



中華紙漿股份有限公司
Chung Hwa Pulp Corporation

2025 ANNUAL REPORT

STOCK CODE 1905

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



Publishing Date: April 22, 2026

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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

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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: Shio-Ming Shue and Shu-Chuan Yeh

Accounting Firm: Deloitte and Touche Taiwan

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5. Overseas Securities Exchange: None

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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,

Amidst the impact of the US government's reciprocal tariffs and global economic fluctuations, Taiwan's economy faced pressures from geopolitical uncertainties in 2025. However, overall growth momentum remained stable, boosted by the AI investment boom and the recovery of the technology industry, leading to an economic growth rate of 7.37%. However, this economic growth was overly concentrated on technological exports, creating a sharp contrast between the booming overall economy and declining domestic consumption. Looking ahead to 2026, Taiwan's economic landscape will continue to face pressure from the business environment due to global policy changes and supply chain resilience concerns. The Chung-Hua Institution for Economic Research (CIER) has forecast Taiwan's economic growth rate to reach up to 4.14%.

A review of 2025 shows that traditional industries will likely remain heavily affected by global trade policies, supply chain pressures, and declining demand. Together with China's economic stagnation and excess global supply, the momentum behind an economic recovery has faltered. The pulp and paper industry is expected to perform similarly to the traditional manufacturing industry, and face an overall weak economic outlook. Looking back on the changes to pulp prices, prices in the first half of 2025 were supported by various factors, including high cost pressures and reduced production. However, the new reciprocal tariff policies implemented by the United States subsequently increased future uncertainty, leading to a significant decline in pulp prices. Market demand remained weak until the end of the year, when pulp prices finally reversed their decline with signs of a slight recovery. In the face of increasingly strict international environmental regulations, and as customers place a growing emphasis on sustainable products, pulp and paper products made from sustainable fiber materials have carved out an increasingly defined position in the industry. Chung Hwa Pulp Corporation continues to promote process improvements and increase energy use efficiency, enhancing our environmental management practices and steadily advancing towards a green manufacturing system.

Chung Hwa Pulp Corporation's consolidated operating income for 2025 amounted to approximately NT\$18.77 billion, a decrease of about NT\$2 billion from NT\$20.77 billion in 2024. The net loss after tax attributable to the Company in 2025 was approximately NT\$610 million. 363,710 metric tons of pulp were produced in

2025. Of this total, 241,607 metric tons were consumed internally, while the remaining volume was sold externally, including 64,749 metric tons of pulp sales. 371,726 metric tons of paper were produced for the year. 189,088 metric tons of paper were sold domestically, and 231,379 metric tons were sold through external sales, totaling 420,467 metric tons. 110,758 metric tons of cardboard were produced for the year. 111,810 metric tons of cardboard were sold domestically, and 28,062 metric tons were sold through external sales, totaling 139,872 metric tons.

Looking back on 2025, Chung Hwa Pulp Corporation has continued to actively adjust our green products portfolio, and made further environmental contributions this year by investing NT\$3 billion into constructing new high-efficiency waste-to-biomass energy power generation facilities. This has significantly improved green power generation efficiency, and marks an important step towards our ultimate goal of creating a self-sufficient green energy system capable of powering our entire plant facility, producing zero emissions. At the same time, CHP has leveraged our advantages in the pulp and paper circular economy to collaborate with Taiwanese educational materials publishers on promoting book recycling programs, where used textbooks and reference books are transformed into recycled paperboard. This cardboard is later reused in teaching materials provided to elementary schools, giving students the opportunity to experience how resource recycling can be carried out in the real world by integrating book recycling into environmental education. By simultaneously developing green energy infrastructure and incorporating recycled products into our business operations, CHP has gradually built a low-carbon circular economy system extending from energy to production and educational applications. This has not only enhanced our green manufacturing operations and use of recycled materials, but also fulfills our dual commitments to environmental responsibility and community education. Additionally, in order to speed up the utilization of the Company's assets and strengthen our financial structure, the Audit Committee and Board of Directors each passed resolutions in November to sell part of the idle land and plant buildings at the Guanyin plant area originally leased to a related party, E Ink Holdings Inc. These assets were sold to E Ink Holdings Inc. pursuant to the Procedures for Transactions with Related Parties for a transaction price of NT\$1.33 billion. A gain of approximately NT\$580 million was recognized from the transaction as disposal of investment property

The Company has always focused on the 3Rs (Recycle/Reclaim/Regenerate) as a core strategy. We have established an integrated production system from forest to pulp to paper, and gradually built a comprehensive sustainable and circular

management system, extending sustainability concepts to the specialty materials industry and promoting diverse applications of circular economy systems. CHP has long regarded sustainable development as a core business value. We have adhered to a people-oriented philosophy, and strove to strike a balance between corporate growth, mutual social benefits, and environmental protection. We are also committed to creating long-term mutual value for our shareholders, employees, and stakeholders. Looking ahead to the future, CHP will focus on green energy, green manufacturing, and green products as our main areas of development, while maintaining stable business operations. We aim to continue reducing the environmental impact of our manufacturing processes, enhance the connection between industry and the natural environment, and make steady progress towards our sustainable vision of creating mutual benefits for the Company, society, and the environment.

Best regards,

Chairperson Kirk Hwang

Corporate Governance Report

2.1 Directors and Management Team

2.1.1 Directors (A)

April 22, 2026

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.	-	6/17/2025	3	6/13/2007	627,827,989	56.93	627,827,989	56.93	-	-	-	-	-	-	-	-	-	-
Chairperson	ROC	YFY Inc. Representative: Kirk Hwang	Male Above 70	6/17/2025	3	7/1/2011	995,737	0.09	1,251,537	0.11	-	-	-	-	CEO, CHP	Director of CHP International (BVI) Corp. Director of Guangdong Dingfung pulp & paper Co., Ltd. Director of Zhaoqing Dingfung Forestry Co., Ltd. Other non-consolidated company positions please refer to the Note 1	-	-	-	-
Director	ROC	YFY Inc. Representative: Huey-Ching Yeh	Female 50 ~ 70	6/17/2025	3	6/20/2024	-	-	-	-	-	-	-	-	Chairperson, YFY Inc.	Note2	-	-	-	-
Director	ROC	YFY Inc. Representative: Guu-Fong Lin	Male Above 70	6/17/2025	3	12/12/2007	49,132	-	223,132	0.02	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 and GM 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 Paradigm Investment Co., Ltd.	-	6/17/2025	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	6/17/2025	3	6/24/2016	45	-	75,045	0.01	-	-	-	-	Executive Vice President, CHP	President of CHP Director of Shenzhen Jinglun paper Co., Ltd. Director of Syntax Communication (H.K.) Ltd. Other non-consolidated company positions please refer to the Note 4	-	-	-	-
Independent Director	ROC	Wan-Yu Liu	Female 40 ~ 50	6/17/2025	3	6/17/2022	-	-	-	-	-	-	-	-	Professor, NCHU	Note 5-	-	-	-	-
Independent Director	ROC	Shun-Chin Lee	Male Above 70	6/17/2025	3	6/17/2025	-	-	-	-	-	-	-	-	Chairperson, CPC Corp.	-	-	-	-	-
Independent Director	ROC	I-Son Ng	Female 50 ~ 70	6/17/2025	3	6/17/2025	-	-	-	-	-	-	-	-	Professor, NCCU	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, President of Taiwan Technical Textiles Association, and Director of Taiwan-US Carbon Capture, Utilization and Storage (CCUS) Industries Promotion Alliance (TUCA).

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 Ensience Co., Ltd. and Chairperson of San Ying Enterprises Co., Ltd.

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

Note4: Director of Shin Foong Specialty and Applied Materials Co., Ltd., Director of Union Paper Corp. and Director of China Color Printing Co., Ltd.

Note5: Professor of Department of Forestry of National Chung Hsing University, Professor of National Chengchi University, 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.

Note6: Independent Director of Shin Foong, and Associate Vice President for Research & Development of National Cheng Kung University.

Major shareholders of the institutional shareholders

December 31, 2025

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.(4.52%), Cheng-Ting Ho(2.92%), YFY Inc. Labor Retirement Reserve Supervisory Committee(2.76%), Chen Yu Co., Ltd.(2.79%), Ru Yi Enterprise Co., Ltd.(2.69%), Mei-Yu Ho(2.65%), Felix Ho(2.14%)
YFY Paradigm Investment Co., Ltd.	YFY INC.(100.0%)

Major shareholders of the Company's major institutional shareholders

December 31, 2025

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%), Yu Hai Investment Corp. (trust property)(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.	Sing-Ju Chang (42.35%), S. C. Ho (10.78%), Yi-Chia Ho (24.48%), Felix Ho (22.28%), Chen Yu Co., Ltd. (0.11%)
Chen Yu Co., Ltd.	S. C. Ho (40.75%), Sing-Ju Chang (30.00%), Yi-Chia Ho (22.92%), Felix Ho (6.33%)
Ru Yi Enterprise Co., Ltd.	S. C. Ho (76.00%), Yi-Chia Ho (24.00%)

Directors (B)

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

April 22, 2026

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	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 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.	Director Ray Chen serves as the President of the Company and concurrently serves as a director of subsidiary Shenzhen Jinglun Paper Co., Ltd. and Syntax Communication (H.K.) Ltd.	-
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	Independent Director Wan-Yu Liu, Independent Director Shun-Chin Lee, and Independent Director I-Son Ng do not have any of the situations set forth in Article 3, Paragraph 1, Subparagraphs 1 to 9 of the	3

Qualifications	Professional qualifications and experience	Independence criteria	Number of concurrent posts at other listed companies as Independent Director
Name			
	carbon sinks and carbon rights, environmental and resource economics, and forest recreation management expertise.	Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and therefore meet the independence criteria.	
Shun-Chin Lee	Shun-Chin Lee holds a Bachelor's degree in Chemical Engineering from the National Central University, completed the State-Owned Enterprise Program at the Institute of Business Management, National Sun Yat-sen University, previously served as the Chairperson and President of CPC Corporation Taiwan. Possesses extensive experience in the petrochemicals industry, and proficient in industrial safety technologies and policy communication. Actively focused on green energy self-sufficiency, and promoting the circular economy and energy innovation.		-
I-Son Ng	I-Son Ng holds a PhD from the National Cheng Kung University Department of Chemical Engineering, currently the Associate Vice President for Research and Development at National Cheng Kung University, Distinguished Professor in the Department of Chemical Engineering at National Cheng Kung University, and an independent director of Shin Foong Specialty and Applied Material Co., Ltd. Named in 2020 as one of the World's Top 2% Scientists for research achievements, and possesses expertise in the circular economy and carbon neutrality. Has previously developed key technologies related to the high-value utilization of microalgae within the carbon cycle, and created a cross-disciplinary academic team to enter the International Genetically Engineered Machine (iGEM) competition, the world's largest international synthetic biology competition, winning 7 gold medals and the Grand Prize in 2019.		1

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. With regard to the Company's Independent Directors, Independent Director Shun-Chin Lee is proficient in industrial safety technologies and policy communication, and possesses expertise in energy self-sufficiency and energy innovation. Independent Director Wan-Yu Liu possesses expertise on environmental issues such as climate change and the agriculture and forestry circular economy. Independent Director I-Son Ng also possesses expertise in the circular economy and carbon neutrality. The Company highly values gender equality within the Board of Directors. The current Board of Directors were elected at the 2025 shareholders' meeting, 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 next 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				√			√	√	√	√	√	√
Huey-Ching Yeh	Male			√		√			※	-	-	-	√
Guu-Fong Lin	Male	√			√			√	√	√	√	-	√
Ray Chen	Male	√		√			√		※	√	√	※	√
Wan-Yu Liu	Female		√				√		√	-	√	-	√
Shun-Chin Lee	Male				√	√			√	√	-	-	√
I-Son Ng	Female			√		√			-	-	-	-	√

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 22, 2026

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	75,045	0.01	-	-	-	-	President of Cellulosic Materials Division of CHP	Director of Shenzhen Jinglun Paper Co., Ltd. Director of Syntax Communication (H.K.) Ltd. non-consolidated company positions please refer to the Note 1	-	-	-	-
CFO	ROC	Guu-Fong Lin	Male	9/1/2013	223,132	0.02	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 and GM 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	11/13/2023	24,000	-	-	-	-	-	3M West Japan Administrative	-	-	-	-	
Chief Engineer	ROC	Yen-Chang Hsieh	Male	1/1/2022	13,057	-	1,000	-	-	-	CHP Director	Director of Hwafong Investment Co., Ltd.	-	-	-	-
Vice President of Cellulosic Materials Division	ROC	Alex Chen	Male	7/1/2016	30,000	-	-	-	-	-	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	39,000	-	-	-	-	-	CHP Manager	-	-	-	-	
Vice President of Specialty Processing Division	ROC	Hank Chen	Male	8/11/2021	12,000	-	-	-	-	-	3M Alphabeta Vice President	-	-	-	-	
Factory Director of Cellulosic Materials Division	ROC	Yung-Shun Chen	Male	3/1/2018	42,000	-	-	-	-	-	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	51,000	-	-	-	-	-	CHP Deputy Director	non-consolidated company positions please refer to the Note 3	-	-	-	-
Factory Director of Cellulosic Materials Division	ROC	Yi-Sheng Chiu	Male	1/1/2022	60,000	-	-	-	-	-	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	39,000	-	-	-	-	-	CHP AVP	Director of Hwafong Investment Co., Ltd. Director of Syntax Communication (H.K.) Ltd. Supervisor for Zhaoqing Xinchuan Green Technology Co., Ltd.	-	-	-	-
Accounting Officer	ROC	Jung-Min Huang	Male	3/17/2014	11,000	-	-	-	-	-	CHP Manager	Supervisor of Hwafong Investment Co., Ltd.	-	-	-	-
Audit Officer	ROC	Shu-Chen Chen	Female	11/13/2024	2,300	-	-	-	-	-	YFY Inc. Manager	-	-	-	-	-

Note 1: Director of Shin Foong Specialty and Applied Materials Co., Ltd., 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.

