

Stock Code : 6887



BORETECH Resource Recovery Engineering CO., LTD.

2024 Annual Report

The Market Observation Post System : <http://mops.twse.com.tw/>

Company Website:<https://bo-re-tech.group/>

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Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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Spokesperson : OU, PO-HAO

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Title : CFO

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Tel : +86-573-85120186

Website : <https://bo-re-tech.group/>

IV. Branches

(1) RIZEN CO., LTD.

Address : 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road
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Tel : +86-573-85132440

(2) FIRST COOL INTERNATIONAL CO., LTD

Address : 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road
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Tel : +86-573-85132440

(3) BORETECH RESOURCE RECOVERY TECHNOLOGY CO., LTD.

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(4) CYCLEPLUS, LLC

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(5) ZHEJIANG BORETECH ENVIRONMENTAL ENGINEERING CO., LTD.

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(6) ZHEJIANG ANSHUN PETTECHS FIBER CO., LTD.

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V. Stock Transfer Agent

Taishin Securities Co., Ltd.

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Tel : +886-2-25048125

Website : <https://www.taishinholdings.com.tw/tsh/relations/shareholders/agency>

VI. Auditors

PriceWaterHouseCoopers

Auditors : Hsu, Ming-Chuan, Tien, Chung-Yu

Address: 27th Fl., No.333, Sec. 1, Keelung Rd., Taipei, Taiwan

Tel : +886-2-2729-6666

Website : www.pwc.tw

VII. Overseas Trade Places for Listed Negotiable Securities

None.

VIII. Corporate Website

<https://bo-re-tech.group/>

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I. Letter to Shareholders

Dear Shareholders,

With the collective efforts of all our employees, Boretech Group achieved record-breaking revenue and profit in fiscal year 2024. The Group reported consolidated revenue of NT\$5.444 billion, representing a 21.96% increase compared to 2023. Revenue growth was driven across business units: the chemical fiber division grew by 5%, the equipment engineering division by 24%, and the rPET raw material washing and pelletizing division by an impressive 65%. Consolidated net profit for the period reached NT\$490 million, an increase of NT\$32.14 million year over year, resulting in earnings per share (EPS) of NT\$7.51.

Business Highlights for FY2024

(1) Chemical Fiber Division

In recent years, the chemical fiber market has faced oversupply, leading to intense price competition in mass-produced, homogeneous products. Boretech has strategically positioned its fiber division by focusing on the development of differentiated products, rather than pursuing large-scale market share. This approach effectively distances Boretech from low-margin price wars and targets niche markets with higher profitability. The differentiation strategy not only enabled the company to achieve its operating targets but also delivered superior profit performance.

(2) Equipment Engineering Division

In 2024, the equipment engineering division maintained its leading market share in plastic washing systems across China, India, and Southeast Asia. Plastic washing equipment accounted for approximately 82% of total equipment sales, while chemical fiber and pelletizing systems comprised the remaining 18%. As the washing line serves as the backbone of rPET production, Boretech continues to expand its capabilities to offer comprehensive solutions—including fiber and food-grade system designs—tailored to customer needs. With its proven service quality and technical expertise, the division continues to secure new orders and expand its market footprint.

(3) PET Raw Material Washing and Pelletizing Division

Driven by heightened consumer awareness of sustainability and ongoing advancements in rPET production technology, the use of rPET in food packaging has increased year by year. Food-grade rPET presents significant growth potential and has become one of the key drivers of Boretech's revenue expansion. To date, Boretech's rPET products have been certified by the U.S. FDA, Japan's container safety authorities, and Taiwan's TFDA. Shipments have been made to food and beverage manufacturers in Japan, the United States, and other countries. With the support of global policies promoting recycling and circular economy initiatives, along with rising consumer preference for sustainable packaging, Boretech expects continued growth in demand for rPET products in the coming years.

Overview of 2024 Business Plan

(1) Chemical Fiber Division

Despite the challenging global and domestic economic conditions and intensifying market competition, Boretech's chemical fiber team has remained united and committed to achieving the operational targets set for 2024. Moving forward, the division will continue to consolidate existing achievements, expand sales of flame-retardant fibers, and maintain the growth momentum of high-margin products.

For hygiene fiber products, the focus will be on product diversification and cost control to enhance competitiveness. For flame-retardant fiber products, efforts will center on increasing sales volumes in overseas markets and raising international brand awareness. Additionally, Boretech will strengthen the promotion of colored fibers, aiming to make them the second-largest profit-generating product after flame-retardant fibers.

Overall, in 2025, optimizing the product mix will remain a key strategy for the division—by increasing the sales of high-margin products and phasing out low-margin businesses, the company will continue to improve its overall profitability.

(2) Equipment Engineering Division

India's robust economic growth—forecasted to reach 6.5% in 2025—positions it as the fastest-growing major economy. With regulatory changes now allowing recycled plastics for food-contact packaging, India is rapidly becoming one of the most promising markets for bottle-to-bottle (B2B) recycling systems. As a result, Boretech has identified deep market development in India and the expansion of product lines in the region as key strategic priorities. The Indian market's openness and appeal to foreign investment in plastic recycling infrastructure further reinforce its strategic value.

Moreover, 2025 marks a critical year for global brands and retailers to fulfill their plastic reduction commitments. In this context, Boretech's B2B recycling integration capabilities and chemical recycling solutions are expected to play a vital role in helping brands chart new sustainability roadmaps. These competencies will also serve as a solid foundation for Boretech's evolution into a comprehensive environmental solutions provider in the plastics recycling industry.

To support these strategic goals, the Equipment Engineering Division has established the following operational focus areas for its key product departments:

1. Washing Systems Department
 - A: Strengthen project management
 - B: Control costs and improve quality
 - C: Standardize auxiliary system solutions
2. Fiber Systems Department
 - A: Enhance R&D in fiber production technologies
 - B: Utilize properties of recycled PET flakes to improve fiber production quality and efficiency
 - C: Expand deployment in the Indian market
3. Bottle-to-Bottle Systems Department
 - A: Improve engineering integration capabilities

- B: Establish communication mechanisms with brand owners
- C: Enhance marketing efforts
- D: Advance product certification processes

(3) PET Washing and Pelletizing Division

Taiwan generates approximately 100,000 tons of PET bottles annually. In line with the Ministry of Environment's roadmap, by 2025, products must contain at least 25% recycled content, with a goal of surpassing 50% by 2030. To meet future demand, Boretech is planning to install a new pelletizing line with an annual capacity of 30,000 tons. This will be complemented by the use of washed PET flakes from Zhejiang Boretech's new tray-container washing system, giving the company greater control over raw materials and costs.

In addition, Boretech Taiwan has partnered with 7-Eleven to implement bottle recycling initiatives, and with Carrefour on packaging recovery demonstration projects. These programs exemplify closed-loop plastic recycling, and serve as models for sustainable resource utilization. The goal is to gradually expand recycling capacity and accelerate the advancement of a circular economy for plastics.

Future Development Strategy

(1) Chemical Fiber Division

Boretech's Chemical Fiber Division aims to become an industry leader in flame-retardant functional fibers, and a key supplier for mainstream hygiene brands in the composite fiber sector, by leveraging both R&D capability and sales strategy as twin growth engines.

To achieve this vision, the division has established the following strategic operational directions for its major product departments:

1. Polyester Fiber Department

In recent years, intensified competition in the flame-retardant fiber market has led to declining prices. To enhance both profitability and sales volume, expanding export business has been identified as a key development strategy. Complementary actions include:

- A. Adjusting production line configurations and expanding capacity to meet growing order demand
- B. Integrating the supply chain to secure stable raw material sources and reduce costs
- C. Increasing the proportion of export sales
- D. Strengthening inventory management

2. Composite Fiber Department

Facing increased market competition, low gross margins, and limited application scope, the division plans to improve performance through the following strategies:

- A. Developing differentiated products
- B. Expanding and diversifying the customer base
- C. Increasing export share
- D. Implementing a strategic procurement plan for raw materials

Since its establishment, the division's R&D department has successfully developed distinctive

products such as nylon-polyester composite fibers, Eco-AN biodegradable fibers, and antibacterial fibers, which have been well received by the market. The division will continue enhancing innovation by recruiting PhD-level R&D talent to advance the following key projects:

- A. Development of chemically spun staple fibers
- B. Development of composite ultra-short-cut fibers
- C. Development of specialty functional fibers

(2) Equipment Engineering Division

As plastic recycling and regeneration have become a global consensus—driven by both national policy and global brand sustainability goals—Boretech sees significant industry growth opportunities. However, challenges remain in the form of market uncertainties and peer competition. The division is committed to transforming its business model into a professional engineering service provider, supported by the following core strategies:

1. Establish a long-term, stable profit model by strengthening core competencies in industry technology, engineering services, and sales and marketing. These capabilities will support the development of product lines, ensuring each offering meets world-class standards. By integrating resources and systems across the value chain, Boretech aims to provide clients with a superior equipment and service experience.
2. Enhance R&D, engineering design, and project management teams, and develop T-shaped professionals with deep expertise and cross-disciplinary abilities, aligned with the company's strategic growth roadmap.
3. Stay ahead of industry trends and product innovation, integrating advanced technologies to tap into mid- to high-end markets and support the development of large-scale production lines, thereby creating higher added value.
4. Expand global after-sales service deployment, utilizing IoT technology to build a remote support system, which will improve the efficiency and effectiveness of technical support and customer service, ultimately raising client satisfaction.

(3) PET Washing and Pelletizing Division

Under the global emphasis on ESG and carbon reduction, the circular economy for recycled plastics is gaining increasing importance. The Basel Convention urges nations to legislate bans on waste exports and promote recycling and reuse. The shift from virgin to recycled plastics is accelerating, with corporate social responsibility from global brands becoming more pronounced.

Following India's regulatory approval for food-grade recycled plastics, and with China expected to follow suit in 2025, the two most populous economies in the world are poised to drive the next wave of strong demand for recycled materials. As such, securing stable feedstock sources will be a critical focus for the PET Washing and Pelletizing Division.

In addition to identifying and developing high-quality, stable material sources, the division will work closely with the Engineering Division to enhance production capacity, quality, and energy efficiency, further strengthening the competitiveness of its products. Through these efforts, Boretech aims to achieve a synergistic win-win between its equipment business and its recycled pellet operations.

With the continued support of our valued shareholders, Boretech Group remains firmly committed to its vision of becoming a leading force in the global environmental plastics industry.

As the issue of climate change accelerates global momentum in the recycling and circular economy sector, we see a significant and promising uptrend. Building on this momentum, Boretech will expand further into new areas of recycling, contributing to a more sustainable world and a more beautiful Earth through the promotion of high-quality regeneration across the globe.

We sincerely wish all our shareholders good health, peace, and continued prosperity.

BORETECH Resource Recovery Engineering CO., LTD.

Chairman OU, CHE-WEN

II. Corporate Governance Report

i、Directors

1. Board of Directors – Name, Education/Experience, Shareholding and Nature

April 30, 2025

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Rep. of juridical person)	Shareholding when Elected		Current Shareholding (Rep. of juridical person)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & CEO	R.O.C.	OU Che- Wen	Male 61~70	2024/1/16	3	2014/04/30	—	—	—	—	1,678,317 (Note 2)	2.26%	15,104,847 (Note 1)	20.38%	Takming College; Chairman of Boretech (TW)	Chairman of Zhejiang Boretech Chairman of Zhejiang Anshun Chairman of Jiaxing Baomat	Director	OU Po- Hao	Son
Director	BVI	BRAINT REE INDUST RIES LIMITED	—	2024/1/16	3	2014/08/05	22,905,914	35.13%	22,905,914	30.91%	—	—	—	—	—	None	—	—	—
	R.O.C.	Rep. KO Yung- Chun	Female 71~80				—	—	—	—	—	—	5,617,284 (Note 3)	7.58%	National Nantou Vocational High School Chairperson of Shuh Jen Enterprises	Director of Jiapin Technology	—	—	—
Director	USA	GUANG SHUN PETTEC HS FIBRE INDUST RY L.L.C.	—	2024/1/16	3	2014/08/05	13,932,371	21.37%	13,832,371	18.66%	—	—	—	—	—	None	—	—	—
	R.O.C.	Rep. OU Po- Hao	Male 31~40				—	—	—	—	—	—	10,134,978 (Note 4)	13.67%	B.B.A., Meijo University (Japan); General Manager, Cycleplus, LLC	Chairman of Boretech (TW)	Chairman	OU Che- Wen	Father
Director	R.O.C.	ECOVE Environm ent Corporati on	—	2024/1/16	3	2014/08/05	12,039,903	18.47%	12,039,903	16.24%	—	—	—	—	—	Director, Shinding Technical Services Director, Lunding Director, Huiding Resource Management Director, Yuding Director, Yuanding Resources (Additional affiliated	—	—	—

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Rep. of juridical person)	Shareholding when Elected		Current Shareholding (Rep. of juridical person)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
																companies not individually listed)			
	R.O.C.	Rep. TIAO Hsiu-Hua	Male 51~60				—	—	—	—	—	—	—	—	M.B.A. in International Business Management, NTU M.S. in Environmental Engineering, NTU B.S. in Chemical Engineering, NTU Former Deputy Chief Engineer, CTCI	Director, Shinding Technical Services Director, Lunding Director, Huiding Resource Management Director, Yuding Director, Yuanding Resources (Additional affiliated companies not individually listed)	—	—	—
Independent Director	R.O.C.	HSU Wen-Kuan	Female 61~70	2024/1/16	3	2023/5/29	—	—	—	—	—	—	—	—	Bachelor's Degree in Accounting, Soochow University Certified Public Accountant, PwC Taiwan Lead Auditor, PwC Suzhou Branch, Mainland China	Independent Director, Leefon Independent Director, Suhong Technology	—	—	—
Independent Director	R.O.C.	TSAO Mihn	Male 71~80	2024/1/16	3	2024/1/16	—	—	—	—	—	—	—	—	Executive MBA, National Sun Yat-sen University	Chairman, Formosa Petrochemical Corporation Director, Tai Shuo Heavy Industry Independent Director, Southeast Investment Chairman, Formosa Idemitsu Specialty Chemicals Corporation Chairman, Mailiao Power Corporation Chairman, Mailiao Industrial Port	—	—	—
Independent Director	R.O.C.	LIN Hui- Ping	Female 51~60	2024/1/16	3	2024/1/16	—	—	—	—	—	—	—	—	Bachelor's Degree in Economics, Soochow University Master's Degree in	Independent Director, Chy King	—	—	—

Title	Nationality	Name	Gender Age	Date Elected	Term (Years)	Date First Elected (Rep. of juridical person)	Shareholding when Elected		Current Shareholding (Rep. of juridical person)		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
															Finance, Baruch College, City University of New York Chairperson, Huilu Information Director, Pili International Multimedia Chief Financial Officer, Kaiyi International Group Deputy General Manager, Underwriting Department, Grand Cathay Securities				
Independent Director	R.O.C.	HUANG Kuo- Ming	Male 41~50	2024/1/16	3	2024/1/16	—	—	—	—	—	—	—	—	Master's Degree in Banking and Finance Law, Queen Mary University of London Prosecutor, Taipei District Prosecutors Office Military Prosecutor, Northern District, Ministry of National Defense Attorney, Jones Day Law Firm (Taiwan)	Managing Partner, Global Reach Law Firm Independent Director, Shou Li Industrial	—	—	—

Note 1 : Mr. OU Che-Wen holds shares indirectly through his 90% ownership of All Mark International Co., Ltd.

Note 2 : Ms. LEE Jo-Hua, spouse of Mr. OU Che-Wen, holds shares indirectly through her 10% ownership of All Mark International Co., Ltd.

Note 3 : Ms. KO Yung-Chun holds shares indirectly through her 15.29% ownership of both BRAINTREE INDUSTRIES LIMITED and GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.

Note 4 : Mr. OU Po-Hao holds shares indirectly through his 73.27% ownership of GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.

Note 5 : The Company's Chairman concurrently serves as the General Manager. Additionally, the Chairman and the representative of the corporate director GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C. are first-degree relatives (parent-child).
This arrangement is based on operational efficiency and merit-based appointment. To strengthen oversight and enhance corporate governance, the Company has appointed an additional independent director, increasing the total number to four.

2. Major shareholders of the juristic-person director

April 30, 2025

Name of Juridical-Person Director	Major shareholders of the juristic-person director
BRAINTREE INDUSTRIES LIMITED	ALL MARK INTERNATIONAL CO., LTD (73.27%) 、KO Yung-Chun (15.29%) 、WU LUEN KNITTING CO., LTD (6.44%) 、LIN, Chien-Neng (5%)
GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	OU Po-Hao (73.27%) 、KO Yung-Chun (15.29%) 、WU LUEN KNITTING CO., LTD (6.44%) 、LIN, Chien-Neng (5%)
ECOVE Environment Corporation	CTCI Corporation (53.50%) 、Fubon Life Insurance Co., Ltd.(4.59%) 、Parkwell Investment Corp. (1.47%) 、永 Bank SinoPac Company Limited (0.80%) 、Fubon Financial Holding Venture Capital Corp (0.65%) 、Taiwan Life Insurance Co, Ltd. (0.47%) 、SinoPac Securities Corp. (0.47%) 、D. Y. Wen (0.35%) 、GRQ Investment Corp. (0.34%) 、J. M. Chang (0.33%)

Note: The latest public information disclosed by each company as of April 30, 2025.

3. Major shareholders of the major shareholders that are juridical persons

April 30, 2025

Name of juridical persons	Major shareholders of the juridical persons
ALL MARK INTERNATIONAL CO., LTD	OU Che-Wen (90%) 、LEE Jo-Hua (10%)
CTCI Corporation	CTCI Foundation(7.51%) 、CTBC BANK CO., LTD. (Sustainability Employee Stock Ownership Trust)(6.23%) 、CTBC BANK CO., LTD. (CTCI Corporation Employee Stock Ownership Trust) (6.10%) 、Yuanta Taiwan High Dividend Low Volatility ETF (4.38%) 、BANK SINOPAC CO. LTD.(Reliable Employee Stock Ownership Trust)(3.36%) 、USI Corporation(1.87%) 、Asia Polymer Corporation(1.78%) 、Union Cement Traders Inc.(1.65%) 、CHANG HWA COMMERCIAL BANK, LTD. (1.23%) 、Morgan Stanley & Co. International Plc (1.17%)

Note: The latest public information disclosed by each company as of April 30, 2025.

4. Professional Qualifications of Directors and Independence Analysis of Independent Directors

Criteria Name	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
OU Che-Wen	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as Chairman & CEO, Chairman of Zhejiang Boretech, Chairman of Zhejiang Anshun, and Chairman of Jiaxing Baomat 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.	NA	—
BRAINTREE INDUSTRIES LIMITED Rep. KO Yung-Chun	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the legal representative director of the Company and Director of Jiapin Technology. 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.	NA	—
GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C. Rep. OU Po-Hao	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the legal representative director of the Company and Chairman of Boretech (TW). 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.	NA	—
ECOVE Environment Corporation Rep. TIAO Hsiu-Hua	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the legal representative director of the Company, Director of Shinding Technical Services, Director of Lunding, Director of Huiding Resource Management, Director of Yuding, and Director of Yuanding Resources. 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.	NA	—

Criteria Name	Professional qualifications and experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
HSU Wen-Kuan	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as Independent Director of the Company, Independent Director of Leefon, and Independent Director of Suhong Technology. 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.	1.Whether the person, his/her spouse or relative within the second degree of kinship serve as a director/ a supervisor/ an employee of the Company or any of its affiliates? →NO 2.The number and proportion of the Company's share held by the person, his/her spouse or relative within the second degree of kinship (or in the name of others)? →0 3.Whether to serve as a director/ a supervisor/ an employee of a company that has a specific relationship with the Company? →NO 4.The compensations received for providing the commercial, legal, financial, accounting or related services to the Company or any of its affiliates in the past 2 years? →0	2
TSAO Mihn	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the Independent Director of the Company and Chairman of Formosa. 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.		1
LIN Hui-Ping	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the Independent Director of the Company and Independent Director, Chy King 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.		1
HUANG Kuo-Ming	1.Possesses work experience in areas essential to corporate operations, including business, legal, financial, and management capabilities. 2.Currently serves as the Independent Director of the Company and Managing Partner, Global Reach Law Firm. 3.Does not fall under any of the circumstances listed in Article 30 of the Company Act.		1

5. The diversity and independence of the Board of Directors

(1) Diversity

In order to strengthen corporate governance and enhance the composition and structure of the Board of Directors, the Company respects and advocates board diversity. It is expected that the implementation of a diversity policy will contribute to the overall improvement of the Company's operational performance.

