on pulp prices for the first half of 2024, pulp prices rose steadily due to strong support from declining costs and a reduction in labor strikes. However, in the second half of the year the weak global economy and sluggish demand for final consumer products, along with the news that China and South Africa will gradually add millions of tons of new pulp production capacity, led to decreased market confidence. As international environmental policies become stricter and businesses and consumers become more environmentally-conscious, pulp and paper products increasingly need to be made from sustainable wood fibers. Chung Hua Pulp Corporation will put a greater focus on the development of environmentally-friendly products and promote energy conservation, carbon reduction, and environmental-friendliness throughout the production process. In the future, we will develop in an increasingly green and low carbon direction, in order to overcome the challenges of establishing a complete green manufacturing system.

In terms of paper sales, in response to worldwide plastic and emissions reduction trends, CHP has transformed significantly since 2021 by investing in the research and development of fibrous fixed carbon materials. CHP has already transitioned into becoming a supplier of recyclable and circular materials, and we have leveraged the benefits of pulping to produce circular products, focusing on a circular economy as the core of our development.

CHP's consolidated operating income for 2024 amounted to approximately NT\$20.77 billion, a decrease of about NT\$190 million from NT\$20.96 billion in 2023. The net loss after tax attributable to the Company in 2024 is approximately NT\$250 million. The Company produced 342,491 metric tons of pulp in 2024. In addition to 226,640 metric tons for Company use, export pulp sales were 70,898 metric tons. Paper production was 358,633 metric tons. Domestic paper sales were 168,532 metric tons and export sales were 222,495, totaling 391,027 metric tons. Cardboard production was 122,260 metric tons. Domestic cardboard sales were 122,084 metric tons and export sales were 36,558, totaling 158,642 metric tons.

The Company continues to increase our supply of green products and reduce our carbon emissions. We have completed third-party carbon emissions verification for the full life-cycle assessment (LCA) of green power generation, and have obtained ISO 14067 Carbon Footprint of Products certification. We are also the first in Taiwan to have obtained ISO 13065 (Sustainability Criteria for Bioenergy) certification, and have won recognition from many international brands and companies across different industries, continuing to help companies achieve RE100 supply chain objectives. Looking ahead to 2025, CHP will continue to actively comply with the green procurement laws and regulations of the Taiwanese government. Apart from providing a complete FSC-certified product line, we will also expand our environmental label and carbon reduction line of products from copy paper to also include paper stationery products and cardboard.

2. Sources of raw materials, and sales regions of main products

A. Main sources of raw materials:

Pulp: Chile, Brazil, Canada, the United States, Finland, Sweden, New Zealand, Japan and Thailand.

Wood chips: Thailand, Australia, and Vietnam.

B. Pulp export: China and Thailand.

C. Paper export: China, Japan, Korea, Southeast Asia, Australia, India, the United States and South America.

4.2.2 Major applications and production procedures of main products

Pulp—Suitable tree species are used based on the paper mill's requirements; different types of pulp are produced from lumber after evaporation, cleaning, bleaching, molding and drying.

Paper products—The main raw material is pulp; different types of paper are produced by going through a series of processing steps including pulp dispersion, blending, cleaning, shaping, dehydration, drying, and coiling. High-quality printing paper (e.g., coated paper and simile paper) is made by coating and calendering the surface, which is suitable for premium quality text and color printing; and special papers (e.g., label paper and tape paper) are suitable for various types of industrial use. We also make food packaging paper.

Tape—Specific base materials are selected to match different product uses to meet the growing demand for reduced plastic usage and environmentally friendly products. These materials are then coated with special adhesives, rolled, and cut into appropriate sizes. Products include masking tapes, mainly used in the automotive and construction industries, and green packaging tapes, suitable for various industries.

4.2.3 Supply status of main materials

In 2024, the Company imported wood chips for short-fiber pulp in Taiwan, mainly from Thailand, Australia and Vietnam Eucalyptus wood chips. Considering market price fluctuations of

wood chips, shipping time, and product characteristic requirements, we adjust the purchase amount from sources flexibly. For purchasing raw materials, we will keep abreast of changes in market supply and demand and monitor the quality of sources to stabilize the cost of raw materials.

4.2.4 Major suppliers and clients

1. Major suppliers in the last two calendar years

The company had no suppliers purchased more than 10% in the most recent 2 years.

2. Major clients in the last two calendar years

The company had no clients sold more than 10% in the most recent 2 years.

4.3 Employee Information in the last two years and up to the print date of this annual report

Year		2023	2024	As of April 21, 2025
Number of employees		2,866	2,876	2,871
Average age		43.02	42.73	42.14
Average year of services		13.38	13.02	12.92
Education distribution ratio %	Ph.D.	0.10	0.07	0.07
	Masters	6.22	6.05	5.89
	Bachelor's Degree	41.65	42.80	42.01
	Below Senior High School	52.03	51.08	52.03

Note: The employee count includes both overseas subsidiaries and the total number of foreign workers introduced.

