TSE：8935

PONTEX POLYBLEND CO.,LTD.

2023
Annual Report

Taiwan Stock Exchange Market Observation Post System :

http://mops.twse.com.tw

Printed on April 30,2024

I. The spokesperson and deputy spokesperson of the Company

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Title: Executive Senior Manager of Administrative Management Department and Governance manager.

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Title: Financial and Accounting Officer

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V.Overseas Trade Places for Listed Negotiable Securities：None

VI. Company Website: www.pontex.com

Table of Contents

I. Letter to Shareholders

1、 Operating results of 2023:

Review the year of 2023, the global economy faced numerous negative impacts, including ongoing conflicts such as the Russia-Ukraine war and the resurgence of conflicts in the Middle East, the Federal Reserve’s continuous lift rates and the stagnant growth of China economy . These regional conflicts and financial policy constraints have led to a conservative purchase strategy in the supply chain, resulting in continuous adjustments of excess inventory by company clients, severely delaying the promotion of sales in 2023.

The company’s operating revenue in 2023 was approximately NT$ 590 million, with a pre-tax loss of about NT$70 million and an after-tax earnings per share of NT$ 0.75 dollars. It was the weakest performance year of marketing since 2017. Facing a crucial moment of restarting in 2024, the company strives to restore profitability in the shortest time. In the existing injection molding industry, it aims to expand OEM by collaborating with shoe factories, and plans to establish an independent mold factory to pursue opportunities for developing new shoe designs. In the compound materials industry, the company continues to strengthen research and development of environmentally friendly materials, expanding opportunities for zero-carbon emission environmental businesses, gradually promoting the establishment of new hot pressing plant capacity and sales performance, and making the effort to achieve the operating goals of 2024!

Here is the business performance report in 2023:

I. Business Plan Implimentation and The Results:

Unit: NTD thousand

Item	2023	2022	Percent Change	
Net Operating Revenue	594,313	946,483	(352,170)	(37.21)
Operating Cost	526,748	774,041	(247,293)	(31.95)
Net Gross Profit	67,565	172,442	(104,877)	(60.82)
Operating Expense	129,663	153,903	(24,240)	(15.75)
Operating Income	(62,098)	18,539	(80,637)	(434.96)
Net Non-operating Income	(8,154)	5,411	(13,565)	(250.69)
Profit before income tax	(70,252)	23,950	(94,202)	(393.33)

II. Budget Implementation

Unit:NTD thousand

Item	Actual number	Budget number	Achievement
Net Operating Revenue	594,313	1,581,505	37.58
Operating Cost	526,748	1,280,760	41.13
Net Gross Profit	67,565	300,745	22.47
Operating Expense	129,663	167,090	77.60
Operating Income	(62,098)	133,655	(46.46)
Net Non-operating Income	(8,154)	(11,052)	73.78
Profit before income tax	(70,252)	122,603	(57.30)

III. Financial performance and profitability analysis

Item		2023	2022
Financial Structure(%)	Debt to asset ratio	43.98	51.32
	Long-term Capital Ratio	157.63	153.91
Liquidity (%)	Current ratio	134.52	125.29
	Quick ratio	67.30	70.96
	Times interest earned	(2.45)	2.24
Profitability(%)	Return on Total Assets	(3.28)	2.45
	Return on Equity	(8.21)	3.37
	Net Profit Margin	(11.76)	2.89
	Earrings Per Share	(0.75)	0.32

IV. Research and development situation

(1) Equipment injection

The Company's equipment injection includes functional shoe outsole, midsole, injection molding of decorative parts and accessories, upper injection, and industrial product injection. The major business is upper injection currently, mainly for the casual shoes OEM for CROCS. We continue developing new product for each major brand each year. We have entered mass production for several models in 2023, including NIKE for TG22826 heel cap,361 for TG23461 heel cap and TG23462 heel counters,CK for TG23890shoes upper and TG23891 shoe buckle.

The ongoing project is expected to be mass-produced in 2024 , including TG23828 heel cap,TG24834 and TG24836 shoe decoration strip,TG24835 shoe upper mask,TG24818 skateboard shoe soles,TG24819 outdoor sports shoe soles, TG24837 insoles, TG24838 shoe mid-quarter,TG24839 shoe shell for NIKE. TG24840 basketball shoe upper,TG24841.TG24842.TG24843 basketball shoe decoractive piece of 361 and so on.

The Company’s R&D team has longterm cooperation with internationally well-known brands, keeps improving production, sales, and researches abilities, establishes solid trust relationships, and continuously endeavors to broaden the market.

(2) Compound material

The compnay’s compound material business has been roots in research and development for 40 years,having “Green Polymer Material Resear and Development Center”, which continuously research and develop materials, customizes formula modification,including all kinds of engineering plastic materials such as PA, PP,PC,ABS,PBT,TPU,PLA,etc. according to the demand of various industry clients to fully meet the physical requirements. For years, the Company has been focusing on the development of multiple industrial materials such as vehicles and motorcycles,3C electronics, agricultural machinery, furniture,and daily necessities. The improvement of high-value material development has been a fruitful achievement. The Company keeps up with the trend of eco-friendly and plastic reduction, makes efforts towards the business opportunity of reuse of recycled plastic modification, which stably provides domestic and foreign clients the most competitive and high-quality service and choices!

2、 Business Plan for 2023

2.1. Operation strategy and policy

1. Rapidly follow the changes and respond to corporate risk.
2. Implement KPI management and pursue the achievement of the goal.
3. Expand local service and global arrangement.
4. Elaborate research and development technonlogy and enhance competitiveness.
5. Develop a diverse market and solid industry foundation.
6. Insist on prioritize quality to ensure client satisfaction.
7. Emphasize ESG issue to promote sustainable development.

2.2 Forecast sales volume and its basis

According to the global economy, forecast of client demand, and the allocation of production and promotion resources of domestic and overseas enterprises, considering the changes in the Company's business scale and the progress of new product development in recent years, the company sets 2024 sales predictions for each business division. The performance of sales target this year will be NT$1.05 billion, and increase of 77.44% compared to the last year. Please refer to the following chart:

Unit: NT$ thousands

Office	2024 Sales Goal	2023Sales Goal	Estimated growth rate(%)
Equipment business department	254,064	125,694	102.13
Compound business department	800,491	468,619	70.82
Total	1,054,555	594,313	77.44

2.3 Important policy of production and marketing

1. Equipment business department
   (1) Strengthen existing international cooperative brands and continuously expand the new collaborations with shoe industries.
   (2) Expand our customer base in non-footwear injection products and deeply. cultivate diverse local business opportunities.
   (3) Enhance the autonomy of brand collaboration development by establishing. mold factories.
   (4) Impletment production 10 days in advance to ensure delivery deadline and. service quality.
   (5) To establish the capabilities to support with production and continuously. strengthen personal rotation training.
2. Compound material business department
   (1) Continuously develop the application of environmentally-friendly materials. to pursue the opportunities in reducing plastic and zero-carbon emissions.
   (2) Promote the zero-waste production solution to grasp favorable environmental development in circular economy.
   (3) Ehance the research and development of high-valued and high-standard. materials to promote industry upgrade and competitiveness.
   (4) Focus on promoting the market for the recycled fabric hot-pressed panels and compound material of solar panel frames.
   (5) Emphasize the production quality to ensure stable payment and consolidate. long-term cooperation with clients.

3、Future Strategy.

(1) Grasp the regional economic advantage of each enterprise of the group,flexible procurement and work division of production and promotion to stabilize global layout.

(2) Effectively grasp opportunities of plastic reduction and plastic restriction with business around the world and mainly develop various environmental and bio-based materials opportunities.

(3) Develop long-term cooperation with large-scale clients in various industries to strengthen the corporate’s status and leading advantages.

(4) Strive for upstream and downstream industries and cross-industry cooperation. to expand the scope of business to ensure the corporate's foundation and profitability.

(5) Respond to the issues related to zero-carbon emissions and emphasize carbon-rights related issues, and follow the national policies of ESG sustainable development.

4、 Influence of external competitive environment ,environmental regulation and overall management environment

Looking forward to the global economy in 2024, the recovery of end-customer is. expected to be sluggish, the supply chain remaining cautious. The global economic growth is expected to slow down.

Pontex has set up production and operation bases in Taiwan,Vietnam and China. Abide by the regulation and legal operation, the Company stays cautious about the lastest local laws and the overall economic environment changes, instantly responds to the related department, and consults with experts if needed after the discussion. The Company could adapt to the environmental transformation properly, which reduces the possible impact on the corporate.

5、Conclusion

Pontex established three major operational bases around the world. We have spent. forty years accumulating expertise,striving for corporate growth by continuously expanding new industries,developing new customer market,and boost the enterprise value and customer trust. The management team always focus on creating all shareholders' right and employees' welfare. After fifteen years, we successfully completed the distribution of earning from the year of 2022, and shared profits with shareholders in 2023. However, the overall operational results of the year of 2023 was disappointing because the losses happened again. The Company's management team is fully responsiblilites and take it seriously. We make efforts to recovery the basic of profits in the shortest time. Dear shareholders, please keep giving affirmation and support, we will make more efforts and supervise in order not make shareholders' disappointed and create new glories for our enterprise as early as possible.

Wish you good health and good luck

SHEN,MAO-KEN

Chairman.

II、 Company Profile

2.1 Date of Establishment : December 21,1982

2.2、 Company History:

Date	Important Events
December, 1982	Pontex Polyblend Co.,Ltd. officially operated and produced sports equipment of injection molded ornament piece, the registered capital was NT$2,000,000
June, 1984	Collabrated with NIKE to develop PVC/NBR multi-color injection.
July,1986	Increased the capital to NT$12,500,000.
August, 1987	Increased the orders, expanded the industry and gradually Entered various professional sports equipment injection components. Increased the capital to NT$25,000,000.
August,1990	Increased business,and self-purchased the factory at the current address in Tan-Zi.
April,1991	Relocated the factory. Increased the capital to NT$140,468,000.
June,1992	Introduced CAE/CAD/CAM system, and established mold manufacturing technology.
April,1996	Independently researched and developed the first ultra-light injection compound materials and injection foam molding technology in Taiwan. Increased the capital to NT$175,585,000.
November, 1998	New manufactures of engineering plastic compound material. Increased the capital to 193,143,500.
January,1999	Passed the ISO-9001 certification.。
July,1999	According to the Securities and Futures Bureau (88),Tai-Tsai-Cheng-(Yi)No. 58040 of Ministry of Finance approved capital increased to NT$331,680,000 and public offering. Established new engineering center and introduced an optoelectronic business.
December, 2000	Increased the capital to NT$421,233,600.
August,2001	Increased the capital to N$471,781,630,and the new optoelectronic technology building was officially completed,meanwhile,the LCD backlight module was constructed.
March,2002	Completed the large-scale LCD backlight module factory with monthly production capacity of 300,000 sets and obtained the certification of TFT manufacturer. Meanwhile, constructed a monthly production capacity of 1 million sets of IMD phone screen panels.
March,2002	Pontex’s shares were listed on the Taiwan Stock Exchange(TWSE) on March,26.

Date	Important Events
April,2002	Increased the capital to NT$528,395,430.
June,2002	Cash increased the capital to NT$151,000,00,and capital amount after increasing was NT$679,395,430.
July,2003	Earning and additional paid-in converted to capital was NT$81,527,460,and capital amount after increasing was NT$760,922,890.
July,2003	Passed the QS9000 certification.
December,2003	Issued domestic secured convertible corporate bonds of NT$100 million for the first time and unsecured convertible corporate bonds of NT$200million for the second time.
March,2004	Converted corporate bonds to capital were NT$2,596,120,and capital amount after increasing was NT$763,519,010.
April,2004	Converted corporate bonds to capital were NT$208,460,850.
June,2004	Converted corporate bonds to capital, and capital amount after increasing was NT$971,979,860.
July,2004	The board of directors approved the appointment of Mr. Zhung,MING-CHOU as the president, and decided to shut down IMD factory in Tainan after cautious evalutation.
Octorber,2004	Accountant Ji,MIN-CANG took over as chairman.
April,2005	EPS was NT$0.3 in the first quarter,while eliminated the haze of 8 consecutive quarters of losses.
July,2005	Converted corporate bonds to capital were NT$31,034,270.
August,2005	Converted corporate bonds to capital were NT$9,080,350.
July,2005	In response to the growth of equipment performance and Strengthen customer service. Established the factory in Dongguan.
September,2005	Converted corporate bonds to capital, and capital amount after increasing was NT$1,012,094,480.
September,2005	Established NIKE product development center at Taiwan headquarter to strengthen the bilateral relationship on technology and communication.
November,2005	Converted corporate bonds to capital were NT$1,034,470.
December,2005	Converted corporate bonds to capital were NT$29,208,530, and capital amount after increasing was NT$1,042,337,480.
December,2005	To meet the customer’s demand in optoelectronic market,expand the second factory in Wujiang.
January,2006	Converted corporate bonds to capital were NT$22,068,810.
February,2006	Converted corporate bonds to capital were NT$229,880, and capital amount after increasing was NT$1,064,636,170.

Date	Important Events
March,2006	The second optoelectronic factory in Taiwan completed Massive optimization of production line.
May,2006	Completed the signing of the syndicated lending case.
May,2006	The issuance of common stock for cash was approved.
June,2006	Completed the raising for the issurance of common stock for cash.
June,2007	The board of directors elected Mr. JI,MIN-CANG as chairman and president.
August,2008	Earning and additional paid-in converted to capital was NT$71,481,800, and capital amount after increasing was NT$1,501,117.970.
October,2008	Changed chairman and president; The board of directors elected Mr. XU,ZHI-REN as chairman and president.
October,2008	Appointed Mr. HE,HENG-CHUN as CEO.
February,2009	Passed the ISO14001 certification.
April,2009	The former supervisor,Mr.YE,SHIH-YING resigned as a supervisor due to his personal career planning.
April,2009	To improve the financial structure, capital reduction to offset accumulated deficits,the amount of capital reduction was NT$482,096,900, the elimination of shares was 48,209,690, the capital reduction ratio was 32.115857%,the amount of capital was NT$1,019,021,070 after capital reduction.
May,2009	Mr.HE,HENG-CHUN resigned as CEO due to his personal career planning.
May,2009	Due to the amendment of the company Articles of Incorporation,the provision for the establishment of independent directors has been deleted. Additionally,Mr. YUAN,HE-LING and Mr. KE,XING-SHU have resigned from their positions as independent directors due to their heavy work with immediate effect.
June,2009	Signed cooperation agreement with the biomedical materials brand cpmany,ADVANGENE(AGC)in the USA.
July,2009	Acquired 60% shares of Qingxiang Guangbo Co.,Ltd.
October,2009	Enriched operation capital,repaid bank loans, capital increased NT$500 million, and capital amount after increasing was NT$1,519,021,070.
October,2009	Mr. GU,SHAO-TI was appointed as CEO.
November,2009	Signed the contract with Ploymer Industry Development Center(PIDC),and acquired the production technology authorization of plasticdrain for throat intubation.
November,2009	Announced the disposal investment of Pontex Electronics(Wujiang)Ltd in China.

Date	Important Events
December,2009	Announced to invest Ningbo Qingxiang Guangbo trade Co., Ltd.in China directly, the investment amount was US$200,000.
January,2010	Established the business off in East China of Greater China-Ningbo Qingxiang Guangbo trade Co.,Ltd.
July,2010	Established Datang Masison Songzhu branch to sell the series of products of Guang Bo tea directly.
August,2010	Pontex Polyblend Co.,Ltd signed a cooperation contract with Win Win Group,the largest Internet enterprise group in Thailand
September,2010	Passed the Ministry of Economic Affairs (MOEA) plastic Oropharyngeal airway guide for emergency intubation Technology Development Programs
October,2010	Announced to establish Bangao Ltd. in Brisbane,Australia with an incestment amount of AUD$250,000
October,2010	Passed the Ministry of Economic Affairs(MOEA) Technology Development Programs to establish Green Polymer Materials R&D Center.
November,2010	Enriched operation capital,repaid bank loans, capital increased NT$500million, and capital amount after increasing was NT$2,019,021,070.
December,2010	Launched a new product development program for an allergy patch with Taichung Veterans General Hospital.
November,2011	The board of directors resolved to establish the Remuneration Committee.
November,2011	Pontex Group Biomedical Plant passed ISO13485 certification.
April,2012	The GMP factory was approved by the Department of Health.
June,2012	Qingxiang Guangbo plastic oropharyngeal airway guide obtained a TFDAproduction permit from the Department of Health.
July,2012	Light Ray plastic drain for throat passed FDA registration and was listed.
August,2012	Completed the installation of the high-speed compound extruder.
September,2012	Pontex Polyblend Co.,Ltd. completed the payment of privare overseas secured convertible bonds for the first time.
June,2013	Changed chairman and president. The board of directors elected SHEN,MAO-KEN as chairmand and president.
August,2013	The board of directors approved to appoint members of the second remuneration committee
August,2013	To improve the financial structure, capital reduction to offset accumulated deficits,the amount of capital reduction was NT$815,957,160, the elimination of shares was 81,595,716, the capital reduction ratio was 40.4135039%,the amount of capital was NT$1,203,063,910 after capital reduction.