The selection of board members is based on the principle of meritocracy, with emphasis on gender equality and the possession of the knowledge, skills, and character necessary to fulfill their duties.

To achieve the Company's corporate governance objectives, the Board as a whole should possess the following competencies: (1) Operational judgment (2) Accounting and financial analysis (3) Business management (4) Crisis management (5) Industry knowledge (6) International market perspective (7) Leadership (8) Decision-making capability

The implementation about diversity policy of each director is below.

Diversity Name	Composition										Industry Experience, and Professional Competence							
	Nationality	Gender	Employee	Age					Independent Director's tenure		Operating judgment	Finance/ Accounting	Operation Management	Risk Management	Industry Knowledge	International Market Perspective	Leadership	Decision making Skill
				31 ~ 40	41 ~ 50	51 ~ 60	61 ~ 70	71 ~ 80	Under 9 years	Over 9 years								
OU Che-Wen	R.O.C.	Male	✓	—	—	—	✓	—	—	—	✓	✓	✓	✓	✓	✓	✓	✓
KO Yung-Chun	R.O.C.	Female	—	—	—	—	—	✓	—	—	✓	✓	✓	✓	✓	✓	✓	✓
OU Po-Hao	R.O.C.	Male	—	✓	—	—	—	—	—	—	✓	✓	✓	✓	✓	✓	✓	✓
TIAO Hsiu-Hua	R.O.C.	Male	—	—	—	✓	—	—	—	—	✓	✓	✓	✓	✓	✓	✓	✓
HSU Wen-Kuan	R.O.C.	Female	—	—	—	—	✓	—	✓	—	✓	✓	✓	✓	✓	✓	✓	✓
TSAO Mihn	R.O.C.	Male	—	—	—	—	—	✓	✓	—	✓	✓	✓	✓	✓	✓	✓	✓
LIN Hui-Ping	R.O.C.	Female	—	—	—	✓	—	—	✓	—	✓	✓	✓	✓	✓	✓	✓	✓
HUANG Kuo-Ming	R.O.C.	Male	—	—	✓	—	—	—	✓	—	✓	✓	✓	✓	✓	✓	✓	✓

(2) Independence

The independence of the Company's directors is assessed based on the substance of their conduct rather than merely on form. The Company is committed to continuously evaluating the independence of its Board of Directors by taking into account all relevant factors, including but not limited to: whether a director is able to consistently provide constructive opinions to the management team and fellow board members; whether the director demonstrates independence in expressing viewpoints; and whether their behavior, both within and outside the Board, aligns with generally accepted social and ethical standards.

The qualifications of the Company's independent directors meet the expectations set by the Company and reflect their professional attributes. Accordingly, the Company considers all independent directors to be external individuals who are independent from the Company.

Furthermore, the overall composition of the Board complies with the requirements set forth in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The Company therefore concludes that its Board of Directors meets the standards of independence.

ii 、 Management Team

April 30, 2025

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are spouses or within two degrees of kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman & CEO	R.O.C.	OU Che-Wen	Male	2013/04/08	—	—	1,678,317 (Note 2)	2.26%	15,104,847 (Note1)	20.38%	Takming College; Chairman of Boretech (TW)	Chairman of Zhejiang Boretech Chairman of Zhejiang Anshun Chairman of Jiaxing Baomat	—	—	—
Chief Corporate Governance Officer & Accounting Officer	R.O.C.	LIN, YU-CHUN	Female	2023/08/30	20,000	0.03%	—	—	—	—	MBA, University of Strathclyde, United Kingdom CFO of Auras Technology CFO of Tien Li Offshore Wind Technology	Supervisor of Zhejiang Anshun	—	—	—
Chief Internal Auditor (Note 3)	R.O.C.	ZHANG YU-ZHEN	Female	2023/5/22	Note3	Note3	Note3	Note3	Note3	Note3	Bachelor's Degree in Business Administration, NPUST Audit Manager, Compal Electronics. Audit Manager, Airmate Electrical Head of Audit, Chicony Electronics	—	—	—	—
Chief Internal Auditor	R.O.C.	CHEN,BO-CANG	Male	2025/3/27	5,000	0.01%	—	—	—	—	Deputy Manager, Finance Department, Tyan-Yan Machinery	—	—	—	—

Note 1 : Mr. OU Che-Wen holds shares indirectly through his 90% ownership of All Mark International Co., Ltd.

Note 2 : Ms. LEE Jo-Hua, spouse of Mr. OU Che-Wen, holds shares indirectly through her 10% ownership of All Mark International Co., Ltd.

Note 3 : Ms. ZHANG YU-ZHEN is dismissed on Jun. 12, 2024, and disclose the information during his tenure of office only.

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iii、Remuneration of Directors and Management Team

1. Remuneration Paid to Directors, Supervisors, President and Vice Presidents in the Most Recent Fiscal Year (2024)

(1) Remuneration of Directors

Unit: TWD thousands

Title	Name	Compensation								Total remuneration (A+B+C+D) and ratio of them to net income		Relevant remuneration received by directors who are also employees								Total compensation (A+B+C+D+E+F+G) and ratio of them to net income		Compensation paid to directors from an invested company other than the Company's subsidiary or Parent Company (Note5)
		Base Remuneration (A) (Note1)		Pension Fund (B)		Directors' Remuneration (C) (Note2)		Allowances (D) (Note3)				Salary, Bonuses, and Allowances (E) (Note4)		Pension Fund (F)		Employees' Compensation (G)						
		BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT		All Consolidated Entities		BRT	All Consolidated Entities	
																Cash	Stock	Cash	Stock			
Chairman & CEO	OU Che-Wen	288	288	—	—	—	—	204	204	492 (0.10%)	492 (0.10%)	11,641	15,722	—	—	—	—	—	—	12,133 (2.48%)	16,214 (3.31%)	None
Director	BRAINTREE INDUSTRIES LIMITED																					
	Rep. KO Yung-Chun																					
Director	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.																					
	Rep. OU Po-Hao																					
Director	ECOVE Environment Corporation																					
	Rep. TIAO Hsiu-Hua																					

Title	Name	Compensation								Total remuneration (A+B+C+D) and ratio of them to net income		Relevant remuneration received by directors who are also employees								Total compensation (A+B+C+D+E+F+G) and ratio of them to net income		Compensation paid to directors from an invested company other than the Company's subsidiary or Parent Company (Note5)
		Base Remuneration (A) (Note1)		Pension Fund (B)		Directors' Remuneration (C) (Note2)		Allowances (D) (Note3)				Salary, Bonuses, and Allowances (E) (Note4)		Pension Fund (F)		Employees' Compensation (G)						
		BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT		All Consolidated Entities		BRT	All Consolidated Entities	
Independent Director	HSU Wen-Kuan	2,911	2,911	—	—	—	—	192	192	3,103 (0.63%)	3,103 (0.63%)	—	—	—	—	—	—	—	—	3,103 (0.63%)	3,103 (0.63%)	None
Independent Director	TSAO Mihn																					
Independent Director	LIN Hui-Ping																					
Independent Director	HUANG Kuo-Ming																					
1. Please describe the payment policy, systems, standards and constructions of Independent Directors, their relevance between payment of compensation and taking responsibility, risks, investing time and so on: Directors' remuneration is determined based on their participation in company operations, contribution value, and by reference to industry standards both domestically and internationally. In years of profitability, the Board of Directors determines the compensation amount in accordance with the Company's Articles of Incorporation. Independent directors, as members of the Audit Committee, receive additional reasonable compensation in view of their responsibilities, risk exposure, and time commitment.																						
2. Other than disclosure in above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee of parent company/all consolidated entities/invested company) in the 2024 financial statements: None.																						

Note1 : Refers to directors' remuneration for the year 2024, including salaries, position allowances, severance payments, bonuses, incentive payments, etc.

Note2 : Refers to the amount of directors' compensation approved by the Board of Directors for distribution in 2024.

Note3 : Refers to business-related expenses incurred by directors in 2024, including transportation allowances, special expenses, various subsidies, accommodations, company vehicles, and other in-kind benefits.

Note4 : Refers to remuneration received in 2024 by directors who also serve as employees (e.g., President, Vice Presidents, managers), including salaries, position allowances, severance payments, bonuses, incentive payments, transportation and special expenses, various subsidies, accommodations, company vehicles, and other in-kind benefits.

Note5 : a. This column should specify compensation received by directors from affiliated enterprises other than subsidiaries or from the parent company (if none, please indicate "None").

b. If such compensation exists, it should be included in Column I of the remuneration tier table and the column title revised to "Parent Company and All Affiliated Enterprises."

c. Compensation includes any remuneration or payments received for serving as a director, supervisor, or managerial officer (including director/supervisor/employee remuneration and business execution expenses) in entities other than subsidiaries.

Range of Remuneration

Bracket	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	Boretech	All Consolidated Entities	Boretech	All Consolidated Entities
Under TWD 1,000,000	OU Che-Wen / KO Yung-Chun / OU Po-Hao / TIAO Hsiu-Hua / HSU Wen-Kuan / TSAO Mihn / LIN Hui-Ping / HUANG Kuo- Ming	OU Che-Wen / KO Yung-Chun / OU Po-Hao / TIAO Hsiu-Hua / HSU Wen-Kuan / TSAO Mihn / LIN Hui-Ping / HUANG Kuo- Ming	KO Yung-Chun / OU Po-Hao / TIAO Hsiu-Hua / HSU Wen-Kuan / TSAO Mihn / LIN Hui-Ping / HUANG Kuo- Ming	KO Yung-Chun / TIAO Hsiu-Hua / HSU Wen-Kuan / TSAO Mihn / LIN Hui-Ping / HUANG Kuo-Ming
TWD1,000,000 ~ TWD2,000,000	—	—	—	—
TWD2,000,000 ~ TWD3,500,000	—	—	—	OU Po-Hao
TWD3,500,000 ~ TWD5,000,000	—	—	—	—
TWD5,000,000 ~ TWD10,000,000	—	—	—	—
TWD10,000,000 ~ TWD15,000,000	—	—	OU Che-Wen	OU Che-Wen
TWD15,000,000 ~ TWD30,000,000	—	—	—	—
TWD30,000,000 ~ TWD50,000,000	—	—	—	—
TWD50,000,000 ~ TWD100,000,000	—	—	—	—
Over TWD100,000,000	—	—	—	—
Total	8	8	8	8

(2) Compensation of President and Executive Vice President

Unit: TWD thousands

Title	Name	Base Remuneration (A)		Pension Fund (B)		Directors' Remuneration (C)		Allowances (D)				Total remuneration (A+B+C+D) and ratio of them to net income		Compensation paid to directors from an invested company other than the Company's subsidiary or Parent Company
		BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT	All Consolidated Entities	BRT		All Consolidated Entities		BRT	All Consolidated Entities	
								Cash	Stock	Cash	Stock			
CEO	OU Che-Wen	2,160	7,745	—	—	9,481	10,021	—	—	—	—	11,641(2.38%)	17,766 (3.63%)	None
Chief Corporate Governance Officer & Accounting Officer	LIN, YU-CHUN													
Chief Internal Auditor	ZHANG YU-ZHEN													

Range of Remuneration

Bracket	Name of President and Executive Vice President	
	Boretech	All Consolidated Entities
Under TWD 1,000,000	LIN, YU-CHUN / ZHANG YU-ZHEN	
TWD1,000,000 ~ TWD2,000,000	—	ZHANG YU-ZHEN
TWD2,000,000 ~ TWD3,500,000	—	LIN, YU-CHUN
TWD3,500,000 ~ TWD5,000,000	—	—
TWD5,000,000 ~ TWD10,000,000	—	—
TWD10,000,000 ~ TWD15,000,000	OU Che-Wen	OU Che-Wen
TWD15,000,000 ~ TWD30,000,000	—	—
TWD30,000,000 ~ TWD50,000,000	—	—
TWD50,000,000 ~ TWD100,000,000	—	—
Over TWD100,000,000	—	—
Total	3	3

(3) Employees' Compensation Granted to Management Team

Unit: TWD thousands

	Title	Name	Employee Bonus - in Stock (Fair Market Value)	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	CEO	OU Che-Wen	—	—	—	—
	Chief Corporate Governance Officer & Accounting Officer	LIN YU-CHUN				
	Chief Internal Auditor	ZHANG YU-ZHEN				

2. Comparison of Remuneration for Directors, Presidents and Executive Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy, for Directors, Presidents and Executive Vice Presidents:

The remuneration of directors and management officers is determined in accordance with “Procedure for Performance Assessment and Remuneration Standard of the directors and Management Officers:

(1) Analysis of total remuneration of ratio to net income in accordance with CTCI's Directors, President and Executive Vice President by CTCI and all consolidated entities' financial statements in the most recent two fiscal years

Title	Ratio of Total Remuneration to Net Income After Tax for 2023 (%)	Ratio of Total Remuneration to Net Income After Tax for 2024 (%)
Directors	0.71	0.73
President and Executive Vice Presidents	3.05	3.63

(2) The remuneration's policies, standards, combinations, the procedures for determining the remuneration, and the relation to business performance and future risks

A. Directors

Directors' remuneration is based on the “Regulations for Remuneration of Directors and Functional Committee Members,” approved by the Remuneration Committee and the Board of Directors. It includes transportation allowances, business execution expenses, and annual compensation calculated based on a profit-sharing ratio.

The ratio, set with reference to industry standards and specified in the Articles of Incorporation, is approved by the shareholders' meeting. Remuneration is closely linked to company performance, with the ratio considered reasonable to avoid short-term incentive risks.

B. President and Vice Presidents

Remuneration for the President and Vice Presidents is based on the “Managerial Officers Remuneration Policy,” approved by the Remuneration Committee and the Board. It includes salaries, bonuses, employee compensation, and other board-approved subsidies.

Compensation considers industry benchmarks, competitiveness in talent recruitment, and incentive alignment. A portion is performance-based to enhance management effectiveness.

iv 、 Implementation of Corporate Governance

1. Board of Directors

In the most recent fiscal year, the Board of Directors held 8 meetings. The attendance of directors is as follows:

Title	Name	Attendance in Person	By Proxy	Attendance rate	Note
Chairman	OU Che-Wen	8	-	100%	
Director	KO Yung-Chun (Rep. of BRAINTREE INDUSTRIES LIMITED)	7	1	87.5%	
Director	OU Po-Hao (Rep. of GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.)	8	-	100%	
Director	TIAO Hsiu-Hua (Rep. of ECOVE Environment Corporation)	7	1	87.5%	
Independent Director	HSU Wen-Kuan	7	1	87.5%	
Independent Director	TSAO Mihn	7	1	87.5%	
Independent Director	LIN Hui-Ping	8	-	100%	
Independent Director	HUANG Kuo- Ming	7	1	87.5%	

Other mentionable items

i 、 If there are the matter referred to as below in the directors' meetings, the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion should be specified:

1) The matters referred to in Article 14-3 of Securities and Exchange Act. :

On October 26, 2021, the Company held an extraordinary shareholders' meeting and re-elected all seven directors (including three independent directors), and established the Audit Committee. As the Company is not subject to Article 14-3 of the Securities and Exchange Act, matters under Article 14-5 are disclosed under the operation of the Audit Committee.

2) Other than the aforementioned matters, any Board resolutions opposed or reserved by independent directors with recorded or written statements: None.

ii 、 If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance and voting should be specified:

1) The 8th meeting of the 6th term Board of Directors (2024.12.18)

◆Contents of motion: Proposal for the Distribution of Year-End Bonuses to Executive Officers for Fiscal Year 2024.

Contents of motion:Mr. OU Che-Wen

Causes for avoidance and voting should be specified: Chairman OU Che-Wen recused himself during discussion of and voting on this item because of the interested party relationship.

iii 、 Listed companies are required to disclose the evaluation cycle, period, scope, method, and content of board or peer evaluations. The Company established the "Board Performance Evaluation Policy," which was approved by the Board of Directors on December 15, 2021. Under this policy, annual performance evaluations are conducted for the Board of Directors, individual board members, and functional committees, with results reported to the Board. The performance evaluation for fiscal year 2024 has been completed and was reported at the 9th meeting of the 6th Board. Evaluation results ranged between "Strongly Agree" (5 points) and "Agree" (4 points), indicating that the overall performance of the Board, its members, and functional committees was satisfactory.

iv 、 Status of Board of Directors' Performance Evaluation

Cycles	Periods	Scope	Method	Content
Once a year for internal evaluation of the board	2024/01/01 to 2024/12/31	1. Whole board of directors. 2. Individual board members.	Self-Evaluation of the Board of Directors, Board Members, and Functional	• The board performance evaluation should involve five aspects: participation in the operation of the Company, improvement of the quality

		3. Functional committees. (include Audit Committee, Remuneration Committee)	Committees (including the Audit Committee and the Remuneration Committee)	<p>of the board of directors' decision making, composition and structure of the board of directors, election and continuing education of the directors, and internal control.</p> <ul style="list-style-type: none"> • Individual board members' performance evaluation should involve six aspects: alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education and internal control. • Functional committees' performance evaluation should involve five aspects: participation in the operation of the Company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members and internal control.
At least once every three years by an external independent professional institution or a panel of external experts and scholars conducted	2024/01/01 to 2024/12/31	Whole board of directors	The Company had commissioned the 2024 external board performance evaluation by Taiwan Investor Relations Institute (TIRI) and report to Audit Committee and the Board of directors on March 13, 2025.	<ul style="list-style-type: none"> • The external board performance evaluation should involve five aspects: Board Composition and Professional Development, Quality of Board Decision-Making, Effectiveness of Board Operations, Internal Control and Risk Management, and Board Engagement in Corporate Social Responsibility.

v 、 Measures taken to strengthen the functionality of the Board :

- 1) On October 26, 2021, the Company re-elected its entire Board of Directors, including Independent Directors, and established the Audit Committee composed entirely of Independent Directors, in accordance with relevant laws and regulations.
- 2) On the same date, the Remuneration Committee was established to review and assess the Company's compensation policies for Directors and managers, enhancing the Board's governance effectiveness.
- 3) In accordance with the Articles of Incorporation, CTCI has purchased D&O insurance for directors and supervisors in order to reduce and diversify major damage risks of CTCI and the shareholders. Review its contents regularly for ensuring needs in line with the limit of liability and coverage, and report to the board of directors regularly in accordance with regulations.

2. The State of operations of the Audit Committee

A total of 6 meetings of the Audit Committee were held in the previous period,

Independent Directors' attendance was as follows :

Title	Name	Attendance in Person	By Proxy	Attendance rate	Note
Independent Director	HSU Wen-Kuan	6	1	85.7%	Convener
Independent Director	TSAO Mihn	7	-	100%	
Independent Director	LIN Hui-Ping	7	-	100%	
Independent Director	HUANG Kuo- Ming	6	1	85.7%	

Other mentionable items :

i. If there are the matter referred to as below in the Audit Committee, the dates of Audit Committee, sessions, contents of motions, a objection, reservation or material suguesstions by an independent director, the Audit Committee' resolutions and the Company's response to the Audit Committee's opinion should be specified.

1) The matters referred to in Article 14-5 of Securities and Exchange Act. :

The Audit Committee was established on October 26, 2021. Matters specified under Article 14-5 of the Securities and Exchange Act were submitted to the Board of Directors with the prior consent of the Audit Committee.

Audit Committee	Contents of Motions	Resolution	Response
2024/02/02 The 1th meeting of the 2th term Audit Committee	Proposal to indirectly increase capital in the PRC subsidiary through a third jurisdiction offshore.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
2024/04/09 The 2th meeting of the 2th term Audit Committee	Proposal to appoint Mr. Chin-Lien Huang and Mr. Chan-Yuan Tu of PwC Taiwan as the signing CPAs for the Company's 2021 and 2022 financial statements.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to approve the Company's financial statements for fiscal years 2021 and 2022.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to approve the Company's financial statements for fiscal year 2023.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to approve the 2023 Business Report.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to approve the 2023 earnings distribution plan.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to approve the 2023 Internal Control System Statement.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to provide endorsement and guarantee for Boretech-TW (subsidiary) in relation to a credit facility with bank.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to conduct a cash capital increase and issue new shares for public offering prior to initial listing, with existing shareholders waiving preemptive rights.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to adopt the dematerialization of the Company's shares.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	Proposal to apply for initial listing and public offering of the	Unanimously approved by all present Audit Committee	Approved as proposed.