4.4 Environmental Protection Expenditure

1. Losses of each production unit due to environmental pollution and relevant information in last year and up to the print date for this annual report:

Provision(s) violated	Content of disposition	Penalty date	Disposition No.	Response measures
Article(s): Paragraph 1, Article 7 of the Water Pollution Control Act Content: Those enterprises, sewage systems, or building sewage treatment facilities that discharge wastewater or sewage into surface water bodies shall comply with effluent standards.	A penalty of NT\$410,400	March 20, 2024	30-113-030001	Relevant improvement reports have been approved by the competent authority.
Article(s): Article 21, Paragraph 2 of the Water Pollution Control Act, and Article 21, Paragraph 2 of the Regulations for the Establishment and Management of Dedicated Wastewater (Sewage) Treatment Units or Personnel Content: Changes to dedicated personnel need to be submitted within 15 days of the change.	A penalty of NT\$27,500.	June 27, 2024	30-113-060002	Submitted required information pursuant to the law.
Article(s): Article 89 of the Air Pollution Control Act and Article 20, Paragraph 1 of the Air Pollution Control Act Content: When the malfunction of public facilities related to a stationary pollution source causes violation of the Act, response measures shall be promptly implemented, and stationary pollution sources that emit air pollutants shall comply with emission standards.	A penalty of NT\$705,000 in total.	January 15, 2024	20-113-010006	Relevant improvement reports have been approved by the competent authority.
		January 15, 2024	20-113-010007	Relevant improvement reports have been approved by the competent authority.
		March 14, 2024	40-113-030001	Relevant improvement reports have been approved by the competent authority.
Article(s): Article 31, Paragraph 1, Subparagraph 1 of the Waste Disposal Act Content: Unwashed and used raw material barrels were not listed in the industrial waste cleanup report. The waste cleanup report was not amended as required by the rules.	A penalty of NT\$6,000.	March 26, 2024	40-113-030019	Additional documents have been correctly filed after the occurrence.
Article(s): Article 31, Paragraph 1, Subparagraph 2 of the Waste Disposal Act Content: The number of empty waste containers generated was not reported online as required.	A penalty of NT\$12,000.	March 26, 2024	40-113-030020	Additional documents have been correctly filed after the occurrence.
Article(s): Article 31, Paragraph 1 of the Waste Disposal Act Content: At the storage location for empty waste barrels, waste materials were not labeled by name in Chinese.	A penalty of NT\$12,000	March 26, 2024	40-113-030021	Additional documents have been correctly filed after the occurrence.

2. As of the publication date, companies in the consolidated statements have no environmental protection appeals.
3. The Company and its subsidiaries handle various by-products generated in the production process in accordance with the relevant environmental protection laws and regulations, and continue to strengthen the professional knowledge of relevant operators, equipment maintenance, and investments in environmental protection equipment.
4. In 2024, the production units of the Company and its subsidiaries mainly invested about NT\$198 million in related environmental protection expenditures, including expenditures related to air

quality control of about NT\$183 million, and water resource treatment of about NT\$15 million.

Information on greenhouse gases, water consumption and total waste weight for the last two years:

Item	Year	2023	2024
Scope 1 emissions (CO ₂ e) (in ten thousand metric tons)		75.48	72.65
Scope 2 emissions (CO ₂ e) (in ten thousand metric tons)		20.32	18.34
Greenhouse Gas Emissions (CO ₂ e) (in ten thousand metric tons)		95.81	90.99
Total water withdrawal (in millions of metric tons)		28.16	28.66
Total amount of solid residue (in ten thousand metric tons)		17.88	17.03

- * Solid residue processing: 70% reused by the mills, 30% recycled/reused outside of the mills.
- * The Company's residual material from production processes are non-hazardous waste.
- * The scope covered includes CHP's four major production units (Taitung, Hualien, Jiutang, and Guanyin mills) and Guandong Dingfung Pulp & Paper Co. Ltd. (including Zhaoqing Dingfung Forestry Co. Ltd.).
- * The Company completed third-party verification of its greenhouse gas emissions in 2023 and is currently planning the verification schedule for 2024.

4.5 Labor Relations

4.5.1 Present status and the implementation of employer-employee agreements:

● **Employee Welfare:**

- The Company has formulated Work Rules in favor of the employees, established a Staff Welfare Committee, allocates employee benefits on a monthly basis, and regularly holds employee-employer meetings as an open communication channel between labor and management.
- To purchase employee group accident insurance and healthcare insurance to offer better protection for employees' families.
- To strengthen protection for employees' families, allowances and support are available to the families of employees who are disabled or deceased.
- To improve the quality of life of employees, promote employee friendships and encourage employees to organize self-improvement activities and provide subsidies.
- Encourage employees to organize clubs to organize activities that benefit the body and mind, and provide subsidies.
- Regularly conduct employee health checkups, and often organize a number of group sports activities to maintain employees' physical and mental health.

● **Employee Retirement Program:**

The Company's Taiwan region has implemented an employee retirement program in accordance with the Labor Standards Act and the Labor Pension Act, and has assembled a Supervisory Committees of Workers' Pension Reserve Funds and makes monthly contributions to the pension reserve. The Company regularly allocates 6% of the total salary expenses of employees under the old rules and saves it in a pension reserve account at the Bank of Taiwan. In addition, in compliance with the implementation of the Labor Pension Act, the Company makes monthly contributions of 6% of the total salary to individual pension accounts at the Bureau of Labor Insurance for existing employees who opted for the new rules and new employees who are subject to the new rules.