Date	Important Events
June,2014	Mr. GU,SHAO-TU resigned as CEO.
April,2015	The board of directors approved the investment in Kunshan,China.
July,2015	Established a subsidiary in East China region-Kunshan Poly Gin international Co.,Ltd.
December,2015	The board of directors approved the investment of establishment a factory in Vietnam.
July,2016	OEM for CROCS.
August,2016	OEM for Under Armour.
September,2016	Began to build Vietnam Pontex Polyblend Co.,Ltd.
March,2017	Passed the IATF-16949 Field Audit.
April,2017	Completed the first-stage construction of Vietnam Bang Thai Polyblend Co.,Ltd.
July,2017	Acquired IATF16949 certification, the new version of the global automotive quality management.
September,2017	To improve the financial structure, capital reduction to offset accumulated deficits,the amount of capital reduction was NT$360,063,910, the elimination of shares was 36,006,391, the capital reduction ratio was 29.9289096%,the amount of capital was NT$843,000,000 after capital reduction.
September,2017	Vietnam Bang Thai Polyblend Co.,Ltd officially operated.
January,2018	The board of directors approved the investment of purchasing landand established a factory in Nanjing.
March, 2018	Established Pontex PolyblendCo.,Ltd. in Nanjing.
August,2018	Disposed the land and building of Dongguan Changming Compound Materials Co.,Ltd.
November,2018	Signed the contract to purchase land and building in Qingyuan with Dongguan Changming Compound Materials Co,Ltd.
March,2019	The board of directors approved quitting the investment of Pontex Polyblend Co.,Ltd. in Nanjing.
June,2019	Obtained the Taiwan invention patent of Electroplatable High-Density Plstic,patent number 1660991.
August,2019	Relocated of Dongguan Chang Ming plant in and Kunshan Paoteng plant to Qingyuan plant for operation and production.
November,2019	Completed the property rights of land and building of Qingyuan branch of Dongguan Changming Compoound Materials Co.,Ltd. transformation.
December,2019	Nanjing Gaochun market supervision administration foreign investment company approved the cancellation of the registration of Nanjing Pontex Polyblend Co.,Ltd.

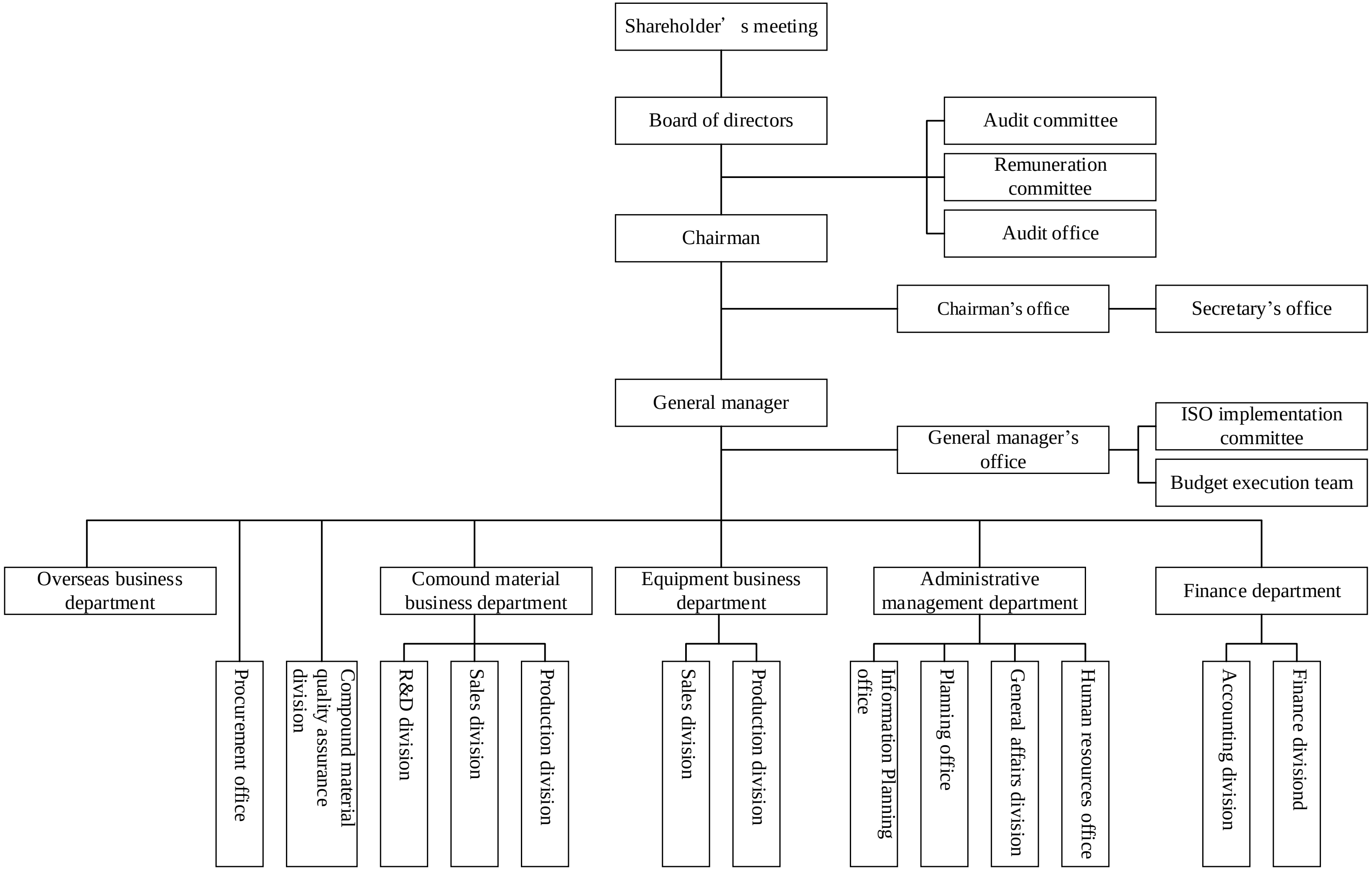
Date	Important Events
January,2020	The Qingyuan branch of Dongguan Changming Compound MaterialCo.,Ltd. officially opened
March,2020	Vietnam Pontex Polyblend Co.,Ltd. plant extension was completed.
September,2020	Dongguan Changming Compound Materials Co.,Ltd. changed the name to Pontex(Q.Y.) Polyblend Co.,Ltd.
December,2020	Pontex (Q.Y.) Polyblend Co.,Ltd. completed the cancellation of tax registration in Dongguan and officially transferred the operation to Qingyuan.
March,2021	Completed the modification of the land proprietary rights Holders to Vietnam Pontex Polyblend Co.,Ltd.
October,2021	Acquired Global Recycle Standards(GRS) Certification.
December,2021	OEM for CROCS's second genteration of new LiteRide series shoes.
May,2022	Obtained the Chinese invention patent for electroplatable High-density plastic certificated number 5181045.
March, 2023	Obtained the Taiwan invention patent for "high-strength and corrosion-resistant compound materials and industrial products",patent number I795202.
April,2023	Enriched operation capital,repaid bank loans through a private placement cash increase of NT$66,660,000,and capital amount after increasing was NT$909,660,000.
August,2023	Enriched operation capital,repaid bank loans through a private placement cash increase of NT$45,000,000 and capital amount after increasing was NT$954,660,000.
November,2023	Earning transferred to increase capital NT$25,290,000 and capital amount after increasing was NT$979,950,000.
December,2023	Pontex completed testing the new construction of hot-press plant.
April,2024	Enriched operation capital,repaid bank loans through a private placement cash increase of NT$155,000,000 and capital amount after increasing was NT$1,134,950,000.

III、Corporate Governance Report

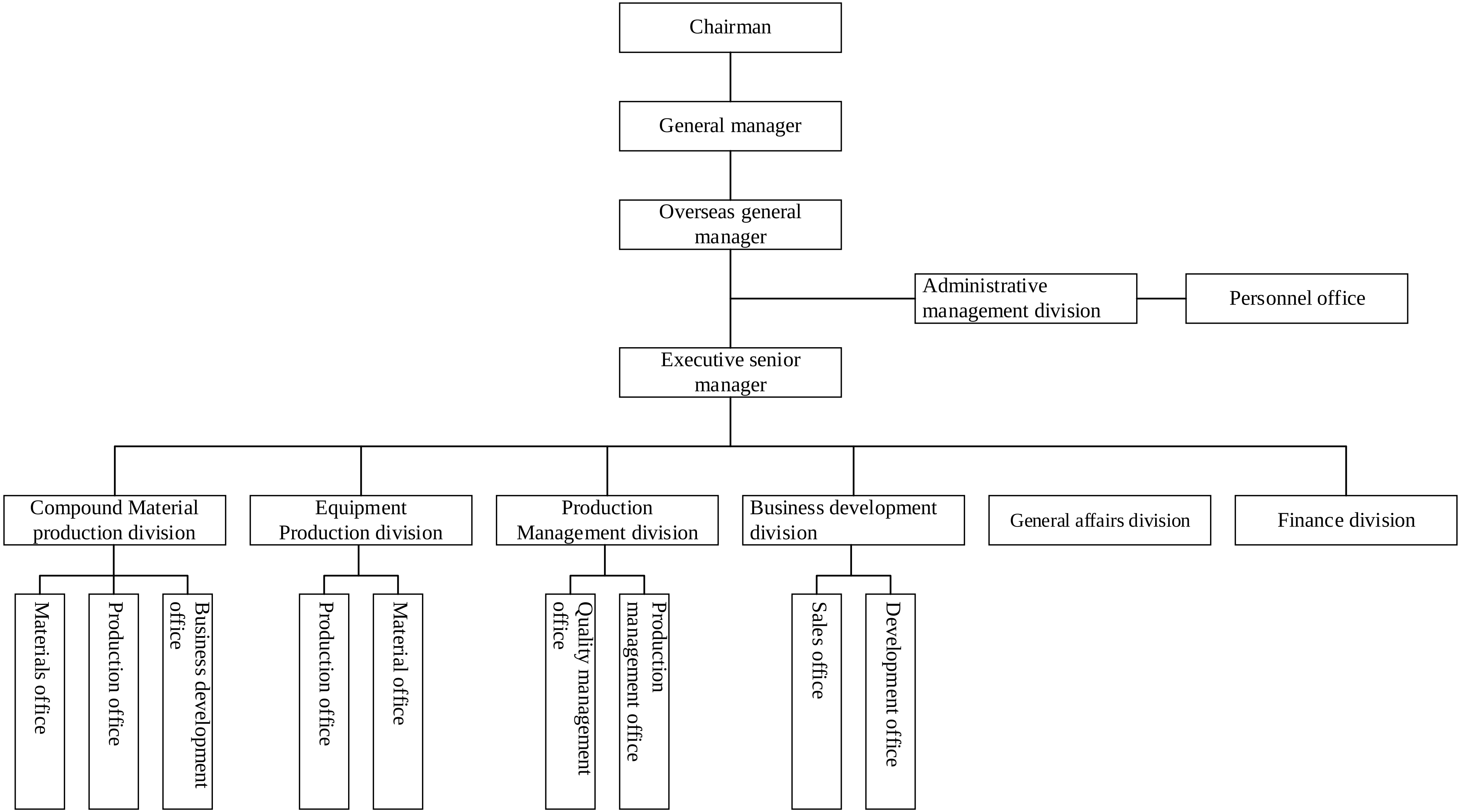
3.1 Organization system

3.1.1 Organization chart

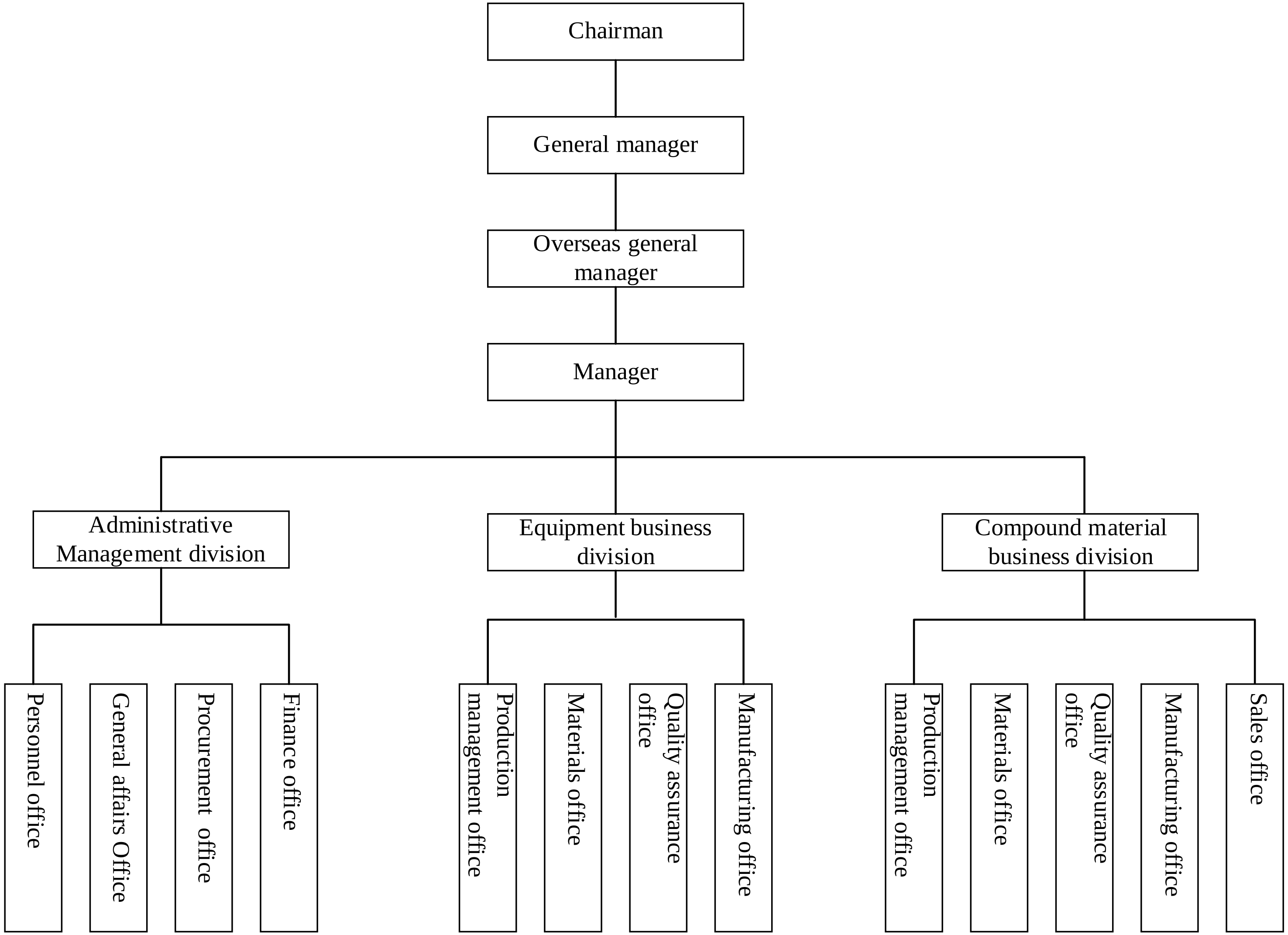
Pontex Polyblend Co.,Ltd. organizational chart



Pontex(Q.Y) Polyblend Co.,Ltd. organization System chart



Vietnam Pontex Polyblend Co.,Ltd. organization System chart



3.1.2 Major Corporate Functions

Taiwan Headquarters	
Department	Functions
Board of directors	Evaluate and analyze the business performance and plan the major investments.
Aduit office	Audit and evaluate the implementation and suggestions of internal control of each department. Communicate and follow-up the results the audit.
Chairman's office	1.The treatment of the corporate-related legal cases and custody of certificates,contracts,and legal documents. 2. Investigate intellectual property,research,and apply securities. 3.Assit related-department with negotiating with the legal consulant and obtaining appropriate support.
General manager's office	1. The evaluation and analysis of the internal and external business. environment. 2. The promotion of various management systems and projects,and. the planning of business strategy. 3. The evaluation,analysis,and management of new business and re-investment. 4. The planning, implementation,collection,analysis,review,and. management of the annual budget. 5. The promotion,inspection,and regulation of ISO-related affairs. 6. The management of the corporate's various certification. systems.
Finance department	The management of the fund,accounting,tax,stock affairs,the preparation and analysis of various financial statements and salary calculation.
Administrative management department (General affairs division, Human resources office, Information planning office, Planning office)	1. The planning, execution, and management of human resources, such as talent planning, election, education, arrangement, and retention. 2. The planning, evaluation, introduction, maintenance, and. management of the Company's various personnel-related policies and management system. 3. The planning, management, and execution of general affairs and. fixed assets. 4. The advocacy, execution, and maintenance of safe and health. policies and laws. 5. The maintenance of public relations, management of welfare and. management and maintenance of equipment. 6. The overall planning and management of the information. operating system, and daily maintenance of the system. 7. The planning, management, setting, and maintenance of. computer network and communication system. 8. The planning, evaluation, management, and maintenance of. computers, their peripheral equipment, and packaged software. 9. The planning, evaluation, introduction, management, and. maintenance of independent or outsourcing development of the computerized operating system. 10. The planning and execution of the Company's promotion. activities.
Procurement office	1.The establishment and execution of raw material purchase requisition and procurement process, basic material information, and procurement price standard. 2.The raw material purchase requisition and procurement and supplier selection,counseling, and management. 3. The procurement of engineering assets, fixed assets, and general affairs.
Equipment business department	1. Responsible for the Company's business related to the marketing planning, sales, and customer service of equipment injection components and ultra-light compound material, and accounts receivable.

Taiwan Headquarters	
Department	Functions
(Sales division, Production division)	2. Development, examination, production technology, and the improvement of the yield rate of the equipment product.
Compound material business department (Sales division, R&D division, Production division	1.Responsible for the Company's business related to the marketing planning, business development, sales, and customer service of engineering plastic compound materialsand accounts receivable. 2.The planning and execution of building a factory of overseas compound material business. The execution of business related to production and sales. 3.The research, development, examination, production technology and the improvement of yield rate of engineering plastic compound materials. 4.Responsible for the production schedule planning, production, quality management,outsourcing, warehousing, and delivery of engineering plastic compound materials.
Compound material quality assurance division	1.Responsible for the system establishment, execution, and. management of incoming,manufacturing process, and finished product quality of various products in the compound material business department. 2. Calibration management of measuring and testing equipment.