		Company's shares in Taiwan.	members.	
		In line with the Company's IPO application, proposal to authorize the signing of a Greenshoe and Price Stabilization Agreement with the lead underwriter and to coordinate voluntary share deposit by specific shareholders.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	2024/06/24 The 3th meeting of the 2th term Audit Committee	Proposal to provide a loan to subsidiary Boretech-TW.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to cancel the joint guarantee previously provided by the Company for subsidiary Boretech-TW	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Discussion of significant overdue accounts receivable (over 3 months past normal credit terms) from both related and unrelated parties, as well as other non-loan receivables involving the Company and its subsidiaries.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	2024/08/12 The 4th meeting of the 2th term Audit Committee	Proposal to approve the Company's Q2 financial statements for fiscal years 2023 and 2024.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to appoint Mr. Ming-Chuan Hsu and Ms. Chung-Yu Tien of PwC Taiwan as the Company's CPAs for fiscal year 2024.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to approve the Internal Control System Statement covering the period from July 1, 2023 to June 30, 2024.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to approve the Company's financial forecasts for Q3 and Q4 of 2024.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Discussion of significant overdue accounts receivable (over 3 months past normal credit terms) from both related and unrelated parties, as well as other non-loan receivables involving the Company and its subsidiaries.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	2024/10/17 The 5th meeting of the 2th term Audit Committee	Proposal to amend the Company's Memorandum and Articles of Association.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to conduct a cash capital increase and issue new shares for the Company's initial public offering.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
	2024/11/14 The 6th meeting of the 2th term Audit Committee	Proposal to provide a loan to subsidiary Boretech-TW.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Proposal to approve the Company's Q3 financial statements for fiscal years 2023 and 2024.	Unanimously approved by all present Audit Committee members.	Approved as proposed.
		Discussion of significant overdue accounts receivable (over 3 months past normal credit terms) from both related and unrelated parties, as well as other non-loan receivables involving the Company and its subsidiaries.	Unanimously approved by all present Audit Committee members.	Approved as proposed.

2024/12/18 The 7th meeting of the 2th term Audit Committee	Proposal for the Company's Internal Audit Plan for Fiscal Year 2025	Unanimously approved by all present Audit Committee members.	Approved as proposed.
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2) Other matters not approved by the Audit Committee but resolved with the consent of more than two-thirds of all directors: None °

ii. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.

iii. Communications between the Independent Directors, the Chief Audit Executive, and the CPAs (which should include the material items, channels, and results of the audits on the corporate finance and/or operations, etc.) :

- 1) The Audit Committee, composed entirely of Independent Directors, receives regular internal audit reports and maintains periodic communication with audit personnel to monitor internal controls and operations.
- 2) Independent Directors may request the external auditor to report on audit findings and regulatory matters. The Audit Committee also reviews the auditor's appointment, independence, and qualifications.

3. Corporate Governance and Operation, Differences from the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies and Reasons

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
1. Does the Company establish and disclose the Corporate Governance Practice Principals in accordance with the Corporate Governance Best Practice Principles for the TWSE/ GTSM Listed Companies?	√		The Company has established its Corporate Governance Best Practice Principles in accordance with the relevant TWSE/TPEX guidelines, and disclosed them on its official website.	None.
2. Ownership structure and shareholder’s equity (1)Does the Company set up the internal standard operation procedure to handle issues such as shareholder’s advices, questions, disputes and accusations for implementation accordingly? (2)Does the Company have control over the major shareholders, who control the Company and have the name list of the major shareholders who have the ultimate control over the Company? (3)Does the Company set up and implement the risk control and firewall mechanism with the subsidiaries and affiliates? (4)Does the Company stipulate internal regulation, prohibiting the insiders of the Company to make use of the unpublished information for the trading of securities?	√		(1)Shareholder suggestions, disputes, and legal issues are handled by designated personnel or supervisors. (2) Major shareholders are long-term investors. The Company maintains good communication and monitors changes in holdings of directors, supervisors, executives, and shareholders with over 10%. (3) Operations between the Company and affiliates are managed independently. All related transactions follow internal policies on risk management, related-party dealings, loans, and guarantees, with clear limits and procedures. (4) Insider trading rules have been implemented to ensure compliance and protect shareholder interests.	None.
3. Composition and Responsibilities of Board of Directors (1) Is there establishment of the diversity policy, specific management goals and thorough implementation about the composition of	√		(1)The Board of Directors has adopted a Corporate Governance Principles, which includes a Board Diversity Policy under Article 22. Director nominations follow the Company’s Articles of Incorporation and are conducted through a	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>board of directors?</p> <p>(2)In addition to the establishment of the Remuneration Committee and Audit Committee, does the Company have other functional committees?</p> <p>(3)Is there performance appraisal of the board of directors, which is carried out annually, the performance evaluation results shall be reported to the board of directors and shall base its determination of an individual director's remuneration and nomination?</p> <p>(4)Is there regular assessment of the independence of the certified public accountant every year?</p>			<p>candidate nomination system in line with the Board Election Rules and Corporate Governance Principles, ensuring diversity and independence. Selection is based on merit, with emphasis on gender equality and professional competencies such as:(a) business judgment, (b) accounting and finance, (c) management, (d) crisis response, (e) industry knowledge, (f) global perspective, (g) leadership, and (h) decision-making.</p> <p>(2)On March 14, 2025, the Board approved the establishment of a Sustainable Development Committee, composed of three directors (including one independent director), to support ESG-related initiatives.</p> <p>(3)The Company has adopted a Board Performance Evaluation Policy. In addition to annual internal reviews, an external independent assessment is conducted every three years, with results reported to the Board.</p> <p>(4) The Company applies an internal rotation policy for its signing CPA to maintain independence, with appointments approved by the Board. Although no regular internal evaluation of the CPA’s independence is conducted, the CPA is confirmed to be independent—having no director role, shareholding, employment, or conflict of interest with the Company.</p>	
4. Does the Company set up an adequate number of personnel with appropriate qualifications and appoint a chief corporate governance officer who are responsible for matters related	✓		The Company has appointed a Corporate Governance Officer, with support from stock affairs personnel to handle governance-related matters.	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
corporate governance? (including but not limited to providing the business-required information to the directors and supervisor, furnishing information required for business execution by directors and supervisors, handling the matters related to the meetings of the Board and the shareholders' meeting and producing the minutes of the Board and the shareholders' meeting)				
5. Does the Company establish communication channel for stakeholders which including but not limited to shareholders, employees, customers and suppliers, set up a dedicated section in its corporate website for stakeholders, and properly respond to CSR-related issues concerned by stakeholders?	✓		A spokesperson and deputy spokesperson have been designated to serve as contact points for stakeholders. Stakeholders may reach the Company via phone, mail, or email. A dedicated Stakeholder Section is also available on the Company’s website.	None.
6. Does the Company entrust the professional stock affair agency for the shareholder affairs?	✓		Since becoming a public company, the Company has engaged a professional shareholder services agent to manage shareholder meeting affairs.	None.
7. Information Disclosure (1) Does the Company set up a website to disclose information regarding the Company’s finance, business and corporate governance status? (2) Is there any other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, webcasting investors conference)? (3) Does the Company announce and report	✓		(1) The Company has established an official website with both Chinese and English interfaces, providing information on its financial status, business operations, and corporate governance for investors’ reference. (2) The Company has designated spokespersons and deputy spokespersons responsible for external communications. Regular investor conferences are held, and related presentation materials are simultaneously disclosed on the Market Observation Post System (MOPS) and the Company’s website.	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
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?			(3) The Company follows statutory deadlines for the announcement of monthly operating results and financial reports. There are currently no plans for early disclosure or voluntary announcements.	
8. Is there other important information, which helps to understand the governance and operation of the Company, which includes but not limited to the rights and interest of the staff, cares for the employees, investor relations, relation with the suppliers, rights of the stakeholders, trainings received by the directors and supervisors, the implementation of the risk management policy and risk assessment criteria, the liability insurance policies taken out for the directors and supervisors, etc.?	√		<p>1. Employee Rights: The Company treats employees with integrity and has established welfare programs, training policies, and performance plans to protect rights and support development. Communication channels are smooth, and labor relations are stable.</p> <p>2. Investor Relations: A spokesperson system is in place, and a professional stock agent handles shareholder matters. Relevant information is disclosed on MOPS in accordance with regulations.</p> <p>3. Supplier Relations: The Company maintains strong partnerships with suppliers to optimize production costs.</p> <p>4. Stakeholder Rights: The Company maintains open communication with employees, customers, and suppliers, respecting their legal rights and valuing feedback as a reference for improvement.</p> <p>5. Director Continuing Education: An Audit Committee has been established in place of supervisors. All directors have professional backgrounds and have completed legally required training.</p> <p>6. Risk Management: The Company implements risk assessments and</p>	None.

Evaluation Item	Operation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>management in line with internal regulations and legal standards.</p> <p>7. Customer Relations: The Company maintains stable, positive customer relationships to ensure sustainable profitability.</p> <p>8. Directors’ Liability Insurance: Liability insurance is provided for directors to mitigate risks of potential losses due to errors or negligence.</p>	
9. According to the last Corporate Governance Evaluation by TWSE, please indicate the situation has been improved and the priority and measures for the non-improved ones : NA.				

4. The Remunerate committee's composition, responsibilities and operation

(1) Remuneration Committee members' information

April 30, 2025

Title	Criteria Name	Professional Qualifications and Experiences	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a remuneration Committee members
Indepent Director (convener)	HSU Wen-Kuan	Please refer to II. Corporate Governance Report \\i.Directors \\ 1. Professional qualifications and independence analysis of directors		1
Indepent Director	TSAO Mihn			—
Indepent Director	LIN Hui-Ping			1
Indepent Director	HUANG Kuo- Ming			—

(2) The state of operations of the Remuneration Committee

A. This committee is comprised of 4 members.

B. The term of current committee members is from January 16, 2024 to January 15, 2027.

A total of 4(A) meetings of the Remuneration Committee were held during the most recent fiscal year

Title	Name	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A)	Note
Convener	HSU Wen-Kuan	3	1	75%	
Member	TSAO Mihn	4	-	100%	
Member	LIN Hui-Ping	4	-	100%	
Member	HUANG Kuo- Ming	4	-	100%	
Other mentionable items					
a. If board of directors declined to adopt, or modified, a recommendation of the remuneration committee, the dates of meetings, sessions, contents of motions, resolutions of the Board Meeting and the Company's response to remuneration committee' opinion should be specified (If the remuneration passed by board of directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.					
b. If there are objections or reservations to any discussion matters or extraordinary motions expressed by any member of the Committee, recorded or provided in written forms, the dates of meetings, sessions, contents of motions, all members' opinion and the Company's response to members' opinion should be specified: None.					

5. The state of operations of the Nominating Committee : The Company has not yet established a Nomination Committee.

6. The state of the Company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such variance

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		The Company established the Sustainable Development Committee under the Board of Directors on March 13, 2025. Three directors (including independent directors) were appointed as members, with an independent director as the convener. A part-time Sustainability Task Force handles execution, and the committee will report to the Board at least once a year starting in 2025.	None
2. Does the Company conduct risk assessments on environmental, social, and corporate governance issues related to its operations in accordance with the materiality principle, and implement relevant risk management policies or strategies?	✓		The Company has conducted ESG risk assessments based on the principle of materiality and formulated a Sustainability Policy, which has been approved by the Board.	None
3. Environmental Issues (1) Does the Company set up an environmental management system that suits the nature of industry?	✓		Environmental management complies with local EHS regulations at production sites. The Company has adopted Sustainability Best Practice Principles and obtained ISO 14001 certification to manage and reduce environmental impact.	None
(2) Does the Company dedicate itself to improve the efficiency of all kinds of resources and use the renewable materials that impact on the environment less?	✓		The Company primarily uses recycled PET bottles or their derivatives as raw materials in its production units, resulting in low environmental impact.	None
(3) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures with respect to climate change?	✓		The Company remains attentive to the effects of climate change on its operations and actively improves resource efficiency and reduces waste to address global climate challenges.	None
(4) Does the Company count the GHG emissions, water	✓		The Company has engaged an independent third-party consultant	The Company will act in accordance with

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
consumption and waste volume over the past two years, and establish the policies for the reduction of the GHG emissions and water consumption or other waste management strategies?			to assist with greenhouse gas (GHG) inventory and verification. Upon completion, relevant information will be disclosed on the Market Observation Post System (MOPS) and the Company’s website.	applicable laws and regulations in the future.
4. Social issues (1) Does the Company formulate management policies and procedures in accordance with relevant regulations as well as International Covenant on Human Rights?	✓		The Company has established the Sustainability Best Practice Principles and related procedures to protect employees’ legal rights. Committed to a people-oriented approach, the Company complies with labor laws, ensures equal employment opportunities, and fosters a harmonious labor-management relationship.	None
(2) Does the Company establish and deliver reasonable employee welfare programs (including salary, compensated absences, and other benefits) and adjust employee compensation in relation to business performance?	✓		The Company has established procedures for salary management, performance evaluation, and employee benefits, clearly defining its compensation and reward system. Employee performance is regularly reviewed, and business results are appropriately reflected in employee remuneration.	None
(3) Does the Company provide employees with a safe and healthy working environment as well as the regular tutorials regarding the knowledge of safety and health?	✓		<ol style="list-style-type: none"> 1. The Company provides a safe and healthy working environment, including necessary health and first aid facilities, and is committed to minimizing hazards that may impact employee safety and health to prevent occupational accidents. 2. Regular safety and health training is provided for employees. The Company continues to strengthen its safety culture, enhance protective management for operational staff, and allocate 	None

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			<p>resources to achieve a zero-accident workplace.</p> <p>3. Occupational Injury Statistics and Improvements (Current Year):</p> <p>(A) Number of occupational injury cases: 0</p> <p>(B) Number of employees affected: 0</p> <p>(C) Percentage of affected employees: 0%</p> <p>(D) Improvement Measures: Regular workplace safety training is provided to build awareness and proper safety practices among employees.</p> <p>4. Fire Incident Statistics and Response Measures (Current Year):</p> <p>(A) Number of fire incidents: 0</p> <p>(B) Number of casualties: 0</p> <p>(C) Casualties as a percentage of total employees: 0%</p> <p>(D) Response Measures:</p> <p>a. Regular fire evacuation drills</p> <p>b. Periodic inspection of firefighting equipment and evacuation routes to ensure effective emergency response</p>	
(4) Does the Company draw up workable plans of vocational skills development for employees?	✓		The Company conducts annual promotion assessments to encourage employee development. Promotion ratios are set based on future business plans, strategic talent planning, and succession needs. Employees with outstanding performance are promoted accordingly, and exceptional contributors may receive special	None

Promotion Item	Implementation Status			Deviations from “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
			promotions. Relevant training programs are also provided to support career development.	
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer or client protection policies and complaint procedures?	✓		The Company complies with applicable laws and international standards in the provision of products and services. It maintains effective communication with suppliers and customers, and offers a transparent and efficient customer complaint mechanism.	None
(6) Does the Company formulate supplier management policies that require suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights and request their reporting on the implementation of such issues?	✓		On environmental protection, occupational health and safety, and labor rights, the Company sets clear expectations for suppliers. It has obtained ISO 14001 certification and implements an environmental management system to reduce environmental impact and enhance organizational performance, balancing environmental, social, and economic goals.	None
5. Does the Company publish its sustainability report in accordance with the internationally accepted reporting standards or guidelines for compiling reports on non-financial information? Is this report assured or verified by a neutral third party?		✓	Although the Company is not yet required by law to publish a sustainability report, relevant and reliable ESG information is disclosed on the Company’s website. The Company remains committed to sustainable development and will comply with future regulatory requirements as they arise.	None
6. If the Company has established sustainable development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” please describe any discrepancy between the principles and their implementation: None				
7. Other important information to facilitate better understanding of the Company’s Sustainability Development practices: Please refer to Boretech’s Sustainability Development website for more details				

6-1. Implementation of Climate-Related Information

Item	Item Implementation status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	The Company has established a Sustainable Development Committee, tasked with overseeing efforts in environmental sustainability, social responsibility, corporate governance, and enhancing sustainability-related disclosures. However, the management has not yet formulated a company-wide climate action plan or conducted a comprehensive assessment related to climate risks and their impact on operations. The Company will address these matters in accordance with future business needs and regulatory requirements.
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	As of the date of this annual report, the Company has not yet completed an assessment of the potential impacts of climate-related risks and opportunities on its business, strategy, and financial performance.
3. Describe the financial impact of extreme weather events and transformative actions.	The Company has not yet completed an assessment of the financial impacts of extreme weather events and transition actions.
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The Company has not yet completed the identification, assessment, and management processes for climate-related risks.
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not yet conducted scenario analysis to evaluate its resilience to climate change risks; therefore, it is currently not applicable.
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	The Company has not yet developed a transition plan to manage climate-related risks.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not adopted internal carbon pricing as a planning tool; therefore, it is not applicable.
8. If climate-related targets have been set, the	The Company does not fall under the scope of the

Item	Item Implementation status
activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	specified criteria; therefore, it is not applicable.
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points (a) and (b) below).	The Company does not fall under the scope of the specified criteria; therefore, it is not applicable.

7. Implementation of Ethical Corporate Management and Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Does the Company formulate an integrity management policy approved by the board of directors, and clearly state the policies and practices of integrity management in the regulations and external documents, and the commitment of the board of directors and senior management to actively implement the business policy?</p> <p>(2) Does the Company has established an evaluation mechanism for the risk of unethical behaviors, regularly analyzes and evaluates business activities with a higher risk of unethical behaviors in the business scope, and establish appropriate precautions against high-potential unethical conducts or listed activities stated in Article 2, Paragraph 7 of the Ethical Corporate Management BestPractice Principles for</p>	✓		<p>(1) The Company has established relevant internal regulations, including the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, and the Code of Ethical Conduct, to govern all business activities under the principle of integrity. The Board of Directors and senior management are committed to fully implementing ethical business practices.</p> <p>(2)The Company’s Procedures for Ethical Management and Guidelines for Conduct explicitly require regular analysis and assessment of risks related to unethical conduct within its business scope. Based on the results, the Company develops prevention plans, which include preventive measures aligned with Article 7, Paragraph 2 of the “Ethical Corporate</p>	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>TWSE/TPEX Listed Companies?</p> <p>(3) Does the Company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies regularly?</p>			<p>Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>(3)The Company’s established procedures and guidelines define prevention plans against unethical behavior, including clear operational procedures, conduct guidelines, disciplinary actions for violations, and a complaint mechanism, all of which are effectively implemented.</p>	
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?</p> <p>(2) Does the Company establish an ethical management dedicated unit supervised by the Board to be in charge of corporate integrity and regularly (at least once a year) report to the board of directors?</p>	✓		<p>(1)The Company has established an evaluation mechanism for its suppliers and contractors to ensure responsible business practices.</p> <p>(2)To implement ethical corporate management, the Company has formulated the “Procedures for Ethical Management and Guidelines for Conduct”, designating the Human Resources Department as the dedicated unit responsible for assessing and investigating any violations. In the event of a major breach, the matter may be reported to the Board of Directors immediately.</p>	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>(3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?</p> <p>(4) Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management? Has the internal audit unit formulated relevant audit plans based on the results of the assessment of the risk of unethical behavior and audited the compliance of ethical corporate management accordingly? Or the Company entrusts CPAs to perform the audit?</p> <p>(5) Does the Company regularly hold internal and external educational trainings on operational integrity?</p>			<p>(3) The “Procedures for Ethical Management and Guidelines for Conduct” and the “Code of Ethical Conduct” clearly stipulate conflict of interest prevention policies and operating procedures applicable to all levels of personnel. Appropriate reporting channels are in place and are effectively enforced.</p> <p>(4)The Company maintains a sound accounting system and internal control system. In addition to external audits conducted by certified public accountants, the internal audit department performs regular and ad hoc audits in accordance with relevant regulations.</p> <p>(5)The Company promotes ethical business practices through onboarding training, internal meetings, and periodic educational programs to raise employee awareness of ethical standards and policies.</p>	
3. Operation of the integrity channel	✓			None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and reasons
	Yes	No	Summary Statement	
<p>(1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the Company establish standard operating procedures for confidential reporting on investigating accusation cases, follow-up measures after investigations are completed and confidentiality mechanism?</p> <p>(3) Does the Company provide proper whistleblower protection?</p>			<p>(1) Article 6 of the Company’s “Procedures for Ethical Management and Guidelines for Conduct” provides mechanisms to encourage both internal and external parties to report unethical or improper conduct. A clear whistleblowing procedure is established therein.</p> <p>(2) The Company has formulated standard operating procedures for investigating reported cases. All reports and subsequent investigations are handled with strict confidentiality and due diligence.</p> <p>(3) In line with the above, the Company ensures the confidentiality of whistleblowers’ identities and the content of reports, and is committed to protecting whistleblowers from any form of improper treatment or retaliation.</p>	
<p>4. Strengthening information disclosure</p> <p>Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?</p>	✓		The Company discloses information related to the implementation of ethical corporate management through its official website. Relevant details are provided in the Corporate Governance section of the website.	None

Evaluation Item	Implementation Status			Deviations from “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” and reasons
	Yes	No	Summary Statement	
5. If the Company has established its own ethical corporate principles based on “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the difference between operation practice and the ethical corporate principles:None.				
6. Other important information to facilitate understanding of the Company’s good faith management implementation : None.				