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

2.2.1 Remuneration of Directors and Independent Directors

December 31, 2025, 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	Cash	Stock	Cash	Stock		The company	Companies in the consolidated financial statements
Chairperson	YFY Inc. Representative: Kirk Hwang	0	0	0	0	0	0	278	435	278/(0.05)	435/(0.07)	10,604	10,604	0	0	0	0	0	0	10,882/(1.78)	11,039/(1.80)	24,042
Director	YFY Inc. Representative: Huey-Ching Yeh	0	0	0	0	0	0	226	226	226/(0.04)	226/(0.04)	0	0	0	0	0	0	0	0	226/(0.04)	226/(0.04)	
Director	YFY Inc. Representative: Guu-Fong Lin	0	0	0	0	0	0	226	487	226/(0.04)	487/(0.08)	7,322	8,290	108	108	0	0	0	0	7,656/(1.25)	8,885/(1.45)	
Director	YFY Paradigm Investment Co., Ltd. Representative: Ray Chen	0	0	0	0	0	0	226	226	226/(0.04)	226/(0.04)	7,665	7,665	108	108	0	0	0	0	7,999/(1.31)	7,999/(1.31)	
Independent Director	Wan-Yu Liu	1,000	1,000	0	0	0	0	270	270	1,270/(0.21)	1,270/(0.21)	0	0	0	0	0	0	0	0	1,270/(0.21)	1,270/(0.21)	0
Independent Director	Shun-Chin Lee	500	500	0	0	0	0	144	144	644/(0.11)	644/(0.11)	0	0	0	0	0	0	0	0	644/(0.11)	644/(0.11)	
Independent Director	I-Son Ng	500	500	0	0	0	0	144	144	644/(0.11)	644/(0.11)	0	0	0	0	0	0	0	0	644/(0.11)	644/(0.11)	
Independent Director	Donald Chang (Resign)	500	500	0	0	0	0	126	126	626/(0.10)	626/(0.10)	0	0	0	0	0	0	0	0	626/(0.10)	626/(0.10)	
Independent Director	Shiao-Kan Ma (Resign)	500	500	0	0	0	0	126	126	626/(0.10)	626/(0.10)	0	0	0	0	0	0	0	0	626/(0.10)	626/(0.10)	

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 13, 2026.

Note 3: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$1,206 thousand.

Note 4: Remuneration for 2025 does not include proceeds from transfer of treasury shares.

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, 2025. 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 2025, the Board of Directors decided on March 13, 2026 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, Ray Chen, Shun-Chin Lee, I-Son Ng, Donald Chang, Shiao-Kan Ma	Kirk Hwang, Huey-Ching Yeh, Guu-Fong Lin, Ray Chen, Shun-Chin Lee, I-Son Ng, Donald Chang, Shiao-Kan Ma	Huey-Ching Yeh, Shun-Chin Lee, I-Son Ng, Donald Chang, Shiao-Kan Ma	Huey-Ching Yeh, Shun-Chin Lee, I-Son Ng, Donald Chang, Shiao-Kan Ma
NT\$1,000,000 ~ NT\$1,999,999	Wan-Yu Liu	Wan-Yu Liu	Wan-Yu Liu	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	9	9	9	9

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

2.2.2 Remuneration of the President and Vice Presidents

December 31, 2025, 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	3,011	3,011	108	108	4,654	4,654	0	0	0	0	7,773/ (1.27)	7,773/ (1.27)	28
CFO	Guu-Fong Lin	2,479	3,007	108	108	4,843	5,283	0	0	0	0	7,430/ (1.21)	8,398/ (1.37)	
CTO of Adhesive Materials Application	Yoshihiro Akiyama	3,211	3,211	0	0	1,189	1,189	0	0	0	0	4,400/ (0.72)	4,400/ (0.72)	

Note 1: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$ 757 thousand.

Note 2: Number of resolutions passed by the Board of Directors on March 13, 2026.

Note 3: Remuneration for 2025 does not include proceeds from transfer of treasury shares.

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, 2025, 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	3,011	3,011	108	108	4,654	4,654	0	0	0	0	7,773/ (1.27)	7,773/ (1.27)	28
CFO	Guu-Fong Lin	2,479	3,007	108	108	4,843	5,283	0	0	0	0	7,430/ (1.21)	8,398/ (1.37)	
CTO of Adhesive Materials Application	Yoshihiro Akiyama	3,211	3,211	0	0	1,189	1,189	0	0	0	0	4,400/ (0.72)	4,400/ (0.72)	
Factory Director	Yung-Shun Chen	1,812	1,812	0	0	991	991	0	0	0	0	2,803 (0.46)	2,803 (0.46)	
Chief engineer	Yen-Chang Hsieh	2,235	2,235	0	0	561	561	0	0	0	0	2,796 (0.46)	2,796 (0.46)	

Note 1: Relevant expenses such as company car rental fees have been listed. The total expenses were approximately NT\$ 757 thousand.

Note 2: Number of resolutions passed by the Board of Directors on March 13, 2026.

Note 3: Remuneration for 2025 does not include proceeds from transfer of treasury shares.

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

December 31, 2025, 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				
	Accounting Manager	Jung-Min Huang				
	Audit Manager	Shu-Chen Chen				

Note: According to the resolution by the Board of Directors on March 13, 2026, the company will not distribute the employee remuneration for the year 2025.

**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 (%)					
	2025		2024		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	(4.99)	(5.22)	(12.08)	(12.71)	7.09	7.49
President and Vice President	(3.20)	(3.36)	(7.76)	(8.22)	4.56	4.86

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 2025 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 2025 was approximately equivalent to that in 2024.

2.3 Implementation of Corporate Governance

2.3.1 Board of Directors

In the recent year (2025), the 19th Board of Directors met 3 times and the 20th Board of Directors met 3 times, 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	3	0	100	19 th term
Director	Huey-Ching Yeh		3	0	100	19 th term
Director	Guu-Fong Lin		3	0	100	19 th term
Director	Ray Chen	YFY Paradigm Investment Co., Ltd. Representative	3	0	100	19 th term
Independent Director	Donald Chang		3	0	100	19 th term
Independent Director	Hsiao-Kan Ma		3	0	100	19 th term
Independent Director	Wan-Yu Liu		3	0	100	19 th term
Chairperson	Kirk Hwang	YFY Inc. Representative	3	0	100	20 th term (Assumed on June 17, 2025)
Director	Huey-Ching Yeh		3	0	100	20 th term (Assumed on June 17, 2025)
Director	Guu-Fong Lin		3	0	100	20 th term (Assumed on June 17, 2025)
Director	Ray Chen	YFY Paradigm Investment Co., Ltd. Representative	3	0	100	20 th term (Assumed on June 17, 2025)
Independent Director	Wan-Yu Liu		3	0	100	20 th term (Assumed on June 17, 2025)
Independent Director	Shun-Chin Lee		3	0	100	20 th term (Assumed on June 17, 2025)
Independent Director	I-Son Ng		3	0	100	20 th term (Assumed on June 17, 2025)

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 14, 2025 (19th-term 14th time)	<ol style="list-style-type: none"> 1. Approved the 2024 employee and Directors remuneration. 2. Approved the amendments to the Company's Articles of Incorporation. 3. Approved proposal to build new recovery boiler and related facilities at the Hualien Mill. 	Three Independent Directors recused themselves from the first proposal on Independent Director remuneration due to a conflict of interest. All Independent Directors had no opinion on the second and third proposals. Passed as proposed.
April 28, 2025 (15th special meeting of the 19th Board of Directors)	<ol style="list-style-type: none"> 1. Approved the submission of the list of the Director and Independent Director candidates for the 20th term to the shareholders' meeting. 	Independent Director Wan-Yu Liu recused herself from discussing and voting on the Independent Director candidates.
May 14, 2025 (19th-term 16th time)	<ol style="list-style-type: none"> 1. Approved the replacement of former CPAs with CPAs Shiow-Ming Shue and Shu-Chuan Yeh. 	Independent Directors had no opinion. Passed as proposed.
June 17, 2025 (1st special meeting of the 20th Board of Directors)	<ol style="list-style-type: none"> 1. Approved the signing of an industry-academia cooperation and academic feedback mechanism contract with the National Chung Hsing University. 2. Approved the Company signing an industry-academia collaboration and academic feedback mechanism contract with the National Cheng Kung University. 	Independent Director Wan-Yu Liu had a conflict of interest and recused herself from the first proposal. Independent Director I-Son Ng had a conflict of interest and recused herself from the second proposal.
August 13, 2025 (20th-term 2nd time)	<ol style="list-style-type: none"> 1. No matters prescribed under Article 14-3 of the Securities and Exchange Act were included in this Board meeting. 	Not applicable.
November 13, 2025 (20th-term 3rd time)	<ol style="list-style-type: none"> 1. Approved amendment to the Company's Sustainability Report Compilation and Verification Procedures. 2. Approved amendment to the Company's internal control system. 3. Approved the sale of part of the vacant land in Taoyuan Guanyin owned by the Company to E Ink Holdings Inc., in order to accelerate the revitalization of the Company's assets and strengthen the Company's financial structure. 4. Approved the lease of part of the Company's vacant land and facilities in Taoyuan Guanyin to E Ink Holdings Inc. to increase the Company's rental income. 	Independent Directors had no opinion. Passed as proposed.

(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:

- (1) In the 19th-term 14th Board meeting on March 14, 2025, three Independent Directors had a conflict of interest with the 2024 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,
- (2) In the 19th-term 15th interim Board meeting on April 28, 2025, regarding a proposal to review the list of Director and Independent Director candidates for the 20th term of the Board of Directors that was proposed by the Company's Board of Directors, Independent Director Wan-Yu Liu recused herself from discussing and voting on the review of the 3 Independent Director candidates due to a conflict of interest while the remaining Directors in attendance proceeded with the discussion and voting. During the review of the four Director candidates, Directors Kirk Hwang, Huey-Ching Yeh, Guu-Fong Lin, and Ray Chen recused themselves from discussing and voting due to a conflict of interest with a candidate or the institutional entities the candidates represent. The Independent Directors proceeded with the discussion and voting.
- (3) In the 20th-term first interim Board meeting on June 17, 2025, regarding the signing of an industry-academia collaboration and academic feedback mechanism contract with the National Chung Hsing University, Independent Director Wan-Yu Liu recused herself from the discussion and voting because she is a National Chung Hsing University professor and therefore had a conflict of interest.
- (4) In the 20th-term first interim Board meeting on June 17, 2025, regarding the signing of an industry-academia collaboration and academic feedback mechanism contract with the National Cheng Kung University, Independent Director I-Son Ng recused herself from discussion and voting because she is a National Cheng Kung University professor and therefore had a conflict of interest.

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 2025:

Evaluation cycle	Evaluation period	Scope of evaluation	Assessment method	Evaluation content
Implemented once a year	2024.11.1-2025.10.31	Performance evaluation of the Board of Directors and functional committees	Commissioned the external institution, Taiwan Investor Relations Institute, to organize	The measures for evaluating the Board's performance includes the following five aspects: A. Board composition and professional development, B. Quality of Board decisions, C. Board operating performance, D. Internal control and risk management, and E. level of Board participation in corporate social responsibility. The measures for evaluating the performance of the functional committees includes the following five aspects: A. Participation level in the Company's operations, B. Understanding of the roles and responsibilities of the functional committees, C. Improvement of the quality of committee decisions, D. Composition of the functional committee and the selection of its members, and E. Internal control.