Pontex(Q.Y) Polyblend Co., Ltd.	
Department	Functions
Adminstative management division	1.The planning, execution, and management of human resources, such as talent planning, election, education, arrangement, and retention. 2.The coordination, maintenance,and management of various. personnel and administrative related policies and management systems and salary calculation.
General affairs division	1. The planning, management, and execution of general affairs and. fixed assets. 2. The management of the staff dormitories and restaurants. 3.The management and maintenance of computers, their peripheral. equipment,computer network, communication system, and ERP system.
Compound material production division	1. The planning and improvement of the internal manufacturing process. 2. The control of production, manufacturing and production line and packaging. 3. Responsible for the Company's business related to the marketing planning, business development,sales,and customer service of various products with engineering plastic compound materials andaccounts receivable.
Equipment production division	1.The planning and improvement of the internal manufacturing process. 2.The control of production, manufacturing and production line and packaging.
Production Management Division	1. The system establishment, execution, and control of incoming, manufacturing processes, and finished product quality. 2. Calibration management of measuring and testing equipment. 3. The production schedule planning, execution, warehousing, and management of delivering and delivering.
Business development division	1. Responsible for the Company's business related to the marketing planning, business development, sales, and customer service of equipment injection components and various products with ultra-light compound materials and accounts receivable. 2. The development progress control of the new modeling. 3. Deal with quality customer complaints.
Finance division	The management of the fund,accounting,tax,stock affairs,the preparation and analysis of various financial statements.

Vietnam Pontex Polyblend Co.,Ltd.	
Department	Functions
Administrative Management division	1. The management of the fund, the handling of accounts, tax and the preparation of various financial statements. 2. The planning, execution, and management of talent election, education, arrangement, and retention. 3. The coordination, maintenance, and management of various personnel and administrative related policies and management systems. 4. The planning, management, and execution of general affairs, and fixed assets. 5. The advocacy, execution, and maintenance of safety and health policies and laws. 6. The management and maintenance of public relations and welfare. 7. The management of the staff dormitory and restaurant. 8. The management and maintenance of computers, their peripheral equipment, computer network, and communication system. 9. Procurement operation. 10. Customs ooperation.
Equipment Business Division (Production Management office, Materials office, Quality assurance office, Manufacturing office)	1. The planning and improvement of the internal manufacturing process. 2. The control of production, manufacturing and production line and packaging. 3. Responsible for the quality system establishment, execution, and control of the incoming, manufacturing process, and finished product. 4. Calibration management of measuring and testing equipment.
Compound material business division (Quality management office, Materials office,Quality assurance office, Manufacturing office,Sales office)	1. Responsible for the Company's business related to the marketing planning, business development, sales, and customer service of various products with engineering plastic compound materials and accounts receivable. 2. Responsible for the production schedule planning, production, quality management, warehousing, and delivery of engineering plastic compound material. 3. Responsible for the system establishment, execution, and control of the incoming, manufacturing process, and finished product. 4. Calibration management of measuring and testing equipment.

3.2 Information of Directors,Superviosrs,General Manager,Vice General Manager,Senior Manager,and Department and Subsidiary Managers:

3.2.1 Directors and supervisors' information

(1) Name,experience(education)and shareholdong and character of directors and supervisors.

April 8th ,2024 Unit : Shares

Title (Note1)	Nationality or place of registaion	Name	Gender/ Age (Note2)	Date Elected	Term (year)	Date First Elected (Note 3)	Shareholding when elected		Current Shareholding		Spouse &Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note 4)	Other position	Executives,directors or supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	Henry Global Investment Co.,Ltd.		2022.06.02	3 years	2013.06.04	5,000,000	5.93	5,132,455	4.52	0	0.00	0	0.00	Chairman, Pontex Polyblend Co.,Ltd.	None	None	None	None	None
Chairman and general manager	R.O.C.	Representive: Mr. Shen,Mao-Ken	M 61-70 Years Old	2022.06.02	3 years	2013.06.04	2,170,000	2.57	2,278,485	2.01	1,416,557	1.25	0	0.00	Graduated, Kaohsiung Medical University School of Dentistry Orthodontists,R.O.C. Fellow,The International College of Dentists Director of dentistry, Jen-ai Hospital,Dali Branch Elected as one of the top 100 good doctors. Elected as one of the top 100 important person on the 100th national anniversary Chairman,Pontex Polyblend Co.,Ltd.	Chairman and general Manager, Pontex Polyblend Co.,Ltd. Director,Multitex Polyblend Co.Ltd. Director,Pontex(Q.Y) Polyblend Co.,Ltd. Director Polytech Global Ltd. Director,Cleated Molding Global Ltd.	None	None	None	None
Director	R.O.C.	Teng Tsai investment Co.,Ltd.		2022.06.02	3 years	2010.06.04	1,275,294	1.51	1,309,077	1.15	0	0.00	865,751	0.76	Director, Pontex Polyblend Co.,Ltd	None	None	None	None	None

	R.O.C.	Represen tive: Xiong,Di -Jun	M 61-70 Years old	2022.06.02	3 years	2014.05.27	500,000	0.59	513,245	0.45	0	0.00	0	0.00	Master of Educational Administration Philippine Christian University	None	None	None	None	None
Director	R.O.C.	Jung-Shiung Investment Co.,Ltd.		2022.06.02	3 years	2013.06.04	843,409	1.00	865,751	0.76	0	0.00	0	0.00	Director, Pontex Polyblend Co.,Ltd.	None	None	None	None	None
	R.O.C.	Represen tative:Zh eng,Ron g-Zhu	M 71-80 Years old	2022.06.02	3 years	2014.06.12	107,050	0.12	109,885	0.10	0	0.00	0	0.00	EMBA,College of Management,National Yang Ming Chiao Tung University Manager of quality Assurance,internal control,and audit, Industrial Technology Research Institute Project Director of Aerospace Industry Quality and ISO 9001 Quality Management System Certification Program of Industrial Technology Research Institute(ITRI) Committee,Chinese Society for Quality Director, Pontex Polyblend Co.Ltd.	None	None	None	None	None

Title (Note1)	Nationality or place of registaion	Name	Gener/ Age (Note2)	Date Elected	Term (year)	Date First Elected (Note 3)	Shareholding when elected		Current Shareholding		Spouse &Minor children Shareholding		Shareholding in the name of other person		Experience(Education) (Note 4)	Other position	Executives,directors or supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Bang- Tai Investment Co.Ltd.		2022.06.02	3 Years	2022.06.02	10,000	0.01	10,264	0.01	0	0.00	0	0.00	Director,Pontex Polyblend Co.,Ltd.	None	None	None	None	None
	R.O.C.	Representative: Chen,Zong-Yi	M 31-40 Years old	2022.06.02	3 Years	2022.06.02	7,000	0.00	7,185	0.01	0	0.00	0	0.00	Graduated,Department of Electronic Engineering,St.John's University Sales Manager, Chien Yeu Enterprise Co.,Ltd. Independent director,NewSoft technology Corporation	Independent director,Daily Polymer Corp. Independent director, United Fiber Optic Communication Inc. Independent director, NewSoft Technology Corporation Independent director, Taiwan Wax Company Ltd.	None	None	None	None
Director	R.O.C.	Jia-Jie Approachable Co.,Ltd.		2022.06.02	3 Years	2022.06.02	1,000	0.00	1,026	0.00	0	0.00	0	0.00	Diretor,Pontex Polyblend Co.,Ltd.	None	None	None	None	None
	R.O.C.	Representative:Xu, Yin-Zhu	F 41-50 Years old	2022.06.02	3 Years	2022.06.02	0	0.00	0	0.00	0	0.00	0	0.00	Graduated, Department of Mass Communication Master student,Department of business Administration, Cheng Shiu University	Independent director, Jia Jie Biomedical Co.,Ltd	None	None	None	None

Director	R.O.C.	Houndey enterprise Co.,Ltd		2023.06.07	3 Years	2023.06.07	6,666,000	7.32	6,842,589	6.03	0	0.00	0	0.00	Diretor,Pontex Polyblend Co.,Ltd.	None	None	None	None	None
	R.O.C.	Represent ative: Huang,Qi -Wen	M 61-70 Yearsol d	2023.06.07	3 Years	2023.06.07	0	0.00	0	0.00	0	0.00	0	0.00	Graduated, Chemistry Department of Tunghai University General Manager, Long Song Knitting Co.,Ltd. General Manager and director,Houndey Enterprise Co.,Ltd. Chairman, Hounlong technology Co.,Ltd Director,Pontex Polyblend Co.,Ltd. .	Director, Houndey Enterprise Co.Ltd.	None	None	None	None
Director	R.O.C	Chang, Ming-Tung	M 61-70 Years Old	2022.06.02	3 Years	2016.06.02	1,633,996	1.93	1,677,282	1.48	0	0.00	0	0.00	Graduated,Department of accounting , Soohow University Director,Pontex Polyblend Co.,Ltd.	None	Representa tive of chairman	Shen,M ao-Ken	Within two degrees of kinship	None

Title (Note1)	Nationality or place of registaion	Name	Gener /Age (Note2)	Date Elected	Term (year)	Date First Elected (Note 3)	Shareholding when elected		Current Shareholding		Spouse &Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note 4)	Other position	Executives,directors or supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C.	Shen, Xiu-Xiong	M 81-90 Years old	2019.06.06	3 Years	2019.06.06	146,728	0.17	610,483	0.54	0	0.00	0	0.00	Graduated, National Taiwan Normal University Completion of Graduate, Program in education research Commissioner of education, Yunlin County Commissioner of education, Changhua County Commissioner of education, Chiayi County Director's Secretary, Provincial department of education Deputy chief,K-12 Education Administration Ministry of Education President, Dounan Taian temple Education Foundation Independent Director and Remuneration Committee member, Pontex Polyblend Co., Ltd.	Member of Remuneration Committee and Audit Committee of the Company	None	None	None	None

Title (Note1)	Nationality or place of registaion	Name	Gener /Age (Note2)	Date Elected	Term (year)	Date First Elected (Note 3)	Shareholding when elected		Current Shareholding		Spouse &Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note 4)	Other position	Executives,directors or supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C	Xu, Ji-Shan	M 81-90 Years old	2022.06.02	3 Years	2022.06.02	0	0.00	0	0.00	20,529	0.02	0	0.00	Graduated, Nan Ying Senior Commercial & Industrial Vocational School Passed the Special Examinations Level B financial executive personnel in 1956 Chief, Ministry of Finance, Taiwan Provincial Government Inspector, Ministry of Finance Director, Department of Finance, Kaosiung County Government Director, Department of Finance,Changhua County Government	Member of the Audit Committee of the Company	None	None	None	None

Title (Note1)	Nationality or place of registaion	Name	Gener /Age (Note2)	Date Elected	Term (year)	Date First Elected (Note 3)	Shareholding when elected		Current Shareholding		Spouse &Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note 4)	Other position	Executives,directors or supervisors who are spouses or within two degrees of kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent director	R.O.C	Li, Wen-Bin	M 71-80 Years old	2022.06.02	3 Years	2022.06.02	0	0.00	0	0.00	0	0.00	0	0.00	Master, Department of Business Administration, National Chung Cheng University Passed the workshop of Business Computerization Consultant Workshop Qualified Management Consultant, China Productivity	Member of the Audit Committee of the Company	None	None	None	None

Note 1: Corporate shareholders should have the name of corporate shareholders and representative illustrated separately (the name of the corporate. shareholders should be noted) also, Table 1 should be filled out.

Note 2: Please list the actual age, and it may be listed in ranges, such as 41–50 years old or 51–60 years old.

Note 3: Indicate the date of the first-time elected director or supervisor; also, the period of interruption should be noted.

Note 4: Previous work experiences relating to their current roles; if the person works in the auditor's firm or in an affiliated company during the. aforementioned time period, the job title and responsibilities must be provided.

Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company. are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

5-1 The chairman of the company serves as the general manager simultaneously, therefore, the chairman could have more information to understand. operating conditions. The board of directors could grasp more operating conditions. Because of the flat organization, which elevates management efficiency and makes the execution more smoothly.

5-2 More than half of the company’s directors are not employees or managers. Aside from strengthening the supervision and balancing mechanism, it. could also reduce the concentration of power caused by the chairman who also is the general manager, resulting in a loss of objectivity and supervision.

Note 6: Director, Lai,Xing-Yi resigned as a director of Pontex Ployblend Co.,Ltd on March 23 2023.

Note 7: Independent director, Guo,Tian-Cai resigned as an independent of director, Convener of the Remuneration Committee and Audit Committee of. Pontex Polyblend Co.,Ltd. on August 15,2023.

3.2.2 Directors who are representative of institutional shareholders,major shareholders of the institutional shareholders:

(1) Marjor shareholders of the institutional shareholders:

Arpil 8 2024

Names of Institutional Shareholders (Note1)	Corporate shareholders’main shareholders (Note 2)
Henry Global Investment Co.,Ltd	Lai,Xing-Yi 60%、Shen,Jia-An 10%、Shen,Jia-Ling 10%、Shen,Mao-Ken20%
Teng Tsai Investment Co.,Ltd.	Xiong,Di-Jun 97.50%、Yang,Shun-Ting2.50%
Jung-Shiung Investment Co.,Ltd	Teng Tsai investment Co.,Ltd. 100%
Bang- Tai Investment Co.Ltd.	Hong,De-Neng 95%、Xu,Han-Yang 5%
Jia-Jie Approachable Co.,Ltd.	Wang,Jun-Wei 10%、Wei,Jin-Yun 90%
Houndey enterprise Co.,Ltd	Jade Long John Enterprise Co.,Ltd 29.63%、Long Tan Investment Co.,Ltd. 11.93%、Ya Champion industrial Co.,Ltd 9.00%、Pin Huang Investment Co.Ltd 7.13%、Fang Di Ya Capital Investment Co.,Ltd. 5.80%、Long Chang Investment Co.Ltd.4.27%、Texlon Textile Corporation2.34%、Xie,Zhi-Lin 2.33%、Wen,Wen-Xu 2.17%、Xie,Shi-Qing2.03%

Note 1: The director or supervisor is the representative of an institutional shareholder, this section should indicate the. name of institutional shareholder.

Note 2: Provide the names of the major shareholders of said institutional shareholder (the top 10 shareholders with the. largest shareholdings) and respective shareholdings. If the major shareholders are juridical persons, fill in Table 2 below.

Note 3: If an institutional shareholder is not a corporate, the name of the institutional shareholder and its shareholding. disclosed above shall be the name of investor and the percentage of its investment or donation. Any donor who has passed away should be marked "Deceased"

(2) Marjor shareholders of the Company's major institutional shareholders:

Arpil 8 2024

Name of institutional shareholders (Note 1)	Major shareholders of institutional shareholders (Note 2)
Teng Tsai investment Co.,Ltd.	Xiong,Di-Jun 97.50%、Yang,Shun-Ting 2.5%
Jade Long John Enterprise Co.,Ltd.	Long Tan Investment 47.80% 、Jie Fu investment 49.01%
Long Tan Investment Co.,Ltd.	Wen,You-Zhang 99.64%
Ya Champion industrial Co.,Ltd	Xie,Rui-Bang 14.17%、Jade Long John Enterprise Co.,Ltd 2.28%、Formosa Ting Sho Enterprise Co.,Ltd 6.15%
Pin Huang Investment Co.Ltd	Huang,Chi-Wen 29.72%、Liu,Hui-Min 40.48%、Huang,Xiang-Yun 16.96%、Huang,Pin-Zhi 12.84%
Fang Di Ya Capital Investment Co.,Ltd.	Wen,You-Zhang 96.55%
Long Chang Investment Co.Ltd.	Ao-Shi 100%
Texlon Textile Corporation	Zhang,Yi-Han 45.46% 、 Zhang,Liang-Zheng 23.95% 、 Zhong,Xiu-Lei 15.59% 、 Zhang,Liang-Zuo 10%

Note 1: If the major shareholder indicated in Table 1 is an institutional shareholder, this section should indicate the names. of the institutional shareholders.

Note 2: Fill in the major shareholders' names of the institutional shareholders (10 largest holding percentages) and the. holding percentage of each.

Note 3: If the institutional shareholder is not a company, the names and shareholding ratio of shareholders to be disclosed. are the names of people who contributed or donated the capital and the ratio of their contribution or donation. Any donor who has passed away should be marked "Deceased"

3. Professional qualifications and independence analysis of directors and supervisors.

Requirements / Name	Professional qualifications and experience (Note1)	Independent status (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Henry Global Investment Co.,Ltd. Representive: Mr.Shen,Mao-Ken	Possess the work experience required by the company Served as director,chairman, and general manager. Not having under any circumstance under Article 30 of Company Act.	Not applicable	0
Teng Tsai investment Co.,Ltd. Representive: Xiong,Di-Jun	Possess the work experience required by the company Served as director. Not having under any circumstance under Article 30 of Company Act.		0
Jung-Shiung Investment Co.,Ltd. Representative: Zheng,Rong-Zhu	Possess the work experience required by the company Served as director. Not having under any circumstance under Article 30 of Company Act.		0
Bang- Tai Investment Co.Ltd. Representative: Chen,Zong-Yi	Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.		4
Jia-Jie Approachable Co.,Ltd. Representative: Xu,Yin-Zhu	Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.		1
Houndey enterprise Co.,Ltd Representative: Huang,Qi-Wen	Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.		0
Chang, Ming-Tun	Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.		0

Requirements / Name	Professional qualifications and experience (Note1)	Independent status (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Shen,Xiu-Xiong	Possess the work experience required by the company Served as Independent Director. Not having under any circumstance under Article 30 of Company Act.	An independent director and member of the Audit Committee and Remuneration Committee who meets the requirement of independence, including but not limited to whether the self, spouse and second degree of kinship served as the directors, supervisors or employees of the company or its affiliated companies; do not hold the number of shares in the company; do not serve as directors, supervisor or employee of the company or affiliated companies with a specific relationship; the amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Requirements / Name	Professional qualifications and experience (Note1)	Independent status (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Xu, Ji-Shan	Passed the Special Examinations of financial Executive. Serves as Director, Department of Finance,Kaosiung County Government and Director, Department of Finance,Changhua County Government(Retired), possess extensive expertise in finance and accounting as well as substantial work experience. Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.	An independent director and member of the Audit Committee and Remuneration Committee who meets the requirement of independence, including but not limited to whether the self, spouse and second degree of kinship served as the directors, supervisors or employees of the company or its affiliated companies; do not hold the number of shares in the company; do not serve as directors, supervisor or employee of the company or affiliated companies with a specific relationship; the amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Requirements / Name	Professional qualifications and experience (Note1)	Independent status (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Li,Wen-Bin	Possess the work experience required by the company Not having under any circumstance under Article 30 of Company Act.	An independent director and member of the Audit Committee and Remuneration Committee who meets the requirement of independence, including but not limited to whether the self, spouse and second degree of kinship served as the directors, supervisors or employees of the company or its affiliated companies; do not hold the number of shares in the company; do not serve as directors, supervisor or employee of the company or affiliated companies with a specific relationship; the amount of remuneration received from providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.	0

Note 1: Director, Lai,Xing-Yi resigned as a director of Pontex Ployblend Co.,Ltd on March. 23 2023.