8. Other Important Information Regarding Corporate Governance: Please refer to the Corporate Governance section on the Company’s official website.

9. Internal Control System

寶綠特資源再生工程股份有限公司 內部控制制度聲明書

日期：114年3月13日

本公司民國 113 年度之內部控制制度，依據自行評估的結果，謹聲明如下：

- 一、本公司確知建立、實施和維護內部控制制度係本公司董事會及經理人之責任，本公司業已建立此一制度。其目的係在對營運之效果及效率(含獲利、績效及保障資產安全等)、報導具可靠性、及時性、透明性及符合相關規範暨相關法令規章之遵循等目標的達成，提供合理的確保。
- 二、內部控制制度有其先天限制，不論設計如何完善，有效之內部控制制度亦僅能對上述三項目標之達成提供合理的確保；而且，由於環境、情況之改變，內部控制制度之有效性可能隨之改變。惟本公司之內部控制制度設有自我監督之機制，缺失一經辨認，本公司即採取更正之行動。
- 三、本公司係依據「公開發行公司建立內部控制制度處理準則」(以下簡稱「處理準則」)規定之內部控制制度有效性之判斷項目，判斷內部控制制度之設計及執行是否有效。該「處理準則」所採用之內部控制制度判斷項目，係為依管理控制之過程，將內部控制制度劃分為五個組成要素：1.控制環境，2.風險評估及回應，3.控制作業，4.資訊及溝通，及5.監督。每個組成要素又包括若干項目。前述項目請參見「處理準則」之規定。
- 四、本公司業已採用上述內部控制制度判斷項目，評估內部控制制度之設計及執行的有效性。
- 五、本公司基於前項評估結果，認為本公司於民國113年12月31日的內部控制制度（含對子公司之監督與管理），包括瞭解營運之效果及效率目標達成之程度、報導係屬可靠、及時、透明及符合相關規範暨相關法令規章之遵循有關的內部控制制度等之設計及執行係屬有效，其能合理確保上述目標之達成。
- 六、本聲明書將成為本公司年報及公開說明書之主要內容，並對外公開。上述公開之內容如有虛偽、隱匿等不法情事，將涉及證券交易法第二十條、第三十二條、第一百七十一條及第一百七十四條等之法律責任。
- 七、本聲明書業經本公司民國114年3月13日董事會通過，出席董事8人中，有0人持反對意見，餘均同意本聲明書之內容，併此聲明。

寶綠特資源再生工程股份有限公司
董事長/總經理 簽章



10. Major Resolutions of Shareholders' Meeting and Board Meetings

A. Major resolutions of General (Extraordinary) Shareholders' Meeting of Year 2024

Date	Resolutions of Shareholders' Meeting	Action Arisen
2024.01.16 (Extraordinary)	1、Amend the Company's Memorandum and Articles of Association.	The resolution has been made and implemented.
	2、Amend the Company's Procedures for Lending Funds to Others and rename it as the Regulations for Management of Lending Funds to Others.	The resolution has been made and implemented.
	3、Full re-election of the Company's Board of Directors, including Independent Directors.	Election results were implemented, and the Board held an interim meeting on the same day to elect the Chairman.
2024.06.06 (General)	1、Adoption of the Company's 2022 and 2021 Consolidated Financial Statements.	The resolution has been made and implemented.
	2、Adoption of the Company's 2023 Business Report and Consolidated Financial Statements.	The resolution has been made and implemented.
	3、Adoption of the Company's distribution plan of 2023 earnings. (Distribute cash dividend TWD 4.588705 per share)	The ex-dividend record date was on July 10, 2024, and paid on July 22, 2024.
	4、Apply for primary listing (or OTC listing) and public offering of shares in the Republic of China (Taiwan).	Public offering was completed on November 22, 2024, and the Company was listed on March 10, 2025.
	5、Capital increase through new share issuance for public underwriting prior to the primary listing (or OTC listing), with existing shareholders waiving their preemptive rights.	Cash capital increase of 8,700,000 shares was completed on March 6, 2025, with total proceeds of NT\$718,508,460.
2024.10.30 (Extraordinary)	1、Amend the Company's Memorandum and Articles of Association.	The resolution has been made and implemented.

B. Major resolutions of the Board Meeting in recent years until the annual report being published:

Date	Major resolutions of the Board Meeting
2024.01.16	Resolution on the election of the Chairman of the Board.
2024.02.02	Resolution to indirectly increase capital in the PRC subsidiary through a third-party offshore entity.
2024.04.09	Resolution to appoint certified public accountants for the audit of the Company's 2021 and 2022 financial statements.
	Resolution to approve the Company's 2021 and 2022 financial statements.
	Resolution to approve the Company's 2023 financial statements.
	Resolution to approve the 2023 Business Report.
	Resolution to approve the 2023 earnings distribution proposal.
	Resolution to approve the 2023 Internal Control System Statement.
	Resolution to amend certain articles of the 2022 Employee Stock Option Plan.
	Resolution to provide an endorsement/guarantee for Boretech(TW), a subsidiary, for applying for a bank credit facility.
	Resolution for a capital increase through new share issuance for public underwriting prior to primary listing, with waiver of preemptive rights by existing shareholders.

Date	Major resolutions of the Board Meeting
	Resolution to apply for dematerialized issuance of shares.
	Resolution to apply for primary listing and public offering of shares in the Republic of China (Taiwan).
	Resolution to convene the 2024 Annual General Shareholders' Meeting.
2024.06.24	Resolution to approve a loan to subsidiary Boretech(TW).
	Resolution to cancel the Company's joint guarantee for subsidiary Boretech(TW).
2024.08.12	Resolution to appoint the certified public accountant for the audit of the Company's 2023 financial statements.
	Resolution to approve the Company's Q2 2023 and Q2 2024 financial statements.
	Resolution to approve the Company's 2024 Corporate Governance Evaluation Self-Assessment Report.
	Resolution to approve the Internal Control System Statement for the period from July 1, 2023 to June 30, 2024.
	Resolution to approve the Company's financial forecasts for Q3 and Q4 of 2024.
2024.10.17	Resolved to amend the Company's Memorandum and Articles of Association.
	Resolved to conduct a cash capital increase and new share issuance for the Company's initial public offering.
	Resolved to amend the Employee Stock Subscription Rules for Cash Capital Increase.
	Resolved to convene the 2nd Extraordinary Shareholders' Meeting of 2024.
2024.11.14	Resolved to approve the Company's Q3 financial statements for 2023 and 2024.
2024.12.18	Resolved to approve the 2025 business budget and operating plan.
	Resolved to approve the 2025 internal audit plan.
	Resolved to adopt the Sustainability Committee Charter, Sustainability Report Preparation Guidelines, and Sustainability Information Management Procedures.
	Resolved to adopt the General Policy for Pre-Approval of Non-Assurance Services.
	Resolved to approve executive compensation.
2025.03.13	Resolution to approve the Company's 2024 financial statements.
	Resolution to appoint certified public accountants for the audit of the Company's 2025 financial statements.
	Resolution to approve the 2024 Business Report.
	Resolution to approve the 2024 earnings distribution proposal.
	Resolution to approve the 2024 Internal Control System Statement.
	Resolution to provide an endorsement/guarantee for Boretech(TW), a subsidiary, for applying for a bank credit facility.
	Resolution to approve a loan to subsidiary Boretech(TW).
	Reviewed Board participation and performance evaluation for 2024
	Resolved to amend the Company's Memorandum and Articles of Association
	Reviewed director compensation for 2024
	Reviewed managerial compensation for 2024
	Resolved to convene the 2025 Annual General Shareholders' Meeting

10. Major Issues of Record or Written Statements Made by Any Director or Supervisor Dissenting to Important Resolutions Passed by Board of Directors: None.

v、Information on Attesting CPA's Fees

Unit: TWD thousands

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee	Total	Note
PriceWater HouseCoopers	HSU, MING- CHUAN TIEN, CHUNG- YU	2024.01.01~ 2024.12.31	7,390	2,530	9,920	Non- Audit Services: *IPO internal control review project *Reporting and application for investment increase

vi、Alternation of CPA: None.

vii、The Company's Chairman, President and Managerial Officer in charge of Finance or Accounting matters has held a position within CTCL's CPA firm or its affiliated enterprise in the most recent year: None.

viii、Changes in Shareholding of Directors, Managers and Major Shareholders

(1) Changes in Shareholding of Directors, Managers and Major Shareholders

Title	Name	2024		As of April 30, 2025	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman & CEO	OU Che-Wen	—	—	—	—
Director & Major Shareholders	BRAINTREE INDUSTRIES LIMITED	—	—	—	—
	Rep. KO Yung-Chun	—	—	—	—
Director & Major Shareholders	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	—	—	(100,000)	—
	Rep. OU Po-Hao	—	—	—	—
Director & Major Shareholders	ECOVE Environment Corporation	—	—	—	—
	Rep. TIAO Hsiu-Hua	—	—	—	—
Independent Director	HSU Wen-Kuan	—	—	—	—
Independent Director	TSAO Mihn	—	—	—	—
Independent Director	LIN Hui-Ping	—	—	—	—
Independent Director	HUANG Kuo- Ming	—	—	—	—
Managerial Officers	LIN, YU-CHUN	—	—	20,000	—
Managerial Officers	ZHANG YU-ZHEN (Note1)			8,000	
Managerial Officers	CHEN,BO-CANG (Note2)			5,000	

Note1 : Be dismissed on March 27, 2025, and disclose the information during his tenure of office only.

Note2 : On board on March 27, 2025, and disclose the information during her tenure of office only.

- (2) Shares Trading with Related Parties of Directors, Managers and Major Shareholders :
None.
- (3) Shares Pledge with Related Parties of Directors, Managers and Major Shareholders :
None.

ix 、 Relationship among the Top Ten Shareholders

April 25, 2025

Name	Shareholding		Spouse & Minor		Shareholding by Nominee Arrangement		The relationship between any of the Company's Top Ten Shareholders		Note
	Shares	%	Shares	%	Shares	%	Name	Relation	
BRAINTREE INDUSTRIES LIMITED	22,905,914	30.91	—	—	—	—	GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	Two corporate shareholders' chairmen: father and son	—
							OU, Y. F.	Chairman and individual: uncle and nephew	
GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	13,832,371	18.66	—	—	—	—	BRAINTREE INDUSTRIES LIMITED	Two corporate shareholders' chairmen: father and son	—
							OU, Y. F.	Chairman and individual: cousins	
ECOVE Environment Corporation	12,039,903	16.24	—	—	—	—	CTCI Machinery Corporation	Sibling Companies	—
CTCI Machinery Corporation	6,019,951	8.12	—	—	—	—	ECOVE Environment Corporation	Sibling Companies	—
Yuanta Securities Co., Ltd., custodian for Target Art International Ltd. investment account	2,465,194	3.33	—	—	—	—	—	—	—
Cheng, C. C.	1,692,000	2.28	—	—	—	—	—	—	—
Industrial Technology Investment Corporation	1,215,000	1.64	—	—	—	—	—	—	—
Abico Asia Excelsior Partners Lp	1,104,000	1.49	—	—	—	—	—	—	—
OU, Y. F.	975,393	1.32	—	—	—	—	BRAINTREE INDUSTRIES LIMITED	Chairman and individual: uncle and nephew	—
							GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	Chairman and individual: cousins	
Mega International Commercial Bank Co., Ltd.	960,000	1.30	—	—	—	—	—	—	—

Note : The information recorded on the shareholders books as of the latest book closure date (April 25, 2025) of the Company.

x 、 Combined shareholding by the Company, its directors, independent directors, managers, and controlled entities in the same investee:

None.

III. Capital and Shares

i、Source of Capital

A. Issued Shares

April 30, 2025 ;Unit: Before capital restructuring: shares; USD ;After capital restructuring: shares; NTD

Year/Month	Issue Value (TWD)	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount (TWD)	Shares	Amount (TWD)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2021/4	10	330,000,000	3,300,000,000	60,199,512	601,995,120	Restructuring (Note)	—	—
2022/9	10	330,000,000	3,300,000,000	65,199,512	651,995,120	Cash	—	—
2025/3	10	330,000,000	3,300,000,000	73,899,512	738,995,120	Cash	—	—
2025/3	10	330,000,000	3,300,000,000	74,116,512	741,165,120	ESOP	—	—

Note : On March 3, 2021, the Board of Directors resolved to convert each share with a par value of USD 0.3 into 0.903 shares with a par value of NTD 10. The shareholding ratio of existing shareholders remained unchanged after the conversion.

B. Type of Stock

April 30, 2025

Share Type	Authorized Capital			Note
	Issued Shares	Un-issued Shares	Total Shares	
Common Share	74,116,512	255,883,488	330,000,000	Note1

Note1 : The Company is listed on the Taiwan Stock Exchange.

Note2 : The par value of the Company's common shares is NTD 10 per share.

C. List of Major Shareholders

2025 年 4 月 25 日

Shareholder's Name	Shares	%
BRAINTREE INDUSTRIES LIMITED	22,905,914	30.91
GUANG SHUN PETTECHS FIBRE INDUSTRY L.L.C.	13,832,371	18.66
ECOVE Environment Corporation	12,039,903	16.24
CTCI Machinery Corporation	6,019,951	8.12
Yuanta Securities Co., Ltd., custodian for Target Art International Ltd. investment account	2,465,194	3.33
Cheng, C. C.	1,692,000	2.28
Industrial Technology Investment Corporation	1,215,000	1.64
Abico Asia Excelsior Partners Lp	1,104,000	1.49
OU, Y. F.	975,393	1.32
Mega International Commercial Bank Co., Ltd.	960,000	1.30

Note: The information recorded on the shareholders books as of the latest book closure date (April 25, 2025) of the Company.

D. Dividend Policy and Implementation Status

1. Dividend Policies under Articles of Incorporation

The Company adopts a residual dividend policy. After paying all taxes, offsetting accumulated losses (including prior-year losses and adjustments to undistributed earnings, if any), and setting aside the statutory reserve as required (unless it has reached the Company's paid-in capital), as well as a special reserve (if applicable), the remaining distributable earnings (including any reversed special reserves) may be distributed upon resolution by the shareholders' meeting.

Dividends shall not be less than 30% of distributable earnings, which may also include all or part of accumulated undistributed earnings from prior years as approved by the shareholders' meeting. At least 10% of total dividends must be paid in cash. The Board of Directors shall propose the dividend distribution plan and submit it to the shareholders' meeting for approval.

2. Proposed Distribution of Dividend: Cash dividend: As of April 30, 2025, the proposed 2024 distribution of earnings of shareholders' dividends is set to be distributed as an all cash dividend of TWD 3.97445568 per share.

E. Impact of Stock Dividend Distribution on Business Performance, EPS and Return on Investment: None.

F. Employee and Directors' Remuneration

1. Information Relating to Employee and Directors' Remuneration in the Articles of Incorporation

During the Relevant Period, subject to the Law, the Applicable Listing Rules and these Articles, where the Company has annual profits at the end of a financial year, upon the approval of a majority of the Directors present at a meeting attended by at least two-thirds or more of the total number of the Directors, the Company may distribute not less than three percent (3%) and not more than ten percent (10%) of the profits for such year to the Employees as the Employees' compensation in the form of shares and/or in cash and may distribute not more than two percent (2%) hereof to the Directors as the Directors' compensation, provided, however, that the total amount of accumulated losses of the Company (including adjusted undistributed profits) shall be reserved from the said profits in advance, and the Company shall distribute the remaining balance thereof to the Employees and Directors in the proportion set out above. A report of such distribution of Employee and Directors' compensation shall be submitted to the general meeting of the Company. Except otherwise set forth by the Applicable Listing Rules, any Directors' compensation shall not be paid in the form of shares. The term "annual profits" as used herein shall mean the annual profits for such year before tax without

deducting the amount of compensation distributed to the Employees and Directors as prescribed.

2. The estimation basis on remuneration to Employees and Directors, the calculating basis on the number of shares for share bonus and accounting treatment for the differences between the actual distributing amounts and estimations

Per the Articles of Association, during the listing period, if the Company is profitable, and with Board approval (two-thirds attendance and majority consent), 3%–10% of profit may be allocated to employees and up to 2% to directors, in shares and/or cash.

As the Company was not listed in FY2024, no such allocations are proposed.

Any difference between accrued and actual amounts will be:

Adjusted in the current year if before financial statements are approved, or

Treated as a change in accounting estimate if after approval, and adjusted in the following year.

3. Profit Distribution of Year 2024 Approved in Board of Directors Meeting for Employee and Directors' Remuneration

(1) Amount of employee and director/supervisor compensation distributed in cash or shares; if different from accrued amount, disclose difference, reason, and treatment: None.

(2) Ratio of stock-based employee compensation to total net income and total employee compensation: None.

4. Report to shareholders on distribution and outcome of compensation: None.

5. In the case of any differences between the actual distribution of employees' remuneration and directors' remuneration and the estimated amount, please state the accounting treatment of the discrepancy: None.

G. Buyback of Treasury Stock: None.

H. Corporate Bonds: None.

I. Preferred Shares: None.

J. Global Depositary Receipts: None.

K. Employee Stock Options

1. Issuance of Employee Stock Options

Type of Stock Option	1 th ESOP
Effective Date by Regulatory Agency and Total Units	Note
Issue date	2023/1/1
Duration	5 years
Units issued	1,891,000 Units
Units unissued	—
Option shares to be issued as a percentage of outstanding shares	2.55%
Subscription Period	From the vesting date until the end of the exercise period
Conversion measures	Issue new common share.
Conditional conversion periods and percentages	The option holder may exercise up to 100% of the granted options after four years from the grant date.
Number of share exercised	217,000 Shares
已執行認股金額	TWD 6,944,000
Amount of share exercised	1,674,000 Shares
Exercise price for unexercised shares	TWD 32
Ratio of unexercised shares to the total issued shares	2.26%
Impact on possible dilution of shareholdings	This issuance of stock options aims to attract and retain key talent, motivate employees, and strengthen cohesion, thereby creating value for the Company and its shareholders. It is expected to have a positive impact on shareholder interests.

2. List of Executives Receiving Employee Stock Options and the Top 10 Employees

April 30, 2025

	Title	Name	No. of Option Shares	Option Shares as a Percentage of Shares issued	Exercised				未執行			
					No. of Shares Converted	Strike Price (TWD)	Amount (TWD)	Converted Shares as a Percentage of Shares issued	No. of Shares Converted	Strike Price (TWD)	Amount (TWD)	Converted Shares as a Percentage of Shares issued
Managerial officers	General Manager of Subsidiary	Yen, C.C.	712,000	0.96%	100,000	32	3,200,000	0.13%	612,000	32	19,584,000	0.83%
	General Manager of Sub-subsidiary	Chi, C.H.										
	Vice General Manager of Sub-subsidiary	Ou, Y.F.										
	Director of Sub-subsidiary	Hsiang, C.										
	Director of Sub-subsidiary	Chen, C.M.										
	General Manager of Sub-subsidiary	Fang, K.P.										
	Vice General Manager of Sub-subsidiary	Chou, C.										
	Vice General Manager of Sub-subsidiary	Kung, C.M.										
	Executive Vice General Manager of Sub-subsidiary	Hsu, H.C.										
	Director of Sub-subsidiary	Li, Y.C.										

L. Employee Restricted Stock: None.

M. Status of Merger and Acquisition Activities: None.

N. Status of New Shares Issuance in Connection with Acquisitions: None.

ii 、 Financing Plans and Implementation

A.Planned Item: Cash capital increase through issuance of common shares in 2025.

1.Approved date and document No.: Dated November 22, 2024. Taiwan Stock Exchange Letter No. 11317050211

2.Amount needed for this plan: TWD 565,500,000

3.Source of funds: A total of 8,700,000 new common shares were issued through a cash capital increase, with a par value of TWD 10 per share. The total proceeds raised amounted to TWD 718,508,460.

4. Use of Proceeds and Expected Timeline

(Unit: TWD thousands)

Items of the plan	Estimated Completion Date	Total Required Funding	Planned Use of Funds Schedule
			2025 Q1
To strengthen working capital	2025 Q1	718,508	718,508

5. Expected Benefits

The funds raised from this cash capital increase will be fully used to strengthen working capital. This is intended to support the Company's long-term growth, business expansion, and R&D development.

The capital injection is expected to improve the financial structure, increase the self-owned capital ratio, and enhance funding flexibility, helping the Company manage market risks, maintain competitiveness, and support future business development.