(3)Results of the evaluation of Board of Directors in 2025:

In order to implement corporate governance and improve the effectiveness of the Company's Board of Directors, the Company has on November 12, 2020 approved the Board of Directors Performance Evaluation Guidelines through a Board of Directors meeting resolution. The Company has commissioned an external institution, the Taiwan Investor Relations Institute, to conduct the 2025 evaluation, through evaluating the related documents provided by the Company, each Director's self-evaluation survey, and conducting on-the-spot interviews. The performance evaluation report was issued according to the evaluation results. The 2025 performance evaluation results of the Company's Board of Directors and functional committees are as follows: (5 points is the maximum score):

Scope of evaluation	Evaluation indicator	Evaluation results
Board of Directors	A. Board composition and professional development.	4.74
	B. Quality of Board decisions.	4.88
	C. Board operating performance.	4.93
	D. Internal control and risk management.	4.90
	E. level of Board participation in corporate social responsibility.	4.94
Functional Committee	A. Participation level in the Company's operations.	5.00
	B. Understanding of the roles and responsibilities of the functional	5.00

Scope of evaluation	Evaluation indicator	Evaluation results
	committees.	
	C. Improvement of the quality of committee decisions.	4.94
	D. Composition of the functional committee and the selection of its members.	5.00
	E. Internal control	5.00

The aforementioned performance evaluation results have been reported to the meeting of the Board of Directors convened on March 13, 2026, as a reference for review and improvement.

The evaluation conclusions and recommendations proposed by the Taiwan Investor Relations Institute mainly include:

- I. Plan to increase the proportion of female directors to one-third of all board seats.
- II. Less than one-third of all Board of Directors members should be employees of the Company.
- III. Less than one-third of all Board of Directors positions should be held by a juridical entity and their subsidiaries.
- IV. Establish a Nomination Committee.
- V. Create specific measures to enhance corporate value, and propose these measures to the Board of Directors.
- VI. Report to the Board of Directors at least once a year on the implementation of risk management measures.
- VII. Report to the Board of Directors at least once a year on the implementation of intellectual property management measures.

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 Supervisor submits a report of the evaluation to the Board of Directors' the performance evaluation of the Board of Directors for 2025 was handled by external evaluation. The evaluation results were reported to the Board meeting on March 13, 2026.

2.3.2 Audit Committee

The Company elected three Independent Directors at the shareholders' meeting on June 17, 2025 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.

A total of 2 meetings of the 3rd Audit Committee and 2 meetings of the 4th Audit Committee (appointed on June 17, 2025) were held in 2025. Key focuses for the year are described below:

1. Review financial reports

The Board of Directors prepared and submitted the 2024 business report, the 2024, 2025 Q1, Q2, and Q3 financial statements, and the 2024 loss appropriation proposal. The Company's Audit Committee reviewed them and found no instances of noncompliance. Deloitte & Touche audited the 2024 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 Shu-Chuan Yeh

The Company's CPAs were originally CPAs Shiow-Ming Shue 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 Shio-Ming Shue and Shu-Chuan Yeh.

4. Evaluate the independence and competence of CPAs

The Company's Audit Committee evaluated and found that CPAs Shio-Ming Shue and Shu-Chuan Yeh 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. Amendment to the Company's Sustainability Report Compilation and Verification Procedures

The Company's Audit Committee has approved the amendment to the Sustainability Report Compilation and Verification Procedures, pursuant to the amendments to the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies announced by the Taiwan Stock Exchange.

6. Amendment to the Company's Payroll Cycle internal control system operations

The Company's Audit Committee has approved amendments to the internal control operating procedures stipulated in the Payroll Cycle rules, pursuant to the amendments to the Regulations Governing Establishment of Internal Control Systems by Public Companies announced by the Financial Supervisory Commission.

7. Sale of all land parcel numbers owned by the Company in Section 5, Lot 18-7 of the Guanyin Industrial Park in Taoyuan City, and some land parcel numbers in lot 18-3, to E Ink Holdings Inc., in order to accelerate the revitalization of the Company's assets and enhance the Company's financial structure.

The land owned by the Company at the Guanyin Mill was originally leased to E Ink Holdings Inc. E Ink Holdings Inc. later proposed an offer to purchase this land, and the Company's Audit Committee approved the sale after a review and resolution in order to accelerate the revitalization of the Company's assets and enhance the Company's financial structure, after taking the Group's synergies into consideration.

8. Signed the Termination of Land Lease Agreement where the Company originally leased land to E Ink Holdings Inc.

The land owned by the Company at the Guanyin Mill was originally leased to E Ink Holdings Inc. Due to the sale of this land to E Ink Holdings Inc., both parties signed the Termination of Land Lease Agreement, under which neither party asserts any rights or obligations under the lease. This Agreement has been

reviewed and approved by the Company's Audit Committee.

9. Lease of part of the Company's facilities and vacant land located in Section 5, Lot 18-3 of the Taoyuan Guanyin district to E Ink Holdings Inc. to increase rental income

There are no plans to use the Company's idle and vacant land in Taoyuan Guanyin for expansion in the short term. It is proposed to lease this vacant land to E Ink Holdings Inc. to increase rental income. This proposal was reviewed and approved by the Company's Audit Committee.

In 2025, the 3rd and 4th Audit committee has convened 2 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	2	0	100	Convener, 3 rd term
Independent Director	Donald Chang	2	0	100	3 rd term
Independent Director	Hsiao-Kan Ma	2	0	100	3 rd term
Independent Director	Wan-Yu Liu	2	0	100	Convener, 4 th term (re-elected on June 17, 2025)
Independent Director	Shun-Chin Lee	2	0	100	4 th term (re-elected on June 17, 2025)
Independent Director	I-Son Ng	2	0	100	4 th term (re-elected on June 17, 2025)

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
March 10, 2025 (3 rd -term 13th time)	<ol style="list-style-type: none"> 1. Approved the 2024 business report and financial statements. 2. Approved the 2024 deficit compensation proposal. 3. Approved the 2024 Statement on Internal Control. 4. Approved the new recovery boiler and related equipment case in Hualien Mill. 	Passed as proposed.

Date	Agenda item	All Independent Directors' opinions and actions taken by the Company in response to Independent Directors' opinions
April 28, 2025 (3 rd -term 14th time)	1. Approved the 2025 Q1 financial statements. 2. Approved the replacement of former CPAs with CPAs Shiow-Ming Shue and Shu-Chuan Yeh.	Passed as proposed.
August 8, 2025 (4 th -term 1st time)	1. Approved the 2025 Q2 financial statements.	Passed as proposed.
November 10, 2025 (4 th -term 2nd time)	1. Approved the 2025 Q3 financial statements. 2. Approved the 2026 audit plan. 3. Approved amendment to parts of the internal control system concerning the Payroll Cycle. 4. Approved amendment to the Company's Sustainability Report Compilation and Verification Procedures. 5. Approved sale of parts of land at the Guanyin Mill to E Ink Holdings Inc. 6. Approved signing of the Termination of Land Lease Agreement with E Ink Holdings Inc. 7. Approved lease of part of the facilities and land at the Guanyin Mill to E Ink Holdings Inc.	Passed as proposed.

(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
March 10, 2025	<ol style="list-style-type: none"> The Chief Auditor independently reported the audit implementation results and improvement status for 2024 Q4 to the Independent Directors before the Audit Committee meeting. The Chief Auditor explained the 2024 Statement on Internal Control. 	<ol style="list-style-type: none"> Approved and understood. Passed as proposed after review.
	The CPAs independently reported on the audit status and important audit matters from their audit of the 2024 financial statements to the Independent Directors, before the Audit Committee meeting.	Passed as proposed after reviewing related conditions and discussions.
April 28, 2025	The Chief Auditor independently reported the audit implementation results and improvement status for 2025 Q1 to the Independent Directors before the Audit Committee meeting.	Approved and understood.
	The CPAs independently described the matters regarding the 2025 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 8, 2025	The Chief Auditor independently discussed the audit implementation status for 2025 Q2 with the Independent Directors before the Audit Committee meeting.	Approved and understood.
	The CPAs independently described the matters regarding the 2025 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 10, 2025	The Chief Auditor independently discussed the audit implementation status for 2025 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.
	<ol style="list-style-type: none"> The CPAs independently described the matters regarding the 2025 Q3 financial statements and communicated with the Independent Directors before the Audit Committee meeting. The CPAs reported the conclusions of the 2025 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.	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Has the Board of Directors drawn up policies and specific targets on diversity of its members and implemented them?</p>	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 20th Board of Directors, those with the ability of leadership, business judgment, business management, crisis management, and</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>industry knowledge include Director Kirk Hwang, Director Huey-Ching Yeh, Director Guu-Fong Lin, Director Ray Chen, and Independent Director Wan-Yu Liu. Independent Director Wan-Yu Liu is a professor of the Department of Forestry at National Chung Hsing University who possesses expertise in environmental issues such as climate change, agricultural and forestry circular economies, and carbon sink. Independent Director Shun-Chin Lee previously served as the Chairperson and President of CPC Corporation Taiwan. He possesses expertise in industrial safety technology and policy communication, and has a deep understanding of energy self-sufficiency and energy innovation. Independent Director I-Son Ng is a professor in the Department of Chemical Engineering at National Cheng Kung University. She has received recognition as one of the World’s Top 2% Scientists, and also similarly possesses expertise in the circular economy and carbon neutrality technologies.</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 three years, and two were elected as Independent Directors in 2025. The age distribution of Directors is as follows: three directors are 70 years of age and above; three are 50–70 years of age; and one is under 50 years of</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		<p>age. The Company is committed to achieving gender equality in the composition of its Board of Directors. This term has two female members. 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> <p>To realize social responsibility and promote the sustainable development of the economy, society, and environment, the Company approved Chairperson Kirk Hwang, Independent Director Wan-Yu Liu, Independent Director Shun-Chin Lee, Independent Director I-son Ng, and Director Ray Chen to serve as members of the Sustainability Committee on June 17 2025, 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</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	
(3) Does the Company establish standards and method for evaluating Board performance, conduct annual performance evaluations, submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors?	V		<p>their concerns. 4. Supervise other Board-approved sustainable development work and convene 3 times in 2025.</p> <p>The Board of Directors passed the Board of Directors Performance Evaluation Guidelines on November 12, 2020. An external evaluation was carried out for 2025. Evaluation results have been reported to the Board of Directors meeting on March 13, 2026.</p>	Compliant
(4) Does the company regularly evaluate the independence of CPAs?	V		<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</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	
			Committee on March 9, 2026, and reported to the Board of Directors on March 13, 2026 for approval.	

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

Evaluation Item	Implementation Status ¹			Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons	
	Yes	No	Abstract Illustration		
10	Is the CPA not appointed by the Company to perform routine tasks, receive fixed salary, or serve as a director?			Yes	Yes
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 completed 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 2025, key	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	
			corporate governance items include: 1. Commissioned the Taiwan Investor Relations Institute to organize the external evaluation of the Directors and functional committees according to the Board of Directors Performance Evaluation Guidelines and help arrange continuing education for Directors. 2. Reported on the status of the Company's ethical corporate management operations to the Board of Directors on November 13, 2025 for the Directors to understand the Company's practices and determination for implementing ethical management. In this year up to the print date of this annual report, the cumulative training hours is 19 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 2025 were submitted to 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	
			20th-term 3rd meeting of the Board of Directors on November 13, 2025.	
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 2025 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,	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	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	
further education sought by directors and supervisors, implementation of risk management policies and risk evaluation standards, implementation of customer policies, the purchase of liability insurance for directors and supervisors, etc.)?			<p>favor of the employees in accordance with the Labor Standards Act, and established the 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 2025, and has reported such at the Board meeting on August 13, 2025. 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</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	
			<p>Honesty and Integrity Declaration, which guarantees their commitment when dealing with relevant Company personnel to fulfill their obligations of honesty, integrity, environmental protection, and employment.</p> <p>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.</p>	
<p>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.</p>				
<p>Evaluation Indicators</p> <p>Has the Company uploaded English sustainability reports to the Market Observation Post System and the Company’s website?</p>			<p>Improvement</p> <p>The Company uploaded the English version of the Sustainability Report to the Market Observation Post System and the Company’s website within the prescribed deadline in 2025.</p>	

Directors’ training records:

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
Chairperson	Kirk Hwang	2025/06/17	2025/02/13	Taiwan Institute for Sustainable Energy	The 39th TCCS Board Meeting and CEO Lectures	2	10.0
			2025/04/24	Taiwan Institute for Sustainable Energy	The 40th TCCS Board Meeting and CEO Lectures	2	