Note 2: Independent director, Guo,Tian-Cai resigned as an independent of director, Convener of the Remuneration Committee and Audit Committee of Pontex Polyblend Co.,Ltd. on August 15,2023.

4. Board diversity and independence:

(1) Diversity of the board of directors: The members of the board of directors have. currently met the requirements for diversity. However, to meet the needs of future development, the Company will continue to review the composition elements of diversity and strengthen the goal of the diversity of the board of directors members during re-election. The Company's concrete management goals are to gradually increase the number of board of directors members with cognition and background in corporate governance, environmental sustainability, corporate social responsibility, and law, to better supervise and guide the Company in response to international development trends.

(2) Independence of the board of directors: The company's board of directors is. composed of 10 directors, including 3 independent directors. The number of independent directors accounts for 30% of all directors, and no more than two directors have a relationship with the spouse or second degree of kinship. Furthermore, there are no cases as stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. The primary responsibility of the Company's board of directors is to supervise the company's compliance with the law, finance transparency, timely disclosure of important information, and the ability to make objective and independent judgments on the company's financial business. Therefore, the Company has met the requirements of the law when the election.

Note 1: Professional qualifications and experience: separately state the professional. qualifications and experience of each director and supervisor. If they are members of the audit committee and with accounting or financial expertise, should describe their accounting or financial background and work experience. Furthermore, illustrate whether there is none of the behaviors listed in Article 30 of the Company Act.

Note 2: The independent directors should state the correspondence of independence, including but not limited to whether the self, spouse, and second degree of kinship serve as the directors, supervisors or employees of the Company or its affiliated companies; The number of shares and proportion of the self, spouse, and second degree of kinship' (or in the name of others). Whether serving as the director, supervisor or employee of a company with a specific relationship with the company (refer to Article 3, Paragraph 1, Subparagraph 5 ~ 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The amount of remuneration received from providing such business, legal, financial, and accounting services to the company or its affiliated companies in the last 2 years.

Note 3: For the method of disclosure, please refer to the best practice reference. examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. The information of general managers,vice general managers,senior managers, and managers of departments or branches

April 8th ,2024

Title (Note1)	Nationality	Name	Gender	Date Elected	Shareholdings		Spouse & Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note2)	Other position	Managers who are spouses or within two degress of kinship			Remark (note 3)
					shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Chairman and general manager	R.O.C.	Shen,Mao-Ken	M	2013.06.04	2,278,485	2.01	1,416,557	1.25	0	0.00	Graduated, Kaohsiung Medical University School of Dentistry Orthodontists,R.O.C. Fellow,The International College of Dentists Director of dentistry, Jen-ai Hospital,Dali Branch Elected as one of the top 100 good doctors. Elected as one of the top 100 important person on the 100th national anniversary Chairman,Pontex Polyblend Co.,Ltd.	Director,Multitex Polyblend Co.Ltd. Director,Pontex(Q.Y) Polyblend Co.,Ltd. Director Polytech Global Ltd. Director,Cleated Molding Global Ltd.	None	None	None	Note 3
General Manager	R.O.C.	Yu, You-Fa	M	2015.01.01	2,395,180	2.11	170,825	0.15	0	0.00	Five-Year Department of Mechanical Engineering, National Taipei University of Technology General Manager, Pontex Ployblend Co.,Ltd.	General Manager,Vietnam Pontex Polyblend Co.,Ltd.	None	None	None	-
Vice General Manager	R.O.C	Wu, Mei-Ling	F	2015.01.01	23,609	0.02	0	0.00	0	0.00	Department of Economics, Soochow University Sales Secretary,Fuhongxiang Co.,Ltd. Sales Secretary,Woodworth Wooden Industries Co.,Ltd. Vice general manager of the compound material business department, Pontex Polyblend Co.,Ltd.	None	None	None	None	-

Title (Note1)	Nationality	Name	Gender	Date Elected	Shareholdings		Spouse & Minor children Shareholding		Shareholding in the name of other person		Experience (Education) (Note2)	Other position	Managers who are spouses or within two degress of kinship			Remark (note 3)
					shares	%	Shares	%	Shares	%			Title	Name	Relation ship	
Senior Manager	R.O.C	Lin, Xian-Yuan	M	2015.03.02	12,691	0.01	0	0.00	0	0.00	Department of Chemical Engineering,National United University Vice general manager of the chemical material business department,Pou Chen Corporation Senior manager of the compound material business department, Pontex(Q.Y)Poltblend Co.,Ltd.	Senior Manager of Compound material Business Department of Overseas Business Department ,Pontex Polyblend Co.,Ltd.	None	None	None	-
Senior Manager	R.O.C	Liao, Shih-Yuan	M	2015.07.01	0	0.00	0	0.00	0	0.00	Master of Polymer, National Taiwan University of Science and Technology Senior Manager of R&D division of compound material business department,Pontex Polyblend Co.,Ltd.	None	None	None	None	-
Executive Senior Manager and Governance manager.	R.O.C.	Hong,Jing-Cheng	M	2015.01.01	0	0.00	2,082	0.00	0	0.00	Department of Accounting, Feng Chia University Executive senior manager of administrative management department,Pontex Polyblend Co.,Ltd.	None	None	None	None	-
Financial and Accounting Officer	R.O.C.	Zhong, Xiu-Ju	F	2015.11.04	5,033	0.00	0	0.00	0	0.00	Department of Business, National Open University Manager of finance department, Pontex Polyblend Co.,Ltd.	None	None	None	None	-

Note 1: The information of the general manager, vice general managers, senior managers, and managers of departments or branches should be included positions. equivalent to the general manager, vice general manager, or senior managers should also be included regardless of the title.

Note 2: The experience related to the current position, such as having worked in an accounting firm or an affiliated corporate during the period disclosure before, the title and position in charge should be stated.

Note 3: Where the chairman of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent director seats, and more than half of all directors must not concurrently serve as employees or managers) must be disclosed:

(1) The chairman of the company serves as the general manager simultaneously, therefore, the chairman could have more information to understand. operating. conditions. The board of directors could grasp more operating conditions. Because of the flat organization, which elevates management efficiency and makes the execution more smoothly.

(2) More than half of the company's directors are not employees or managers. Aside from strengthening the supervision and balancing mechanism, it could also. reduce the concentration of power caused by the chairman who also is the general manager, resulting in a loss of objectivity and supervision.

Note 4: Tseng,San-Pi,Vice general manager ,retired on March 31 2024

3.3 Remuneration of Directors,Supervisors,General Manager and Vice General Manager,etc.:

(1) Remuneration to directors and independent directors (A company that has posted after-tax deficits within the three most recent fiscal years shall disclose the name and remuneration paid to directors.)

Title	Name	Remuneration								Ratio of total remuneration(A+B+C+D) to net income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employee								Ratio of total Compensation (A+B+C+D+E+F+G) to net income(%) (Note 10)		Remuneration from ventures other Than subsidiaries or from the patent company (Note11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary,Bonuses, and Allowances (E) (Note5)		Serverance Pay(F)		Employee Compensation (G) (Note 6)						
		The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company Cash	The Company Stock	All companies in the consolidated financial statements (Note7 Cash	All companies in the consolidated financial statements (Note7 Stock	The Company	All companies in the consolidated financial statements (Note7)	
Chairman	Henry Global Investment Co.,Ltd.	0	0	0	0	0	0	0	0	0.00	0.00	888	888	0	0	0	0	0	0	-1.27	-1.27	-
	Legal representative: Shen,Mao-Ken	0	0	0	0	0	0	0	0	0.00	0.00	3,133	4,940	0	0	0	0	0	0	-4.48	-7.07	-
Director	Teng Tsai investment Co.,Ltd.	0	0	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0.00	0.00	-
	Legal representive: Xiong,Di-Jun	82	82	0	0	0	0	84	84	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	-
Director	Jung-Shiung Investment Co.,Ltd	0	0	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0.00	0.00	-
	Legal representive: Zheng,Rong-Zhu	82	82	0	0	0	0	84	84	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	-

Title	Name	Remuneration								Ratio of total remuneration(A+B+C+D) to net income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employee								Ratio of total Compensation (A+B+C+D+E+F+G) to net income(%) (Note 10)		Remuneration from ventures other Than subsidiaries or from the patent company (Note11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary,Bonuses, and Allowances (E) (Note5)		Serverance Pay(F)		Employee Compensation (G) (Note 6)						
		The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company		All companies in the consolidated financial statements (Note7		The Company	All companies in the consolidated financial statements (Note7)	
																Cash	Stock	Cash	Stock			
Director	Bang- Tai Investment Co.Ltd	0	0	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0.00	0.00	-
	Legal representive: Chen,Zong-Yi	82	82	0	0	0	0	72	72	-0.22	-0.22	0	0	0	0	0	0	0	0	-0.22	-0.22	-
Director	Jia-Jie Approachable Co.,Ltd	0	0	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0.00	0.00	-
	Legal representive: Xu,Yi-Zhu	82	82	0	0	0	0	72	72	-0.22	-0.22	0	0	0	0	0	0	0	0	-0.22	-0.22	-
Director	Houndey enterprise Co.,Ltd (2023.06.07 new)	0	0	0	0	0	0	0	0	0.00	0.00	0	0	0	0	0	0	0	0	0.00	0.00	-
	Legal representive: Huang,Qi-Wen	82	82	0	0	0	0	24	24	-0.15	-0.15	0	0	0	0	0	0	0	0	-0.15	-0.15	-
Director	Lai, Xing-Yi (2023.03.23 resign)	0	0	0	0	0	0	24	24	-0.03	-0.03	0	0	0	0	0	0	0	0	-0.03	-0.03	-
Director	Chang,Ming-Tung	82	82	0	0	0	0	84	84	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	-

Title	Name	Remuneration								Ratio of total remuneration(A+B+C+D) to net income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employee								Ratio of total Compensation (A+B+C+D+E+F+G) to net income(%) (Note 10)		Remuneration from ventures other Than subsidiaries or from the patent company (Note11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary,Bonuses, and Allowances (E) (Note5)		Serverance Pay(F)		Employee Compensation (G) (Note 6)						
		The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company		All companies in the consolidated financial statements (Note7		The Company	All companies in the consolidated financial statements (Note7	
																Cash	Stock	Cash	Stock			
Independent Director	Gau,Tian-Cai (2023.08.15 resign)	0	0	0	0	0	0	96	96	-0.14	-0.14	0	0	0	0	0	0	0	0	-0.14	-0.14	-
Independent Director	Shen,Xiu-Xiong	82	82	0	0	0	0	120	120	-0.29	-0.29	0	0	0	0	0	0	0	0	-0.29	-0.29	-
Independent Director	Xu,Ji-Shan	82	82	0	0	0	0	108	108	-0.27	-0.27	0	0	0	0	0	0	0	0	-0.27	-0.27	-
Independent Director	Li,Wen-Bin	82	82	0	0	0	0	84	84	-0.24	-0.24	0	0	0	0	0	0	0	0	-0.24	-0.24	-

1. Please state the policy, system, standards and structure of independent directors ’remuneration payment, and describe the relevance of responsibilities, risks, ti invested and other factors to the amount of remuneration: The remuneration of the directors of the Company is paid by the board of directors by the authorization the Articles of Incorporation, according to the director's participation in the company's operations and contribution, and taking domestic and foreign industry standa into consideration. When the company is profitable, the board of directors approves the distribution of directors' remuneration and employee’s compensation by Articles of Incorporation. Independent directors are the members of the Audit Committee. In addition to the remuneration paid to directors, considering responsibilities, risks, and investment time, different reasonable remunerations are determined.
2. In addition to the table disclosure above, the other remuneration to the directors of the Company in the last year from all companies in financial reports (such as be a consultant, not an employee): None

(2) Remuneration to directors and independent directors (A company that has posted after-tax deficits within the three most recent fiscal years shall disclose the name of directors according to the remuneration range.)

Title	Name	Remuneration								Ratio of total remuneration(A+B+C+D) to net income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employee								Ratio of total Compensation (A+B+C+D+E+F+G) to net income(%) (Note 10)		Remuneration from ventures other Than subsidiaries or from the patent company (Note11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary,Bonuses, and Allowances (E) (Note5)		Serverance Pay(F)		Employee Compensation (G) (Note 6)						
		The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company		All companies in the consolidated financial statements (Note7)		The Company	All companies in the consolidated financial statements (Note7	
																Cash	Stock	Cash	Stock			
Director	Henry Global Investment Co.,Ltd.	492	492	0	0	0	0	444	444	-1.34	-1.34	4,021	5,828	0	0	0	0	0	0	-7.09	-9.68	-
	Legal representative: Shen,Mao-Ken																					-
	Teng Tsai investment Co.,Ltd.																					-
	Legal representive: Xiong,Di-Jun																					-
	Jung-Shiung Investment Co.,Ltd																					-
	Legal representive: Zheng,Rong-Zhu																					-
	Bang- Tai Investment Co.Ltd																					-
	Legal representive: Chen,Zong-Yi																					-
	Jia-Jie Approachable Co.,Ltd																					-
	Legal representive: Xu,Yi-Zhu																					-

Title	Name	Remuneration								Ratio of total remuneration(A+B+C+D) to net income(%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employee								Ratio of total Compensation (A+B+C+D+E+F+G) to net income(%) (Note 10)		Remuneration from ventures other Than subsidiaries or from the patent company (Note11)
		Base Compensation (A) (Note 2)		Severance pay (B)		Director Compensation (C) (Note 3)		Allowance (D) (Note 4)				Salary,Bonuses, and Allowances (E) (Note5)		Serverance Pay(F)		Employee Compensation (G) (Note 6)						
		The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company	All companies in the consolidated financial statements (Note7)	The Company		All companies in the consolidated financial statements (Note7)		The Company	All companies in the consolidated financial statements (Note7	
																Cash	Stock	Cash	Stock			
	Houndey enterprise Co.,Ltd																					
	Legal representive: Huang,Qi-Wen																					-
	Lai, Xing-Yi (2023.03.23 resign)																					-
	Chang,Ming-Tung																					-
Independent Director	Gau,Tian-Cai (2023.08.15 resign)	246	246	0	0	0	0	408	408	-0.94	-0.94	0	0	0	0	0	0	0	0	-0.94	-0.94	-
	Shen,Xiu-Xiong																					-
	Xu,Ji-Shan																					-
	Li,Wen-Bin																					-

1. Please state the policy, system, standards and structure of independent directors ’remuneration payment, and describe the relevance of responsibilities, risks, ti invested and other factors to the amount of remuneration: The remuneration of the directors of the Company is paid by the board of directors by the authorizat of the Articles of Incorporation, according to the director's participation in the company's operations and contribution, and taking domestic and foreign indus standards into consideration. When the company is profitable, the board of directors approves the distribution of directors' remuneration and employe compensation by the Articles of Incorporation. Independent directors are the members of the Audit Committee. In addition to the remuneration paid to directo considering the responsibilities, risks, and investment time, different reasonable remunerations are determined.
2. In addition to the table disclosure above, the other remuneration to the directors of the Company in the last year from all companies in financial reports (such to be a consultant, not an employee): None

*The directors (not independent directors) and independent directors should be listed separately.