- Labor-management Communications:

The Company regularly convenes employer-employee meetings to communicate and coordinate with employees, and subsequently adjusts measures according to the consensus of both parties.

- Continuing Education and Training for Employees

The Company holds talent strategic development consensus meetings with executives, amends training development rules, and conducts assessments of employee competency at all levels to sustain the development of the Company and overcome any market and industry challenges. Systematic and continuous talent cultivation programs are provided to encourage employees to maximize their potential and improve their performance. Meanwhile, diversified learning resources are made available to employees (e.g., orientation training, management training, professional training, and general training) to encourage self-enhancement among employees.

Orientation training: Aims to assist new employees to know their way around the workplace and understand the Company's vision, organizational structure, rules, and the operating status of each functional and business units.

Management training: Aims to strengthen the organization's management performance, and foster and improve supervisors' leadership and strategic thinking capabilities.

Professional training: Aims to enhance work-related skills of departmental professionals.

General training: Aims to foster employees' knowledge and skills required for independent operations, workplace communication, and job management to support the Company's future business development requirements and achieve long-term business goals.

The Company organized various education and training courses for employees in 2024, including 14,132 person-times and 36,965 hours of internal training and external training.

Course type	Number of Classes	Total Number of Employees	Total Hours	Total Expenses (in thousand dollars)
Professional competency	593	10,445	28,290	4,131
Management and general knowledge	541	3,378	6,447	806
Cultural cultivation for new recruits	64	308	2,192	8
On-the-job training	12	1	36	42

- Employee Safety and Health:

The Company is responsible for and obligated to protect the health and safety of its employees. In addition to the ISO45001 certification for occupational safety and health, the Company's Mills have declared their determination to promote employee safety and the vision to create a corporate safety culture.

An occupational safety and health center was established to ensure employee health and safety. The following active measures are adopted in adherence to the aforementioned safety ideals:

- (1) Responsibilities of different levels of responsible units: The first level is the occupational safety and health center supervisor. A professional in occupational safety and health is responsible for cross-unit coordination and direct supervision of the safety and health policies, regulations, and practices adopted by each mill. The second level is the Company's mills. Each mill appoints an occupational safety and health supervisor who reports to the supervisor of the center and is responsible for developing safety and health work rules for the mills, and acts as the counselor, supervisor, and auditor of safety and health measures.
- (2) Safe operations promotion: Through safety education and labor safety systems, the safety management functions of managers of all levels are reinforced to gradually establish a coherent set of safety values and standards, and build a consensus to promote safe operations.
- (3) Operation standardization: Standard operating procedures and work safety analysis are implemented for various operations.
- (4) Employee health management: Regular employee physical checkups are held and exceed requirements of the Labor Health Protection Regulations. Health promotion programs for employees are developed according to health checkup results.
- (5) Employee safety training: Employees and contractors must receive safety training upon entering the Company and during reassignments. Departments hold ad hoc work safety training and education seminars to increase collective safety awareness.
- (6) Accident reporting and investigation: Any work accident at any of the mills must be reported to the occupational safety and health center supervisor and the person in charge of the mill within 24 hours, and an investigation for cause and improvement must take place within one week. Meanwhile, all employees are informed of the incident to prevent it from repeating.
- (7) Work safety reviews and disaster drills: In addition to regular disaster drills and monthly occupational safety and health center meetings, equipment safety inspections are reinforced to actively improve the workplace and safety measures.

● Employee code of conduct or ethics:

The Company's Work Rules provide a service guideline and clear work principles for employee compliance. To more effectively protect the Company's trade secrets, operating profits, and competitive edge in response to the amendment made to the Trade Secrets Act in 2013, the Company has prescribed Integrity and Confidentiality of Intellectual Property Agreement as a mandatory document for registration of new recruits..

The Company subsequently promulgated the Employee Code of Conduct in July 2016. Employees' behavior must comply with this Code of Conduct when performing daily tasks and operations: Employees must take the initiative to avoid improper benefits, perform their duties properly, and effectively utilize Company resources and public properties during work. The Employee Code of Conduct prescribes reporting channels and investigation procedures. Regular education and training programs are provided to raise employees' awareness towards ethical conduct.

● Other important agreements:

None

4.5.2 Performance of social responsibilities:

- (1) The Company has formulated Work Rules in favor of the employees and regularly holds

employee-employer meetings as an open communication channel between labor and management.

- (2) The Company has set up an employee grievance mechanism and contact method, and handles complaints properly.
- (3) The Company's mills in Taiwan have all obtained ISO45001 certification. Each mill has assembled a special unit for safety and health to actively promote related businesses, implement standard operating procedures and work safety analysis for the operations to fully standardize the operations and make them safe, and reinforce the safety management functions of the management to slowly establish a unified set of safety value and standards and build a consensus to promote safe operations. Employees are required to receive safety training upon entering the company and at reassignment. The departments hold regular safety training and education seminars to increase collective safety awareness and regular disaster drills and quarterly work safety reviews. They also reinforce equipment safety inspections to actively improve the workplace and safety measures.
- (4) The Company also organizes various education and training courses for employees which include professional competency, management and general knowledge, cultural cultivation for new recruits, and on-the-job continuing education to provide employees with development opportunities and cultivate effective occupational empowerment.