6. Change of plan, reasons, and before/after impact: NA.

7. Date of submission to the designated FSC information reporting website: November 26, 2024.

B. Items of the plan and the executions

(Unit: TWD thousands)

(Unit: TWD thousands)

Items of the plan	The executions			Reason of being early or late and the improvement plan
To strengthen working capital	Amount to be used	Estimated	718,508	The capital raised from the cash capital increase was completed on March 6, 2025. As of April 30, 2025, the Company has executed the planned projects as scheduled, with 100% of the funds utilized, and no changes to the plan have occurred.
		Actual	718,508	
	Progress of execution	Estimated	100%	
		Actual	100%	

IV. Operational Highlights

i、Business Activities

1. Business Scope

(1) Principal Business Activities of the Company

The Company is a holding company. Its operating subsidiaries are engaged in the production of chemical fibers and recycled plastics, as well as environmental equipment engineering services.

(2) Revenue distribution

Unit ; TWD thousands

Item \ Year	2023		2024	
	Revenue	%	Revenue	%
Engineering Equipment	1,751,565	39.24	2,179,298	40.03
Chemical Fiber	2,020,301	45.26	2,123,943	39.01
rPET Raw Material	691,851	15.50	1,140,825	20.96
Total	4,463,717	100.00	5,444,066	100.00

(3) Main Services

The Company's production segment primarily offers recycled polyester staple fiber, composite fiber, and food-grade resin pellets.

The environmental equipment engineering segment provides end-to-end engineering services—including R&D, design, manufacturing, sales, installation, and maintenance—for the recycling of polyethylene terephthalate (PET) and other plastics.

(4) New products development

The Company is engaged in the development of specialized products including antibacterial and antiviral fibers, anti-HPV fibers, oil- and water-repellent fibers, eco-friendly ocean fibers, non-dripping flame-retardant fibers, electret fibers, low-melting-point PET fibers, and recycled resins from mixed plastic waste.

Chemical methods are also being applied to cleaning technologies, with R&D efforts targeting various recycled plastic materials such as plastic trays.

In response to the global push for a circular economy, the Company will continue to focus on developing recycling and washing processes and producing recyclable raw materials, as key areas of future R&D.

2. Industry Overview

(1) Market Overview

Polyethylene terephthalate (PET), a linear thermoplastic polymer, was first industrialized by DuPont in 1953. PET maintains excellent physical and mechanical properties across a wide temperature range, with outstanding fatigue resistance, wear

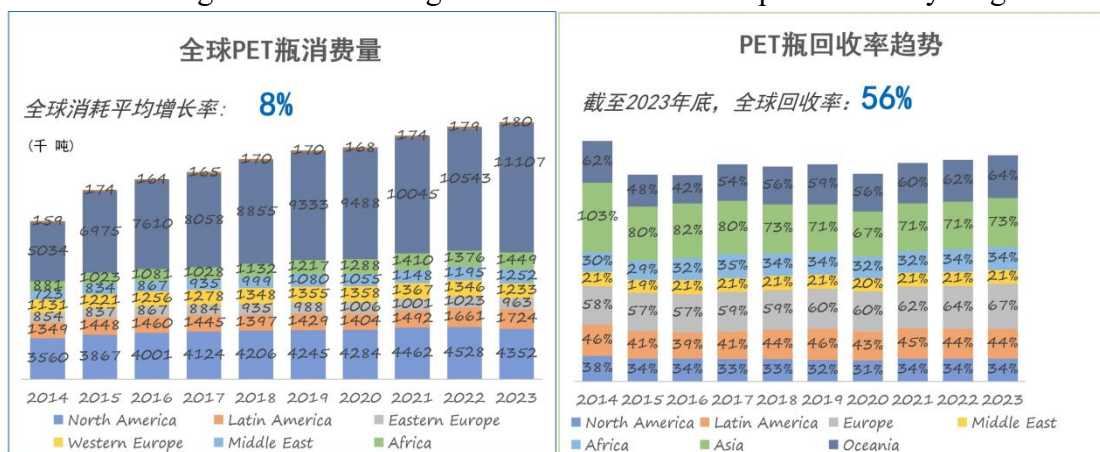
resistance, aging resistance, and electrical insulation. It is also stable against most organic solvents and inorganic acids, features low energy consumption during production, and offers good processability. As a result, PET has been widely used in plastic packaging bottles, films, and synthetic fibers.

PET bottles, also known as "plastic beverage bottles," offer advantages such as impact resistance, transparency, non-toxicity, strong barrier properties, and low cost, making them the preferred material for beverage packaging with wide-ranging applications.

PET bottles have a consistent volume, are easy to sort after use, and offer high recycling value, making PET recycling highly feasible. The high consumption of PET bottles is the primary driver of increasing recycling efforts. Recycling used PET bottles not only reduces environmental pollution but also creates value from waste.

According to Wood Mackenzie Chemicals, global PET bottle consumption reached 22.26 million tons in 2023, with a recycled volume of 12.47 million tons, reflecting a recycling rate of only 56%. Unrecycled PET bottles typically end up in landfills, incinerators, or marine environments, highlighting the significant growth potential of this industry.

The following chart illustrates global PET bottle consumption and recycling rates:



Sources: WoodMackenzieChemicals(2024)

At the core of the circular economy is the concept of recycling, reuse, and reintegration of resources into the production cycle. Recycled PET (rPET) plays a critical role in achieving these goals by improving resource efficiency and reducing reliance on virgin plastics. Products made with environmentally friendly packaging from recycled materials are increasingly favored by the market.

Changing consumer expectations and rising ESG commitments from corporations are driving international brands to adopt more rPET, particularly in industries such as food and beverage, personal care, and household products.

Governments are also enforcing carbon neutrality regulations. For example:

The EU Plastic Tax, introduced in 2023, imposes a levy of EUR 800 per ton on non-recyclable plastic packaging. By 2025, all packaging materials must contain at least 25% recycled content, increasing to 30% by 2030.

In the U.S., California’s Recycled Content Bill mandates 15% recycled content in plastic packaging from 2022 (25% by 2025 and 50% by 2030), with penalties of USD 440 per ton for non-compliance. Washington State adopted similar rules starting in 2023.

With advancing regulations and maturing technologies, rPET is becoming a key solution for carbon reduction.

In recent years, global PET bottle recycling has been strongly driven by major sportswear and food & beverage brands setting rPET usage targets to meet their ESG goals. Many have committed to using specified percentages of recycled plastics in their products by 2025 and 2030.

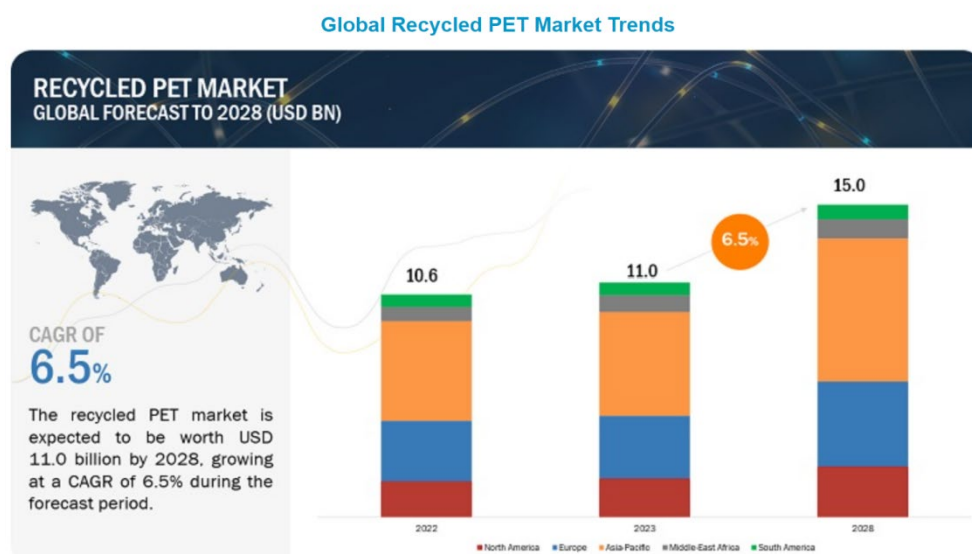
Leading textile and apparel brands such as Nike and Adidas have been pioneers in this movement. Nike aims to use over 50% recycled polyester fibers (including fleece) in its products by 2025. Adidas, since 2018, has pledged to use 100% recyclable, recycled, or biodegradable materials by 2024, with at least 50% recycled polyester content.

Beyond apparel, major beverage brands like Coca-Cola have also committed to using 25%–50% recycled content in their packaging.

These industry-wide commitments significantly increase the value and demand for eco-friendly fibers.

According to the Global Recycled PET Market Report published by DataM Intelligence in 2024, the global rPET market reached USD 11 billion in 2023. Driven by rising consumer and market demand for sustainable and recyclable products, the market is expected to grow at a CAGR of 6.5%, reaching USD 15 billion by the end of 2028.

Mandatory regulations across countries and public commitments by major global brands to use recycled materials are accelerating rPET demand. At the same time, increasing quality requirements are driving the continuous upgrading of the plastics recycling industry and improvements in PET recycling technologies.



Sources::DataM Intelligence , Global Recycled PET Market(2024)

(2) The EPC Industry

The Company focuses on the recycled PET market, with its core development centered on environmental equipment engineering for PET recycling, while also serving as a downstream supplier of chemical fibers and recycled PET raw materials.

Environmental protection equipment industry		
Upstream	Midstream	Downstream
-Steel suppliers -Standard parts suppliers: motors, reducers, pumps, valves, instruments, electrical components -Equipment suppliers: shredders, optical sorters, separators, filtration units, extrusion and fiber machines	-Plastic washing line manufacturers and system designers -Chemical fiber line manufacturers and system designers -PET bottle-to-bottle line manufacturers and system designers	-Plastic recycling and washing plants -Chemical fiber plants -Food-grade PET pellet plants

In the PET bottle recycling and washing industry, the upstream consists of steel suppliers, standard component suppliers (e.g., motors, reducers, pumps, valves, instruments, low-voltage electrical parts), and functional equipment suppliers (e.g., shredders, optical sorters, eddy current separators, magnetic separators, filtration systems).

The midstream includes manufacturers and system designers of plastic washing lines, while the downstream consists of PET and other plastic recycling and washing plants.

The Company operates in the midstream segment, focusing on the production and sale of parts, standalone machines, and turnkey systems for PET and plastic recycling. Through a direct sales model, the Company delivers customized plastic washing lines developed in-house. Sales personnel identify client needs, followed by project design by the engineering team and in-house manufacturing of core washing units. Functional equipment is externally sourced and integrated into complete systems.

Upon delivery, engineers are dispatched for on-site installation, testing, and commissioning. After-sales services include consumables supply, troubleshooting, and process optimization.

The Company also operates downstream production facilities for chemical fibers and recycled PET pellets. Main products include:

- a. Chemical short fibers, used in footwear, apparel, automotive interiors, building materials, baby diapers, sanitary pads, adult incontinence products, wipes, and filtration materials.
- b. Food-grade recycled PET, used in beverage bottles and food packaging.

(3) Market Trend

A. Growing Demand for Recycled PET (rPET)

Industrial-grade rPET is sourced from post-consumer or post-industrial waste and is not refined to food-grade standards. It is primarily used in non-food applications such as carpet fibers, textiles, strapping materials, and automotive components.

As a sustainable alternative to virgin plastics, rPET plays a key role in various manufacturing sectors—including bottles, containers, and textiles—by reducing reliance on virgin plastic production and conserving non-renewable resources like petrochemicals.

rPET flakes possess physical and chemical properties similar to virgin PET, proving versatile across a range of end uses. rPET pellets, produced via extrusion, serve as eco-friendly raw materials for packaging, consumer goods, automotive, and construction industries, helping reduce environmental impact and resource consumption.

rPET is widely used in the textile industry to produce yarns for apparel, interior furnishings, and industrial uses. Short fibers are used in cushioning and insulation, while filament yarns are primarily used in clothing fabrics. The automotive sector also adopts rPET for seat covers, carpets, and insulation, reducing reliance on non-recyclable materials.

Textiles are a major end-use sector for rPET, enabling the production of sustainable apparel and household products. By converting waste into viable raw materials, the industry minimizes environmental impact while meeting rising consumer demand for eco-friendly solutions.

The Company's polyester staple fibers and flame-retardant materials are used across various sectors, including automotive interiors and construction materials. Additionally, in collaboration with international technology firms, the Company has successfully developed degradable petroleum-based polyester and composite fibers as part of its next-generation sustainable product offerings.

Food-grade recycled PET (rPET) is a high-purity plastic proven safe for food and beverage packaging. It undergoes strict purification to remove contaminants and comply with health and safety regulations, particularly those enforced by the U.S. FDA. The process involves washing, melting, and reprocessing into pellets or flakes, using specialized equipment to meet direct food contact standards.

As a sustainable alternative to virgin PET, food-grade rPET helps reduce landfill waste and conserve resources while ensuring consumer safety.

The food and beverage industry is increasingly focused on sustainability and environmental responsibility by promoting recycled materials and supporting the circular economy. rPET is widely used in bottles, containers, pouches, and flexible packaging, offering a lighter, more durable, and resealable solution. Compared to virgin PET, rPET provides a cost-effective and eco-friendly packaging option,

helping brands reduce plastic use, increase resource efficiency, and build a more sustainable supply chain.

rPET packaging appeals to environmentally conscious consumers seeking sustainable choices and supports companies committed to reducing environmental impact. In the food and beverage sector, growing demand for eco-friendly packaging is accelerating rPET adoption. As long as it meets industry and hygiene standards, recycled materials can be safely used in food packaging.

Manufacturers increasingly use rPET compliant with food-contact regulations to ensure legal compliance and align with sustainability goals.

In Taiwan, the Ministry of Environment launched a voluntary initiative in 2020, linking manufacturers, users, and recyclers to promote recycled plastic usage. The program aims to reach 25% recycled content in non-food plastic containers by 2025. The Group's subsidiary has obtained TFDA certification for its food-grade rPET, making it one of only four approved suppliers in Taiwan.

B. Application of Recycling Equipment and Technology

The plastic recycling market is divided into mechanical recycling and chemical recycling. Mechanical recycling remains the mainstream globally due to its lower investment cost and fewer environmental concerns, and is expected to continue leading the industry through 2032.

Mechanical recycling involves physical processes such as sorting, cleaning, shredding, and pelletizing, and is suitable for rigid plastics like PET (bottles), PE (bags and containers), PP (food packaging), HDPE (milk and detergent bottles)—materials that can be melted and reprocessed without significant chemical changes.

In the 2000s, mainstream recycling lines had a capacity of 0.5–3 tons per hour. By the 2010s, as feedstock competition increased in high-recovery regions, manufacturers shifted toward larger-scale single lines to reduce unit costs, with capacities rising to 6 tons per hour. Since the 2020s, the Company has sold several 8-ton/hour PET bottle washing lines, and 10-ton/hour systems are expected to enter the market within the next decade.

With the advancement of Industry 4.0, production lines featuring smart sensor integration, high automation, and self-correcting capabilities are becoming the industry norm. The ongoing enhancement of SCADA systems, optical inspection, and automated rejection technologies is turning the vision of unmanned recycling operations from "impossible" to "in progress."

Chemical recycling offers solutions for plastic waste that cannot be processed by mechanical recycling, producing recycled monomers or chemicals. In recent years, driven by major petrochemical companies, this advanced recycling method has attracted significant investment and facility development.

Despite its potential, chemical recycling—whether through pyrolysis or depolymerization—still requires policy support, value chain collaboration, and public

engagement to build a fully functional circular system. Under global trends of plastic reduction and net-zero emissions, chemical recycling plays a key role in advancing closed-loop solutions for plastic waste.

(4) Competition

A. Manufacturing Operations

The chemical fiber (short staple) market is highly competitive. The Company's early product, three-dimensional hollow fiber, once held a market advantage. However, in response to intensifying competition, the Company proactively shifted toward a technology-driven strategy focused on new product development, gradually replacing traditional hollow fiber with innovative alternatives.

In recent years, due to market oversupply and low prices, many regional competitors have exited the market. The Company remains resilient and competitive by leveraging over 30 years of manufacturing experience and pursuing a differentiated product strategy to avoid direct competition in a saturated market. Notably, the Company's flame-retardant fiber has been certified with a national invention patent and has successfully dominated a niche (blue ocean) market segment for years.

According to a January 2024 report by Mordor Intelligence, the global recycled PET (rPET) market is expected to grow from 4,490.83 thousand tons in 2024 to 6,344.41 thousand tons by 2029, with a compound annual growth rate (CAGR) of 7.16%. Currently, demand exceeds supply, especially for food-grade rPET, which requires FDA approval and poses higher entry barriers.

In September 2023, the Company was approved by the Taiwan Food and Drug Administration (TFDA) as a qualified supplier of recycled PET for food packaging applications. This positions the Company alongside major players such as Far Eastern New Century, Nan Ya Plastics, and Shinkong Synthetic Fibers. However, the Company's smaller production scale puts it at a relative disadvantage in securing raw materials compared to these larger competitors.

B. Environmental Equipment Engineering Services

Over the past 15 years, the plastic recycling wash line market has been dominated by long-established equipment suppliers from Europe—particularly Italy, Germany, and Switzerland—with few new entrants from other countries. While China has a large number of machinery manufacturers, few possess the comprehensive engineering and system integration capabilities required by mid- to high-end clients, limiting their competitiveness in this segment.

The Company provides complete engineering solutions for plastic waste recycling lines, extending to recycled polyester fiber and recycled PET pellet production lines. Our systems are sold globally, with a primary focus on mid- and high-end downstream manufacturers.

In addition to offering standalone modular equipment, the Company delivers customized design services based on client needs. Leveraging strong procurement

and cost control capabilities, we provide one-stop project services that include design, production, installation, and commissioning. These comprehensive solutions enhance the Company's competitiveness against European and American peers.

3. Research and Development Overview

(1) Technical Level of Business Operations

A. Manufacturing Operations

The Company specializes in the production of short-staple chemical fiber products, including both virgin and recycled fibers. In particular, the Company has developed strong technical capabilities in differentiated products such as flame-retardant fibers, dope-dyed fibers, and composite fibers used in hygiene materials, phase-change fibers, and elastic fibers. With decades of experience, the Company has established a strong brand reputation both domestically and internationally. It also holds GRS TC (Global Recycled Standard Transaction Certificate) certification and, in 2020, obtained certification for ocean-bound plastic fibers.

In the field of recycled polyester pellets, Taiwan recently authorized the use of rPET in beverage bottles. The Company's subsidiary has successfully obtained approval from the Taiwan Food and Drug Administration (TFDA), becoming one of the few certified manufacturers in Taiwan capable of supplying food-grade rPET pellets. With the rise of the circular economy, the Company is leveraging its first-mover advantage to actively expand into both domestic and international markets.

B. Environmental Equipment Engineering Services

Since its establishment, this business unit has focused on the development of PET recycling and reuse technologies, as well as upstream and downstream integration. The Company continuously introduces competitive integrated solutions and products in the recycled PET (rPET) sector.

Currently, the Company offers high-efficiency, high-quality recycling solutions for PET used in staple fiber, filament-grade, and food-grade applications, with processing capacities of 1.5 tons, 3 tons, 6 tons, and 12 tons per hour. Through years of experience, technical accumulation, and value chain integration, the Company has developed comprehensive solutions from bottle recycling and washing to fiber production, and from recycling to food-grade PET pellet production.

In response to growing market demand, the Company has also expanded into the development of recycling technologies for other types of plastics, broadening product applications in the field of plastic reuse.

To maintain its competitive advantage, the Company continues to invest in advanced product and technology development, aiming to enhance product performance, meet customer needs, and anticipate future market trends—thereby sustaining its position as a technology leader in the industry.

(2) Research and Development

A. Manufacturing Operations

The Company established its Chemical Fiber R&D Center in 2020, equipped with specialized laboratories for polymer modification, fiber spinning, nonwoven fabric production, and product analysis to support various stages of product development. This comprehensive setup enhances flexibility and applicability in product design, while also serving as a reliable and efficient co-development platform for customers. It supports market development, shared innovation, and product differentiation.

B. Environmental Equipment Engineering Services

The Company has a strong R&D team specializing in PET plastic recycling technologies, including bottle-to-fiber and bottle-to-bottle systems, core equipment development, process design, and full-plant system integration. In addition to standard process solutions, the Company also provides customized designs based on clients' specific usage and quality requirements.

To enhance competitiveness, the PET washing and recycling system has undergone significant improvements in system efficiency, product quality, energy use, space efficiency, labor requirements, and automation. This has led to the development of the new-generation ES High-Efficiency Compact Recycling System, which has been progressively implemented.