(3) Range of remuneration

Range of remuneration (NT$)	Name of directors			
	Sum of A,B,C,D		Sum of A,B,C,D,E,F,G	
	The company (Note 8)	All companies in the consolidated financial statements (Note 9)H	The company (Note 8)	All companies in the consolidated financial statements (Note 9)I
Less than NT$ 1,000,000	Henry Global Investment Co.,Ltd. Legal representative: Shen,Mao-Ken Teng Tsai investment Co.,Ltd. Legal representive: Xiong,Di-Jun Jung-Shiung Investment Co.,Ltd Legal representive: Zheng,Rong-Zhu Bang- Tai Investment Co.Ltd Legal representive: Chen,Zong-Yi Jia-JieApproachable Co.,Ltd Legal representive: Xu,Yi-Zhu Houndey enterprise Co.,Ltd Legal representive: Huang,Qi-Wen Lai, Xing-Yi (2023.03.23 resign) Chang,Ming-Tung Gau,Tian-Cai (2023.08.15 resign) Shen,Xiu-Xiong Xu,Ji-Shan Li,Wen-Bin	Henry Global Investment Co.,Ltd. Legal representative: Shen,Mao-Ken Teng Tsai investment Co.,Ltd. Legal representive: Xiong,Di-Jun Jung-Shiung Investment Co.,Ltd Legal representive: Zheng,Rong-Zhu Bang- Tai Investment Co.Ltd Legal representive: Chen,Zong-Yi Jia-JieApproachable Co.,Ltd Legal representive: Xu,Yi-Zhu Houndey enterprise Co.,Ltd Legal representive: Huang,Qi-Wen La, Xing-Yi (2023.03.23 resign) Chang,Ming-Tung Gau,Tian-Cai (2023.08.15 resign) Shen,Xiu-Xiong Xu,Ji-Shan Li,Wen-Bin	Teng Tsai investment Co.,Ltd. Legal representive: Xiong,Di-Jun Jung-Shiung Investment Co.,Ltd Legal representive: Zheng,Rong-Zhu Bang- Tai Investment Co.Ltd Legal representive: Chen,Zong-Yi Jia-JieApproachable Co.,Ltd Legal representive: Xu,Yi-Zhu Houndey enterprise Co.,Ltd Legal representive: Huang,Qi-Wen Lai, Xing-Yi (2023.03.23 resign) Chang,Ming-Tung Gau,Tian-Cai (2023.08.15 resign) Shen,Xiu-Xiong Xu,Ji-Shan Li,Wen-Bin	Teng Tsai investment Co.,Ltd. Legal representive: Xiong,Di-Jun Jung-Shiung Investment Co.,Ltd Legal representive: Zheng,Rong-Zhu Bang- Tai Investment Co.Ltd Legal representive: Chen,Zong-Yi Jia-JieApproachable Co.,Ltd Legal representive: Xu,Yi-Zhu Houndey enterprise Co.,Ltd Legal representive: Huang,Qi-Wen Lai, Xing-Yi (2023.03.23 resign) Chang,Ming-Tung Gau,Tian-Cai (2023.08.15 resign) Shen,Xiu-Xiong Xu,Ji-Shan Li,Wen-Bin
NT$ 1,000,000 ～ NT$ 2,000,000 (exclusive)				

Range of remuneration (NT$)	Name of directors			
	Sum of A,B,C,D		Sum of A,B,C,D,E,F,G	
	The company (Note 8)	All companies in the consolidated financial statements (Note 9)H	The company (Note 8)	All companies in the consolidated financial statements (Note 9)I
NT$ 2,000,000 ～ NT$ 3,500,000 (exclusive)				
NT$3,500,000 ～ NT$5,000,000 (exclusive)			Henry Global Investment Co.,Ltd. Legal representative: Shen,Mao-Ken	
NT$ 5,000,000 ～ NT$ 10,000,000 (exclusive)				Henry Global Investment Co.,Ltd. Legal representative: Shen,Mao-Ken
NT$ 10,000,000 ～ NT$ 15,000,000 (exclusive)				
NT$ 15,000,000 ～ NT$ 30,000,000 (exclusive)				
NT$ 30,000,000 ～ NT$ 50,000,000 (exclusive)				
NT$ 50,000,000 ～ NT$ 100,000,000 (exclusive)				
More than NT$100,000,000				
Total	12	12	12	12

Note 1: List the names of the directors separately (for institutional shareholders, list the names of the institutional shareholders and. the representatives separately), as well as the directors and independent directors, and disclose all payments in summary. If a director also holds the position of general manager or vice general manager, fill in this table and table (1) below, or tables (2), and (3) below.

Note 2: The remuneration to the directors in the most recent year (including salaries, professional allowances, severance payment, different types of bonuses, and gratuities).

Note 3: Fill in the the amount of remuneration paid to the directors passed by the board of directors in the most recent year.

Note 4: The director's related business implementation expense in the most recent year (including travel expenses, special allowance, allowances, and providing such as dormitory and vehicle). If providing a house, vehicle or other transportation vehicle or specific expense occurred, should disclose the character and cost of the assets, an actual amount or rent estimated at fair value, fuel and other payments. If a driver is assigned, specify the compensation of the driver by the Company but not included it as a part of the remuneration.

Note 5: The payment to directors who also performed as employees (including holding the position as general manager, vice general. manager, other managers, and employee), including salaries, professional allowances, severance payment, different types of bonuses, gratuities, traveling expense, special allowance, allowances, and providing such as dormitory and vehicle. If providing a house, vehicle or other transportation vehicle or specific expense occurred, should disclose the character and cost of the assets, an actual amount or rent estimated at fair value, fuel and other payments. If a driver is assigned, specify the compensation of the driver by the Company but not included it as a part of the remuneration. Furthermore, the salary recognized under IFRS 2 "Share-Based Payment", the acquisition of share subscription warrants, restricted stock for employees, and the subscription of new shares in a cash capital increase, should be included as remuneration.

Note 6: If the directors also performed as employees (including holding the position as general manager, vice general manager, other. managers, and employee) and received compensation as employees (including stock and cash), disclose the amount of remuneration to employee passed by the board of directors on 10 March 2022. If the estimation is not possible, calculate the amount planned to pay in the current period on the basis of the actual amount paid in the previous year, and fill in Table 1-(3).

Note 7: Disclose the total amount of payment of all companies (including the Company) included in the consolidated financial. statements to the directors of the Company.

Note 8: Disclose the names of the directors in the respective bracket of the payment scale by the total amount of payment from the. Company.

Note 9: Disclose the total of all itemized payments from all companies (including the Company) included in the consolidated financial. statements to each director of the Company and disclose the names of the directors in respective brackets of the payment scale.

Note 10: Net income refers to the net income of the previous period in the most recent year's individual or separate financial report .

Note 11:

a. Put down the amount of remuneration from direct investee companies other than the subsidiaries or the parent company to. the. directors of the Company (If there is no payment, put down "None").

b. If the directors have received payment from direct investee companies other than the subsidiaries or the parent company, include. this amount in Column I of the payment scale, and change the name in the column and name as "parent company and all direct investee companies"

c. Remuneration refers to the reward, payment (including payment to employees, directors, and supervisors) and performing. professional duties to directors who also act in the capacity of directors, supervisors or managers in the direct investee companies other than the subsidiaries or in the parent company.

* The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for the disclosure of information only, not as a reference for taxation.

(4) Remuneration of general managers and vice general managers (disclosed the nameand the wayof remuneration individually)

Title	Name	Salary (A) (Note 2)		Severance Pay(B)		Bonus and allowances (C) (Note3)		Employee compensation (D) (Note 4)				Ratio of total compensation(A+B+C+D)to net income(%) (Note8)		Remune ration from ventures other Than subsidiaries or from the patent company (Note9)
		The Company	All companies in the consolidated financial statements (Note5)	The Company	All companies in the consolidated financial statements (Note5)	The Company	All companies in the consolidated financial statements (Note5)	The Company		All companies in the consolidated financial statements (Note5)		The Company	All companies in the consolidated financial statements (Note5)	
								Cash	Stock	Cash	Stock			
Chairmanand General Manager	Shen,Mao-Ken	1,800	3,607	0	0	1,333	1,333	0	0	0	0	-4.48	-7.07	-
General Manager	Yu,You-Fa	2,520	2,520	0	0	634	634	0	0	0	0	-4.51	-4.51	-
Vice General Manager	Tseng,San-Pi (2024.03.31 Retired)	1,812	2,333	0	0	136	136	0	0	0	0	-2.79	-3.53	-
Vice General Manager	Wu,Mei-Ling	1,200	1,200	0	0	70	70	0	0	0	0	-1.82	-1.82	-

* Disclose all people holding positions equivalent to the general manager, or vice general manager (e.g.: president, CEO, chief officer, and so forth) regardless of the title.

(4)Remuneration of general managers and vice general managers (disclodes the name and the way of remuneration individually)

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)
(Note 2)</th><th colspan="2">Severance Pay(B)</th><th colspan="2">Bonus and allowances (C)
(Note3)</th><th colspan="4">Employee compensation (D)
(Note 4)</th><th colspan="2">Ratio of total compensation(A+B+C+D)to net income(%) (Note8)</th><th rowspan="3">Remune ration from ventures other Than subsidiaries or from the patent company
(Note9)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements (Note5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements (Note5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements (Note5)</th><th colspan="2">The Company</th><th colspan="2">All companies in the consolidated financial statements (Note5)</th><th rowspan="2">The Company</th><th rowspan="2">All companies in the consolidated financial statements (Note5)</th></tr>
<tr><th>Cash</th><th>Stock</th><th>Cash</th><th>Stock</th></tr>
<tr><td>Chairmanand General Manager</td><td>Shen,Mao-Ken</td><td rowspan="4">7,332</td><td rowspan="4">9,660</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">2,173</td><td rowspan="4">2,173</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">0</td><td rowspan="4">-13.60</td><td rowspan="4">-16.93</td><td>-</td></tr>
<tr><td>General Manager</td><td>Yu,You-Fa</td><td>-</td></tr>
<tr><td>Vice General Manager</td><td>Tseng,San-Pi (2024.03.31 Retired)</td><td>-</td></tr>
<tr><td>Vice General Manager</td><td>Wu,Mei-Ling</td><td>-</td></tr>
</table>

* Disclose all people holding positions equivalent to the general manager, or vice general manager (e.g.: president, CEO, chief officer, and so forth) regardless of the title.

(5)Range of Remuneration

Range of Renumeration (NT$)	Name of General Managers and vice General Managers	
	The Company (Note 6)	All companies in the consolidated financial statements (Note7)E)
Less than NT$ 1,000,000		
NT$ 1,000,000 ～ NT$ 2,000,000 (exclusive)	Tseng,Shan-Pi , Wu,Mei-Ling	Wu,Mei-Ling
NT$ 2,000,000 ～ NT$ 3,500,000 (exclusive)	Shen,Mao-Ken, Yu,You-Fa	Yu,You-Fa ,Tseng,Shan-Pi
NT$3,500,000 ～NT$5,000,000 (exclusive）		Shen,Mao-Ken
NT$ 5,000,000 ～ NT$ 10,000,000 (exclusive）		
NT$ 10,000,000 ～ NT$ 15,000,000 (exclusive）		
NT$ 15,000,000 ～ NT$ 30,000,000 (exclusive）		
NT$ 30,000,000 ～ NT$ 50,000,000 (exclusive）		
NT$ 50,000,000 ～ NT$ 100,000,000 (exclusive）		
More than NT$100,000,000		
Total	4	4

Note 1: List the names of the supervisors separately and disclose all payments in summary. If a director also holds the position of. general manager or vice general manager, fill in this form and the form above (3.3. (1), 3.3. (2), and 3.3. (3)).

Note 2: The remuneration, professional allowances, and severance payment to the general manager and vice general manager in the. most recent year.

Note 3: The different types of bonuses, gratuities, traveling expenses, special allowances, allowances, and providing such as dormitory. and vehicle and other remuneration. If providing a house, vehicle or other transportation vehicle or specific expense occurred, should disclose the character and cost of the assets, an actual amount or rent estimated at fair value, fuel and other payments. If a driver is assigned, specify the compensation of the driver by the Company but not included as a part of the remuneration. Furthermore, the salary recognized under IFRS 2 "Share-Based Payment", the acquisition of share subscription warrants, restricted stock foremployees, and the subscription of new shares in a cash capital increase, should be included as remuneration.

Note 4: The amount of remuneration to the employee (including stock and cash) passed by the board of directors in the most recent. year. If the estimation is not possible, calculate the amount planned to pay in the current period on the basis of the actual amount paid in the previous year, and fill in Table 1-(3).

Note 5: Disclose the total payment from all companies included in the financial statements (including the Company) to the general. manager and the vice general managers of the Company.

Note 6: The total amount of payment to the general manager and the vice general managers of the Company and disclose the names. of the persons in relevant brackets along the payment scale.

Note 7: Disclose the total amount of payment from all companies included in the financial statements (including the Company) to the. general manager and each vice general manager and disclose the names of the persons in relevant brackets along the payment scale.

Note 8: Net income refers to the net income of the previous period. If IFRS has been adopted in reporting, net income shall be. referred to as the net income as presented in the separate financial statement covering the previous period.

Note 9:

a. Put down the amount of related payment to the general managers and vice general managers from all direct investee companies. other than the subsidiaries or the parent company (If there is no payment, put down "None").

b. If the general managers and vice general managers were remunerated by direct investee companies other than the subsidiaries, put down the amount paid to the general managers and vice general managers of the Company from direct investee companies other than the subsidiaries or the parent company in relevant brackets along the payment scale in column E, and change the name of the column as "Parent company and all direct investee companies".

c. Remuneration includes the reward and wages (including payment to employees, directors and supervisors) and professional. allowances to the general manager and the vice general managers of the Company from direct investee companies other than the subsidiaries or the parent company in the capacity of directors, supervisors or managers of these companies.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

(6) Managerial officers with the top five highest remuneration amounts in a TWSE/TPEx-listed company (disclose their names and remuneration method individually)

Title	Name	Salary (A) (Note 2)		Severance Pay(B)		Bonus and allowances (C) (Note3)		Employee compensation (D) (Note 4)				Ratio of total compensation(A+B+C+D)to net income(%) (Note8)		Remune ration from ventures other Than subsidiaries or from the patent company (Note9)
		The Company	All companies in the consolidated financial statements (Note5)	The Company	All companies in the consolidated financial statements (Note5)	The Company	All companies in the consolidated financial statements (Note5)	The Company		All companies in the consolidated financial statements (Note5)		The Company	All companies in the consolidated financial statements (Note5)	
								Cash	Stock	Cash	Stock			
Chairman	Shen,Mao-Ken	1,800	3,607	0	0	1,333	1,333	0	0	0	0	-4.48	-7.07	-
General Manager	Yu,You-Fa	2,520	2,520	0	0	634	634	0	0	0	0	-4.51	-4.51	-
Vice General Manager	Tseng,San-Pi (2024.03.31 Retired)	1,812	2,333	0	0	136	136	0	0	0	0	-2.79	-3.53	-
Senior manager	Lin, Xian-Yuan	983	1,239	0	0	72	72	0	0	0	0	-1.51	-1.88	-
Vice Generalmanager	Wu,Mei-Ling	1,200	1,200	0	0	70	70	0	0	0	0	-1.82	-1.82	-

Note 1: The so-called "top five executives with the highest remuneration" refers to the identification standards for managers of the Company and the relevant managers based on the former Ministry of Finance's Securities and Futures Bureau, FSC on March 27, 2003, Tai-Tsai-Cheng-(san) No, 0920001301. As for the calculation and recognition principle of "top five highest remunerations", it is based on the total amount of salaries, pensions, bonuses, and special allowances received by the company's managers from all companies in the consolidated financial report, as well as the amount of employee remuneration (that is, A +B+C+D (total of four items), and after sorting, the top five highest remunerations will be determined. If the director concurrently serves as the former supervisor, this form and the above form should be filled out.

Note 2: Put down the salaries, professional allowances, and severance payments of the top five highest paid executives in the previous period.

Note 3: Put down different types of bonuses, gratuities, traveling subsidies, special expense accounts, allowances, and payment in kind including accommodation and company vehicle for the top five highest paid executives in the previous period. If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included it as a part of the remuneration. Salary expense recognized under IFRS 2 “Share-Based Payment”, including the acquisition of ESO, RSU/RSA, and subscription of new shares for raising capital, which should be included as remuneration.

Note 4: Put down the amount of remuneration to the top five highest paid executives as employees (including stock and cash) passed by the Board in the most recent year. If the estimation is not possible, calculate the amount in proportion to the actual payment of the previous year, and fill in Table 1-(3).

Note 5: Disclose the total payment from all companies included in the financial statements (including the Company) to the top five highest paid executives of the Company.

Note 6: Net income refers to the net income of the previous period. If IFRS has been adopted in reporting, net income shall be referred to as the net income as presented in the separate financial statement covering the previous period.

Note 7:

a. Put down the amount of related payment to the top five highest paid executives from all direct investee companies other than. the subsidiaries or the parent company (If there is no payment, put down “None”).

b. Remuneration includes the reward and wages (including payment to employees, directors and supervisors) and professional allowances to the top five highest paid executives of the Company from direct investee companies other than the subsidiaries or the parent company in the capacity of directors, supervisors or managers of these companies.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes

(4) Name of the managers received employee remuneration and distribution of remuneration：The company doesn’t distribute employee remuneration.

(5)Separately Compare and explain the total amount of remuneration paid to the company's directors, supervisors, general managers and vice general managers,etc. in the last two years by the Company and all companies in the consolidated financial statement, the analysis of the proportion of after-tax net profit in parent company only or individual financial reports, and explain the relationship between business performance and future risks and the policy, standard and composition of paying remuneration, the procedure of determining remuneration.

1.The ratio of the remuneration to net income paid to directors,supervisors,general manager and vice general manager

Item / Title	Ratio of total remuneration to net income			
	2023		2022	
	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements
Director	-8.03%	-10.62%	31.23%	39.78%
Supervisor	0.00%	0.00%	0.68%	0.68%
General manager and vice general manager	-9.12%	-9.86%	15.54%	15.54%
Total	-17.15%	-20.48%	47.45%	56.00%

2. The policy and standard of paying remuneration, the procedure of combining and determining remuneration, and the relationship between business performance.

(1) The remuneration of directors and supervisors of the company is divided into two items: the remuneration of directors and supervisors for receiving travel allowance when attending the joint meeting of directors and supervisors and profit distribution. If there is profit in the current year and the profit before tax per share exceeds NT$1, no more than 8% will be distributed as remuneration for directors and supervisors under the articles of incorporation. The specific amount authorized by the remuneration committee shall be based on the resolutions following articles of incorporation, submitted to the board of directors for approval, and it is then submitted to the shareholders' meeting for report.

(2) The remuneration paid by the company to the general manager and vice general manager is handled by the company's personnel related regulations, and the payment is made after considering the annual performance assessment results of each person and the achievement of responsibility goals and other quantitative indicators.

(3) Relevance of business performance: The manager's remuneration is determined by the company's personnel management regulations.

(4) Relevance of future risks: If there is any surplus in the company's overall performance, it will be distributed according to the company's articles of incorporation, so that there will be no risk to the future.