4.5.3 Measures to specifically enhance employee benefits or rights compared to the previous year:

- (1) Regularly organized employee gatherings and encouraged employees to travel domestically so that employees can relieve stress through various activities.
- (2) Increased the employee travel subsidies and added a variety of welfare products to meet the different needs of employees.
- (3) During the epidemic, we provided epidemic prevention materials free of charge to ensure the health and safety of all employees.
- (4) Increased the employee health checkup items to provide health checkups that are superior to regulations.

4.5.4 Losses due to labor disputes last year and up to the print date for this annual report:

The Company has always had a harmonious labor-management relationship. No major labor disputes have occurred.

4.5.5 As of the print date for this annual report, the following are the labor inspection results that violate the Labor Standards Act:

Disposition date	Disposition No.	Provisions(s) violated	Content of provision(s) violated	Content of disposition	Estimated values that might occur now and in the future and their countermeasures
August 7, 2024	Fu-She-Lao-Zi No. 1130170930	Paragraph 2, Article 34 of the Labor Standards Act	According to the preceding paragraph, the rest period between rotations should be at least eleven continual hours.	NT\$20,000	For special situations, employee rotation schedules will be coordinated to shift their schedules, and the rotation method has been adjusted to avoid insufficient rest periods.

Disposition date	Disposition No.	Provisions(s) violated	Content of provision(s) violated	Content of disposition	Estimated values that might occur now and in the future and their countermeasures
October 4, 2024	Fu-She-Lao-Zi No. 1130193783A	Paragraph 3, Article 32 of the Labor Standards Act	Failed to comply with rules on extending worker working hours applicable to businesses employing more than thirty workers.	NT\$50,000	Work rules continue to be sent to the Hualien County Government for review.
October 4, 2024	Fu-She-Lao-Zi No. 1130193783B	Article 70 of the Labor Standards Act	Work rules were not reported and announcements were not made to disclose the rules in accordance with the regulations.	NT\$40,000	

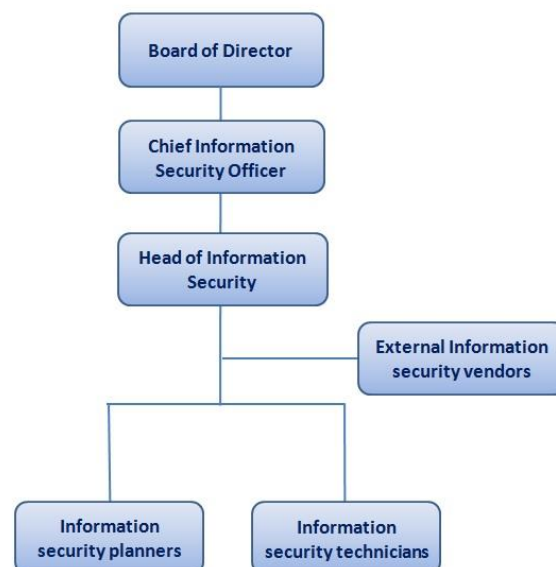
4.6 Cyber security management

4.6.1 Cyber security risk management framework, cyber security policy, and specific management plan:

Cyber security risk management framework:

The Company's Board of Directors approved the appointment of the Company's Chief Information Security Officer on November 11, 2022. We have already set up a unit dedicated to cyber security (the organizational chart is shown below) responsible for promoting, coordinating, monitoring, and reviewing cyber security management matters. The unit reviews the cyber security policy and goals regularly, proposes specific implementation and management plans, and regularly reports the results to the Board of Directors. Additionally, the unit evaluates and selects potential risks and develops corresponding mitigation plans.

Organization Chart of Information Security Unit



Cyber security policy disclosure

Through the dedicated cyber security management platform and dedicated management unit, the Company's cyber security management allows the Company and its subsidiaries to adopt optimal approaches to utilize resources, centralize management in an appropriate and timely manner, and upgrade existing information security network equipment and mechanisms to ensure that the

information remains secure, in line with current trends.

Cyber security policy

The Company's cyber security policy is focused on the use of technology and information governance. By using a human-machine interface, software and hardware configurations, and systems of inspection and balance, we construct a cyber security management network and implement the regulations and policies through the network.

Specific management plan

- Firewall:
 1. Data access: We control security through monitoring data access from people, events, time, execution method, source, destination, and accessed object.
 2. Threat detection: Intrusion detection and defense, viruses, and worms are effectively controlled.
 3. Record logging: Including who, where, and the access of data.
 4. Information Security Protection: Keep the firewall updated at all times in order to avoid risks from security vulnerabilities.
- Server room management:
 1. Tire 1 data centers: Implement various standards for physical and environmental safety.
 2. UPS systems: Avoid equipment damage, data loss, and service interruption due to power outages.
 3. Air-conditioning systems: Meet the heat dissipation requirements of high-density cabinets.
 4. Fire detection and automatic extinguishing systems: Comply with the relevant fire regulations and are regularly maintained.
 5. Access control: Installation of both physical hardware and facilities to prevent important information hardware from being damaged and destroyed.
 6. Video surveillance: 24-hour operation to avoid unauthorized access and keep data assets safe.
- Remote backup: Server room facilities and backup media.
- User cyber security management:
 1. Setting permissions on personal computers.
 2. Perform security updates for computer systems regularly.
 3. Email protection.
 4. Enterprise endpoint antivirus solutions.
 5. Endpoint detection.
 6. External network access.
 7. Internal system control.
 8. Special permission account management.
 9. Online control for electronic documents of the group and other mechanisms.
 10. Cyber security management specifications.
- Drills:

The cyber security management unit periodically conducts drills each year to ensure the recovery plans work and enhance the cyber security emergency response and recovery abilities.
- Mill cyber security management:
 1. Regular discussions: The Company conducts yearly discussions with employees of each

mill's cyber security management unit to talk about cyber security problems, trends, and reinforcement measures.

2. Education and training: The Company organizes education and training programs to increase employees' awareness of the environmental maintenance of cyber security and risks.

- Education and training: The Company explains the existing cyber security crime methods and matters that require attention. We actively improve employees' knowledge of cyber security to raise their awareness.
 1. Send emails to promote cyber security.
 2. Physical cyber security courses and lectures.

Future focus:

- Strengthen enterprise network security protection.
- Improve employees' awareness of cyber security risks.
- Comply with government policies and in-house regulations regarding cyber security.
- Complete routine cyber security management tasks.

Quantitative data:

- Convene a monthly cyber security meeting to review and track all cyber security related work.
- Apply to join TWCERT.
- Publish a monthly report on cyber security and conduct social engineering drills every six months to enhance awareness and prevent risks.
- In 2024, professional information security companies were commissioned to complete a cybersecurity health check and produce a checkup summary report.
- Important information systems have undergone vulnerability scanning and checks twice, and security vulnerabilities have been resolved.
- In 2024, CHP's four mills completed a firewall disaster recovery drill.
- Dedicated cyber security personnel completed more than 12 hours of professional cyber security courses in 2024. General employees who use information systems completed 2 hours of general cyber security knowledge courses.

4.6.2 Losses due to material cyber security incidents last year and up to the print date for this annual report and the possible impacts and response measures: None

4.7 Major Contracts

Agreement	Counterparty	Period	Major Contents	Restrictions
Long term loan contract	Made jointly by Bank of Taiwan, Taipei Fubon Bank and Agricultural Bank of Taiwan and 5 participating banks.	9/30/2022~9/30/2027	5-year green syndicated loan repaid at maturity	None
Long term loan contract	Made jointly by Bank of Taiwan, First Bank, Hua Nan Bank, and 3 participating banks.	8/7/2023~8/7/2028	5-year syndicated loan repaid at maturity	None

Review of Financial Conditions, Financial Performance, and Risk Management

5.1 Balance sheet analysis

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Current Assets	18,795,963	16,252,980	2,542,983	15.6
Property, plant and equipment	15,982,335	15,677,388	304,947	1.9
Other Assets	3,839,435	3,498,859	340,576	9.7
Total Assets	38,617,733	35,429,227	3,188,506	9.0
Current Liabilities	16,058,702	14,362,527	1,696,175	11.8
Non-current Liabilities	4,366,325	3,582,806	783,519	21.9
Total Liabilities	20,425,027	17,945,333	2,479,694	13.8
Capital Stock	11,028,353	11,028,353	-	-
Capital Surplus	38,480	39,116	(636)	(1.6)
Retained Earnings	2,762,028	2,986,945	(224,917)	(7.5)
Other Equity	2,005,942	1,247,798	758,144	60.8
Treasury Stock	(136,726)	(136,726)	-	-
Non-controlling Interests	2,494,629	2,318,408	176,221	7.6
Total Stockholders' Equity	18,192,706	17,483,894	708,812	4.1
Analysis of changes in financial ratios: (1) Non-current liabilities: Mainly due to obtaining long-term loans. (2) Other equity: Mainly due to the change in unrealized gains on investments in equity instruments measured at fair value.				

5.2 Statements of Comprehensive Income Analysis

5.2.1. Statements of comprehensive income analysis of operation results

Unit: NT\$ thousands

Item \ Year	2024	2023	Difference	
			Amount	%
Net Sales	20,767,530	20,955,451	(187,921)	(0.9)
Cost of Sales	19,223,409	19,864,687	(641,278)	(3.2)
Changes in Biological Assets	817	(875)	1,692	(193.4)
Gross Profit	1,544,938	1,089,889	455,049	41.8
Operating Expenses	2,095,695	1,949,087	146,608	7.5
Operating Income	(550,757)	(859,198)	308,441	(35.9)
Non-operating Gains and Losses	244,114	159,950	84,164	52.6
Income (Loss) before Tax	(306,643)	(699,248)	392,605	(56.1)
Tax Expense (Benefit)	(84,168)	(144,751)	60,583	(41.9)
Net income (Loss)	(222,475)	(554,497)	332,022	(59.9)
Analysis of changes in financial ratios: (1) Gains or losses sustained by changes in fair value minus the cost to sell a biological asset: Mainly due to the change and increase in fair value minus the cost to sell a biological asset. (2) Gross profit: Mainly due to the increase in international pulp prices compared to the previous year and the decrease in operating costs. (3) Net operating profit (loss): Same as Note (2). (4) Non-operating income and expenditure: Mainly due to the recognition of the profits of affiliated companies, dividends, and the increase in foreign exchange gains. (5) Pre-tax profit (loss): Same as Note (2). (6) Income tax (benefits) expenses: Mainly due to lower losses for this year, and lower recognized income tax benefits. (7) Net profit (loss) of this period: Same as Note (2).				