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
			2025/11/17	Taiwan Corporate Governance Association	New Roles in Environmental Economics - Corporate TCFD, TNFD, biodiversity, and nature-related financial disclosures	3	
			2025/11/17	Taiwan Corporate Governance Association	Enterprise AI Brain - Navigating and Mapping the AI Era	3	
Director	Huey-Ching Yeh	2025/06/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in Environmental Economics - Corporate TCFD, TNFD, biodiversity, and nature-related financial disclosures	3.0	6.0
			2025/11/17	Taiwan Corporate Governance Association	Enterprise AI Brain - Navigating and Mapping the AI Era	3.0	
Director	Guu-Fong Lin	2025/06/17	2025/11/17	Taiwan Corporate Governance Association	New Roles in Environmental Economics - Corporate TCFD, TNFD, biodiversity, and nature-related financial disclosures	3.0	6.0
			2025/11/17	Taiwan Corporate Governance Association	Enterprise AI Brain - Navigating and Mapping the AI Era	3.0	
Director	Ray Chen	2025/06/17	2025/09/25	Securities & Futures Institute	The International Economic Situation and Taiwan's Industrial Dynamics Under Trump 2.0	3.0	6.0
			2025/10/22	Securities & Futures Institute	Courses for Directors, Supervisors and Corporate Governance Executives - Sustainable Finance Risk Management	3.0	
Independent Director	Wan-Yu Liu	2025/06/17	2025/05/20	Securities & Futures Institute	Latest Practices and Developments in Domestic Insider Trading and Corporate Countermeasures (Including Gender Equality)	3.0	6.0
			2025/05/20	Securities & Futures Institute	Trends in Sustainability Information Disclosure - The Issuance, Impact, and Response of IFRS S1 and S2 Sustainability Disclosure Standards	3.0	
Independent Director	Shun-Chin Lee	2025/06/17	2025/11/13	Taiwan Corporate Governance Association	Impact of ESG Risks and Opportunities on Financial Performance	3.0	12.0
			2025/11/17	Taiwan Corporate Governance Association	New Roles in Environmental Economics - Corporate TCFD, TNFD, biodiversity, and nature-related financial disclosures	3.0	
			2025/11/17	Taiwan Corporate Governance Association	Enterprise AI Brain - Navigating and Mapping the AI Era	3.0	

Title	Name	Assignment Date	Study Date	Sponsoring Organization	Course	Training Hours	Total Hours
			2025/11/21	Securities & Futures Institute	2025 Seminar on Legal Compliance of Insider Equity Swaps	3.0	
Independent Director	I-Son Ng	2025/06/17	2025/10/28	Taiwan Corporate Governance Association	Board of Directors and Corporate Governance Practices	3.0	12.0
			2025/11/07	Taiwan Corporate Governance Association	[Professional Courses for Corporate Governance Executives] Corporate Governance Executive and Board of Director's Evaluation and Development	3.0	
			2025/11/17	Taiwan Corporate Governance Association	New Roles in Environmental Economics - Corporate TCFD, TNFD, biodiversity, and nature-related financial disclosures	3.0	
			2025/11/17	Taiwan Corporate Governance Association	Enterprise AI Brain - Navigating and Mapping the AI Era	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 Name	Professional qualifications and experience	Independence criteria (Note)	Number of publicly listed companies in which the member concurrently serves as a remuneration committee member
Independent Director (Convener)	Wan-Yu Liu	Independent Director 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.	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.	3
Independent Director	Shun-Chin Lee	Independent Director Shun-Chin Lee holds a Bachelor's degree in Chemical Engineering from the National Central University, completed the State-Owned Enterprise Program at the Institute of Business Management, National Sun Yat-sen University, and previously served as the Chairman and President of CPC Corporation Taiwan. He possesses extensive experience in the petrochemicals industry, and is proficient in industrial safety technologies and policy communication. Actively focused on green energy self-sufficiency, and promoting the circular economy and energy innovation.		0

Independent Director	I-Son Ng	Independent Director I-Son Ng holds a PhD from the National Cheng Kung University Department of Chemical Engineering, and is currently the Associate Vice President for Research and Development at National Cheng Kung University, a Distinguished Professor in the Department of Chemical Engineering at National Cheng Kung University, and serves as an independent director of Shin Foong Specialty and Applied Material Co., Ltd. She has previously been named in 2020 as one of the World's Top 2% Scientists for her research achievements, and possesses expertise in the circular economy and carbon neutrality. She has previously developed key technologies related to the high-value utilization of microalgae within the carbon cycle, and created a cross-disciplinary academic team to enter the International Genetically Engineered Machine (iGEM) competition, the world's largest international synthetic biology competition, winning 7 gold medals and the Grand Prize in 2019.		1
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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, 2025 to June 16, 2028; in the most recent year (2025), the 5th and 6th Remuneration Committee(A) has each convened 1 meetings. 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	1	0	100	5 th sessions
Committee Member	Hsiao-Kan Ma	1	0	100	5 th sessions
Committee Member	Wan-Yu Liu	1	0	100	5 th sessions
Convener	Wan-Yu Liu	1	0	100	6 th sessions
Committee Member	Shun-Chin Lee	1	0	100	6 th sessions
Committee Member	I-Son Ng	1	0	100	6 th sessions
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
March 10, 2025 (5th-term 7th time)	1. 2024 Director remuneration distribution 2. 2024 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 14, 2025 and presented to the shareholders’ meeting on June 17, 2025.
November 10, 2025 (6th-term 1st time)	2024 remuneration status report of main managers.	Approved and understood by all the present committee members after the report.	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 members appointed to the 2nd ESG Committee on June 17, 2025 in the first meeting of the 20th interim Board of Directors. The members of the Committee elected Chairperson Kirk Hwang to serve as the convener, with the other members of the ESG Committee including Director Ray Chen and the three Independent Directors Wan-Yu Liu, Shun-Chin Lee, and I-Son Ng.

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: June 17, 2025 to June 16, 2028. In the most recent year (2025), the 1st and 2nd ESG Committee has convened 1 and 2 meetings (A) respectively. The attendance records for committee members are listed below:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%) 【 B / A 】	Remarks
Convener	Kirk Hwang	1	0	100	1 st sessions
Committee Member	Donald Chang	1	0	100	1 st sessions
Committee Member	Hsiao-Kan Ma	1	0	100	1 st sessions
Committee Member	Wan-Yu Liu	1	0	100	1 st sessions
Committee Member	Ray Chen	1	0	100	1 st sessions
Convener	Kirk Hwang	2	0	100	2 nd sessions
Committee Member	Wan-Yu Liu	2	0	100	2 nd sessions
Committee Member	Shun-Chin Lee	2	0	100	2 nd sessions
Committee Member	I-Son Ng	2	0	100	2 nd sessions
Committee Member	Ray Chen	2	0	100	2 nd sessions
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
March 10, 2025 (1st-term 4th time)	<ol style="list-style-type: none"> 1. Implementation status of the greenhouse gas inventory and verification schedule planning. 2. Performance evaluation of the ESG Committee. 3. Reports from each team under the ESG Committee. 	<ol style="list-style-type: none"> 1. The Company achieved remarkable carbon reduction results in 2024. Going forwards, we will conduct deeper analysis of the main Scope 1 and Scope 2 carbon emissions sources for each plant, and incorporate Scope 3 carbon emissions as a main focus of our supply chain management measures, in order to continuously update our sustainable development roadmap. In response to the adoption of IFRS standards in 2026, we will assess the climate risks and opportunities brought about by changes in the quantities and prices of wood chips in advance, and highlight how our afforestation efforts have led to the creation of carbon sinks, presenting the concrete carbon reductions achieved by CHP's forestry management operations. 2. With regard to our products, we will emphasize the specific contributions that our new products have made towards environmental sustainability and carbon reduction, showcasing CHP's green differentiation approach. We can actively participate in national ESG and environmental awards, and review our industrial safety and regulatory risks to further highlight how CHP's investment into sustainable development and the specific environmental benefits that we have achieved differ from our other companies in the industry. 	Submitted to the Board of Directors on November 13, 2025.
August 8, 2025 (2nd-term 1st time)	<ol style="list-style-type: none"> 1. Creation of the 2024 Sustainability Report. 2. Implementation status of the IFRS Sustainable Disclosure Standards Adoption Plan. 3. Report from the Sustainable Products and Technological Innovation team under the ESG Committee. 	<ol style="list-style-type: none"> 1. It was recommended that this matter be included in the items followed up on in the previous meeting. The leader of each team shall take turns presenting reports on the topic they are responsible for, with relevant managers invited to attend and exchange opinions. It was recommended that senior executives be responsible for compiling a comprehensive report and summarizing key issues, enhancing strategic integration and seeking opportunities to exchange ideas with benchmark companies. 2. It was recommended that the Company gradually incorporate ESG performance into mechanisms for determining senior executive bonuses, improving overall evaluation performance. Alongside the adoption of IFRS standards, the Company will develop disclosure thresholds and operating guidelines, and also use the practices of other industries as a reference to establish a foundation for building a system for financializing sustainability information. 	Submitted to the Board of Directors on November 13, 2025.
November 10, 2025 (2nd-term 2nd time)	<ol style="list-style-type: none"> 1. Amendment of the Company's Sustainability Report Compilation and Verification Procedures. 2. Report on sustainability targets and evaluation progress. 3. Implementation status of the greenhouse gas inventory and planned verification schedule. 4. Implementation status of the IFRS Sustainable Disclosure Standards Adoption Plan. 5. Reports from each team under the Sustainable Development Committee. 	<ol style="list-style-type: none"> 1. It was recommended that each mill compile their emissions data for the past three years to review the effectiveness of carbon reduction measures, and that improvement measures be proposed for each specific mill. At the same time, each of the sustainability indicators used should clearly disclose the values of the base year, and more challenging targets should be set in cases where the originally-set targets have already been met. 2. In response to the increased weight of ESG topics in corporate governance assessments, it was recommended that the Company look to understand what the key assessment topics are in advance and strengthen related measures. Additionally, with regard to the classification and disclosure of material topics under the IFRS S1 and S2 standards, the Company should assess whether to include compound climate risks as a material topic. 3. It was recommended that the scoring method for "near misses" in the 7S competition be revised, changing scoring criteria from the number of reports to the timeliness of reports. In addition to imposing penalties on violating contractors pursuant to the rules, the person in charge may be requested to personally participate in safety education and training. 	Submitted to the Board of Directors on November 13, 2025.

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 Chairperson 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 Chairperson and has full-time staff. The 8th meeting of the 19th Board of Directors of the Company approved the establishment of the ESG Committee on November 13, 2023, with Chairperson Kirk Hwang 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 2025, 3 ESG 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	Compliant. The Company has a dedicated unit in charge of handling sustainability matters. The Company complies with the Sustainable Development Best Practice Principles.

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>collaborations on recycling and reuse projects.</p> <p>The Company’s 2024 Sustainability Report was issued in August 2025. 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.

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
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 2025, alternative energy inputs accounted for 49% of energy used), and reduce the use of fossil fuels (in 2025 the heating value of fossil fuel inputs decreased by 30% compared to the base year 2022). The Company was awarded again for excellence in green purchasing by the Ministry of Environment and obtained the green product mark.	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons				
	Yes	No	Abstract Explanation					
(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 border="1"> <thead> <tr> <th>Core</th> <th>Management strategies and actions</th> </tr> </thead> <tbody> <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 </td> </tr> </tbody> </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 	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		<p>In response to climate change and global trends in controlling greenhouse gas emissions,</p> <p>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</p>	Compliant								

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons						
	Yes	No	Abstract Explanation							
policies on energy efficiency and carbon reduction, greenhouse gas reduction, water reduction, or waste management?			<p>Jiutang, Hualien, Taitung, and Taoyuan Guanyin mills, and overseas subsidiaries Guandong Dingfung Pulp & Paper and Zhaoqing Dingfung Forestry.</p> <table border="1"> <thead> <tr> <th>Environmental management items</th> <th>Outlook and response measures</th> </tr> </thead> <tbody> <tr> <td>Water resources</td> <td> <ol style="list-style-type: none"> 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 2024 is 28,655 million liters, as audited in the sustainability report. The water consumption in 2025 is 29,460 million liters. </td> </tr> <tr> <td>Energy resources</td> <td> <ol style="list-style-type: none"> 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> </tbody> </table>	Environmental management items	Outlook and response measures	Water resources	<ol style="list-style-type: none"> 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 2024 is 28,655 million liters, as audited in the sustainability report. The water consumption in 2025 is 29,460 million liters. 	Energy resources	<ol style="list-style-type: none"> 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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	Yes	No	Abstract Explanation	
			<p>capacity and efficiency.</p> <p>4. Adopting the ISO 50001 Energy Management System standards for production operations.</p>	
			<p>Production by-products</p> <p>1. Circular economy promotion: Make various materials with process waste through recycling and technological reengineering. Actively work towards achieving zero waste and zero emissions.</p> <p>2. CHP’s production process residual materials are non-hazardous waste. Total solid residue materials in 2025 amounted to 174,200 metric tons, a decrease of 13.63% compared to the average annual waste amount of 201,700 metrics tons for the most recent 3 years (2022-2024). The residual materials resource reutilization rate and energy recovery rate has reached 99.9%.</p> <p>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.</p>	
			<p>Gas emissions</p> <p>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</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>disclose the results in the sustainability reports. Audits for 2024 have been completed, and the Company is currently planning the 2025 third-party audits. Complete assurance information will be disclosed in the Sustainability Report.</p> <p>2. Regularly maintain, repair, and replace old equipment.</p> <p>3. Improve energy-saving measures for production equipment and power generation systems.</p> <p>4. Pollutant reduction plan.</p> <p>5. 2024 GHG emissions are 920,700 metric tons CO₂e (744,500 metric tons CO₂e in Scope 1 emissions, 176,200 metric tons CO₂e in Scope 2 emissions). Emissions density is 44.34 (metric tons CO₂e /NT\$1 million).</p> <p>2025 GHG emissions are 903,200 metric tons CO₂e (719,300 metric tons CO₂e in Scope 1 emissions, 183,900 metric tons CO₂e in Scope 2 emissions). Emissions density is 48.13 (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</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	
			environmental protection. In 2025, the Company reduced carbon emissions by 25,232 tons of carbon dioxide equivalents from energy-saving projects.	
4. Social topics (1) Does the Company comply with relevant laws and regulations and internationally recognized covenants on human rights, and have related management policies and procedures in place?	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 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 2025, 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.	Compliant
(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	V		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. The Company has researched the salaries offered by our competitors or the overall market when determining salary and benefits for current employees, based on their academic qualifications, work experience, skills, and job position. Salaries are also	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
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employee remuneration?			adjusted when employees receive promotions, and are not influenced by gender or age. The Company’s Articles of Incorporation stipulate that, should the Company make a profit for the year, one percent or more of this profit shall be set aside as employee remuneration. The Company has also established standards for providing additional remuneration based on our operating results, the employee’s corporate rank, and their work performance. These bonuses are in line with market standards and serve as incentives to encourage employees to make greater contributions and grow alongside the Company.	
(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. 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. 6,983 person-times of safety and health training was delivered in 2025. There were 10 occupational accidents in 2025, accounting for 0.48% of the total employees of CHP. In the future, CHP will strengthen employee education and training and increase the frequency of inspections.</p> <p>The Company had no fire incidents in 2025.</p>	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
(4) Does the Company offer its employees effective occupational empowerment training programs?	V		<p>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.</p> <p>The Company organized various education and training courses for employees in 2025, including 18,251 person-times and 43,638.38 hours, an average of 15.28 hours per person, of internal and external training.</p>	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 grievance procedures?	V		<p>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.</p>	Compliant
(6) Does the Company establish supplier	V		<p>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</p>	Compliant