To sum up, the company's policy of paying directors, supervisors, general manager and vice general manager remuneration and the procedure for setting remuneration have a positive correlation with business performance, and there is no factor to guide relevant personnel to increase the company's risk in pursuit of remuneration. Therefore, future risks should be limited.

3.4 Implementation of Corporate Goverance:

4.1 Operations of the board of directors:

The term of the 13th Board of Directors is from 2019.06.06 to 2022.06.05
The term of the 14th Board of Directors is from 2022.06.02 to 2025.06.02
A total of 9 (A) meetings of the Board of Directors were held in 2023 and up to the date of publication of the annual report. (6 times in 2023)
The attendance of director was as follows:

Title	Name (Note1)	Attendance in person(B)	By Proxy	Attendance rate (%) (B/A)(Note2)	Remarks
Chairman	Henry Global Investment Co.,Ltd. Representive:Mr. Shen,Mao-Ken	9	0	100.00%	Reelection and reappointment on 2022.06.02
Director	Teng Tsai investment Co.,Ltd. Representive: Xiong,Di-Jun	9	0	100.00%	Reelection and reappointment on 2022.06.02
Director	Jung-Shiung Investment Co.,Ltd. Representative: Zheng,Rong-Zhu	9	0	100.00%	Reelection and reappointment on 2022.06.02 (Director assigned the appointment)
Director	Bang- Tai Investment Co.Ltd. Representative: Chen,Zong-Yi	9	0	100.00%	New on 2022.06.02 (Director assigned the appointment)
Director	Jia-Jie Approachable Co.,Ltd. Representative: Xu,Yin-Zhu	9	0	100.00%	New on 2022.06.02 (Director assigned the appointment)
Director	Houndey enterprise Co.,Ltd Representative: Huang,Qi-Wen	5	0	100.00	Should attend 5 times New on 2023.06.07 (Assigned the appointment by director)

Title	Name (Note1)	Attendance in person(B)	By Proxy	Attendance rate (%) (B/A)(Note2)	Remarks
Director	Lai, Xing-Yi (2023.03.23 resign)	2	0	100.00%	Should attend twice. Reelection and reappointment on 2022.06.02
Director	Chang,Ming-Tung	9	0	100.00%	Reelection and reappointment on 2022.06.02
Independent Director	Gau,Tian-Cai (2023.08.15 resign)	5	0	100.00%	Should attend t5 times. Reelection and reappointment on 2022.06.02
Independent Director	Shen,Xiu-Xiong	9	0	100.00%	Reelection and reappointment on 2022.06.02
Independent Director	Xu,Ji-Shan	9	0	100.00%	New appointed on 2022.06.02
Independent Director	Li,Wen-Bin	7	0	77.77%	New appointed on 2022.06.02

Other mentionable items:

1. If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response should be specified:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act.

Date /Session	Proposal	Opinion of all the Independent Directors	The Company to the opinions of the Independent Directors
2023.03.09 14th Session,No.4	1. Proposal of 2021 Statement of Internal Control System. 2. Proposal of 2022 distribution of employee's salary and director and supervisor's remuneration. 3. Proposal of 2022 business report and financial statement. 4. Proposal of 2022 distribution of earnings. 5. Proposal of surplus profit distributed in the form of new shares. 6. Proposal of 2023 regular meeting of shareholders'date, time and place and other matters. 7. Proposal of releasing the prohibition on directors from participation in competitive business. 8. Proposal of accepting the proposal from the shareholders holding one percent (1%). 9. Amendment of "Regulation for Director's Election". 10. Amendment of Rules of Procedure for Board of Directors Meetings. 11. Proposal of 2022 performance evaluation result of the board of directors. 12. Proposal of making of endorsements/guarantees for VietNam Pontex. 13. Proposal of formulating the approval of general principles in non-assurance service policy in advance. 14. Proposal of formulating the issue price of private placement of common stock.	Without objecti on or reservat ion.	None, all directors who attended agreed the proposal. In the 14 case, 2 votes were against (Bang- Tai Investment Co.Ltd. Chen,Zong-Yi Jia-Jie Approachable Co.,Ltd. Xu,Yin-Zhu), the rest of 9 directors agreed, and the case was approved.
2023.03.23 14th Session,No.5	1. Proposal of report on the payment status of the issuance of private placement common stock and adjustment of the number of subscribed shares.	Without objecti on or reservat ion.	None, all directors who attended agreed the proposal.
2023.03.31 14th Session,No.6	1. Proposal of the Company's director by-election. 2. Amendment of 2023 regular meeting of shareholders' date, time and place and other matters. 3. Proposal of accepting the candidate nomination of directors from shareholders holding one percent (1%).		
2023.04.27 14th Session,No.7	1. Proposal of the Company's 2023 independent assessment of CPAs and the appointment remuneration for the certified accountants. 2. Discussion of resolution for director candidate list nominated in 2023 regular shareholders'meeting. 3. Proposal of the report on the handling of the private placement of common stock approved in the Company's 2022 regular shareholders' meeting. 4. Proposal of handling the private placement of common stock. 5. Amendment of the reason for 2023 regular shareholders' meeting. 6. Proposal of releasing the prohibition on directors from participation in competitive business. 7. Proposal of setting up a corporate governance supervisor of the company.		
2023.08.03 14th Session,No.8	1. Proposal of authorize the chairman fully handle the 2022 surplus profit distributed in the form of new shares, and "establish the new share issuance record date ,distribution date,and other matters. 2. Proposal of authorize chairman to handle the margin purchase with First Bank. 3. Proposal of the planning schedule of greenhouse gas inventory and verification. 4. Proposal of formulating the issue price of private placement of common stock.		

2023.11.09 14th Session,No.9	1. Proposal of the Company's 2024 audit plan. 2. Proposal of 2024 business report. 3. Proposal of appoint Xu,Ji-Shan ,Independent Director, as member of the Remuneration Committee. 4. Proposal of 2023 year-end bonuses of managers and directors. 5. Proposal of the transcation model ,reasonableness,necessity of raw material resale, inventory control (including physical inventory management and subsequent inventory disposition),and appropriateness of accounting treatment for reassessing the transation model for raw material resale. 6. Proposal the company's fund lending case. 7. Proposal of the additional overtime expenses of Ernst & Young Global Limited by handling the Company's substantive examination.		
2024.01.11 14th Session,No.10	1. Proposal of the replacement of the accounting firm and CPA from the fourth quarter in 112th year of R.O.C, and assess the independence and suitability of the auditor. 2. Proposal of the remuneration of the newly appointed CPA of the company.		
2024.03.07 14th Session,No.11	1. Proposal of 2023 Statement of Internal Control system. 2. Proposal of 2023 bussniness report and financial statement. 3. Proposal of 2023 company losses. 4. Proposal of the Company's Independent Diretor by-election. 5. Proposal of 2024 regular meeting of shareholders' date,time, place,and other matters. 6. Proposal of the releasing the prohibitation on directors from participation in competitive business. 7. Proposal of accepting the proposal from the shareholders holding one percent (1%) 8. Proposal of accepting the candidate nomination of shareholders,directors and independent directors who holding one percent(1%) 9. Proposal of the result of regulation for performance evaluation for the board of directors. 10. Proposal of making of endorsements/guarantees for VietNam Pontex. 11. Proposal of formulating the issue price of private placement of common stock.	Withou t objecti on or reservat ion.	None, all directors who attended agreed the proposal.
2024.04.25 14th Session,No.12	1. Discussion of resolution for director candidate list nominated in 2024regular shareholders' meeting. 2. Proposal of the report on status, capital utilization,progress of implementation and the handling of the private placement of common stock, approved in the Company's the year of 2022 and 2023 regular shareholder's meeting. 3. Proposal of the amendment of "Procedure of tackling internal material information and avoiding insider trading management" 4. Proposal of releasing the prohibition on directors from participation in competitive business.		

(2) In addition to the above matters, other matters involving objections or. expressed reservations by independent directors that were recorded or stated in writing that requires a resolution by the board of directors: None。

I. If there are directors' avoidance of motions in conflict of interest, the directors' names ,contents of motion, causes for avoidance and voting should be specified: (1) On March 9, 2023, the14th session, No.4, Proposal 7: Proposal of releasing the prohibition on directors fromparticipation in competitive business. The three directors involved in this proposal to resolve:CHEN, ZONG-YI, the representative of Bangtai Investment Co., Ltd., HSU, YIN-JU, theepresentative of Jiajie Heyi Co., Ltd., and LEE, WEN-PIN were interested parties and did not participate in the voting. After the chairman consulted with the rest of the present directors, they agreed to pass the proposal. (2) On March 7,2024,the 14th session, No11,Proposal 6: Proposal of the releasing the prohibitation on directors from participation in competitive business. One director in this proposal to resolve: Houndey enterprise Co.,Ltd representative: Huang,Qi-Wen was interested parties and did not participate in the voting. After the chairman consulted with the rest of the present directors, they agreed to pass the proposal.

II. The information on the board of directors' self (or peer) evaluation cycle and period, the scope of evaluation, method and item:

Evaluation Cycle	Evaluation Period	Scope of evaluation	Evalation method	Evaluation items
The performance evaluation of the internal board of directors shall be conducted at least once a year,and the evaluation executed by and external professional independent institution,or a team of experts and scholars shall be conducted at least once every three years.	2023.01.01~ 2023.12.31	1.Overall board of directors. 2.Each director 3. Functional Committee (remuneration committee and audit committee)	Internal self-assessment of the board od directors,self-assessment of the directors,peer assessment,appointment of external professsional institutions,experts or other appropriate means.	1. Board of Directors (Functional Committee) Items of evaluation: A. The degree of participation in the company's operations B. Improving the quality of decision-making by the board of directors C. Composition and structure of the board of directors D. Selection and continuing advanced study of directors E. Internal control 2. Director member (self or peers) evaluation items: A. Grasp the company's goals and tasks. B. Recognition of directors' responsibilities C. The degree of participation in the company's operations D. Internal relationship management and communication E. Professional and continuing advanced study of directors F. Internal control 3. Remuneration Committee (self or peers) evaluation items: A. Involvement in company operations. B. The responsibilities awareness of the Functional committee. C. Improving the quality of decision-making by functional committees D. The composition and member appointment of the functional committee. 4. Audit committee (self or peers) evaluation items: A. Involvement in company operations. B. The responsibilities awareness of the functional committee. C. Improving the quality of decision-making by functional committees D. The composition and member appointment of the functional committee. E. Internal control.

III. Measures are taken to strengthen the functionality of the board of the current. periods (such as setting up an audit committee to improve information transparency, etc.) and execution status assessment:

1. The Company's Articles of Incorporation formulate regulations of the board of. directors' duties and has followed the board of directors' procedures to formulate the board of directors' procedures, which was revised by the board of directors on 9 March 2023, strengthening the operation of the board of directors.
2. To strengthen corporate governance, the Company set up a remuneration. committee on November 23, 2011 to formulate and regularly evaluate and review the remuneration of directors, supervisors, and managers.
3. After the re-election of the board of directors on June 2 ,2022, the Company. established an audit committee according to the law.
4. Evaluation of execution status: To improve the transparency of the company's information, after each meeting of the board of directors, the important. resolutions are immediately announced on the

Market Observation Post System to protect the rights of shareholders.

4.2 The operation of the audit committee:

The term of the 1st session of the audit committee is from 2022.06.02 to 2025.06.01

A total of 7 (A) (4 times in 2023) meetings of the audit committee were held in the previous period. The attendance of the independent director was as follows:

Title	Name (Note 1)	Attendance in Person(B)	Proxy	Attendance rate(%) (B/A) (Note 2)	Remarks
Independent Director	Gau,Tian-Cai	3	0	100.00%	Should attend 3 times. 2023.08.15 resign
Independent Director	Shen,Xiu-Xiong	7	0	100.00%	Convener (New 2023.11.09)
Independent Director	Xu,Ji-Shan	7	0	100.00%	
Independent Director	Li,Wen-Bin	7	0	100.00%	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, independent directors' objections, qualified opinion or contents of the major proposals, resolutions of the Audit

Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to Article 14-5 of the Securities and Exchange Act.

Dates of meetings	Sessions	Contents of motion	Resolution of the audit committee	The company's response to the audit committee's opinion
2023,03,09	1st session, No.3	1. Proposal of 2021 Statement of Internal Control System. 2. Proposal of 2022 business report and financial statement. 3. Proposal of 2022 distribution of earnings. 4. Proposal of surplus profit distributed in the form of new shares. 5. Proposal of releasing the prohibition on directors from participation in competitive business 6. Proposal of making of endorsements/guarantees for VietNam Pontex. 7. Proposal of formulating the approval of general principles in non-assurance service policy in advance. 8. Proposal of formulating the issue price of private placement of common stock.	Approved	None, Submit to the board of directors of the company for approval
2023.04.27	1st session, No.4	1. Proposal of the Company's 2023 independent assessment of CPAs and the appointment remuneration for the certified accountants. 2. Proposal of the report on the handling of the private placement of common stock approved in the Company's 2022 regular shareholders' meeting. 3. Proposal of handling the private placement of common stock. 4. Proposal of releasing the prohibition on directors from participation in the competitive business.		
2023.08.03	1st session, No.5	1. Proposal of formulating the issue price of private placement of common stock.		
2023.11.09	1st session, No.6	1. Proposal of the Company's 2024 audit plan. 2. Proposal of the transcation model,reasonableness,necessity of raw material resale, inventory control(including physical inventory management and subsequent inventory disposition),and appropriateness of accounting treatment for reassessing the transation model for raw material resale. 3. Proposal of the additional overtime expenses of Ernst & Young Global Limited by handling the Company's substantive examination. 4. Proposal the company's fund lending case.		
Dates of meetings	Sessions	Contents of motion	Resolution of the audit committee	The company's response to the audit committee's opinion

2024.01.11	1st session, No.7	1. Proposal of the replacement of the accounting firm and CPA from the fourth quarter in 112th year of R.O.C, and assess the independence and suitability of the auditor. 2. Proposal of the remuneration of the newly appointed CPA of the Company.	Approved	None, Submit to the board of directors of the company for approval
2024.03.07	1st session, No.8	1. Proposal of 2023 Statement of Internal Control system. 2. Proposal of 2023 bussniness report and financial statement. 3. Proposal of 2023 company losses. 4. Proposal of the releasing the prohibitation on directors from participation in competitive business. 5. Proposal of making of endorsements/guarantees for VietNam Pontex. 6. Proposal of formulating the issue price of private placement of common stock.		
2024..04.25	1st session, No.9	1. Proposal of the report on status, capitalutilization ,progress of implementation and the handling of the private placement of common stock, approved in the Company's the year of 2022 and 2023 regular shareholder's meeting. 2. Proposal of releasing the prohibition on directors from participation in competitive business.		

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: On March 9, 2023, the 1st session, No.3, Proposal 5: Proposal of releasing the prohibition on directors from participation in competitive business. Li, Wen-Bin, who resolve the proposal was independent director, was interested parties and did not participate in the voting. After the chairman consulted with the rest of the present directors, they agreed to pass the proposal.

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g., the material items, methods, and results of audits of corporate finance or operations, etc.)

Date	Method	Object	Communication items	Resolution
2023.03.09	Board of Directors	CPA	Presentation in 2022 financial statement audit item communication. 1. Communication with corporate governance units and management. 2. Key audit points explanation this time. 3. Update and share securities and exchange act.	After communication, the directors and supervisors fully understood the direction and focus of the CPA's audit
2023.11.09	Board of Directors	CPA	Presentation in 2023 Q2 financial statement audit item communication. 1. The result of Q2 financial statement audit item in the year of 2023. 2. The review letter of Q2 financial statement audit item in the year of 2023 3. Communication items with corporate governance units and management. 4. Update and share securities and exchange act.	
2024.03.07	Board of Directors	CPA	Presentation in 2023 financial statement audit item communication. 1. Independence of CPA. 2. Corporate governance unit’s responsiblilites: The goverance unit is responsible for supervising financial reporting. 3. Audit Scope of the group: Parent Compant: Pontex Polyblend Co.,Ltd., Subsidiaries: MULTITEX POLYBLEND CO.,LTD and POLYTECH GLOBAL LINITED, Affiliated Companies: Pontex (Q.Y.) Polyblend Co.Ltd. and Cleated Molding Global Linited, Grandchild companies: Vietnam Bang Tai Polyblend Co.,Ltd. 4. Significant risk: Revenue recognition risk. 5. Internal Control Testing Implement and Findings: Sales and Receivables Cycle and Control Testing-No significant abnormalities found, Purchases and Payments Cycle and Control Testing-No significant abnormalities found, Production Cycle and Control Testing-No significant abnormalities found, Payroll Cycle and Control Testing-No significant abnormalities found, Property, Plant, and Equipment Cycle and Control Testing-No significant abnormalities found, Financing Cycle and Penetration Testing-No significant abnormalities found, Financial Statement Preparation Processa and Penetration Testing-No significant abnormalities found, Supervision and Management of Subsidiaries and Penetration Testing-No significant abnormalities found. 6. Key Audit Matters: Allwance for doubtful accounts and inventory valuation. 7. Expected Audit Opinion for the year of 112 of R.O.C: Unqualified opinion with other matters paragraph. 8. Update and share securities and exchange act.	After communication, the audit committee fully understood the direction and focus of the CPA's audit.

Remarks: On 2 June 2022, the directors were fully re-elected, and an audit. committee was established to replace the supervisor.