For bottle-to-bottle systems, ongoing R&D has resulted in solutions suitable for small- to medium-scale food-grade rPET production, with continued efforts to upgrade capacity and optimize core technologies and processes.

(3) R&D Personnel and Their Educational Background

Unit: Persons

Year	2022	2023	2024
Education			
PhD	0	2	0
Master's Degree	3	2	3
Bachelor's Degree / College	50	37	50
High School or Below	3	3	3
Total	56	44	56

(4) Research and Development Expenses in Past Three Years

Unit ; TWD thousands

Year	2022	2023	2024
Item			
R&D Expense (A)	42,886	75,997	112,918
Operating Revenue (B)	3,597,539	4,463,717	5,444,066
(A)/(B) %	1.19	1.70	2.07

(5) Successful Technology or Products Developed in the Most Recent Year

Year	Product	Description
2024	Air Separator	The newly designed air separator significantly reduces the difficulty of removing labels, dust, and impurities from washed materials. It features high processing capacity, excellent label removal efficiency, and low flat-flake loss rate.
	Centrifuge	Functional improvements have been made to reduce material loss and address issues related to screen clogging.

4. Short & Long Term Development Plans

(1) Short Term Development Plans

A.Manufacturing Operations

Amid challenging global economic conditions and intensifying market competition, the chemical fiber division continues to face sales pressure. The Company aims to consolidate existing results, expand sales of flame-retardant fibers, and phase out low-margin products while maintaining growth in high-margin segments.

For hygiene fiber products, efforts focus on increasing product diversity and cost control to enhance competitiveness. For flame-retardant fibers, the priority is to grow sales in overseas markets and strengthen promotion of colored fibers to optimize the product mix and improve profitability.

Taiwan officially approved the use of recycled PET in beverage bottles in the previous year. The Company's subsidiary, Boretech Resource Recycling Technology Co., Ltd., was among the first to receive TFDA certification for food-grade rPET pellets. With government subsidies incentivizing brand users, the Company actively engages with major beverage brands in Taiwan to promote a closed-loop system—turning used PET bottles into rPET pellets for reuse in new beverage bottles.

B.Environmental Equipment Engineering Services

India's strong economic growth has made it the world's fastest-growing major economy. With the approval of recycled plastics in food-contact packaging, India has become one of the most promising markets for bottle-to-bottle PET recycling equipment. Deepening market penetration and expanding product offerings in India is a key strategic focus for the Group.

2024 marks a critical year for global brands and retailers to meet their 2025 plastic reduction commitments. As a provider of low-carbon and sustainable solutions, the Company's engineering business—offering integrated bottle-to-bottle systems and chemical recycling technologies—will play a pivotal role in supporting brand sustainability targets and the Group's long-term expansion in the circular plastics economy.

To achieve these goals, the engineering business has set the following operational priorities by product division:

- (A)Washing Systems Division : a. Strengthen project management, b. Control costs and improve quality, c. Establish product standardization
 - (B) Chemical Fiber Division : a. Enhance fiber production R&D, b. Improve technical performance and utilization of recycled PET flakes, c. Expand presence in the Indian market
 - (C) Bottle-to-Bottle Division : a. Strengthen engineering integration capabilities, b. Build communication channels with brand clients, c. Enhance market promotion, d. Advance product certification processes
- (2) Long Term Development Plans

A.Manufacturing Operations

The Chemical Fiber Division aims to become an industry leader in flame-retardant functional fibers and a key supplier for mainstream hygiene brands in the composite fiber sector, leveraging both R&D capabilities and sales strategy.

Key operational plans by product unit include:

- (A)Polyester Fiber Unit : Due to increasing competition in flame-retardant fibers, prices have declined in recent years. To improve profitability and sales, the Division will focus on expanding export markets, supported by:
 - a. Adjusting production lines to increase capacity
 - b. Integrating the supply chain to secure stable raw material supply and reduce costs
 - c. Increasing export share
 - d. Strengthening inventory management
- (B) Composite Fiber Unit : Facing low margins and limited application fields, the Division plans to enhance competitiveness through:
 - a. Development of differentiated products
 - b. Broadening customer base
 - c. Increasing export share
 - d. Strategic raw material sourcing

rPET packaging appeals to environmentally conscious consumers seeking sustainable choices and supports companies committed to reducing environmental impact. In the food and beverage sector, growing demand for eco-friendly packaging is accelerating rPET adoption. As long as it meets industry and hygiene standards, recycled materials can be safely used in food packaging. Manufacturers increasingly use rPET compliant with food-contact regulations to ensure legal compliance and align with sustainability goals.

In Taiwan, the Ministry of Environment launched a voluntary initiative in 2020, linking manufacturers, users, and recyclers to promote recycled plastic usage. The program aims to reach 25% recycled content in non-food plastic containers by 2025. The Group's subsidiary has obtained TFDA certification for its food-grade rPET, making it one of only four approved suppliers in Taiwan.

B.Environmental Equipment Engineering Services

Plastic recycling has become a global consensus, driven by government policies and global brand commitments. While the Group faces market uncertainties and industry competition, it also embraces significant growth opportunities. We remain committed to transforming our equipment business into a professional engineering service model, supported by the following strategic focuses:

- (A) Establish a sustainable profit model by strengthening core capabilities in industry technology, engineering services, and sales & marketing. Develop integrated service capabilities to ensure every product meets international standards, enabling value chain integration and delivering a superior customer experience.
- (B) Strengthen teams in R&D, engineering design, and project management, and cultivate T-shaped talent with deep expertise and cross-functional skills to support the Group's strategic goals.
- (C) Stay ahead of industry trends and product evolution by leveraging innovation and advanced technologies to expand into mid-to-high-end markets and large-scale production lines, enhancing value creation.
- (D) Continue transforming into a turnkey EPC engineering company, expanding beyond plastic recycling to supply systems for automated waste sorting, and advanced recycling lines for e-waste and home appliances.

Establishing a global after-sales service network through connectivity and remote systems to enhance technical support efficiency and improve customer satisfaction.

ii 、 Market and Sales Overview

1. Market Analysis

(1) Sales Analysis by Major Services By Area

Unit ; TWD thousands ; %

Item		2022		2023		2024	
		Sales	%	Sales	%	Sales	%
Domestic (Note)		200,449	5.57	172,070	3.85	518,332	9.52
Export	Asia	2,683,062	74.58	2,876,950	64.45	3,551,279	65.23
	Europe	227,735	6.33	358,288	8.03	244,302	4.49
	America	336,216	9.35	659,479	14.77	872,606	16.03
	Other	150,077	4.17	396,930	8.90	257,547	4.73
Total		3,597,539	100	4,463,717	100	5,444,066	100

Note : Domestic sales refer to sales within Taiwan.

(2) Market Share

A. Equipment Product Market Share

Due to the high level of customization in the Company's equipment engineering products, market share data is not readily available. However, based on the cumulative PET processing capacity of equipment sold by the Company, as of the

end of 2023, the total reached approximately 3.05 million tons, accounting for 21.7% of the global PET bottle recycling volume of 14.04 million tons, according to Wood Mackenzie.

B. Chemical Fiber Product Market Share

The Company's subsidiary, Zhejiang Anshun Fiber, does not pursue high market share as its core strategy. Instead, it focuses on differentiated products and avoids direct competition in high-volume standardized markets. With an annual capacity of 30,000 tons, and based on China's total recycled fiber production of 4.794 million tons in 2023 (source: Huajing Research Institute), Anshun's market share in China is approximately 0.63%.

C. Recycled Polyester Product Market Share

The Company's subsidiary, Boretech Taiwan, produces approximately 16,000 tons of recycled PET pellets annually, targeting global markets. According to Mordor Intelligence, the global rPET market is projected to reach 4.49 million tons by 2024. Boretech Taiwan's market share is therefore approximately 0.36%.

(3) Industry Trend Overview

A. Chemical Fiber and Recycled Plastics

In the chemical fiber segment, China's hygiene product market continues to grow in penetration. According to the Household Products Committee, while the penetration rate for feminine hygiene products is nearing saturation, there is still room for growth in baby diapers, and particularly in adult incontinence products, which are expected to experience high market growth. Internationally, the hygiene product market shows even greater potential, especially in BRIC countries like India, where significant growth is anticipated.

For recycled PET pellets, the global ESG movement and sustainability commitments from major brands are driving demand. Regulatory measures such as the EU plastic tax (effective 2021), and recycled content mandates—15% in California (2022) and Washington State (2023), and 25% in the EU by 2025—are further accelerating this trend. These developments present strong business opportunities for the Company.

B. Environmental Equipment Engineering Services

According to Wood Mackenzie, the top three global rPET consumption sectors in 2022 were fibers (32%), sheet/film (26%), and food and beverage packaging (10%). While food-grade rPET currently accounts for a smaller share, rising brand commitments are expected to drive continued demand growth in this segment.

Global PET bottle recycling has surged following sustainability targets set by major sportswear brands (e.g., Nike, Adidas) and beverage companies (e.g., Coca-Cola, PepsiCo, Danone, Nestlé) to increase recycled plastic content by 2025 and 2030. This has led to higher demand for advanced plastic washing lines.

In Japan, major trading firms formerly focused on virgin PET—such as Mitsubishi, Toyota Tsusho, and Mitsui—and brands like 7-Eleven have invested in PET bottle

washing and bottle-to-bottle facilities since 2020–2021. With the global PET bottle recycling rate still averaging around 50%, and with aging systems being replaced to meet brand standards, the industry continues to show strong and sustainable growth potential.

(4) Competitive Advantage

A. Extensive Industry Experience and R&D Capabilities

Established in 1994, the Company has over 30 years of experience in the polyester recycling industry. Through continuous investment in R&D, it has expanded from basic PET recycling to providing customized, full-scale recycling systems. The Company has obtained 30 patents, with 41 more under application, and is supported by an experienced management and technical team. In addition to expanding applications for various recycled plastics, the Company is developing high value-added products to strengthen its market share in polyester recycling.

B. High Product Quality and Industry Recognition

The Company has long been dedicated to the environmental recycling sector, with strong capabilities in polyester fiber production, process development, and custom recycling equipment. In September 2023, Boretech Taiwan was listed by the TFDA as one of only four approved suppliers for food-grade recycled PET. The Company serves clients worldwide, including well-known publicly listed companies, and continues to gain new customers through positive referrals, contributing to steady growth in revenue and profit, and expanding its market share.

C. Vertical Integration Advantage

With operations in China and Taiwan, the Company benefits from a regional supply chain and proximity to customers. Through vertical integration, the business covers polyester processing, fiber production, equipment manufacturing, and engineering design—providing a one-stop solution across the value chain. This model enables flexible resource allocation, improves access to market intelligence, and reduces transaction friction. The Company can expand client coverage across upstream, midstream, and downstream segments, enhancing its overall competitiveness.

(5) Advantages and Disadvantages for Long-Term Development & Corresponding Strategies

A. Advantages

(A) Rising Environmental Awareness Drives Steady Market Growth

Environmental issues have become a key global focus. Governments worldwide are introducing regulations requiring companies to reduce carbon emissions, disclose ESG-related data, and publish sustainability reports. Subsidies and incentives are also being implemented to promote environmental responsibility. With public awareness increasing through media and education, demand for eco-friendly solutions continues to rise, fostering industry growth and creating greater revenue and profit opportunities.

(B) Broad Applications of Recycled Plastics Increase Added Value

To accelerate plastic circularity, governments are enacting legislation to guide and encourage industry adoption. This expands the potential uses of recycled plastics and supports the development of a more complete secondary material market. According to a Research Nester report published in February 2023, the global recycled plastics market is expected to grow at a 6% CAGR from 2022 to 2030, driven by increasing applications across packaging, furniture, automotive, and especially building materials such as bricks, insulation, and plastic lumber. With the rise of circular construction and supportive policies, demand is expected to grow further.

(C) Experienced R&D Team Supports Customization Needs

The Company's R&D team has extensive industry experience and technical expertise. In addition to acquiring multiple patents and continuously improving product quality, the team offers customized system designs tailored to client needs and provides professional consultation and responsive service. This has earned long-term trust and loyalty from customers and strengthened client retention.

B. Disadvantages & Corresponding Strategies

(A) Rising Labor Costs in China

The Company's main production base is in Zhejiang, China. While China initially offered low labor and land costs, rapid economic development, demographic shifts due to the one-child policy, and a preference for less labor-intensive jobs among younger workers have made recruitment increasingly difficult. Additionally, global inflation and rising labor-related expenses—such as wages, benefits, pensions, and insurance—continue to pressure operating costs and compress profit margins.

Mitigation Measures:

The Company and its subsidiaries are improving production efficiency and increasing automation. Capacity and workforce deployment are being adjusted to reduce reliance on manual labor, while also optimizing employee compensation and benefits to reduce turnover.

(B) Inflation and War-Driven Raw Material Cost Increases

Following the COVID-19 pandemic in 2020, global production and consumption slowed. In 2022, the Russia-Ukraine conflict further pushed up energy prices and disrupted supply chains, leading to global inflation and weakening consumer demand. In addition, exchange rate volatility and raw material cost increases have impacted profitability.

Mitigation Measures:

The Company adopts flexible, strategic sourcing based on material prices and order volumes. It maintains strong relationships with suppliers and diversifies key material sources to reduce procurement risks.

2. The Company's Main Services Purposes and Service Sequences

(1) Main Purposes

The Company offers both recycled and virgin polyester and composite fibers, with applications across various sectors, including footwear, home textiles, automotive interiors, construction materials, and filtration. Eco-friendly GRS-certified polyester fibers and marine fibers with oil- and water-repellent properties are increasingly used in footwear and apparel. Composite fibers are primarily applied in hygiene products such as baby diapers, sanitary pads, wipes, and high-efficiency filtration materials.

The Company's food-grade recycled PET pellets are suitable for producing beverage bottles.

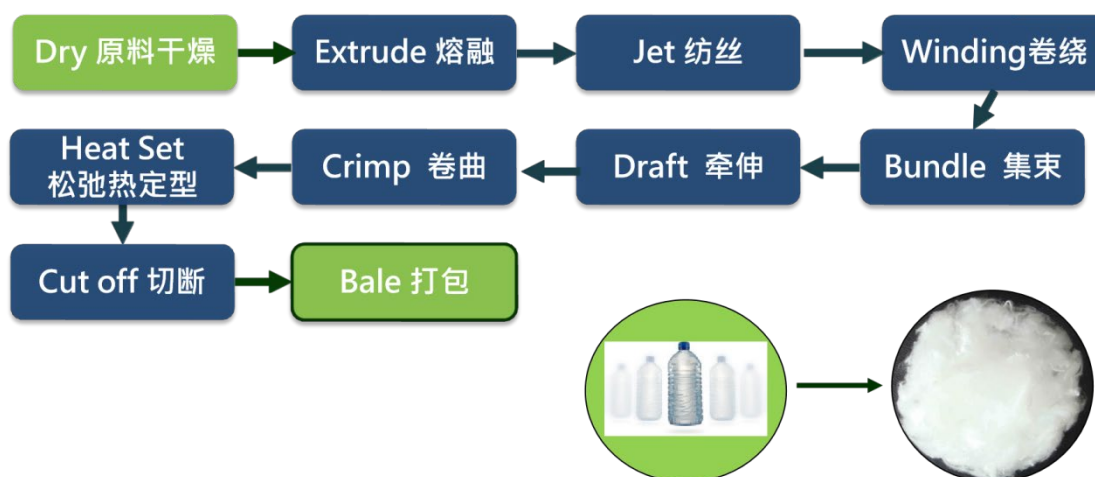
The Company's environmental equipment mainly includes plastic recycling and washing lines, which process waste PET bottles and other plastics through sorting, decontamination, shredding, washing, and drying, producing high-purity rPET flakes suitable for food-grade or microfiber applications.

Using polyester waste as raw material, the polyester staple fiber production process includes drying, melt extrusion, filtration, spinning, cooling, oiling, drawing, crimping, drying, cutting, and baling. Process parameters are adjusted based on fiber specifications.

(2) Service Sequences

A. Chemical Fiber Products

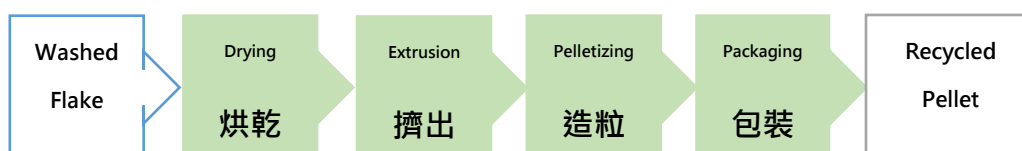
The fiber production process involves a physical transformation of polymer materials from pellet form to fiber form. The general process is as follows:



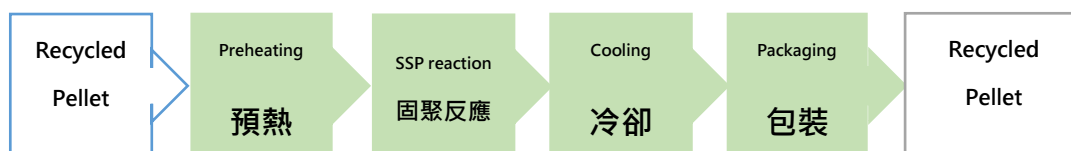
B. Recycled Plastics

The production process of recycled PET pellets is as follows:

Pelletizing

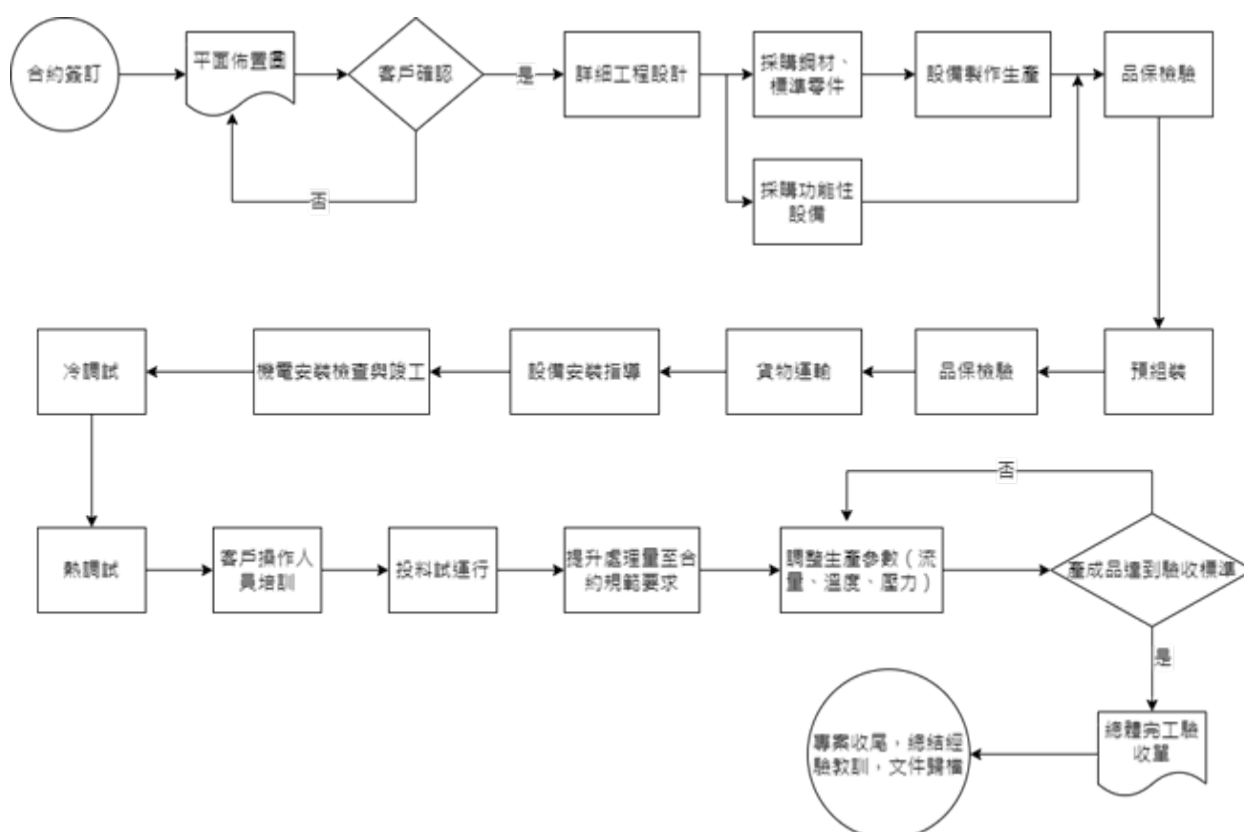


Solid State Polycondensation



C. Recycling Equipment Engineering Business

Although Zhejiang Boretech offers a wide range of products, all production follows a standard equipment manufacturing and engineering implementation process, as outlined below:



3. Major Materials Used and Supply Status

The Group's main raw materials include carbon steel, purchased machinery units, recycled PET flakes, PE pellets, and recycled polyester pellets. Each material is sourced from multiple suppliers, with whom the Company maintains long-term and stable partnerships.