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
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.			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.	
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
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				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons		
	Yes	No	Abstract Explanation			
			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:			
			<table border="1"> <tr> <td>1. Awards</td> <td> Sustainability evaluations and initiatives <ul style="list-style-type: none"> Received an A- (Leadership-level) rating for the “Forest” category from the Carbon Disclosure Project (CDP), and a B (Management-level) rating in “Climate” and “Water” . Received the Bronze Medal in the EcoVadis Sustainability Rating Near-term carbon reduction targets validated by the Science-Based Targets Initiative (SBTi) Since becoming a Taskforce on Nature-related Financial Disclosures (TNFD) Adopter in 2026, the Company has committed to improving information disclosure transparency pursuant to the TNFD framework, and regards biodiversity as core to our business operations. Governance <ul style="list-style-type: none"> Received the Taiwan Corporate Sustainability Awards (TCSA) seven times <ol style="list-style-type: none"> Taiwan Corporate Sustainability Awards (TCSA) <ul style="list-style-type: none"> Sustainability Reports - Paper Industry - First Group Silver Award Comprehensive Performance - Taiwan Excellent Sustainable Enterprise Award Taiwan Sustainability Action Awards (TSAA) <ul style="list-style-type: none"> SDG4 Silver Award Top 2 Environment <ul style="list-style-type: none"> Commonwealth Magazine - 1.5°C Enterprise Carbon Reduction Thermometer Excellence Label Business Weekly - 100 Carbon Competitiveness Companies </td> </tr> </table>	1. Awards	Sustainability evaluations and initiatives <ul style="list-style-type: none"> Received an A- (Leadership-level) rating for the “Forest” category from the Carbon Disclosure Project (CDP), and a B (Management-level) rating in “Climate” and “Water” . Received the Bronze Medal in the EcoVadis Sustainability Rating Near-term carbon reduction targets validated by the Science-Based Targets Initiative (SBTi) Since becoming a Taskforce on Nature-related Financial Disclosures (TNFD) Adopter in 2026, the Company has committed to improving information disclosure transparency pursuant to the TNFD framework, and regards biodiversity as core to our business operations. Governance <ul style="list-style-type: none"> Received the Taiwan Corporate Sustainability Awards (TCSA) seven times <ol style="list-style-type: none"> Taiwan Corporate Sustainability Awards (TCSA) <ul style="list-style-type: none"> Sustainability Reports - Paper Industry - First Group Silver Award Comprehensive Performance - Taiwan Excellent Sustainable Enterprise Award Taiwan Sustainability Action Awards (TSAA) <ul style="list-style-type: none"> SDG4 Silver Award Top 2 Environment <ul style="list-style-type: none"> Commonwealth Magazine - 1.5°C Enterprise Carbon Reduction Thermometer Excellence Label Business Weekly - 100 Carbon Competitiveness Companies 	
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Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
			<ul style="list-style-type: none"> ● Global Views Monthly - ESG Corporate Sustainability Award - Excellence Award in Low Carbon Operations Category ● 21st Century Foundation - Net-Zero Industry Competitiveness Excellence Award ● Ministry of Environment - Top 3 Green Procurement Excellence ● Industrial Development Administration, Ministry of Economic Affairs - Hualien Plant recognized as Greenhouse Gases Reduction Model Company ● Environmental Protection Bureau, Hualien County Government - Outstanding Sponsor of an Air Quality Purification Zone ● Department of Environmental Protection, Taoyuan City Government - Outstanding Air Pollution Control Unit Social ● Enterprise Asia - Asia Responsible Enterprise Awards - Social Empowerment Category ● Occupational Safety and Health Administration, Ministry of Labor - The entire plant participated in the National Occupational Safety and Health Week activities ● Health Promotion Administration, Ministry of Health and Welfare - Healthy Workplace Certification and Health Promotion Workplace Certification ● Hualien County Government - Hualien Happy and Friendly Workplace - Exceptional Business Unit Award 	
2. Green certification			<ul style="list-style-type: none"> ● First paper manufacturer in Taiwan to receive FSC certification from the Forest Stewardship Council. ● Obtained Programme for the Endorsement of Forest Certification (PEFC) certification from 2010 onwards. ● Paper Star Copy Paper was the first office-use paper product to obtain carbon footprint certification from the Ministry of Environment. ● Obtained ISO 14067 product carbon footprint certification for green electricity in 2024. ● Obtained the first electricity sustainability certification in Taiwan pursuant to ISO 13065 Sustainability Criteria for Bioenergy standards. ● Obtained the following certifications for our Circuwell non-plastic cardstock coffee cups and molded pulp food containers: <ul style="list-style-type: none"> ● Industrial Compostable Certification from German certifier (DIN CERTCO) ● Commercial Compostable Certification from the United States Biodegradable Products Institute (BPI) ● Commercial Compostable Certification from the Australasian Bioplastics Association (ABA) ● Home Compostable Certification from the Australasian Bioplastics Association (ABA) ● Home Compostable Certification from German certifier (DIN CERTCO) ● Our molded pulp food containers have obtained the following certifications: <ul style="list-style-type: none"> ● Industrially compostable certification from German certifier (Seedling Mark) 	
3. Social outreach activities			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	

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>and fostering mutual prosperity in the community.</p> <p>* Chung Hwa Pulp Environmental Education Park 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. To date, we have established industry-academia collaborations with schools including the National Hualien Girls' Senior High School and National Dong Hwa University, and we received over 1,000 visits from educational institutions, government agencies, and local community associations.</p> <p>* Yuan T. Lee Science Competition 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 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 the Hualien Yi Chang Junior High School and Taitung County Changbin Junior High School. More than 4,300 children have benefited from this program in total.</p> <p>* Tamkang University Chemistry On the Go From 2017, the Company has cooperated with the Center for Science Education of 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 200 students participated in 2025.</p> <p>* Promoting coding education 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</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>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 In order to promote basic science education, CHP collaborated with the Hualien County Government in 2025 to jointly hold the 6th CHP Public Welfare Cup 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 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 2025, a total of 1,315 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. CHP and the Taiwan Photography Association have worked together since 2022 to help aboriginal primary schools in rural areas which face difficulties with covering the costs of taking yearbook photos and creating yearbooks, due to their limited resources and small student populations. 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. To date, we have helped 318 children preserve their childhood memories and leave behind a record of their growth.</p> <p>* Sustainable Reading Series Parent-Child Activities From 2022 onwards, the Kaohsiung Public Library and CHP have jointly implemented the Forest Thrives: Reading Sustainability Project. Four themed events were planned in 2025, including the “Comic Love the Earth: Storytelling Mother Action Drama” and Handmade Paper Experience Camp activities. We also organized knowledge tours incorporating our Mobile Book Cart into wetlands walking tours, and established a special iReading Books Section to help cultivate literacy amongst students.</p>	

2.3.7 Climate related information of public companies

Implementation status of climate related information

Item	Implementation status
<p>1. Explain how the Board of Directors and management oversee and manage climate-related risks and opportunities.</p>	<p>The Company’s Board of Directors is the highest-level decision maker on risk management matters. It is responsible for approving management policies on climate-related risks and opportunities, and oversees the implementation of these measures. In order to strengthen corporate governance and promote sustainability strategies, the Board of Directors has established a Sustainable Development Committee, as well as a Climate Change Response Team which reports directly to this Committee and is responsible for ensuring that the Company is effectively managing risks. The Chairman personally leads and convenes the Committee, which holds at least 3 regular meetings a year, implementing governance commitments from the top down. At the same time, the Company has established a new IFRS Sustainable Disclosure Standards Task Force responsible for implementing information alignment tasks and managing sustainable risks and opportunities under the IFRS.</p> <p>When implementing these operations, a manager with over three years of financial and management experience shall be appointed to oversee corporate governance matters and collaborate with members</p>

Item	Implementation status
	<p>of the CFO, legal affairs, shareholder services, accounting, auditing, and ESG offices on topics that include assessing and managing climate and environment-related issues. Through this cross-function collaboration framework, the Company is able to effectively incorporate climate-related risks and opportunities into the business decision-making process, embodying the Company's commitment to community development and community co-prosperity.</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> <p>Extreme weather conditions, such as drought, can decrease the</p>

Item	Implementation status
	<p>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: 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>
<p>3. State the financial implications of extreme weather events and transformation actions.</p>	<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 product development will increase costs. However, these actions also</p>

Item	Implementation status
	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 risks and opportunities. The results of this analysis are then used to

Item	Implementation status
	<p>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 implementation through ISO-related and business management</p>

Item	Implementation status
	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 initiated plans to adopt an internal carbon pricing (ICP) program in 2023. We initially used an implicit price approach and determined the internal carbon price through assessing the effects of coal replacement plans, each plant's energy-saving projects, and the input costs of renewable energy generation. This assessment was completed in 2024. Later on, the Company set a price of NT\$300 per metric ton of greenhouse gas emissions based on the government's carbon fees system, in order to align with domestic regulations. In the future, we shall further develop standardized operating procedures, and aim to enhance the Company's carbon reduction competitiveness through economic incentives, strengthening our sustainability strategy and actively taking action in response to global net-zero 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 greenhouse gas boundaries have been determined based on our parent company, CHP. Our targets are to reduce carbon emissions by 42% in 2030, 50% in 2040, and to have near-zero carbon emissions by 2050. (Compared to the 2022 base year, emissions in 2025 have been reduced by 10.79%) CHP established a GHG Reduction Team to conduct inventories of greenhouse gas

Item	Implementation status
	emission sources in the plants, develop reduction measures, register the inventory results on the national greenhouse gas tracking platform (Taiwan plants) 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>9-1-2. GHG assurance information</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>2024 GHG emissions are 920,700 metric tons CO₂e (744,500 metric tons CO₂e in Scope 1 emissions, 176,200 metric tons CO₂e in Scope 2 emissions). Emissions density is 44.34 (metric tons CO₂e/NT\$1 million). 2025 GHG emissions are 903,200 metric tons CO₂e (719,300 metric tons CO₂e in Scope 1 emissions, 183,900 metric tons CO₂e in Scope 2 emissions). Emissions density is 48.13 (metric tons CO₂e /NT\$1 million).</p> <p>The Company has completed third-party greenhouse gas verification</p>

Item	Implementation status
<p>Describe the assurance status for the most recent two years up to the printing date of the annual report, including the assurance scope, assurance institution, assurance principles, and assurance opinions.</p>	<p>for 2024, and is currently planning for the verification process for 2025. Complete assurance information will be disclosed in the Sustainability Report. Out of the Company's total greenhouse gas emissions for 2024, 920,700 metric tons CO_{2e} (representing 100% of the total emissions) have been confirmed by an assurance institution using the ISO 14064-3 standard, and the verification opinion is that of reasonable assurance. SGS Taiwan Ltd. verified the Taitung and Hualien mills, DNV Business Assurance Co., Ltd. verified the Jiutang mill, and AFNOR Asia Ltd. verified the Guanyin mill. Additionally, professional agencies duly authorized by China's government verified the Company's subsidiaries, Guandong Dingfung Pulp & Paper and Zhaoqing Dingfung Forestry.</p>
<p>9-2. Greenhouse gas reduction goals, strategies, and concrete action plans</p> <p>Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, and concrete action plans and reduction target achievements.</p>	<p>The Company has set carbon reduction targets based on the parent company CHP with 2022 as the base year (789,700 metric tons CO_{2e}). Our target is to reduce Scope 1 and Scope 2 emissions by 42% by 2030, 50% by 2040, and achieve near-zero carbon emissions by 2050. In 2025, the Company released 704,500 metric tons of CO_{2e} based on our own carbon inventory figures, a decrease of 10.79% compared to the base year. The Company reached the 2025 carbon reduction target ahead of schedule. The Company's carbon reduction strategies:</p> <p>(1) Actively implement energy-conservation plans</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 near- 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	
<p>1. Establishment of ethical corporate management policy and approaches</p> <p>(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?</p> <p>(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?</p>	V		<p>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.</p> <p>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.</p>	<p>Compliant</p> <p>Changes are made gradually</p> <p>Compliant</p>