4.3 Corporate governance implementation status and deviations from the "Corporate Governance. Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		To establish a sound corporate governance system, the company has established the "Corporate Governance Code" in 2015 by the "Corporate Governance Best Practice Principles for Listed Companies." and disclosed it on the company's website.	None
2. Shareholding structure & shareholders' rights:				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) To protect the interests of shareholders, the Company has established the "Corporate Governance Code" to follow. The company's website has set up a spokesperson and an investor relations contact person, which to handle shareholders' suggestions, doubts, or disputes. If there is a dispute, the company's legal counsel will be appointed to assist the lawyer.	None
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) The Company holds the principal shareholders according to the shareholder list provided by the agent for stock affairs.	None
(3) Does the company establish and. execute the risk management and firewall system within its conglomerate structure?	V		(3) The Company has established the "Regulations of Supervising Subsidiaries" and "Regulations of Related Party Transactions Management", which are implemented by relevant laws and regulations based on the Fair Trade Act.	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the “Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company establish internal. rules against insiders trading with undisclosed information?	V		(4) The Company has established the "Procedure of Tackling Internal Material Information and Avoiding Insider Trading Management" to follow to prevent the occurrence of insider trading.	None
3. Composition and Responsibilities of the Board of directors (1) Does the Board develop and implement a diversified policy for the composition of its members? (2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of directors and referenced when determining the remuneration of individual directors and nominations for reelection?	 V V V		 (1) The Company's board of directors is diverse, all of whom have practical experience in management, and the company has stated in the "Regulations of Electing Director and Supervisor" that all members of the board of directors have the professional knowledge, experience, skills and qualities to perform their duties, and actively supervise and manage the company's operations and important decisions. (2) The Company has set up a remuneration committee and its organizational regulations and implementation by law, and the audit committee and its organizational regulations and implementation were established according to law on 2 June 2022. (3) According to the performance evaluation method of the board of directors, the Company evaluates the board of directors and director members at the end of each year and reports to the board of directors in the first quarter of the following year by regulations. All evaluation results will be used as a reference for individual directors' remuneration and a nomination for re-election in the	 None None None

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
(4) Does the company regularly evaluate. the independence of CPAs?	V		future. (4) The Company will simultaneously evaluate the independence of certified accountants when regularly replacing them.	None
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		The Company has appointed one corporate governance officer in accordance with regulations, who works together with personnel from the finance and accounting departments and audit department, to handle corporate goverance-related matters.	None
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		In addition to the spokesperson, deputy spokesperson and providing contact mail (ethics@pontex.com), the Company has also set up an area on the company website for stakeholders to properly respond to important corporate social responsibility issues that they are concerned about. The communication channel works smoothly. The Company has internal communication channels and suggestion boxes for employees, and employees could express their opinions by post and telecommunications or in writing.	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company's stock affairs have appointed a professional agency to deal with the affairs of the shareholders' meeting.	None
7. Information Disclosure (1) Does the company have a corporate. website to disclose both financial standings and the status of corporate governance?	V		(1) In addition to inputting the relevant financial and business information into the designated website under the regulations, the company profile, financial business information, product introduction, corporate governance, and other related information are also disclosed on the company's website. Furthermore, there is a contact person responsible for maintaining and updating the information, and at the same time, relevant information could be queried through the Market Observation Post System.	None
(2) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system,webcasting investor conferences)?	V		(2) The Company has assigned a contact person to be responsible for the collection of company information and the disclosure of important events, and the spokesperson will coordinate external speeches.	None
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	V		(3) The Company announced the 2022 annual financial report on 16 March 2023, 16 days earlier than the time regulated by the law, and announced the completion of the Q1, Q2, and Q3 financial reports and the operating conditions of each month before the prescribed deadline.	None
8. Is there any other important information to facilitate a better understanding of the company's	V		1. Employees' rights and interests: The Company has always treated employees with integrity and protected	None

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors'training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?			their legitimate rights and interests following the Labor Standards Act. 2. Employee care: Establish a good relationship with employees through various welfare and education training. 3. Investor relations: Handle shareholders' suggestions and inquiries through a spokesperson. 4. Supplier relationship: The Company and suppliers have always maintained a good relationship of mutual assistance and benefit. 5. Rights of stakeholders: The stakeholders could communicate with the Company and make suggestions to maintain their legitimate rights and interests. 6. Condition of directors' and supervisors' additional study: The Company's directors all have an industrial professional background and practical experience in management, and directors and supervisors are encouraged to have advanced study. 7. Implementation of risk management policies and risk measurement standards: Setting various internal management regulations according to the law and conducting various risk management and assessments. 8. Implementation of customer policy: The Company maintains a stable and good relationship with customers to create profits. 9. Condition of purchasing liability insurance for directors and supervisors: The Company has purchased liability insurance for directors and supervisors.	
9. Please explain the improvements which have been made in accordance with the results of Corporate Governance	V		The improvement and enhancement measures regarding to the corporate governance evaluation of our company as follows: 1. For the year of 2023, the Company has uploaded an English version of the	

Evaluation Item	Implementation Status (Note 1)			Deviations from the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Abstract Explanation	
Evaluation released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.			shareholder meeting handbook, the year of 2022 annual report, and the year of 2022 financial report for public access. Starting from the year of 2024, within 75 days after the end of each fiscal year, the Company will submit the year of 2023 annual financial report, approved by the Board of Directors, for public access and simultaneously upload major information in English. 2. On April 27, 2023, the Company has appointed a corporate governance supervisor, who is concurrently serving as an associate executive officer in the Administration Department. Whether this position will be designated as a full-time role is still under evaluation. 3. The Chairman and General Manager of the Company are the same individual. In the year of 2022, an additional independent director seat was added in advance, total is 4 seats. During the year of 2023, one independent director resigned. A supplementary election will be held at the shareholder meeting in the year of 2024 to fill the vacancy and maintain the total of 4 independent director seats. 4. Starting from the year of 2023, the Company has initiated greenhouse gas inventory in accordance with ISO 14064-1. In the year of 2024, the Company plans to complete the preparation and submission of a sustainability report as required. Additionally, the Company intends to engage a third party for verification planning to continuously enhance corporate social responsibility.	

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

4.4 The condition of the company's managers' advanced study in corporate governance:

Title	Name	Study period	Sponsoring	Course	Study hours
Accounting office	Zhung,Xiu-Ju	2023.09.21~ 2023.09.22	Accounting Research and Development Foundation	Continuous development of principal accounting officers of issuers, securities firms,and securities exchanges.	12
Internal auditing officer	Wang,Li-Xuan	2023.04.28	The Institute of Internal AuditorsChinese Taiwan	Business contract management and aduit practices.	6
		2023.08,10	The Institute of Internal AuditorsChinese Taiwan	Enhancing corporate sustainable value and improving risk management systems.	6
Governance Office	Hong,Jing-Cheng	2023.07.20	The Institute of Internal AuditorsChinese Taiwan	Analysis of illegal cases involving audit/accounting personnel and response strategies	6
		2023.08.23	Taipei Exchange	Seminar on Internal Equity Advocacy for over-the – counter and emerging companies	3

4.5 Composition, responsibilities and operations of the remuneration committee.

4.5.1 Remuneration committee members

Title (Note1). Name / Criteria		Professional qualification & work experience (Note 2)	Independence criteria (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Converner resigned on 2023.08.15)	Gau,Tian-Cai (2023.08.25resign)	Possess the work experience required by the company. Not being a person specified in any subparagraph of Article 30 of the Company Act.	Being an independent director, and comply with independence, including but not limited to the person, spouse, relatives within the second degree who do not serve as directors,supervisors, employed or its affiliated companies. Not holding the number of shares of the company. Not serving as director, supervisor or employee of a company that has a specific relationship with the company. Not providing business, legal, financial, accounting for the company or related companies in the last two years for the received amount of remuneration.	None

Title (Note1). Name / Criteria		Professional qualification & work experience (Note 2)	Independence criteria (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (New Converner on 2023.11.09)	Shen,Xiu-Xiong	Possess the work experience required by the company. Not being a person specified in any subparagraph of Article 30 of the Company Act.	Being an independent director, and comply with independence, including but not limited to the person, spouse, relatives within the second degree who do not serve as directors,supervisors, employed or its affiliated companies. Not holding the number of shares of the company. Not serving as director, supervisor or employee of a company that has a specific relationship with the company. Not providing business, legal, financial, accounting for the company or related companies in the last two years for the received amount of remuneration.	None

Title (Note1).	Name / Criteria	Professional qualification & work experience (Note 2)	Independence criteria (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (New on 2023.11.09)	Xu,Ji-Shan	Possess the work experience required by the company. Not being a person specified in any subparagraph of Article 30 of the Company Act.	Being an independent director, a member of remuneration committee and a member of compensation committee and comply with independence, including but not limited to the person, spouse, relatives within the second degree who do not serve as directors,supervisors, employed or its affiliated companies. Not holding the number of shares of the company. Not serving as director, supervisor or employee of a company that has a specific relationship with the company. Not providing business, legal, financial, accounting for the company or related companies in the last two years for the received amount of remuneration.	None

Title (Note1).	Name / Criteria	Professional qualification & work experience (Note 2)	Independence criteria (Note 3)	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Other	Wu, Sheng-Min	Possess the work experience required by the company. Not being a person specified in any subparagraph of Article 30 of the Company Act.	Not Being an independent director, and comply with independence, including but not limited to the person, spouse, relatives within the second degree who do not serve as directors, supervisors, employed or its affiliated companies. Not holding the number of shares of the company. Not serving as director, supervisor or employee of a company that has a specific relationship with the company. Not providing business, legal, financial, accounting for the company or related companies in the last two years for the received amount of remuneration.	None

Note 1: Specify the years of seniority of related work, professional designation and experience, and the status of independence of the members of the remuneration committee. For independent directors, refer to P.23, Appendix I, profiles of directors and supervisors (I) content as stated in the remark column. Put down the director, independent director, or others for identity (specify if the person is the convener).

Note 2: Professional designation and experience: specify the professional designation and experience of individual members of the remuneration committee.

Note 3: Status of independence: specify the status of independence of the members of the remuneration committee, including but not limited to holding a position as director, supervisor or employee of the Company and its affiliates by the person, spouse, kindred within the 2nd tier. Quantity and proportion of Company shares held by the person, spouse, and kindred within the 2nd tier (or in the name of a third party), holding a position as Director, Supervisor or employee of companies in a special relationship with the Company (refer to Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan StockExchange or Taipei Exchange), the amount of remuneration for rendering services in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.

Note 4: For information on the means of disclosure, refer to the sample version of the best practice principles posted on the website of the Corporate Governance Center of Taiwan Stock Exchange.

4.5.2 Operations of remuneration committee

(1) There are 3 members of the remuneration committee.

(2) The term of office for current members runs from June 2, 2022 through June 1, 2025. A total of 3 (A) Remuneration Committee meetings were held in the previous period. The qualification and attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in person (B)	By Proxy	Attendance (%)(B/A) (Note)	Remarks
Converner (resigned on 2023.08.15)	Gau,Tian-Cai	3	0	100%	Resigned on 2023.08.15
Converner (New on 2023.11.09)	Shen,Xiu-Xiong	3	0	100%	Re-election (2022.06.02 reelection)
Committee Member (New on 2023.11.09)	Xu,Ji-Shan	1	0	100%	(New on 2023.11.09)
Committee Member	Wu,Sheng-Min	3	0	100%	Re-election (2022.06.02 reelection)

Responsibilities of the remuneration committee:

(1) Set up and regularly review the company's directors, supervisors, and managers' annual and long-term performance goals and salary policies, systems, standards, and structures.

(2) Regularly evaluate the achievement of the performance goals of the company's directors, supervisors, and managers, and determine the content and amount of their salaries. When performing the responsibilities in the preceding paragraph, the committee shall follow the following principles:

(1) Ensure the Company's salary arrangements comply with relevant laws and are. sufficient to attract outstanding talents.

(2) The performance evaluation and remuneration of directors, supervisors, and. managers should refer to the normal level of payment in the industry, and consider the time dedicated by the individual, the responsibilities are undertaken, the achievement of personal goals, the performance of other positions, and the remuneration company paid for same position recent years. Additionally, via the achievement of the company's short-term and long-term business goals, the company's financial status, etc., to evaluate the reasonable relevance between individual performance and the company's operating performance and future risks.

(3) Directors and managers should not be guided to engage in behaviors that. exceed the company's risk appetite in pursuit of salary.

(4) The proportion of distributing dividends for the short-term performance of.
directors and senior managers and the partial variable remuneration should be. determined by considering the characteristics of the industry and the nature of the company's business.

(5) Members of the committee are not allowed to participate in discussions and vote. on their salary decisions.

The proposals and results of the meeting and the company's handling of members' opinions

<table>
<tr><th>Date and Term</th><th>Proposal details and follow-ups</th><th>Resolution</th><th>The Company’s Handing of Members’ Opinions</th></tr>
<tr><td>March 9, 2023
5thSession, No.2</td><td>1. Discussion of 2022 distribution of employee’s salary and director and supervisor’s remuneration.</td><td rowspan="2">The proposal has been approved as there were no objections from the remuneration committee members after consulted by the chairperson</td><td rowspan="2">None</td></tr>
<tr><td>November 9, 2023
5th Session, No.3</td><td>1. Discussion of 2023 year-end bonuses of managers and directors.</td></tr>
</table>

Other disclosures:

1. If the board of directors does not adopt or amend the suggestions of the remuneration committee, it shall state the date, term, proposal content, resolution results of the board of directors and the Company’s response to the remuneration committee (such as the remuneration approved by the Board of Directors is better than the suggestions of the remuneration committee, should explain the discrepancy and its reasons): None.
2. Should a committee member oppose or retain their opinion regarding any decision made by the remuneration committee and their opinion has been recorded or submitted in a written statement, the committee meeting date, session, content of the resolution, opinions of all members, and the response to the opinions shall be recorded: None.

Note:

(1) If a specific member is elected to resign within the fiscal year, put down the date of relief from office in the remark column. The actual attendance (as observer) rate (%) will be calculated on the basis of the actual frequency of attendance (as observer) to the session of the remuneration committee and the frequency of the convention of the remuneration committee while the director is still in office.

(2) If an election of directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected members and the members of the previous term, and noted as new to the office or reelected to office and the date of the election. The actual attendance (as observer) rate (%) will be calculated basis of the actual frequency of attendance (as observer) to the session of the remuneration committee and the frequency of the convention of the remuneration committee while the member is still in office.

4.6 Promotion of substainable Development Implementation Status

Fulfillment of sustainable development and deviations from the "Sustainable Development Best Practice Principles for TWSE/TPEx. Listed Companies"

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
1. Does the company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?		V	1. The general manager office of the Company supervises relevant departments to deal with the Company's sustainable development issues under the company's existing organization structure and has not set up a full-time unit. 2. The Company has been continuously promoting sustainable development and operation for a long time and held online monthly company meetings, including the Taiwan headquarter, the Qingyuan factory in Qingyuan City, Guangdong Province, and the Vietnam factory in Binh Duong Province, Vietnam. Through the meeting identify the sustainable issues which are related to the corporate's operation and concerned the stakeholders to plan and execute the annual plan and simultaneously track the implementation results to ensure the sustainable development strategy is fully implemented in the company's daily operations. 3. In each board of directors meeting, the top business supervisor reports the current company's business condition and promotes sustainable development and	None

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
			business strategy methods. The board of directors and supervisors will give instructions and directions for investigation and execution.	
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies? (Note 2)	V		Although the Company has not set up a risk management policy, the company puts lots of effort into reducing and preventing environmental protection and occupational safety activities that have adverse impacts on environmental protection and occupational safety and health. To corporate with the world's environmental protection and occupational safety and health trends, the company has established an ISO14001 management system. The company has also set up a "Procedure of Tackling Internal Material Information and Avoiding Insider Trading Management", "Procedure and Approach of Internal Control Self-check", etc., through the continuous operation of various management systems and procedures, the company can immediately grasp and respond to the risks related to the operating environment, employee safety, customers, suppliers, and stakeholders. The company holds meetings from time to time according to actual needs. The supervisors conduct risk assessments and identify	None

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
			possible risk factors and conduct necessary internal and external communications to respond to and reduce risks. 1. Environment: 1.1 According to ISO14001, the "Procedure of Environmental Evaluation" is required to be set up to annually conduct risk identification and propose measures in response to ensure the effective operation of the environmental safety and health system. 1.2 Formulate various management measures for waste reduction, emission reduction, pollution prevention, etc. to implement and control, and actively avoid the risk of environmental pollution. 1.3 Implement garbage classification, minimize waste, and consider the minimum waste and recyclable rate when researching and developing products. 2. Social: 2.1 Regularly conduct information security training for all employees every year to enhance employees' awareness of information security and avoid the risk of company and customer data leakage. 2.2 Important internal websites and application	

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			systems are isolated from the external internet by firewalls to elevate network security and avoid the risk of external malicious intrusions and attacks and conduct regular information system disaster prevention drills. 2.3 Hold employee welfare committee meetings quarterly, labormanagement meetings, and occupational safety committee meetings to communicate with employees, and provide timely advocacy of laws and regulations to avoid labor disputes. Employees can make suggestions through meetings or suggestion boxes, and the company and employees work together to create a harmonious and good labor-management relationship. 2.4 Reduce the company's risk of infection following IS14001 standards. 3. Governance: 3.1 Set up various management measures. The occupational safety personnel inspect the safety and health situation of each unit at any time and propose improvements timely to achieve a safe and healthy working environment. Regularly hold fire drills and occupational safety education training to cultivate employees' response to emergencies and	

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			selfmanagement capabilities. 3.2 Take the following measures in response to severe infectious disease outbreak: a.Follow the "Guidelines for Enterprise to respond to Severe Infectious Diseaseas and Continue Operations,”", " Guidelines for Employers Hiring Migrant Workers in Response to Severe Infectious Diseases: Precautions for Managing Migrant Workers' Work, Living, and Going Out ", and " Management Measures Related to Migrant Workers,” and staying updated on released information,dynamically adjusting the company’s infection prevention measures. b. Encourage employees to get vaccinated, reduce the company's supervisors and directors from attending corporate governance-related courses outside, but take virtual courses to improve corporate governance-related knowledge. c. Temporarily suspend company trips and gathering activities. 3.3 Internal control self-assessment is regularly conducted by each department every year to review the implementation of internal control and compliance with laws in the previous year. 3.4 Take various measures in response to industrial	

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
			(commercial) changes, including technological changes, insufficient innovation, and changes in business models: a. Regularly hold internal market information exchange and discussion meetings. b. Regularly make product development progress reports. c. New product kick-off format, costs, markets, etc. must be set up and reported. 3.5 According to the IATF16949 strategy and risk management method, implement relevant company operations to ensure the effective operation of the system.	
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		All factories of the company follow ISO14001 to establish an environmental management system and continue to pass third-party verification. TUV SUD verified the factory in 2023years and issued an ISO 14001 quality certificate. The validity period is from 21 February 2024 to 20 February 2027. The Company implements wastewater treatment, noise prevention, waste recycling, and toxic substance treatment following the environmental safety management system and environmental protection	None

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
			laws and regulations, uploads data to the "Environmental Protection Administration Industrial Waste Report and Management System" and "Toxic and Concerned Chemical Substances Registration and Declaration System" monthly to declare relevant report data.	
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?	V		The Company continues to strive for elevating the utilization efficiency of various resources. For instance, instead of providing paper cups, employees need to prepare drinking cups by themselves, and employees are asked to bring their tableware. Copy paper, envelopes,and paper bags are reused as official document delivery bags. Waste bags used in on-site operations are also recycled into garbage bags. The raw materials used by the company comply with the RoHS and REACH regulations of the European Union. The production unit actively handles the recycling of materials and reduces the pollution during the manufacturing process to decrease the impact on the environment.	None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		Because the Company is engaged in plastic products and compound materials, it places great importance on issues related to climate change. It requires employees to start from daily life. For example, document printing should take duplex printing, recycle and reuse. A recycling box is set up next to	None

Evaluation item	Implementation status (Note 1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
			the photocopier for recycling paper. The Company uses electronic invoices and encourages employees to transmit official documents or letters electronically. It also reduces printed faxes and directly transmits as files, which greatly reduces paper consumption. In addition, the temperature of the airconditioner in the office is set at 28 degrees in summer, and energy-saving LED T5 lamps are used for lighting. Employees respond to the company's policy to form a good habit of turning off lights and saving energy, in order to slow down global warming. Current related measures are as follows: (1) The water tank has been established to reuse the water from the chiller, and there is no deviation. (2) The wastewater used in factory production has been installed with treatment equipment and is repeatedly used in production-related operations, and there is no deviation. (3) The manufacturing process switches to more water-saving and power-saving equipment, and there is no deviation.	