5.2.2. Expected sales in 2025

Due to factors such as US tariffs, and central bank efforts to control inflation from various countries around the world, the operating outlook remains uncertain. We hope that other international pulp manufacturers make adjustments during their annual maintenance periods, and with pulp prices stabilizing at stronger levels as well as paper product sales recovering, we expect our overall revenue for 2025 to be slightly higher than that for 2024.

5.3 Cash Flow Analysis

Cash flow analysis for the current year

Unit: NT\$ thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	Cash Surplus (Deficit)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
871,911	(385,373)	878,984	1,365,522	-	-

5.3.1 Analysis on the cash flow changes of 2024

1. Operating activities: Mainly due to increased cash outflow from an increase in inventory.
2. Other activities: Mainly due to obtaining long-term and short-term loans in order to make payments for purchasing raw materials and equipment.

5.3.2 Remedy for cash deficit and liquidity analysis: None

5.3.3 Cash Flow Analysis for the Coming Year:

1. Operating Activities: Continue to strengthen inventory management and actively destock inventory, in order to maintain stable operating cash flow.
2. Investment Activities: Remodel and upgrade equipment in response to market changes.
3. Financing Activities: Appropriate financing or repayments will be arranged based on the overall operating and investment activities.

5.4 Major Capital Expenditures and Impact on Financial Operations in last year

The major capital expenditures in 2024 focused on adding new household paper production lines, post-earthquake structural reinforcement projects, and improving energy consumption and carbon reduction across various mills. Key projects include the establishment of a new household paper production line with an annual capacity of 40,000 tons at the Dingfung mill in China, structural reinforcements for equipment and buildings at the Hualien mill to address earthquake damage, and upgrades to production process equipment across mills. Specific initiatives include the installation of air pollution control equipment on cogeneration boilers at the Jiutang mill to enhance boiler thermal efficiency and comply with environmental regulations, as well as the implementation of a steam heat pump system for paper machines at the Taitung mill to reduce steam consumption and improve energy efficiency. Working capitals for capital expenditures are sourced from CHP's funds and bank loans. The increase of Interest expenses in 2024 was due to the central bank's market regulation and monetary tightening, resulting in a gradual rise in loan interest rates. Therefore, and there is no significant financial impact.

5.5 Reinvestment Policy, Reasons for Profit or Loss, Improvement Plans, and Investment Plans for Next Year

- ##### **5.5.1**
- The Company's reinvestments are in line with our long-term development strategy, which focuses on areas such as afforestation and pulp and paper production to create an integrated forestry, pulp, and paper production process. In 2024, we benefited from a rebound in

international pulp prices, and our reinvestments continued to remain profitable.

5.5.2 As China continues to roll out stimulus packages, the Company anticipates being able to maintain profitability as pulp prices stabilize and the market gradually recovers. At the same time, we shall implement our plan to expand and purchase new paper machines in 2025.

5.6 Risk Analysis and Assessment (in the most recent year and up to the print date of this annual report)

5.6.1 Impact of changes in interest rates, exchange rates, and inflation on the Company's profitability and response measures:

Interest rate: In 2024, global inflationary pressures continued to ease compared to 2023. After the European Central Bank initiated interest rate cuts in June 2024, the Bank of England followed with a rate cut in August 2024. Subsequently, the U.S. Federal Reserve officially began lowering rates in October 2024, reducing rates by 1% percentage in the fourth quarter, leading to a mild decline in U.S. dollar market interest rates. In Taiwan, however, due to limited reductions in inflation, the Central Bank raised interest rates by 0.125 percentage points in March 2024. Additionally, the overheated housing market increased the concentration of loan risks in real estate financing, forcing the Central Bank to continue implementing new housing market control measures and raise the reserve requirement ratio. As a result, Taiwan's New Dollar market interest rates continued to rise in 2024, not following the downward trend in overseas market rates.

Response measures: As the market anticipates that the U.S. Federal Reserve and the central banks of major global economies will continue to lower interest rates, overall market liquidity is expected to further ease in 2025. However, in Taiwan, due to the limited decline in inflation and the central bank's ongoing housing market control policies, the likelihood of a significant decrease in the New Taiwan Dollar interest rates in the short term remains relatively low. The Company will evaluate the liability positions and financing policies regularly and flexibly, to maintain enough liquidity and effectively reduce the Company's interest expenses.