Strict controls are in place to ensure quality and delivery timelines, and material supply has remained stable with no shortages or disruptions in the past three years and the current application year.

4. Major Suppliers and Clients

(1) Major Suppliers Information for the Last Two Calendar Years:None.

(2) Major Clients (each commanding 10%-plus share of annual order volume) Information for the Last Two Calendar Years:

單位：新臺幣千元

Item	2023				2024			
	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	S3	486,287	10.89	—	S3	623,734	11.46	—
2	Others	3,977,430	89.11	—	Others	4,820,332	88.54	—
	Total	4,463,717	100.00	—	Total	5,444,066	100.00	—

In 2024, sales to customer code S3 accounted for over 10% of the Group's consolidated revenue. This was primarily due to a significant increase in sales volume of recycled polyester pellets by the Group's subsidiaries. Given the continued rise in demand, the delivery volume to this customer remained high throughout the year, and S3 continued to be listed as a major customer with sales exceeding 10% of total consolidated revenue.

iii、The information about employees employed for the most recent two fiscal years and up to the date of printing of the annual report

Year		2023	2024	As of April,30 2025
Number of Employees	Direct Labor	249	263	269
	InDirect Labor	416	469	462
	Total	665	732	731
	Average Age	40.44	41.25	41.21
	Average service seniority	6.07	6.23	6.40
Number of employees at each level of educational degree(%)	PhD	3	2	2
	Master's Degree	12	21	23
	Bachelor's Degree / College	293	335	331
	High School or Below	357	374	375

iv、Environmental Protection Expenditure

1. In accordance with legal requirements, disclosure of the status of obtaining pollution control facility installation permits, pollutant discharge permits, payment of pollution control fees, or establishment of dedicated environmental protection units/personnel:

(1) Pollution Control Facility Installation Permits or Pollutant Discharge Permits

The Company, in compliance with applicable regulations, is required to obtain pollution control facility installation permits or pollutant discharge permits for the following subsidiaries:

Name	Application Item	Permit Number	Validity Period / Issue Date
Zhejiang Boretech Environmental Engineering Co., Ltd.	Registration Receipt for Fixed Pollution Source Discharge	91330400778297749D001Y	2020/05/13~2025/5/12
	Permit for Discharge of Municipal Wastewater into Sewer System	浙平字第 2080022 號	2020/12/16~2025/12/15
Zhejiang Anshun Pettechs Fiber Co., Ltd.	Pollutant Discharge Permit	91330183751738495300IV	2024/05/07~2029/05/06
	Wastewater Discharge Permit	2037319	2023/08/18~2028/03/17

Name	Application Item	Permit Number	Validity Period / Issue Date
Boretech Recovery Co., Ltd.	Approval Document for Toxic Chemical Substances	南市毒核字 000229 號	2023/05/31~2028/07/22
	Water Pollution Control Permit	南市環水 06361-02 號	2023/12/06~2028/12/05
	Industrial Waste Disposal Plan	府環事字第 20240027167 號	2024/03/6~2029/03/5

(2) Pollution Control Expenses

The Group is primarily engaged in the production of PP and PET bottle recycling and regeneration equipment, as well as the recycling of PET bottles into flakes or pellets, and the manufacturing of polyester staple fibers and composite fibers for hygiene applications.

Zhebao and Anshun have obtained pollutant discharge permits and have engaged qualified third-party service providers for waste removal. Taibao has obtained the required approval documents for toxic chemical substances, a water pollution control permit, and an industrial waste disposal plan, and also outsources waste removal to certified third-party agencies. Pollution control fees are paid regularly.

As the Group's production processes generate minimal wastewater and air pollution, it is currently not required to establish a dedicated environmental protection unit or personnel.

2.Environmental Pollution Remediation in the Past Two Years and Up to the Date of This Annual Report:The Group has not experienced any major environmental pollution disputes.

3.Environmental Violations and Losses in the Past Two Years and Up to the Date of This Annual Report

On August 9, 2024, the Group's subsidiary, Zhejiang Anshun Chemical Fiber Co., Ltd., received an administrative penalty notice (Document No. 杭環富罰告〔2024〕35 號) from the Hangzhou Municipal Bureau of Ecology and Environment. The violation occurred on May 5, 2024, for non-compliance with Article 45 of the Air Pollution Prevention and Control Law of the People's Republic of China, which requires production or service activities that generate volatile organic compounds (VOCs) to be conducted in enclosed spaces or equipment with proper pollution control facilities. If full enclosure is not feasible, emission-reducing measures must be taken. The company was fined RMB 28,000 and has since completed corrective actions.

4.Current Pollution Status and Impact on Profitability, Competitiveness, and Capital Expenditures

The Group is not currently involved in any environmental pollution incidents. Therefore, there is no significant impact on its earnings, competitive position, or capital expenditures.

v 、 Labor Relations

1. Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor management agreements and measures for preserving employees' rights and interests

(1) Employee Welfare Measures

In addition to offering competitive salaries and year-end bonuses, the Company provides employees with stock options, medical insurance, and travel accident insurance. Employees are also encouraged to participate in various training programs and workshops to broaden their perspectives and enhance work efficiency.

(2) Employee Training and Development

Each business unit within the Group identifies individual training needs during the annual performance appraisal process. Employee development plans are formulated based on job requirements, industry experience, and the employee's qualifications. With the support of HR personnel, direct supervisors and employees jointly determine suitable training approaches. All training programs are subject to management approval.

(3) Retirement System and Implementation

The Group complies with local labor laws in the countries where it operates when handling employee retirement systems.

(4) Labor Relations and Protection of Employee Rights

The Group values employee feedback and maintains an open and communicative work environment. Employees may express opinions directly to their supervisors or through meetings and email. To date, there have been no significant labor disputes.

2. Loss suffered by the Company due to dispute between labor and employer in the most recent fiscal years

The Company is used to valuing the employees' benefits and calling a labor and employer meeting and welfare committee meeting on a quarterly basis, and also installs the suggestions box to make a two-way communication channel available to employees. Therefore, the relationship between labor and employer is harmonious and no dispute over labor has arisen in the past. No material loss or punishment has been suffered by the Company due to dispute between labor and employer in the past three years. In the future, the Company will continue to adhere to the same principle and solidify the relationship between labor and employer further.

vi 、 Cyber security management

1. Information Security Risk Management Framework, Policies, Measures, and Resources

To enhance data protection and equipment security, and to raise information security awareness among employees, the Group has established various information security management measures and conducted regular risk assessments. Key initiatives include:

- (1) Information security procedures are embedded in the internal control system and reviewed periodically for effectiveness.
- (2) Internal auditors conduct annual audits of the Company's information security management to assess the effectiveness of risk control and the handling of exceptions, thereby reducing potential information security risks.
- (3) To ensure data protection and confidentiality, all procedures and data access must be approved and authorized accordingly, in order to prevent unauthorized disclosure of confidential information.

2. Major Information Security Incidents and Countermeasures in the Past Two Years

As of the date of this annual report, the Group has not experienced any major information security incidents in the past two years. The Group will continue to assess the necessity of purchasing cyber insurance and closely monitor developments in information security management, aiming to strengthen its security framework and mitigate potential risks.

vii 、 Important Contracts

April 30, 2025

Agreement	Counterparty	Period	Major Contents	Restrictions
Lease Agreement	Xiangli Machinery Co., Ltd.	2023/03/01~2028/02/28	Liuying Plant Lease	None
Lease Agreement	Licheng Industrial Co., Ltd.	2021/03/01~2026/12/31	Liuying Plant Lease	None
Lease Agreement	Licheng Industrial Co., Ltd.	2021/03/01~2026/02/28	Liuying Plant Lease	None
Lease Agreement	Hangzhou Fuzhou E-commerce Co., Ltd.	2024/11/01~2025/04/30	Fuyang Plant – Used as Warehouse	None
		2025/05/01~2025/10/31		
Lease Agreement	Hangzhou Chunshui Coated Glass Co., Ltd.	2024/3/1-2027/2/28	Fuyang Plant – Used as Warehouse	None
Loan Agreement	Mega Bank	2024/10/23~2025/12/28	ST Loan Facility	None
Loan Agreement	TFC	2025/05/06~2026/05/05	ST Loan Facility	None
Loan Agreement	FEIB	2025/04/08~2026/04/07	ST Loan Facility	None
Loan Agreement	CCB	2024/07/12~2025/07/11	ST Loan Facility	None
Loan Agreement	ICBC	2024/07/31~2025/07/30	ST Loan Facility	None
Loan Agreement	ABC	2024/07/25~2025/07/24	ST Loan Facility	None
Loan Agreement	BOC	2023/03/24~2026/03/24	MGA	None

V. Analysis of Financial Status

i. Analysis of Financial Status

1. Major Reasons for Significant Changes in Assets, Liabilities, and Shareholders' Equity Over the Past Two Years, and Related Impacts; Material Impacts Should Include Future Response Plans

Unit: TWD thousands

Item \ Year	2023	2024	Difference	
			Amount	%
Current Assets	3,268,034	3,142,300	(125,734)	(4)
Property, Plant and Equipment	699,925	743,980	44,055	6
Intangible Assets	32,176	39,517	7,341	23
Other Assets	209,763	238,003	28,240	13
Total Assets	4,209,898	4,163,800	(46,098)	(1)
Current Liabilities	2,180,298	1,874,803	(305,495)	(14)
Non-current Liabilities	77,464	75,077	(2,387)	(3)
Total Liabilities	2,257,762	1,949,880	(307,882)	(14)
Capital Stock	651,995	651,995	-	-
Capital Surplus	708,252	711,279	3,027	0
Retained Earnings	595,125	785,498	190,373	32
Other equity	(3,236)	65,148	68,384	(2,113)
Total Equity	1,952,136	2,213,920	261,784	13
<p>Explanation of Major Changes (Changes exceeding 10% and at least 1% of total assets):</p> <p>(1) Current Liabilities: Significant decrease mainly due to revenue recognition upon completion of equipment contracts, resulting in a reduction in contract liabilities.</p> <p>(2) Total Liabilities: Decrease primarily due to the same reason as above — completion of equipment contracts and corresponding reduction in contract liabilities.</p> <p>(3) Retained Earnings: Increase mainly attributable to profit growth in 2024.</p> <p>(4) Other equity: Increase due to foreign operations benefiting from USD appreciation in currency translation.</p> <p>(5) Total Equity: Increase primarily due to significant profit growth in 2024.</p>				

ii、Analysis of Financial Performance

1. Major Reasons for Significant Changes in Operating Revenue, Operating Profit, and Pre-tax Profit Over the Past Two Years, Expected Sales Volume and Its Basis, Potential Impacts on the Company's Future Financial and Business Performance, and Response Plans

Unit: TWD thousands

Item \ Year	2023	2024	Difference Amount	%
Operating Revenue	4,463,717	5,444,066	980,349	22
Gross Profit	1,113,930	1,166,250	52,320	5
Operating Expenses	570,727	616,858	46,131	8
Operating Income	543,203	549,392	6,189	1
Non-operating Income and expenses	57,508	90,022	32,514	57
Profit before Income Tax	600,711	639,414	38,703	6
Profit for the year	457,419	489,554	32,135	7
Total other comprehensive income (loss) for the year	(30,768)	68,384	99,152	(322)
Total comprehensive income for the year	426,651	557,938	131,287	31
<p>Explanation of Major Changes:</p> <p>(1) Operating Revenue: Increase mainly due to higher shipments of recycled polyester pellets and plastic recycling equipment.</p> <p>(2) Gross Profit: Increase primarily driven by higher sales of recycled plastic recycling equipment.</p> <p>(3) Operating Expenses: Increase in selling, general, administrative, and R&D expenses in line with the growth in revenue in 2024.</p> <p>(4) Operating Income: Increase mainly due to strong market demand and higher shipments in 2024.</p> <p>(5) Non-operating Income and expenses: Increase in interest income due to higher deposit interest rates.</p> <p>(6) Profit before Income Tax: Increase mainly due to strong market demand and higher interest income in 2024.</p> <p>(7) Profit for the year: Increase mainly due to strong market demand and higher interest income in 2024.</p> <p>(8) Total other comprehensive income (loss) for the year: Increase due to currency translation gains from the appreciation of the U.S. dollar on foreign operations.</p> <p>(9) Total comprehensive income for the year: Increase primarily due to strong market demand and higher interest income in 2024.</p>				

2. Expected Sales Volume, Basis of Estimation, Potential Impact on Financial and Business Performance, and Response Plan

The estimated sales volume is reasonably prepared based on the Company's annual sales targets, market demand and trends, customer operating conditions, current order status, and production capacity.

With increasing market demand, the Company expects to maintain a stable growth trajectory, which is anticipated to have a positive impact on its future financial and business performance.

iii 、 Analysis of Cash Flow

1. Cash Flow Analysis for the Past 2 Year

Unit: TWD thousands

Item \ Year	2023	2024	Difference	
	Amount	Amount	Amount	%
Operating Activities	474,430	(97,451)	(571,881)	(121)
Investing Activities	195,525	(126,451)	(321,976)	(165)
Financing Activities	(69,888)	(73,447)	(3,559)	5
Explanation to changes:				
(1) Operating Activities: The decrease was mainly due to a significant reduction in contract liabilities in 2024.				
(2) Investing Activities: The change was primarily due to the maturity of derivative financial instruments in 2023.				
(3) Financing Activities: he decrease was mainly due to an increase in cash dividend payments in 2024.				

2. Liquidity Improvement Plan: No liquidity shortfall has been identified.

3. Analysis of Cash Liquidity for the Coming Year

(1) Operating Activities: The Group expects stable growth in revenue and profit in 2025, with operating activities generating positive cash inflows.

(2) Investing Activities: Primarily related to annual capital expenditures on equipment and software.

(3) Financing Activities: Financing arrangements, including bank borrowings, capital increases, and dividend distributions, will be made based on the overall cash flow needs from operating and investing activities.

iv 、 Major Capital Expenditure Items: None

v 、 Investment Policy in the Most Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

1. Investment Policy

The Company's investment policy focuses on core business operations and does not engage in non-core industries. All investment activities comply with procedures approved by the Board of Directors or the shareholders' meeting, including the "Procedures for Acquisition or Disposal of Assets," "Procedures for Handling Related Party Transactions," and "Regulations Governing Transactions with Related Parties, Specific Companies, and Affiliated Enterprises."

Investment operations are also conducted in accordance with the Company's internal control system under the investment cycle. In addition to following the Company's internal policies, each invested subsidiary also considers local regulations and actual operational conditions to ensure appropriate internal control.

2. Main Reasons for Investment Gains or Losses in the Most Recent Year and Improvement Plans

Unit: TWD thousands

Name	2024 Investment Gain/Loss Recognized	Reasons for Gain or Loss	Improvement Plan
Rizen Co., Ltd.	(159)	Primarily from equity method income.	Potential expansion into the Americas based on Group development plans.
First Cool International Co., Ltd	507,670	Primarily from equity method income.	—
Boretech Resource Recovery Technology Co., Ltd.	21,667	Primarily due to stable business operations.	—
Cycleplus, LLC	(118)	Currently not in operation	Potential expansion into the Americas based on Group development plans.
Zhejiang Boretech Environmental Engineering Co., Ltd.	433,387	Primarily due to stable business operations.	—
Zhejiang Anshun Pettechs Fiber Co., Ltd.	116,752	Primarily due to stable business operations.	—
Jiaxing Baomat Trading Co., Ltd	1,602	Primarily due to stable business operations.	—
PT Boretech Solutions Indonesia	6,570	Primarily due to stable business operations.	—

3. Investment Plan for the Coming Year: None.

vi 、 Analysis of Risk Management

1. Risk Management

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

(1.1) Interest rate

Unit: TWD thousands

Item \ Year	2023	2024
Interest Income/ Expense(A)	20,273	44,254
Sales(B)	4,463,717	5,444,066
A/B(%)	0.45	0.81

The Group's interest income primarily arises from bank deposits, while interest expenses mainly result from bank borrowings for working capital and lease liabilities. The net interest margin represents an immaterial portion of annual operating revenue; therefore, the impact of interest rate fluctuations on the Group's operations is limited. To mitigate potential interest rate risks, the Group closely monitors market trends, maintains strong relationships with banks, and ensures good credit standing. This

enables access to preferential rates when future financing needs arise. In addition, the Group will continue to implement sound financial planning and consider appropriate financial instruments to manage interest rate risk effectively.

(1.2) Foreign exchange rates

Unit: TWD thousands

Item \ Year	2023	2024
Net Foreign Exchange Gain/Loss(A)	19,336	33,067
Sales (B)	4,463,717	5,444,066
A/B(%)	0.43	0.61

The Group's main operations are based in Mainland China, followed by Taiwan, with sales primarily in China and other Asian markets. Sales are mainly denominated in RMB and USD, while most raw material imports are settled in USD. Although natural hedging exists between receivables and payables, the need to convert currencies (RMB and TWD) for daily operations still leads to foreign exchange gains or losses.

A stronger USD results in exchange gains on the Group's USD assets; conversely, a weaker USD leads to exchange losses. The finance team actively monitors currency markets and manages foreign exchange exposure to mitigate the impact of exchange rate fluctuations on operations.

(1.3) Inflation

The Group closely monitors raw material price trends, maintains strong relationships with suppliers, and manages cost structures to adapt to market changes. These efforts help mitigate the impact of inflation on product costs. As a result, inflation has not had a material effect on the Group's profitability.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

(2.1) High-Risk and High-Leverage Investments

The Group adheres to a conservative and business-focused financial policy, avoiding high-risk or high-leverage investments. As such, risk exposure remains limited.

(2.2) Lending, Guarantees, and Derivatives

In 2024 and up to the date of this report, the Group provided intercompany loans to meet internal capital needs—specifically from the Company to Boretech Resource Recycling Technology Co., Ltd., and from ZHEJIANG BORETECH ENVIRONMENTAL ENGINEERING CO., LTD. to ZHEJIANG ANSHUN PETTECHS FIBER CO., LTD. and BORETECH RESOURCE RECOVERY TECHNOLOGY CO., LTD.. All transactions were approved by the Board and executed in accordance with the Group's "Procedures for Lending Funds to Others."

In addition, corporate guarantees were issued by BORETECH RESOURCE RECOVERY TECHNOLOGY CO., LTD. for bank financing, in accordance with the Group's "Endorsement and Guarantee Operating Procedures."

The Group does not engage in speculative foreign exchange activities. Any use of derivatives is governed by the Group's "Procedures for Derivative Transactions" and based solely on actual business needs. As of the reporting date, no derivative transactions have been undertaken.

(3) Future R&D Plans and Estimated R&D Expenditures

(3.1) Future R&D Plans

Project Name	Project content
Multi-Channel Air Separator	Designed for 8,000 kg/h PET flakes (12mm); 99% efficiency in removing contaminants, improving filtration and reducing defects in pelletizing and preform stages.
Compact PET Washing Line	Handles labeled PET bottles and flakes; integrates label removal, hot washing, and rinsing; system allows process optimization via real-time parameter testing.
Whole Bottle Label Separator	Utilizes forward/reverse airflow with rotary drum to separate and collect labels/dust; maintains internal pressure and avoids external leakage during operation.
Compact PET Pelletizing Line	PET/PE/PP compatible; features low degradation extruder, integrated underwater cutting, and crystallization system for efficient and stable operation.
Compact PET SSP Line	50 kg/h capacity for flake/chip solid-state polymerization; supports testing and demonstration.
Microwave Vacuum Dryer	1,000 kg/h; suitable for PET and nylon; rapid, low-temperature drying using microwave in high vacuum; ideal for heat-sensitive materials.
Underwater Crystallization System	2,000 kg/h; inline crystallization during rPET pelletizing process, achieving 30% crystallinity.
Easy-Spin System	1,500 kg/h; direct spinning from PET flakes without drying; reduces energy and building costs by over 20%, improving competitiveness.
Spunbond Nonwoven Line	3,000 tons/year; 3.2m width, advanced spinneret, and reliable web-forming system. Targets domestic component localization and high-speed stability.
TECFLEX® Flame-Retardant	High-performance (LOI > 42%) and cost-effective flame-retardant fibers; target 1,000 tons/month; addresses geotextiles and outdoor applications.
ECOAN® Biodegradable	Develop petroleum- and bio-based degradable fibers (ES fiber, PLA, PBAT); build brand awareness and secure pilot runs with target customers.
ELIAN® Elastic Fibers	Solid, hollow, and sheath-core elastic fibers for hygiene and cosmetic nonwovens; patent filed and trademark registered; focus on sampling and BD engagement.
ECOAN® Low-Melt Series	Degradable and flame-retardant low-melt fibers (180°C); CO-PET fiber development for hygiene sector; commercial production underway on Line 2.