Evaluation Item	Implementation Status			Deviations from “the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
(3) Does the Company clearly specify the operating 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>The Company has already established the Ethical 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. 	
<p>2. Implementation of Ethical Corporate Management</p> <p>(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?</p>	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	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 a dedicated unit responsible 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?	V		no bribery or dishonest behavior are allowed. The Company set up an Integrity Management Team in accordance with the Ethical Corporate Management Best Practice Principles. The Accounting Department presented a report of the status at the 3th meeting of the 20th Board of Directors on November 13, 2025. 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.	Compliant
(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,	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	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	
<p>or engage CPAs to perform the audits?</p> <p>(5) Does the Company regularly provide internal and external training on ethical corporate management?</p>	V		<p>for relevant audits.</p> <p>The Company arranges relevant internal and external 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 2025, internal education and training courses on ethical management (topic: Preventing Insider Trading and Operating with Integrity) and labor rights policy (the 4 Main Axes) were held. In total, 1,373 individuals participated in these courses for a total of 1,373 hours.</p>	Compliant
<p>3. Implementation of the Company’s whistleblowing system</p> <p>(1) Does the Company have in place a concrete whistleblowing and reward system as well as a convenient reporting channel and appropriate</p>	V		<p>There are many open reporting channels. The Company established a Personnel Evaluation Committee to investigate the reports and implement</p>	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	
designated personnel with regard to the party being reported on?			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
(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.	
(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	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	
			effectiveness will be gradually disclosed according to the promotion schedule.	
<p>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: 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.</p>				
<p>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.) :</p> <ol style="list-style-type: none"> (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. (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. (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. (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. (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. 				

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 2025 committee has five members, including the Chairperson, President, and three Independent Directors of the Company. Relevant employees are invited to attend meetings according to the meeting agenda.

The 2nd and 3rd Business Development and Strategy Committee held 4 meetings (A) each in 2025. The attendance details are as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairperson	Kirk Hwang	2	0	100	2nd Committee, Chairperson
Independent Director	Donald Chang	2	0	100	2nd Committee
Independent Director	Hsiao-Kan Ma	2	0	100	2nd Committee
Independent Director	Wan-Yu Liu	2	0	100	2nd Committee
President	Ray Chen	2	0	100	2nd Committee
Chairperson	Kirk Hwang	2	0	100	3rd Committee, Chairperson
Independent Director	Wan-Yu Liu	2	0	100	3rd Committee
Independent Director	Shun-Chin Lee	2	0	100	3rd Committee
Independent Director	I-Son Ng	2	0	100	3rd Committee
President	Ray Chen	2	0	100	3rd Committee

The 2025 communication status is as follows:

Date	Participants	Matters of communication	Communication results
March 10, 2025	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.
April 28, 2025	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 8, 2025	Present: Chairperson Kirk Hwang, Independent Director Wan-Yu Liu, Independent Director Shun-Chin Lee, Independent Director I-Son Ng, 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 10, 2025	Present: Chairperson Kirk Hwang, Independent Director Wan-Yu Liu, Independent Director Shun-Chin Lee, Independent Director I-Son Ng, 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 2026 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 13 2026

Based on the findings of a self-assessment, CHP states the following with regard to its internal control system during the year 2025 :

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, 2025, 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 13, 2026, 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 2025 Shareholders' Meeting (June 17, 2025) (abstract):

- (1). Approved the acknowledgment of the Company's 2024 financial statements.
- (2). Approved the acknowledgment of the Company's 2024 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.
- (3). Approved the amendment of the Company's Articles of Incorporation.
Implementation status: After the resolution is approved by the shareholders' meeting, the Company will handle matter (3) according to the resolution of the shareholders' meeting.
- (4). Elected the 20th Board of Directors, composed of 4 directors and 3 independent directors.
- (5). Approved the removal of the non-compete clause for the Company's new Directors and the institutional
Implementation status: For matters (4) to (5), the Company has formed the 20th Board of Directors in accordance with the election results of the shareholders' meeting and registered the change of directors on August 1, 2025. In accordance with the resolution of the shareholders' meeting, the Company has removed the non-compete clause for the Company's new Directors and the institutional entities they represent.

2. Important Board resolutions

Important resolutions of the 14th 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 the proposal on 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 proposal on 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.

Important resolutions of the 15th (interim) meeting of the 19th Board of Directors on April 28, 2025 (abstract):

- (1). Approved the list of Director and Independent Director candidates for the 20th Board of Directors submitted by the Board of Directors to the Company.

Important resolutions of the 16th meeting of the 19th Board of Directors on May 14, 2025 (abstract):

- (1). Approved the Company's 2025 Q1 financial statements.
- (2). Approved the replacement of the Company's former CPAs with CPAs Shiow-Ming Shue and Shu-Chuan Yeh.
- (3). Approved a resolution to repay CHP's existing loans from banks, replenish the medium-term operational budget, improve CHP's capital structure, and support capital expenditures via a five-year syndicated loan with the Bank of Taiwan and First Commercial Bank as lead banks.
- (4). Approved the Company's interbank lending credit line application.
- (5). Approved the Company to be the joint promissory note maker of subsidiaries' interbank lending credit line applications.
- (6). Approved the acknowledgment of the total amount of guarantees for endorsements for external parties by the Company and its subsidiaries as of the first quarter of 2025.

Important resolutions of the 1st (interim) meeting of the 20th Board of Directors on June 17, 2025 (abstract):

- (1). Election of the Company's 20th Chairperson.
- (2). Approved a resolution to appoint the Company's 4th Audit Committee members.
- (3). Approved a resolution to appoint the Company's 6th Remuneration Committee members.
- (4). Approved a resolution to appoint the Company's 2nd ESG Committee members
- (5). Approved the signing of an industry-academia cooperation and academic feedback mechanism contract with the National Chung Hsing University.
- (6). Approved the signing of an industry-academia cooperation and academic feedback mechanism contract with the National Cheng Kung University.

Important resolutions of the 2nd meeting of the 20th Board of Directors on August 13, 2025 (abstract):

- (1). Approved the Company's 2025 Q2 financial statements.
- (2). Approved the 2024 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 2025.

Important resolutions of the 3rd meeting of the 20th Board of Directors on November 13, 2025 (abstract):

- (1). Approved the Company's 2025 Q3 financial statements.
- (2). Approved the Company's 2026 annual operational budget.
- (3). Approved the Company's 2026 audit plan.
- (4). Approved amendment to the Company's Sustainability Report Compilation and Verification Procedures.
- (5). Approved amendment to parts of the Company's internal control systems concerning the Payroll Cycle.
- (6). Approved sale of all land parcel numbers owned by the Company in Section 5, Lot 18-7 of the Guanyin Industrial Park in Taoyuan City and some land parcel numbers in lot 18-3 to E Ink Holdings Inc., in order to accelerate the revitalization of the Company's assets and enhance the Company's financial structure.
- (7). Approved the Company's signing of the Termination of Land Lease Agreement with E Ink Holdings Inc.
- (8). Approved the lease of part of the Company's vacant land and facilities located in Section 5, Lot 18-3 of the Taoyuan Guanyin Industrial District to E Ink Holdings Inc. to increase the Company's rental income.
- (9). Approved the Company's interbank lending credit line application.
- (10). Approved the total amount of guarantees for endorsements for external parties provided by the Company and our subsidiaries as of the third quarter of 2025.

Important resolutions of the 4th meeting of the 20th Board of Directors on March 13, 2026 (abstract):

- (1). Approved the 2025 financial statements.
- (2). Approved the 2025 loss appropriation plan.
- (3). Approved the 2025 employee and Directors remuneration.
- (4). Approved the 2025 Statement on Internal Control.
- (5). 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.

- (6). Approved the location for and other relevant matters regarding the 2026 shareholders' meeting.
- (7). Approved amendment to some text of the Company's internal control systems concerning the Payroll Cycle.
- (8). Approved the lease of part of the vacant land and facilities of the process wastewater system at the Company's Taitung Mill to San Ying Enterprise Co., Ltd. for the "Construction and Operation of New Anaerobic System" project.
- (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 provided by the Company and our subsidiaries as of the fourth quarter of 2025.

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 Shu-Chuan Yeh	2025/1/1~2025/12/31	3,500	25	3,525	-

Note: The non-supervisor full-time employee salary information checklist for 2024 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, 2025		
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 Hui-Min Huang accountant to Shu-Chuan Yeh accountant.		
Describe whether the Company terminated or the CPA did not accept the appointment	Parties	CPA	The Company
	Status		
	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 Shu-Chuan Yeh
Date of appointment	5/14/2025(From 1st Quarter 2025)
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	2025		As of April 22, 2026	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	YFY INC.	-	-	-	-
Chairperson	Kirk Hwang	-	-	255,800	-
Director	Huey-Ching Yeh	-	-	-	-
Director	Guu-Fong Lin	-	-	174,000	-
Director	YFY Paradigm Investment Co., Ltd.	-	-	-	-

Title	Name		2025		As of April 22, 2026	
			Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Ray Chen	Representative of YFY Paradigm Investment Co., Ltd.	-	-	75,000	-
Independent Director	Wan-Yu Liu		-	-	-	-
Independent Director	Shun-Chin Lee		-	-	-	-
Independent Director	I-Son Ng		-	-	-	-
Independent Director	Donald Chang ^{Note 1}		-	-	-	-
Independent Director	Hsiao-Kan Ma ^{Note 1}		-	-	-	-
President	Ray Chen		-	-	75,000	-
CFO	Guu-Fong Lin		-	-	174,000	-
CTO of Adhesive Materials Application	Yoshihiro Akiyama		-	-	24,000	-
CISO	Casper Wu		-	-	-	-
Finance and Corporate Governance Officer	Claire Hou		-	-	39,000	-
Accounting Officer	Jung-Min Huang		-	-	11,000	-
Audit Officer	Shu-Chen Chen		-	-	23,000	-
Major shareholder	YFY INC.		-	-	-	-

Note 1: Dismissed after re-election of directors on June 17, 2025

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

April 22, 2026

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. Representative: Huey-Ching Yeh	627,827,989	56.93	-	-	-	-	YFY Paradigm Investment Co., Ltd. YFY Paradigm Investment Co., Ltd.	juristic-person director juristic-person supervisor	-
Hsin-Yi Enterprise Co., Ltd. Representative: Sing-Ju Chang	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	-
Hsin-Yi Investment Co., Ltd. Representative: S. C. Ho	21,090,110	1.91	-	-	-	-	Representative of Hsin-Yi Investment Co., Ltd., S. C. Ho Representative of Yuen Hsin Yi Enterprise Co., Ltd., S. C. Ho	Spouse Spouse	-
Bank SinoPac, in Custody of the Employee Stock Trust Account of Chung Hwa Pulp Corporation	10,063,200	0.91	-	-	-	-	Yuen Hsin Yi Enterprise Co., Ltd.	juristic-person supervisor	-
YFY paradigm Investment Co., Ltd David Lo	7,752,732	0.70	-	-	-	-	Representative of Hsin-Yi Enterprise Co., Ltd., Sing-Ju Chang Representative of Yuen Hsin Yi Enterprise Co., Ltd., S. C. Ho	Spouse Same Representative	-
Yuen Hsin Yi Enterprise Co., Ltd Representative: S. C. Ho	7,231,001	0.66	-	-	-	-	Representative of Hsin-Yi Enterprise Co., Ltd., Sing-Ju Chang Representative of Hsin-Yi Investment Co., Ltd., S. C. Ho	Spouse Same Representative	-
Xiu-Ting Wang	4,981,000	0.45	-	-	-	-	-	-	-
SPDR(R) Index Shares Funds – SPDR Portfolio Emerging Market Markets ETF	3,670,589	0.33	-	-	-	-	-	-	-
Qing-Yao Chen	3,200,000	0.29	-	-	-	-	-	-	-
Vanguard Total International Stock Index Fund under the custody of JPMorgan Chase Bank	2,816,818	0.26	-	-	-	-	-	-	-

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 22, 2026

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	10,063,200	0.91
YFY paradigm Investment Co., Ltd	7,752,732	0.70
Yuen Hsin Yi Enterprise Co., Ltd	7,231,001	0.66
Xiu-Ting Wang	4,981,000	0.45
SPDR(R) Index Shares Funds – SPDR Portfolio Emerging Market Markets ETF	3,670,589	0.33
Qing-Yao Chen	3,200,000	0.29
Vanguard Total International Stock Index Fund under the custody of JPMorgan Chase Bank	2,816,818	0.26

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 makes a profit every year, 1% or more of this profit shall be set aside as employee remuneration (a minimum of 10% of the total employee remuneration set aside shall be distributed to non-managerial employees as employee remuneration), and no more than 2% of this profit shall be set aside as director 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:

Remuneration of Employees and Directors were not distributed in 2024. The actual distribution is consistent with the resolution of the Board of Directors.