Exchange rate: Due to the better-than-expected economic performance in the U.S. in 2024, the Federal Reserve delayed its rate cut timeline, and the magnitude of the rate cuts was smaller than initially anticipated. With the re-election of Donald Trump as U.S. President, concerns arose that the tariff policies he may implement upon taking office could impact the financial markets. This led to a continued rise in the international U.S. dollar exchange rate in 2024. Meanwhile, the Chinese yuan continued its depreciation trend in 2024,

influenced by the ongoing sluggish performance of the real estate sector in China and the still unresolved issues of weak domestic demand and overcapacity, which affected overall economic performance. In Taiwan, although the Central Bank did not follow the rate cuts of European and U.S. countries, the New Taiwan Dollar depreciated due to international exchange market dynamics. The company's main currency risk exposure is in offshore borrowings in Mainland China. In 2024, we continued to dynamically adjust the hedging ratio for the Chinese yuan and manage hedging costs to mitigate overall foreign exchange gains and losses.

Response measures: Looking forward to 2025, the fiscal, economic, and international trade policies that President Trump may implement upon taking office will introduce uncertainties to the global economy and inflation trends, affecting the future direction of monetary policies of central banks in various countries. As a result, the fluctuations in foreign exchange rates remain highly unpredictable. The Company will take into account exchange rate risks and hedging costs, and make appropriate financial and hedging strategies to reduce the negative impact of exchange rate fluctuations on the Company's overall operations.

Inflation: Although global central banks are focused on tightening monetary policy to control inflation, global inflationary pressures in 2024 continued to ease compared to 2023, but the overall decline was still limited. Taiwan continued to face inflationary pressures in 2024, though the situation was less severe than in 2023. The overall CPI for 2024 decreased to 2.18% from 2.50% in 2023, while the core CPI (excluding energy and food items) also decreased from 2.58% in 2023 to 1.90% in 2024.

Response measures: Looking forward to 2025, although the minimum wage and salaries for public sector employees will be raised, and a carbon tax will be introduced, global inflationary pressures are expected to continue declining. The Central Bank of Taiwan forecasts that the CPI in 2024 could further drop to 1.89%, which is below the bank's 2% warning threshold. However, changes in U.S. trade and economic policies, as well as the adjustments in monetary policies by various global economies, will still contribute to increased uncertainty in the overall market interest rate movements. Up to the printing date of this annual report, inflation does not exert a material impact on the Company. However, due to factors such as global carbon reduction, competition between China and the United States, the impact of geopolitical tensions on global logistics and supply chains, commodity prices are still at risk of substantial fluctuations. In the future, we still need to pay close attention to the risks caused by related factors.

5.6.2 Policies on high risk or high leverage investments, lending to others, making endorsements or guarantees, and trading derivatives, reasons for profit or loss, and response measures:

The Company has not invested in high risk and high leverage instruments. For example, the utilization of short-term idle funds focuses on repaying working capital loans and reducing interest expenses.

The Company adheres to its Procedures for Extending Loans to Others and Procedures for Endorsements and Guarantees when lending funds to others and providing endorsements and guarantees. Funds or endorsement/guarantees are extended between affiliated parent companies and subsidiaries for financial and business purposes.

The Company engages in derivative transactions in accordance with its Procedure for Processing Derivative Transactions so as to clearly define the purposes of each transaction, which must be primarily hedging. The derivatives operated in 2023 are primarily aimed at avoiding USD, JPY and CNY exchange rate risks. The hedging ratio is adjusted with due consideration given to the hedge cost and exchange rate risk of derivatives to mitigate the effects of USD, JPY and CNY exchange rate fluctuations.

5.6.3 Future R&D plans and expected R&D investment:

(1). Future R&D plans:

We plan to develop botanical fiber-based material products, like the farmland paper that we already created.

(2). Expected R&D investment:

Expected R&D expenditure for 2025 is approximately NT\$130 million to 150 million.

5.6.4 Major changes in government policies and laws at home and broad, impact on the Company's finance and business, and response measures:

For the purpose of managing legal risks as a whole, the Company hired external legal consultants to assist the Company in managing legal risks due to regulation changes in addition to signing a legal service contract with the legal department of Yuen Foong Yu Investment Holding Co., Ltd.

The Company's response measures for any potential impact of important policy and legislative changes in Taiwan and overseas on the Company's financial or sales performance will be devised by the legal department together with the responsible departments. In case of any noncompliance with the law in the Company's internal guidelines and operating procedures, the responsible departments will make the necessary changes to effectively manage and reduce the Company's legal risk.

5.6.5 Impact of recent technological and market changes (including information and communications security risks) on the Company's finance and business, and response measures:

With the rapid development of technology, technological innovation has become an indispensable plan for operations, and it is also an important niche for corporate competition. The Company is committed to industrial innovation and will evaluate the impact on the Company's finances and business to adopt good response measures to pursue sustainable operation. The Company has already appointed a Chief Information Security Officer and established a dedicated cyber security unit. Through the dedicated cyber security management platform and team, the Company and its subsidiaries can adopt optimal approaches to utilize resources, centralize management in an appropriate and timely manner, upgrade existing cyber security network equipment and mechanisms, and plan to provide cyber security health checks and guidance through government-approved, compliant cyber security consulting companies so that the information is kept secure in line with current trends.

5.6.6 Impact of corporate image change on risk management and response measures:

There are various risks in the operation of enterprises, including aspects such as industrial safety, finance, products, marketing, and cyber security. Especially with today's widespread mass media and social networks, the occurrence of a risky event and the deliberate dissemination of false information will often evolve into an irreparable crisis. The Company believes that corporate image is more than just a facade, and to fundamentally adjust the Company's structure, we must start from the inside and enhance our corporate image at a steady pace.