Project Name	Project content
ECLEAN® Electret Fibers	ES electret fiber and static PP cotton; developed to replace imported materials in filtration; close collaboration with customers for trials and supply chain integration.
JOULELON® PCM Fibers	Phase-change fibers and cationic dyeable variants; developed using in-house BOSLON technology; non-microcapsule structure; aimed at thermal-regulating applications.

(3.2) Estimated R&D Expenditures

The Group plans to invest over NT\$100 million in R&D for fiscal year 2024. In line with business growth and expansion, we aim to independently develop new processes with a focus on modularization, automation, and simplification to meet diverse customer needs. Increased R&D funding will accelerate project execution, while we continue to recruit experienced and creative R&D professionals to enhance innovation capabilities and strengthen overall market competitiveness.

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales:

The Company is incorporated in the Cayman Islands and does not engage in substantive economic activities there. Its primary operations are based in Mainland China and Taiwan. The Group conducts its business in compliance with key domestic and international policies and legal regulations, and closely monitors relevant policy and regulatory changes in its operating regions. Preventive measures are taken in advance through various channels. When necessary, the Group consults with legal and accounting professionals or commissions them to assess and plan appropriate responses. As of the date of this annual report, there have been no significant impacts on the Group's financial or operational activities arising from changes in major policies or laws in the Cayman Islands or its principal operating regions.

(5) Effects of and Response to Changes in Technology (including Information Security Risk) and in Industry Relating to Corporate Finance and Sales:

The Group closely monitors technological developments and industry trends relevant to its business, continuously enhancing production capabilities and assessing potential operational impacts. We remain responsive to technological and industrial changes, adjusting our development direction as needed. As of the end of the most recent fiscal year and the date of this annual report, there have been no significant impacts on the Group's financial or business operations due to technological changes (including information security risks) or industry shifts.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

The Group upholds the principles of integrity, trust, and sustainable management. Since its establishment, it has remained focused on its core business, prioritizing product quality, corporate image, and risk control, while adhering to all relevant local and international regulations. As of the date of this annual report, there have been no

significant events affecting the Group's corporate image that would materially impact its operations.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: Not Applicable.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration:

(9.1) Risks Relating to Excessive Concentration of Purchasing Sources

In both 2023 and 2024, the Group's purchases from any single supplier accounted for less than 25% of total procurement, indicating no concentration risk. The Group maintains relationships with more than three suppliers for each major raw material, most of whom are well-established industry leaders with whom the Group has maintained long-term, stable partnerships. Furthermore, with the continued introduction of recycled polyester-related products by international suppliers, the Group has increasing flexibility in sourcing options. As a result, there have been no supply shortages that have affected production scheduling.

(9.2) Risks Relating to Excessive Customer Concentration

In 2023 and 2024, only sales to Customer B accounted for 11% of the Group's total revenue, while sales to other customers were each below 10%. There is no sales concentration risk. The Group maintains long-term and close relationships with its customers, with products, delivery, and services consistently meeting customer expectations. In addition, the Group continues to actively develop new clients and expand into new markets, further reducing any risk of sales concentration.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, or Shareholders with Shareholdings of over 10%: None.

(11) Effects of, Risks Relating to and Response to Changes in Control over the Company: None.

2. Litigation or Non-Litigation Matters

(1) Any litigation, non-litigation, or administrative proceedings over the past two fiscal years and up to the date of this annual report that have been finalized or are still pending, and whose outcomes may significantly impact shareholders' equity or the price of the Company's securities, are disclosed below, including the nature of the case, claim amount, date of initiation, main parties involved, and current status: None.

Case	Counterparty	Cause & Process	Impact on Company's Financials and Operations
Sales Contract Dispute	Gezhouba Huanjia (Dalian) Renewable Resources Co., Ltd., Huaiyuan Branch (Defendant)	The defendant defaulted on equipment payment of RMB 5.04 million owed to Zhejiang Boretech Environmental Engineering Co., Ltd. The case was accepted by Tianzhuo Law Firm in January 2020 and filed with the Huaiyuan County People's Court, Anhui Province. Zhejiang Boretech won the case in both first and second instance trials. The case is currently in the enforcement stage.	As the defendant has no enforceable assets, the parent company Gezhouba Huanjia (Dalian) Renewable Resources Co., Ltd. was added as a joint obligor. No payment has been recovered to date.
Property Dispute	Shandong Grande New Material Technology Co., Ltd.	In 2012, the defendant failed to pay the final balance of an equipment purchase to Zhejiang Boretech. Although the statute of limitations for litigation had expired, the case was refiled as a property dispute by Tianzhuo Law Firm and accepted in March 2021 by the Linyi High-tech Industrial Development Zone Court in Shandong. The case concluded through mediation.	Per the mediation agreement, the defendant was to pay RMB 100,000 by June 1, 2022, or be liable for RMB 200,000 if unpaid. The enforcement is ongoing, but the defendant has no enforceable assets. No funds have been recovered.

(2) Any lawsuits, non-litigation, or administrative proceedings involving the Company's directors, supervisors, president, de facto responsible persons, shareholders holding more than 10% of shares, or subsidiaries, that have been concluded or are still pending in the past two fiscal years and up to the date of this annual report, which may have a material impact on shareholders' equity or the Company's stock price: None.

(3) Any incidents involving the Company's directors, supervisors, managerial officers, or shareholders holding more than 10% of shares that fall under Article 157 of the Securities and Exchange Act in the past two fiscal years and up to the date of this annual report, as well as the Company's handling of such incidents: None.

3. Whether any directors, supervisors, managerial officers, or shareholders holding more than 10% of shares have encountered financial distress or loss of creditworthiness in the past two fiscal years and up to the date of this annual report, and its impact on the Company's financial condition: None.

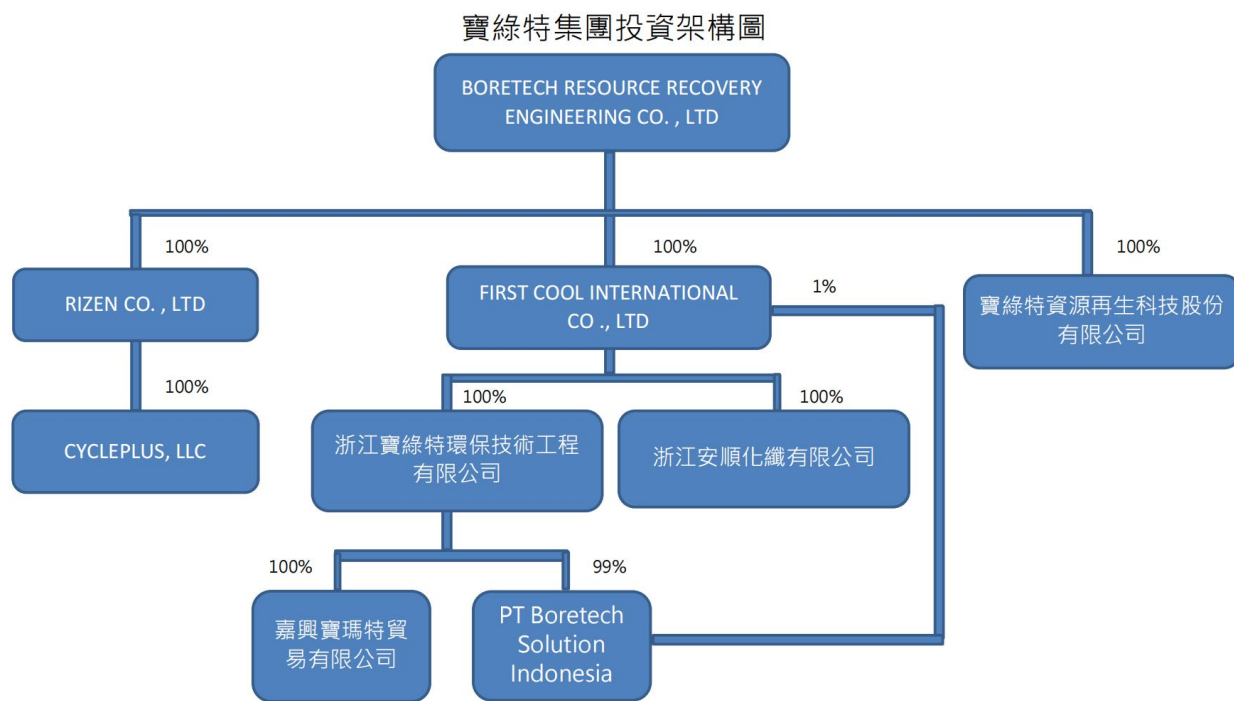
vii 、 Other Important Information: None.

VI. Special Disclosure

i、Summary of Affiliated Companies

A. Consolidated Business Reports

(1) Organizational Chart



(2) Basic information of the various affiliated enterprises

Unit: NT\$ thousand(NT\$ unless otherwise specified)

Company name	Date of establishment	Address	Paid-in capital	Main businesses/products
First Cool International Co., Ltd	2013/7/10	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VGI 110.	US\$9,596	Holding
Rizen Co., Ltd.	2013/4/10	4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands VGI 110.	US\$10,000	Holding

Company name	Date of establishment	Address	Paid-in capital	Main businesses/products
Boretech Resource Recovery Technology Co., Ltd.	2017/11/16	No. 2, Gong 6th Road Liuying District Tainan City 736, TAIWAN	NT\$338,000	Manufacture and sale of polyester pellets
Cycleplus, LLC	2013/5/30	1820 INDUSTRIAL DR STOCKTON, CA 95206.	US\$7,000	Sale of waste plastics
Zhejiang Boretech Environmental Engineering Co., Ltd.	2005/10/27	Rd.12 Dongzhou Industrial Zone, Fuyang Dist. Hangzhou, China.	US\$23,500	Manufacture and sale of waste plastic recycling equipment
Zhejiang Anshun Pettechs Fiber Co., Ltd.	2003/9/17	Rd.12 Dongzhou Industrial Zone, Fuyang Dist. Hangzhou, China.	US\$7,596	Manufacture and sale of various chemical fibers
Jiaxing Baomat Trading Co., Ltd	2021/2/9	No.888, Jiuliting Avenue, Caoqiao Street, Pinghu, China.	CNY500	Sale of chemical fibers and recycling equipment for waste plastics
PT Boretech Solution Indonesia	2023/7/26	The Plaza Office Tower Lt.41, Jalan M.H. Thamrin Kav. 28-30,, Desa/Kelurahan Gondangdia, Kec. Menteng, Kota Adm. Jakarta Pusat, Provinsi DKI Jakarta,	IDR 10 billion, of which IDR 9.9 billion had not yet been injected as of December 31, 2024.	Provision of services related to waste plastic recycling equipment

(3)The same shareholders as those presumed to have controlling and subordinate relationships:None

(4) Related to the industries covered by the company's operations:

BORETECH Resource Recovery Engineering CO., LTD. (“the Company” or “BORETECH”) was incorporated on April 8, 2013, in the Cayman Islands as an investment holding company. The Company is primarily engaged in the design, manufacturing, and sale of recycling equipment, as well as the production and sale of recycled plastics and chemical fibers. It also provides integrated services across the upstream and downstream sectors of the industry.

(5) Basic information of Directors, Supervisors, and Presidents of affiliates

Unit: TWD thousand; Share

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
FIRST COOL INTERNATIONAL CO., LTD	Chairman Director Director Director CEO	OU Che-Wen TIAO Hsiu-Hua GUANG SHUN Rep. OU Po-Hao BRAINTREE Rep. KO Yung-Chun OU Che-Wen	15,994	100%
RIZEN CO., LTD.	Chairman Director Director Director CEO	OU Che-Wen TIAO Hsiu-Hua GUANG SHUN Rep. OU Po-Hao BRAINTREE Rep. KO Yung-Chun OU Che-Wen	50,000	100%
BORETECH RESOURCE RECOVERY TECHNOLOGY CO., LTD.	Chairman Director Director Supervisor CEO	BORETECH(KY) Rep. OU Po-Hao BORETECH(KY) Rep. LEE Jo-Hua BORETECH(KY) Rep. TIAO Hsiu-Hua BORETECH(KY) Rep. KO Yung-Chun YEN Chien-Chih	33,800,000	100%
CYCLEPLUS, LLC	Chairman CEO	LEE Jo-Hua OU Po-Hao	Investment USD 232,930	100%

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
ZHEJIANG BORETECH ENVIRONMENTAL ENGINEERING CO., LTD.	Chairman Director Director Supervisor CEO	FIRST COOLRep. OU Che-Wen FIRST COOLRep. CHI,Chiu-Huang FIRST COOLRep. TIAO Hsiu-Hua FIRST COOLRep. CHOU,Chun CHI,Chiu-Huang	Investment USD 726,661	100%
ZHEJIANG ANSHUN PETTECHS FIBER CO., LTD.	Chairman Director Director Supervisor CEO	FIRST COOLRep. OU Che-Wen FIRST COOLRep. LEE Jo-Hua FIRST COOLRep. TIAO Hsiu-Hua FIRST COOLRep. LIN Yu-Chun FANG Kuo-Ping	Investment USD 234,219	100%
JIAXING BAOMAT TRADING CO., LTD.	Chairman Supervisor CEO	BORETECH(Zhejiang) Rep. OU Che-Wen BORETECH(Zhejiang) Rep. OU Po-Hao CHI,Chiu-Huang	Investment USD 2,202	100%

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding ratio
PT Boretech Solution Indonesia	Chairman Director Director Director Director Director Director Director Director Director CEO	OU Yi-Feng CHIU Ching-Fu QIAN Wei GU Jin-Feng WANG Yu-Song CHEN Ke-Ying HENG Dong-Hai ZHAO Chun-Yang LI Yong-Zhi CHI,Chiu-Huang OU Yi-Feng	IDR 10 billion, of which IDR 9.9 billion had not yet been injected as of December 31, 2024.	100%

(6)) Financial and operational overview of affiliated companies

Unit: TWD thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NT\$) (after taxes)
FIRST COOL INTERNATIONAL CO., LTD	US\$9,596	3,822,879	2,032,282	1,790,597	4,316,666	567,102	509,722	31,869.58
RIZEN CO., LTD.	US\$10,000	5,171	1,307	3,864	-	(133)	(159)	(3.18)

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Current profit and loss (after tax)	Earnings per share (NT\$) (after taxes)
BORETECH RESOURCE RECOVERY TECHNOLOGY CO., LTD.	NT\$338,000	626,367	242,745	383,622	1,140,825	3,175	21,667	0.64
CYCLEPLUS, LLC	US\$7,000	5,170	560	4,610	-	(93)	(118)	NA
ZHEJIANG BORETECH ENVIRONMENTAL ENGINEERING CO., LTD.	US\$23,500	2,640,512	1,320,784	1,319,728	2,136,029	395,459	433,387	NA
ZHEJIANG ANSHUN PETTECHS FIBER CO., LTD.	US\$7,596	1,160,584	667,053	493,531	2,123,943	160,829	116,752	NA
JIAXING BAOMAT TRADING CO., LTD.	CNY500	11,983	6	11,977	5,619	1,495	1,602	NA
PT Boretech Solution Indonesia	IDR 10 billion, of which IDR 9.9 billion had not yet been injected as of December 31, 2024.	34,967	4,799	30,168	51,075	9,990	6,570	NA

B. Report on Affiliated Companies: The consolidated financial statements of affiliated companies are the same as the Company's consolidated financial statements. Please refer to the Company's consolidated financial statements available on the Market Observation Post System (MOPS). MOPS website link: <https://mops.twse.com.tw/mops/#/web/home>

C. Report on Related Parties: NA.

ii 、 Progress of Private Placement of Securities During the Last Year and Up to the Print Date of the Annual Report: None.

iii 、 Other supplemental information: None.

iv 、 Explanation of the significant differences compared to the regulations on the protection of shareholders' rights and interests in our country

The Company has amended its Articles of Incorporation in accordance with the key shareholder protection items listed in the "Checklist for Protection of Shareholders' Rights in the Jurisdiction of Incorporation of Foreign Issuers," as revised and announced by the Taiwan Stock Exchange Corporation on May 2, 2024.

As the laws of the Cayman Islands are not necessarily consistent with those of the Republic of China (Taiwan), the following table outlines the reasons for, nature of, and impact on Taiwanese shareholders arising from the differences between the Company's Articles of Incorporation and the items set forth in the checklist.

Differences	Cayman law and description	Memorandum and Articles of Association ("AOA") regulations and description
Special Resolution: Requires attendance by shareholders representing at least two-thirds of issued shares, with majority approval of votes cast. If attendance is only over half, then two-thirds of votes cast must approve.	Under Cayman Islands law, a special resolution requires the presence of shareholders representing more than 50% of the total issued shares and the approval of at least two-thirds of the votes cast.	Article 39, Paragraph 1 and Article 2, Paragraph 1 of the Company's AOA define a special resolution as one passed by at least two-thirds of the voting rights of shareholders present at a meeting attended by shareholders representing more than half of the total issued voting shares, in person, by authorized corporate representatives, or by proxy, thereby aligning with both Cayman Islands law and Taiwan Company Act requirements for public companies.
1. Must be approved by shareholders' meeting and conducted pro rata. 2. May be done in non-cash assets with shareholder approval and recipient consent.	Cayman Islands Companies Act Articles 14–18 stipulate strict mandatory procedures and substantive rules for capital reduction, which cannot be amended through the AOA.	The Company's AOA Article 14 provides that capital reduction shall follow Cayman law and applicable listing rules. As the Cayman rules differ significantly from Taiwan's shareholder protection requirements, Article 24, Paragraph 1 of the AOA stipulates that capital reduction

Differences	Cayman law and description	Memorandum and Articles of Association (“AOA”) regulations and description
3. Asset value must be audited by a CPA before the meeting.		shall be conducted through pro-rata share repurchase to safeguard shareholder rights.
1. Holding a physical meeting outside Taiwan requires TWSE approval within two days. 2. A professional stock agent in Taiwan must handle voting matters.	Cayman Islands law has no relevant provisions.	The Company’s AOA Article 31 stipulates that physical shareholder meetings during listing shall be held in Taiwan. As such, no offshore meeting approval or notification process is necessary. Nonetheless, the Company will engage a professional shareholder services agent in Taiwan to handle voting matters during such meetings.
Companies may not convert between par and no-par value shares.	Under Cayman Islands Companies Act Section 8(1): “no exempted company shall divide its capital into both shares of a fixed amount and shares without nominal or par value.” Conversion between par value and no-par shares is not allowed.	The Company only issues par value shares. To prevent ambiguity, AOA Article 7, Paragraph 5 states: “The Company shall not issue no-par shares or convert par value shares into no-par shares.”
Shareholders holding $\geq 3\%$ for over a year may request an EGM. If not convened within 15 days, they may apply to the authority to convene it themselves.	Cayman law does not provide for a competent authority to approve shareholder-convened meetings.	Following Taiwan Stock Exchange letter No. 0991701319 dated April 13, 2010, AOA Article 32, Paragraph 1 states that shareholders holding at least 3% of the issued shares for over one year may request the Board to convene an extraordinary meeting. If the Board does not issue a notice within 15 days, such shareholders may convene the meeting themselves without requiring authority approval.
Voting by Written or Electronic Means: Deemed as attending the meeting in person.	Under Cayman law, shareholders voting in writing or electronically are deemed to have appointed the chairman as proxy and are not considered present in person.	AOA Article 57 stipulates that shareholders voting in writing or electronically are deemed to have authorized the chairman to act as their proxy. The chairman may not vote on unspecified matters, ad hoc motions, or amendments not expressly stated, in line

Differences	Cayman law and description	Memorandum and Articles of Association (“AOA”) regulations and description
		with Cayman law requirements. Practically, this approach does not significantly differ from Taiwan law.
<p>1. Earnings Distribution or Loss Coverage (Quarterly or Semi-Annual): May be conducted quarterly or semi-annually.</p> <p>2. Must be reviewed by audit committee and approved by the board</p> <p>3. Legal reserves and taxes must be retained first.</p> <p>4. New share issuance requires shareholder meeting approval; cash dividends need only board approval.</p> <p>5. Must be based on CPA-audited or reviewed financials.</p>	Cayman law does not regulate interim distributions.	The Company adopts an annual earnings distribution policy per AOA Article 100, Paragraph 3 and does not implement quarterly or semi-annual distributions. Therefore, the related shareholder protection checklist provisions are not applicable.

v 、 Material Event Impact on Shareholders' Equity or Share Price in Recent Years until the Annual Report being published: None