3.6 Repurchases of Treasury Stock

3.6.1 Exercised:

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 2025	(%) of Total Sales
Forestry	96,919	0.52
Pulp	2,111,420	11.25
Paper	12,855,367	68.50
Paperboard	2,679,536	14.28
Tape	700,644	3.73
Other	323,105	1.72
Total	18,766,991	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

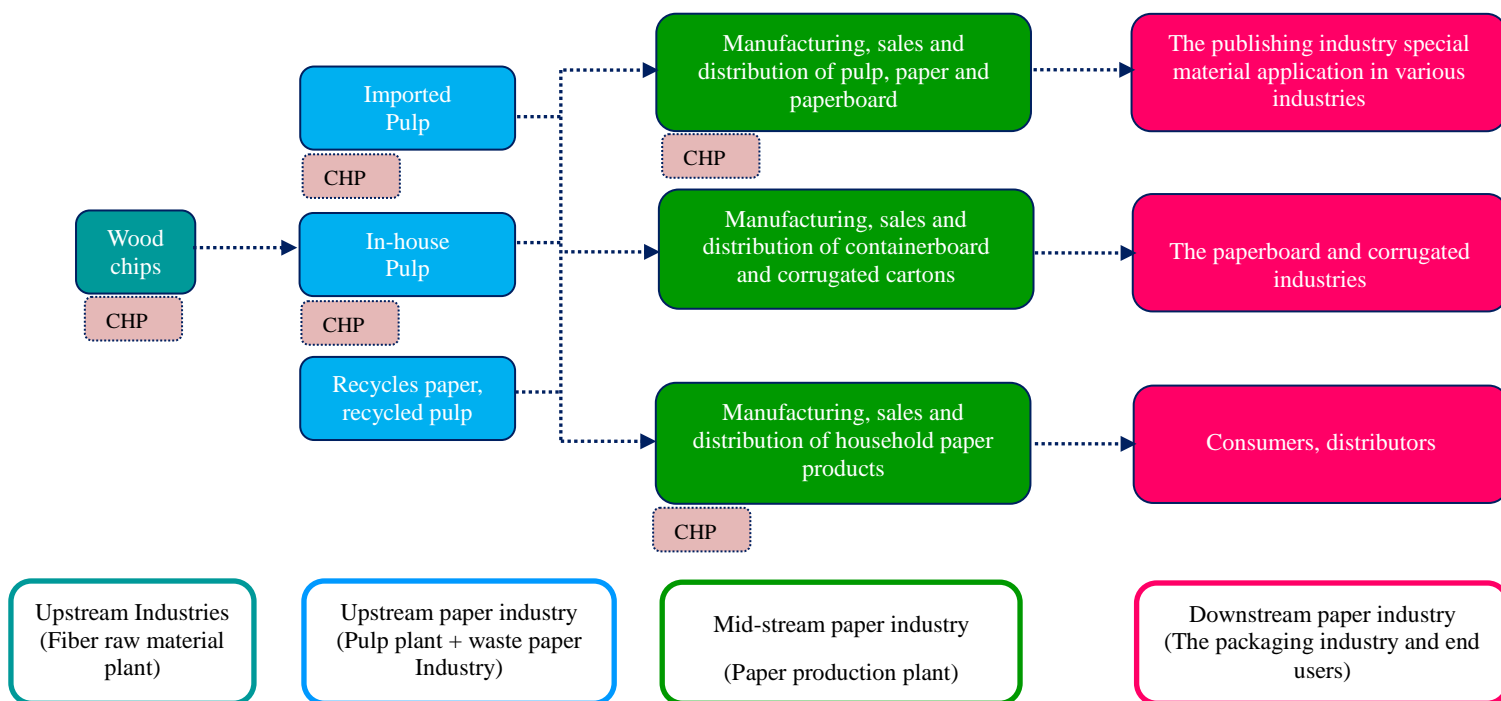
1. Overall economic environment

While Taiwan's economy faced pressure from geopolitical uncertainty, overall growth momentum remained stable, boosted by the AI investment boom and the recovery of the technology industry. This has resulted in an economic growth rate of 7.37%. However, this economic growth was overly concentrated on technological exports, creating a sharp contrast between the booming overall economy and declining domestic consumption.

2. Current industry conditions and development

Traditional industries will likely remain heavily affected by global trade policies, supply chain pressures, and declining demand. Together with China's economic stagnation and excess global supply, the momentum behind an economic recovery has faltered. The pulp and paper industry is expected to perform similarly to the traditional manufacturing industry, and face an overall weak economic outlook.

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 enters the digital and technological era, changes in reading habits and Taiwan's increasingly severe low birth rate issues have significantly affected demand for paper stationery products, which has overall shown a gradual downward trend. In contrast, the continued growth of e-commerce has supported demand for packaging paper, which has remained relatively stable. Additionally, advancements towards Industry 4.0 and the development of IoT technologies mean that there is medium to long-term growth potential for special purpose paper markets.

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. On the other hand, the Company has continued to invest into the R&D and market expansion for high added-value special purpose paper, fully recyclable products, and other specialty materials, allowing us to diversify our product applications and enhance the competitiveness of our overall product portfolio.

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 126 million and 27.70 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

With regard to pulp sales, prices in the first half of 2025 were supported by various factors, including high cost pressures and reduced production. However, the new reciprocal tariff policies implemented by the United States subsequently increased future uncertainty, leading to a significant decline in pulp prices. Market demand remained weak until the end of the year, when pulp prices finally reversed their decline with signs of a slight recovery. In the face of increasingly strict international environmental regulations, and as customers place a growing emphasis on sustainable products, pulp and paper products made from sustainable fiber materials have carved out an increasingly defined position in the industry.

In terms of paper sales, in response to worldwide plastic and emissions reduction trends, CHP has actively transformed its business in recent years by investing in the R&D of new fiber-based material products. CHP has currently 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.

The Company has continued to actively adjust our green products portfolio, and made further environmental contributions in 2025 by investing NT\$3 billion into constructing new high-efficiency waste-to-biomass energy power generation facilities. This has significantly improved green power generation efficiency, and marks an important step towards our ultimate goal of creating a self-sufficient green energy system capable of powering our entire plant facility, producing zero emissions. At the same time, CHP has leveraged our advantages in the pulp and paper circular economy to collaborate with Taiwanese educational materials publishers on promoting book recycling programs, where used textbooks and reference books are transformed into recycled paperboard. This cardboard is later reused in teaching materials provided to elementary schools, giving students the opportunity to experience how resource recycling can be carried out in the real world by integrating book recycling into environmental education. By simultaneously developing green energy infrastructure and incorporating recycled products into our business operations, CHP has gradually built a low-carbon circular economy system extending from energy to production and educational applications. This has not only enhanced our green manufacturing operations and use of recycled materials, but also fulfills our dual commitments to environmental responsibility and community education.

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 2025, 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		2024	2025	As of April 22, 2026
Number of employees		2,876	2,856	2,835
Average age		42.73	43.09	42.84
Average year of services		13.02	12.05	12.49
Education distribution ratio %	Ph.D.	0.07	0.07	0.07
	Masters	6.05	5.88	5.96
	Bachelor's Degree	42.80	41.07	41.06
	Below Senior High School	51.08	52.98	52.91

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	A penalty of NT\$2,347,200 in total.	April 21, 2025	30-114-040001	Relevant improvement reports have been approved by the competent authority.
		July 11, 2025	30-114-070001	
		January 7, 2026	30-115-010002	

Provision(s) violated	Content of disposition	Penalty date	Disposition No.	Response measures
comply with effluent standards.		February 4, 2026	30-115-010013	We will increase the frequency of future self-inspections and maintain stable biological activity to ensure compliance with regulatory requirements.
		March 17, 2026	30-115-030001	
Article(s): Article 18 of the Water Pollution Control Act, Article 108 Paragraph 1 of the Water Pollution Control Measures and Test Reporting Management Regulations. Content: 1. Enterprise or sewage systems which set up automatic monitoring/surveillance facilities pursuant to the Regulations shall upload calibration results within the prescribed deadline. 2. Failed to report emergency incident to the competent authority within 3 hours of its occurrence.	A penalty of NT\$62,750 in total.	January 7, 2026	30-115-010001	Improvements have been completed, and all required documents shall be uploaded within the prescribed deadline in the future.
		March 17, 2026	30-115-030007	
Article(s): Article 14, Paragraph 1 of the Water Pollution Control Act Content: Those enterprises that discharge wastewater or sewage into surface water bodies shall apply to the special municipality, county or city competent authority for discharge permit or simple discharge permit document and shall obey the items registered on the document while discharging. The enterprises shall not change the items unless they have the permission from the special municipality, county or city competent authority.	A penalty of NT\$331,500.	March 17, 2026	30-115-030006	Improvements have been completed, source management mechanisms shall be enhanced and more in-depth competency training shall be provided in the future.
Article(s): Article 18 of the Water Pollution Control Act Content: Enterprises shall adopt water pollution control measures, and shall submit these pollution control plans to the competent authority for approval before conducting related operations pursuant to the approved plan.	A penalty of NT\$12,000.	March 14, 2025	30-114-030002	In the future, applications for pollution control plans shall be submitted before the deadlines specified in the regulations.
Article(s): 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\$360,000.	March 26, 2025	20-114-030010	Relevant improvement reports have been approved by the competent authority.

Provision(s) violated	Content of disposition	Penalty date	Disposition No.	Response measures
<p>Article(s): Article 22, Paragraph 3 of the Air Pollution Prevention and Control Act, Article 13, Paragraph 1, Article 13, Paragraph 2, and Article 17, Paragraph 2 of the Management Regulations for Continuous Emissions Monitoring Systems for Stationary Pollution Source Air Pollutants.</p> <p>Content: 1. Monitoring systems shall be installed following the monitoring system installation plan and system connection plan, and operations and maintenance shall be conducted following the monitoring system confirmation report.</p> <p>2. Public and private premises shall operate and maintain their monitoring systems following the monitoring system confirmation report and connection confirmation report, and monitoring data shall be transmitted pursuant to regulations.</p> <p>3. Public and private premises shall comply with the provisions provided in Article 17, Paragraph 2, and Appendix 11, (4) of the CEMS Management Regulations with regard to the code labels for different data monitoring conditions.</p>	A penalty of NT\$240,000.	January 12, 2026	20-115-010007	Relevant improvement reports have been approved by the competent authority.
<p>Article(s): Article 23, Paragraph 1 of the Air Pollution Control Act</p> <p>Content: Public and private premises shall effectively collect each type of air pollutant and maintain the normal operation of their air pollution control facilities and monitoring facilities. The maximum operating quantity of their stationary pollution sources may not exceed the maximum treatment capacity of their air pollution control facilities.</p>	A penalty of NT\$120,000.	February 11, 2026	20-114-020008	Improvements have been completed, and measurement hours in the future will comply with regulatory requirements.

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 2025, the production units of the Company and its subsidiaries mainly invested about NT\$30.7 million in related environmental protection expenditures, including expenditures related to air quality control of about NT\$16.08 million, water resource treatment of about NT\$7.41 million, and noise control of about 7.20 millions.

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

Item	Year	2024	2025
Scope 1 emissions (CO ₂ e) (in ten thousand metric tons)		74.45	71.93
Scope 2 emissions (CO ₂ e) (in ten thousand metric tons)		17.62	18.39
Greenhouse Gas Emissions (CO ₂ e) (in ten thousand metric tons)		92.07	90.32
Total water withdrawal (in millions of metric tons)		28.66	29.46
Total amount of solid residue (in ten thousand metric tons)		17.03	17.42

- * 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 2024 and is currently planning the verification schedule for 2025.