CHP was established over 50 years ago in 1968. The Company has always adhered to the professional concept of corporate governance and conducts talent training, participates in social and community public welfare activities, and gives back to local neighborhoods. The management team has always adhered to the mission of sustainable development by using employees, community, and the environment as its three major concerns. With an active and robust approach in taking actions, we aim to externally transform our corporate image by taking not only actions but also maintaining constant communication.

In terms of employees and community involvement, we share the goals and vision of the Company to raise employee's awareness towards environmental protection and eco-friendly subjects, and encourage employees to participate in environmental, cultural, and charitable activities. With respect to supply chain management, we aim to incorporate environmental protection, labor safety, and other standards into the work process, regulations, and agreements.

In the protection of employee rights, we continue to improve personnel health and provide a

safe work environment. We have raised the threshold of CHP's safety and health, social responsibility, and sustainable development fields. Through internal communication, we internalized the Company's philosophy, brand value, and major concerns in the minds of employees, and raised the standards in various fields such as safety and health, social responsibility, and sustainable development. From employees to leaders, we clearly understand the attitude and response to facing related issues, so that we can radically reduce the probability of occurrence of various crises such as industrial safety and environmental protection in enterprise operations, and at the same time promote the corporate image with specific results.

For CHP, corporate image change and corporate crisis management are important topics with mutual objectives and consistent goals, as well as major management policies that we will keep improving from now to the future to respond to social needs and world trends.

5.6.7 The expected benefits and possible risks of mergers and acquisitions as well as the responding measures:

The company has no new merger and acquisition plan in 2025, so there are no related risks and countermeasures.

5.6.8 Expected benefits of plant expansion, potential risks, and response measures:

As of the publication date, the Company has no plans for plant expansion, so there are no related risks and countermeasures.

5.6.9 Risks in concentrated procurement or sales and response measures:

- (1). Procurements: The main raw material procurement strategy for the Company's products is to comprehensively consider factors such as supplier quality, price, delivery time, and whether there will be a global shortage of raw materials in the future to select suitable suppliers and flexibly adjust the preparation period. Moreover, the Company maintains more than two suppliers for the main raw materials and has good long-term relationship with them. There is currently no risk of centralized purchasing.
- (2). Sales: The Company has not yet had a significant degree of centralization, and each customer has accounted for less than 10% of the sales in the past three years. The company maintains a long-term cooperative relationship with existing customers. On the one hand, we strive to develop new customers to expand and diversify our business sources, so there should be no risk of sales centralization.

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

The composition of directors or shareholders holding more than 10% of the Company's shares and the shareholding ratio are stable. As of the print date of this annual report, there are not large transfers. Equity transfer or conversion is considered a normal financial transaction

for shareholders, which does not have a significant impact on the Company. The Company's directors and major shareholders always maintain open channels of communication.

5.6.11 The impact and risk of a change in company ownership, and response measures:

The Company is not exposed to risks of control transfer.

5.6.12 Litigation or non-litigation events:

The Company is currently not involved in any litigation.

5.6.13 Other significant risks and response measures:

In addition to implementing management guidelines for internal management accordance with the law, the Company also devises rules to be followed by relevant units. Operational risks are distributed and managed by various departments according to their functions, and the audit department regularly and project-examines the implementation and compliance of the regulations, systems, and procedures of each department.

The organizational structure for risk management countermeasures:

Unit	Operation (function)	Corresponding Risks
Cellulosic Materials Division	Production of household paper, paper stationery products, special purpose paper, paperboard, pulp, and chemical products	Production, labor safety, labor management, markets, and law
Special Processing Division	R&D and production of non-plastic products	Production, labor safety, labor management, markets, and law
Human Resource and Administrative Division	Human resources management, human resources and organizational development	Laws, policies, and organizations
Financial and Accounting Department	Investment analysis, financial management, and fund utilization management, and accounting administration	Interest rate, exchange rate, inflation, investment, acquisition, laws, equity, and policies
Auditing Office	Internal control plans and systems auditing and research	Laws and policies

5.7 Other Important Matters

None

Special Disclosure

6.1 Summary of Affiliated Companies

For information on the Company's affiliated companies, apart from the consolidated financial statements for our affiliated companies being the same as the financial statements included in the consolidated financial statements of parent and subsidiary companies, and the information required to be disclosed on the consolidated financial statements of our affiliated companies already being fully disclosed in the consolidated financial statements of parent and subsidiary companies and therefore not being separately disclosed, the affiliation reports and consolidated financial statements for affiliated companies have already been submitted to the Market Post Observation System. For more details, please refer to the Market Post Observation System website, click on Individual Company, click on Electronic Books Download, then search for the Company in the Affiliation Report section. Website address: https://mopsov.twse.com.tw/mops/web/t57sb01_q10.

6.2 Private Placement Securities in the Last Fiscal Year and Up to the Publishing Date of this Annual Report

None

6.3 Other Information Which should be Disclosed

None

6.4 Other Supplementary Information

Matters according to the Article 36.3.2 of the Securities and Exchange Act of Taiwan in the most recent year and up to the date of printing of this Annual Report which have significant impact to Shareholders' Equity or stock price: None