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 2025, including 18,251 person-times and 43,638 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	653	10,332	31,939	3,359
Management and general knowledge	483	7,778	10,673	235
Cultural cultivation for new recruits	26	141	1,026	7
On-the-job training	0	0	0	0

- 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
October 1, 2025	Fu-She-Lao-Zi No. 1140223011	Paragraph 1, Article 36 of the Labor Standards Act	Workers shall have two regular days off every seven days, where one day is considered regular leave and the other one is a rest day.	NT\$20,000	The Company will continue to bolster the Taiwanese (or migrant worker) shift technician workforce in order to comply with regulations requiring workers to be provided at

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
					least one rest day every seven days.
January 13, 2026	Fu-She-Lao-Zi No. 1150007874A	Paragraph 1, Article 24 of the Labor Standards Act	Failed to pay required overtime wages.	NT\$50,000	The overtime pay application system has been improved, and foreign migrant workers have been encouraged to fill out and submit overtime applications on time to avoid human errors.
January 13, 2026	Fu-She-Lao-Zi No. 1150007874B	Paragraph 2, Article 36 of the Labor Standards Act	The Company's flexible working hours system failed to provide regular leave and rest days as required by regulations.	NT\$50,000	The Company shall arrange for employees to rotate shifts when responding to special circumstances, and continue to bolster additional manpower and implement a systematic shift scheduling system in order to ensure that all employees on each team comply with the regular leave and rest days required every seven days by regulations.
January 13, 2026	Fu-She-Lao-Zi No. 1150007874C	Article 70 of the Labor Standards Act	Failed to timely amend and submit work rules to the competent authority for review and recordation.	NT\$50,000	Work rules continue to be sent to the Hualien County Government for review.
January 13, 2026	Fu-She-Lao-Zi No. 1150007874D	Paragraph 1, Article 23 of the Labor Standards Act	Failed to provide a detailed breakdown of each item included in the worker salary.	NT\$40,000	We have enhanced the overtime application system to avoid human errors, and have continued to optimize our payroll system to clearly disclose all salary items used to calculate the final salary.
March 6, 2026	Fu-She-Lao-Zi No. 1150007874E	Paragraph 1, Article 36 of the Labor Standards Act	Workers shall have two regular days off every seven days, where one day is considered regular leave and the other one is a rest day.	NT\$50,000	The Company shall arrange for employees to rotate shifts when responding to special circumstances, and continue to bolster additional manpower and implement a systematic shift scheduling system in order to ensure that all employees on each team comply with the regular leave and rest days required every seven days by regulations.

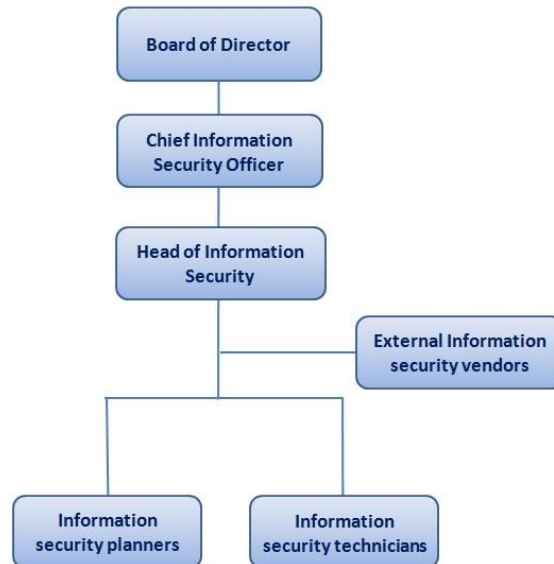
4.6 Cyber security management

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.
- Important information systems have undergone vulnerability scanning and checks twice, and security vulnerabilities have been resolved.
- All four CHP mills have completed the 2024 information security improvement items.
- In 2025, all four CHP mills have completed the operational technology (OT) computer and information security protection project.
- In 2025, all four CHP mills completed the firewall disaster recovery drill once.
- In 2025, our dedicated cyber security personnel completed more than 12 hours of professional cyber security courses. 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
Long term loan contract	Made jointly by Bank of Taiwan, First Bank and 5 participating banks.	9/26/2025~ 9/26/2030	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	2025	2024	Difference	
			Amount	%
Current Assets	20,212,472	18,795,963	1,416,509	7.5
Property, plant and equipment	15,625,370	15,982,335	(356,965)	(2.2)
Other Assets	4,603,505	3,839,435	764,070	19.9
Total Assets	40,441,347	38,617,733	1,823,614	4.7
Current Liabilities	17,573,778	16,058,702	1,515,076	9.4
Non-current Liabilities	4,280,428	4,366,325	(85,897)	(2.0)
Total Liabilities	21,854,206	20,425,027	1,429,179	7.0
Capital Stock	11,028,353	11,028,353	-	-
Capital Surplus	168,505	38,480	130,025	337.9
Retained Earnings	2,194,273	2,762,028	(567,755)	(20.6)
Other Equity	2,737,703	2,005,942	731,761	36.5
Treasury Stock	-	(136,726)	136,726	(100.0)
Non-controlling Interests	2,458,307	2,494,629	(36,322)	(1.5)
Total Stockholders' Equity	18,587,141	18,192,706	394,435	2.2

Analysis of changes in financial ratios:

- (1) Capital Surplus: Mainly due to the transfer of treasury shares to employees and the recovery of capital.
- (2) Retained Earnings: Mainly due to the losses incurred this period.
- (3) Other equity: Mainly due to the increase in unrealized gains on financial assets and the impact of cumulative conversion under exchange rate changes.
- (4) Treasury Stock: Mainly due to the transfer of treasury shares to employees.

5.2 Statements of Comprehensive Income Analysis

5.2.1. Statements of comprehensive income analysis of operation results

Unit: NT\$ thousands

Item	Year	2025	2024	Difference	
				Amount	%
Net Sales		18,766,991	20,767,530	(2,000,539)	(9.6)
Cost of Sales		18,261,178	19,223,409	(962,231)	(5.0)
Changes in Biological Assets		(2,442)	817	(3,259)	(398.9)
Gross Profit		503,371	1,544,938	(1,041,567)	(67.4)
Operating Expenses		2,031,918	2,095,695	(63,777)	(3.0)
Operating Income		(1,528,547)	(550,757)	(977,790)	177.5
Non-operating Gains and Losses		759,767	244,114	515,653	211.2
Income (Loss) before Tax		(768,780)	(306,643)	(462,137)	150.7
Tax Expense (Benefit)		(139,040)	(84,168)	(54,872)	65.2
Net income (Loss)		(629,740)	(222,475)	(407,265)	183.1
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 decrease in fair value minus the cost to sell a biological asset.					
(2) Gross profit: Mainly due to persistent geopolitical tensions and the dampening of consumer confidence by U.S. tariffs, international pulp and paper prices continue to struggle, further weakened by changing consumer habits and sluggish demand.					
(3) Net operating profit (loss): Same as Note (2).					
(4) Non-operating income and expenditure: Mainly due to the disposal of a portion of the land and buildings at the Guanyin mill during this period. .					
(5) Pre-tax profit (loss): Same as Note (2).					
(6) Income tax (benefits) expenses: Mainly due to company losses this year and the resulting increase in income tax benefits recognized.					
(7) Net profit (loss) of this period: Same as Note (2).					

5.2.2. Expected sales in 2026

Pulp prices have trended upwards in 2026. However, due to continued uncertainty in the global political and economic situation, market demand remains cautious, and the prices of raw material wood chips remain high. Each of these factors requires us to make constant adjustments to our operations, and we expect overall revenue in 2026 to be similar to that in 2025.

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
1,365,522	(1,041,573)	1,616,327	1,940,276	-	-

5.3.1 Analysis on the cash flow changes of 2025

1. Operating activities: Mainly due to losses incurred during the current period, due to the impact of relatively high amounts for notes payable, accounts payable, and other payables.
2. Other activities: Mainly due to obtaining short-term loans and the issue of short-term bills 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: Power generation facilities have been renovated and upgraded based on the business plan.
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

In addition to replacing aging production process equipment at each of our plants, the major capital expenditures in 2025 focused on increasing energy self-sufficiency, energy conservation, and carbon reduction. These investments mainly focused on improving production efficiency and production capacity, and include the establishment of new high-efficiency waste-to-biomass energy power generation facilities at the Hualien Mill, as well as additional digestion equipment to increase daily pulp production capacity. We also replaced aging power generation equipment at our Taitung Mill to more than double power generation efficiency, and upgraded paper machines at the Jiutang Mill to improve production efficiency. At the same time, we completed the expansion of our tissue paper production equipment at the Dingfung Mill in mainland China, enhancing production output. These capital expenditures were funded through the Company's own funds and bank loans. The increase in interest expenses this year compared to the previous year was mainly due to the substantial funding required for the construction of the new high-efficiency waste-to-biomass power generation facility, requiring the Company to take out additional bank loans. Although this has resulted in an increased financial burden, this investment is able to reduce the energy costs of our production operations and improve our cost structure, which provides a significant boost to our overall operations.

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

5.5.1 The Company's reinvestment businesses 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 2025, the geopolitical tensions and tariffs imposed by the United States led to a weak consumer market, resulting in losses from our reinvestments.

5.5.2 As major international paper pulp manufacturers raise pulp prices and some pulp producers suspend their capacity expansion plans, we expect profits to gradually recover as pulp prices stabilize and market demand recovers.

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 2025, major central banks have adopted divergent monetary policy stances. The US Federal Reserve (Fed), facing uncertainty about the impact of tariffs on the inflation outlook, only resumed interest rate cuts in September. The Bank of Japan (BoJ) resumed rate hikes in December, while the European Central Bank (ECB) continued to cut rates until June, maintaining them unchanged. The People's Bank of China (PBOC) have continued its accommodative monetary policy. Market expectations regarding the pace of monetary policy adjustments by major economies increased volatility in international financial markets. The US Federal Reserve have cut rates by a total of 75 basis points in 2025, leading to a moderate decline in US dollar market interest rates. In Taiwan, however, inflation expected to fall below 2% due to moderate inflationary pressures. Coupled with strong demand for emerging technologies such as artificial intelligence (AI) and significant export growth, although some manufacturing sectors have impacted by US tariffs, the overall economy maintained steady growth. The Central Bank of Taiwan kept its policy rate unchanged throughout 2025.

Response measures: The market anticipates that major central banks will maintain inconsistent monetary policy stances in 2026. Although Taiwan's inflation rate has fallen below 2%, the probability of a further decline in the New Taiwan Dollar interest rate in the short term remains relatively limited due to the central bank's continued control over the housing market. Our company will regularly and flexibly assess its various liabilities and financing policies to maintain sufficient liquidity and effectively reduce interest expenses.

Exchange rate: In 2025, the high degree of uncertainty surrounding the policies implemented by Trump after taking office have impacted global investor confidence in dollar assets. Coupled with market expectations that the Federal Reserve (Fed) will enter a rate-cutting cycle, the international dollar continued to weaken. While China's economic growth momentum continued to slow in 2025, the RMB appreciated gradually while maintaining relative stability due to the weakening international dollar. The New Taiwan Dollar (NTD) appreciated sharply in April and May due to market expectations that the US would demand appreciation during reciprocal tariff negotiations. Although it subsequently depreciated, it still showed an appreciation trend throughout the year. Our company's main exchange rate risk positions are offshore borrowings in mainland China and export proceeds from Taiwan. In 2025, we continued to dynamically adjust the hedging ratios of various currencies and control hedging costs to reduce overall exchange rate volatility.

Response measures: Looking ahead to 2026, although countries have reached preliminary trade agreements with the US, Trump's various fiscal, economic, and international trade policies will continue to bring uncertainty to the global economy and inflation trends. Therefore, the exchange rate fluctuations of related foreign currencies will remain highly volatile. The company will simultaneously consider exchange rate risks and hedging costs, and adopt appropriate financial and hedging strategies to reduce the negative impact of exchange rate fluctuations on the company's overall operations.

Inflation: In 2025, major economies have saw continued cooling of inflation, albeit at a slower pace. Taiwan's Consumer Price Index (CPI) declined due to falling international crude oil prices, tax reductions and exemptions on some goods, and stabilizing food prices, particularly for fruits and vegetables. The overall CPI is projected to decrease to 1.66% in 2025, down from 2.18% in 2024, while the core CPI (excluding energy and fruits/vegetables) will decrease to 1.65% from 1.88% in 2024.

Response measures: Looking ahead to 2026, international institutions anticipate lower oil prices than in 2025. The effects of tax reductions and exemptions on some goods will continue, and service inflation is expected to maintain a gradual decline. The Central Bank of Taiwan forecasts a 1.63% annual increase for both Taiwan's CPI and core CPI in 2026. However, international commodity and domestic service price trends, as well as weather factors, may still influence future domestic inflation. As of the date of publication of the annual report, inflation should not be a significant factor affecting the Company. However, it is still necessary to closely monitor the risks brought about by the fragmentation of the global economy and the restructuring of supply chains, as well as geopolitical conflicts, climate change and other 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 2025 are primarily aimed at avoiding USD, EUR 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, EUR 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 2026 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 2026, so there are no related risks and countermeasures.

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

As of the printing date, the Company's main expansion plan is to upgrade the core power equipment at the Hualien Mill, which is necessary for the sustainable operations of the Mill. The Company plans to invest NT\$3 billion from 2025 to 2029 to build a new high-efficiency waste-to-biomass energy power generation facility at the Mill, expected to provide the following main benefits:

- (1). Increase the proportion of self-generated electricity from 41% to over 95%, reducing energy costs and carbon emissions.
- (2). Improve equipment operating efficiency, and extend maintenance intervals.
- (3). Manage air quality more efficiently, reducing related treatment costs.

The main risks of the plan are its large capital requirements and potentially long investment payback period. However, considering how industrial transition has been driven by carbon reduction trends in recent years, the Company has committed to following this sustainable development roadmap. As Taiwan's only pulp manufacturer, we are resolved to actively overcome any challenges we may encounter, no matter what they may be.

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