Evaluation item	Implementation status (Note1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		The waste in the company's factory is only general industrial waste, and no toxic waste is produced. Allwaste is sorted at the source for waste reduction. Resources are sorted and recycled before being placed ingarbage trucks. The waste is also processed by the contents approved in the industrial waste cleanup plan and is transported to qualified incinerators for incineration according to law. The Company's manufacturing process is extrusion shaping. The air pollutants produced are mostly particulate matter pollution and volatile organic compound material. Therefore, the Company has installed 3 sets of air pollution prevention equipment and 2 sets of washing tower equipment in the factory, so that the waste gas and volatile organic compound material emission from the factory could be effectively treated to ensure compliance with regulatory requirements.The Company's wastewater during the manufacturing process is recycled and reused. There is wastewater treatment equipment in the factory, which can recycle and reuse the manufacturing process wastewater to reduce water consumption and achieve energy-saving effects. According to the schedule stipulated by the Financial Supervisory Commission,planning and guidance for greenhouse gas inventory and other related operations have been conducted.	None

Evaluation item	Implementation status (Note1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
4. Social Issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company recognizes and voluntarily abides by internationally recognized human rights standards such as the "Universal Declaration of Human Rights", "The United Nations Global Compact", "United Nations Guiding Principles on Business and Human Rights" "International Labour Organization", and respects the protection regulated in Bill of Human Rights. Following relevant labor laws, Bill of Human Rights, and Occupational Safety and Health Act, the Company has established "Regulations of Appointment Management", "Work Regulation", "Regulations of Sexual Harassment Complaint and Tackling", "Regulations of Employee Complaint Management", and "Regulations of Workplace Violence Behavior Complaint and Tackling", etc., and announced and posted on the company's website to protect the rights and interests of employees and to protect the health and safety of employees.,	None
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V		The Company's employee welfare and compensation policies are executed following the company's"Regulations of Salary Management", "Regulations of Welfare Management", "Regulations of Rewards and Punishment Management", "Regulations of Year-end Bonuses Management", and "Incentive Measures on Technology Research and Development". Additionally, according to the Company's	None

Evaluation item	Implementation status (Note1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			"Regulations of Employee Salary Management", the Company's income from continuing operations before income tax before deducting employee compensation and directors' remuneration, shall allocate no less than 1% as employee compensation. The payment objects may include the employees of the subordinate company that meet the conditions set by the board of directors. Employee's welfare: the Company has set up an employee welfare committee. The source of welfare funds: the Company allocates 0.05% of the income to plan and provide high-quality welfare for colleagues every month, such as providing uniforms, travel subsidies for employees, scholarships for employees or their children, bonuses for birthdays, weddings and birth, funeral grants, hospitalization grants, festival celebrations, etc. The company provides welfare such as group insurance, free health checks, and meal subsidies. As for the holidays, the company provides two days off per week, and paid leaves following the Labor Standards Act. Colleagues could also apply for unpaid leave when they need a longer vacation in case of childcare, serious injuries, major accidents, etc., to balance personal and family care needs. The workplace diversifies and the company accomplishes that both men and women have the same compensation with equal pay and equal promotion opportunities,	

Evaluation item	Implementation status (Note1)			Deviations from the"Sustainable Development BestPractice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			maintaining more than 14% of female officer positions to promote economic growth. In 2023, the average proportion of female employees was 33%, and the average proportion of female officers was 14%. The Company emphasizes the rights and welfare of employees. As for the hardware facilities, the company provides free parking lots, books, newspapers and magazines reading, staff restaurants, coffee bars, staff dormitories, etc., to provide convenient daily needsfor the employees. In the aspect of caring for the physical and mental health of the employees, the company arranged annual health checks. The doctors and nurses come to the factory to provide employees with stress relief and health care. In addition, an exercise space is set up, with fitness equipment and table tennis tables. Therefore, the employees could do exercise to relieve stress and achieve sports effects after work.	

Evaluation item	Imlementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		Employees are the most important assets of a company. Providing a comfortable and safe working environment is the company's commitment and the basic guarantee for employees. Therefore, establishing a good working environment to ensure the workplace safety of employees is the primary responsibility of every company. The Company emphasizes the safety and health of employees, from the physical examination of new employees, regular health checks of employees, maintenance of mechanical equipment, safety signs of mechanical equipment (Chinese and Vietnamese versions), use of personal protective equipment, training and on-the-job training of on-site employees, etc. which are well regulated and implemented. Emergency response training for various disasters will be held once a half a year to avoid accidents. The company's environmental safety personnel will go to the workplace of each factory to conduct inspections from time to time, inspect the work environment and the use of mechanical equipment on site, in order to improve the environment of the workplace, strengthen the safety protection of equipment, and reduce the occurrence of disasters. As for the dangerous mechanical equipment used in the workplace, the company also assigned personnel to receive training from training institutions and obtain	None

Evaluation item	Imlementation Status (Note 1)			Deviations from the "Sustainable Development Best Practice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			qualification certificates or licenses before they could operate and use the mechanical equipment. The company will also regularly monitor the operating environment every six months and announce the relevant monitoring results to ensure a safe and healthy working environment for employees. The management of health checks that prevent occupational disease, particularly for those who have abnormal value in special harmful working experience will also be tracked and given individual health consultation, care, and guidance as necessary. Since 2022, on-site medical care has been implemented, and professional healthcare personnel comes to the company every month. The professional doctor is arranged to provide on-site services at least once a year so that colleagues can grasp their health conditions. The total number of occupational accidents in 2023 was 0, in addition to continuous advocacy for prevention policies,and give proposing prevention policies, the on-site supervisor will also usethe morning meeting to publicize the safety of the operation and correct the unsafe operation and behaviorof the employees. The certificates currently obtained by the company include ISO9001, ISO14001, IATF16949, Global Recycled Standard (GRS), Post-Consumer Recycled resin (PCR), etc.	

Evaluation item	Implementation status (Note1)			Deviations from the "Sustainable Development Best Practice Principles of TWSE/TPEx listed Companies” and Reasons
	Yes	No	Abstract explanation	
(4) Does the company provide its employees with career development and training sessions?	V		The Company has formulated the "Regulations of Education and Training Management" to plan integrated competency training for officers and colleagues at all levels, including orientation, professional training, officer training, etc., to help colleagues continue to learn and grow through diverse learning methods. According to the training plan or demand requested by officers, the company arranged for related personnel to participate in external professional training courses to cultivate the key professional capacities of colleagues. A total of 252 people participated in the training in 2023, and the subsidiary in China has a total of 10 personnel. During the regular performance interview every year, the officer discusses with the employees and sets up an annual personal capacity development plan. Through regular inspection and feedback, the company assists the employees with building the best career capacity development plan.	None
(5)Does the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	V		The company has set up a business email for clients and an extension of business department service. The service includes customer complaints, dispute resolution, and the post-service mechanism. Customer data is managed as confidential files by Personal Data Protection Act. Non-related personnel is not allowed to view it. The company's products must comply with relevant regulations such as	None

Evaluation item	Implementation status (Note1)			Deviations from the "Sustainable Development Best Practice Principles of TWSE/TPEx listed Companies" and Reasons
	Yes	No	Abstract explanation	
			FDA/ISO/RoHS/REACH/IATF16949/ISO14001, etc. In addition to setting up "Regulations of Marketing Management" to protect consumers' rights and meet consumers' requirements for product services.	
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V		The Company follows IATF16949/ ISO14001 /PCR certification processes and formulates the company's "Regulations of Procurement Management" and "Management Procedure of Supplier Evaluation" to manage suppliers. In addition to the strict demand for quality management of the suppliers, safety and health regulations and labor-related regulations should also be followed, and if found to violate the facts, the Company will propose a deadline for improvement.	None
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?		V	The Company is classified as an enterprise with a paid-in capital of less than 2 billion. Currently, we has not yet compiled a ESG report but according to regulations, we will compile the sustainablility report for the year of 2024 in 2025 after third-party verification. We will also proceed with the submission. The company implements corporate governance, develops a sustainable environment, and maintains social welfare by following the spirit and regulation of "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"	None

The Company has formulated the company's "Sustainable Development Best Practice Principles " based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", and it was approved by the board of directors on 10 March 2022. At present, it is still handled by the above-mentioned rules and the relevant regulations of the Taipei Exchange, and there is not much difference in the current operation.
7. Other important information to facilitate a better understanding of the company's implementation of sustainable development: (a) Human Rights: The company has always paid attention to human rights and cared for the disadvantaged in society. Since 1994, the company has continuously hired physically challenged indigenous peoples. Currently, the company employs 1 physically challenged and 2 indigenous people, all of which are higher than government regulations. Additionally, a more appropriate job is arranged for the person to meet his physical conditions. (b) Energy conservation: The company cooperates with laws and government energy conservation and carbon emission reduction policies. In addition to strengthening the promotion of energy conservation, the company also installs energy-saving and water-saving tools to improve the company's internal electricity and water equipment, such as adopting energy-saving lamps and automatic water-saving valves, etc., and designating a specific person to be responsible for water and electricity switches and control. (c)Environmental Protection: The company actively invests in the development and production of eco-friendly products, such as eco-friendly biodegradable plastics, non-halogen flame retardant plastic materials, and eco-friendly recycled compound materials that meet US regulations. Additionally, the company implements environmental protection measures such as resource classification and recycling throughout the company. The current implementation has good effects. (d) Community Participation: The company is enthusiastically involved in the improvement of the community, such as assisting in the completion of the widening project of the external roads of Longxing Lane where the community is located, which has achieved good results in facilitating the entry and exit of vehicles and people in the community. Furthermore, donate funds and sponsor gifts to the Community Development Association to promote rural regeneration activities, and assist in the promotion of the Civil Defense of the Neighborhood Watches to ensure a safer and more comfortable living environment in the community. Additionally, the company holds community environment cleanup and hiking and mountain cleanup activities from time to time to maintain a clean and tidy community environment. (e) Social Welfare: Actively participate in the activities of public interest groups that care for the physically and mentally challenged, and recruit volunteers to actively engage in charity activities. (f) Safety and Health: The company pays attention to the safety and health of the factory, including setting up management personnel for labor safety and fire, and regularly promoting and organizing fire prevention and disaster prevention drills. Additionally, the company strives to improve factory safety protection measures and pollution prevention to prevent labor and factory safety incidents.

Note 1: If "Yes" is checked under implementation, please describe the key policies, strategies, measures and results adopted. If "No". is checked under implementation, please give reasons and describe relevant strategies and measures to be adopted in the future.

Note 2: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the. investors or other stakeholders of the company.

Note 3: For information on the means of disclosure, refer to the sample version of the best practice principles posted on the website. of the Corporate Governance Center. of Taiwan Stock Exchange.

4.7 Fulfillment of ethical corporate management and deviations and reasons from the " Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies "

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and state in its regulations and external correspondence the ethicalcorporate management policy and practices, as well as the active commitment of the Board of directors and management towards enforcement of such policy?	V		1. The Company formulated the "Ethical Corporate Management Best Practice Principles" which is established in chapter 45 of the Company's administrative regulations after approved by the board of directors which serves as the policy basis for the board of directors and management to actively implement their commitment to ethical business operations. The regulation specifies that directors, supervisors, managers, employees, appointees, or those with substantial control ability are prohibited from engaging in any dishonest behavior. The content of the administrative regulations and annual implementation are provided in the section of investment relations-corporate governance on the Company website and disclosed in the annual report by regulations.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		2. In response to Article 7, paragraph 2 [Illegal Political Donations] in the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", the company formulates in Article 11 in the. Administrative regulations that the company and its directors, supervisors, managers, employees, assignees and those with substantial control capabilities directly or indirectly provide donations to political parties or organizations or individuals participating in political activities shall comply with the Political Donations Act and relevant internal procedures of the company, and shall not seek commercial interests or transaction advantages. Furthermore, engaging in other business activities with risks of dishonesty in the scope of business is prohibited under each sub-item, which is based on the relevant regulations to prevent mistakes. To cooperatewith the annual internal control audit conducted by the CPAs, the company regularly assesses whether there are any activities within its scope of business that may pose a risk of dishonest behavior.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		3. In the "Ethical Corporate Management Best Practice Principles", the Company regulates the handling procedures of various violations of integrity, such as prevention of dishonest behaviors, violations of the handling procedures, rewards and punishments, complaint systems and disciplinary actions, etc., and implement them in conjunction with related internal operating methods. " Regulations Governing Procedure for Board of Directors Meetings" is included, which regulates that directors, supervisors, and manager are not allowed to participate in decision-making or voting if there is a conflict of interest in any decision-making or transaction. People who violate the regulations will be punished with warnings, demerits, deducting year-end bonuses, demotion, dismissal and taking legal actions and other punishments. The Company has formulated the"Regulations of Employee Complaint Management", which has been implemented for many years and provide a reasonable channel for the explanation.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related. clauses in business contracts?	V		(1) For companies and customers, the Company will check the current business condition through the government website and ask for related information for credit rating and filing. Both companies and customers need to sign the "Integrity Commitment" to ensure	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
			honest communications. In the contract, it stipulates the penalty rules for violating integrity transactions.	
(2) Does the company have a unit responsible for ethical corporate management on a full-time. Basis under the Board of directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of directors while overseeing such operations?	V		(2) In order to promote the setting of a dedicated unit for corporate integrity management, the General Manager's Office regularly reports the current year's implementation to the Board of Directors at the end of each year.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement them?	V		(3) The company formulates the policy of preventing conflicts of interest in the regulations, such as "Regulations Governing Procedure for Board of Directors. Meetings", "Rules Governing the Scope of Powers of Supervisors", and "Ethical Corporate Management Best Practice Principles" as compliance guidelines. There are separate provisions for avoiding the interests of directors and supervisors in the "Regulations Governing Procedure for Board of Directors Meetings" and "Rules Governing the Scope of Powers of Supervisors". All employees of the company are regulated under the " Integrity Commitment " and "Code of Conduct". The Company	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
			has set up the general manager. suggestion box and whistleblower mailbox, which can be used for statement channels.	
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	V		(4) The Company's existing integrated accounting system and internal control system, which are reviewed and revised at any time to ensure that the design and implementation of the system are continuously effective, have been able to implement the management of integrity operations. The Company's internal auditors audit every year according to the audit plan, and the audit reports are regularly submitted to the board of directors. Ernst & Young is appointed to conduct an audit of the internal control system in the middle of each year.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	V		(5) All employees of the company are required to re-sign the " Integrity Commitment " at the beginning of each year to promote the concepts of integrity and honesty. The company has also clearly stated the requirement to adhere to the "Commitment to Integrity" as the first item in the "Eight Work Standards" for Pontex' employees, and has posted large posters to emphasize the importance of ethical business operations in various domestic and overseas factories. Additionally, the company periodically collaborates with related units under the Ministry of	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
			Justice to conduct external educational and training programs to promote the importance of integrity.	
3. Operation of the integrity channel (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?	V		(1) The Company provides ethics@pontex.com as the whistle-blowing mail and assigns dedicated personnel to accept the identity of the whistleblower and the content of the report and keep it confidential. For cases of reporting violations or damage to the interests of the company, rewards will be handled following the "Regulations of Rewards and Punishment Management"	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
(2) Does the company have in place standard operating procedures for investigating. accusation cases, as well as follow-up actions and relevant post-investigatio confidentiality measures?	V		(2) The Company's investigation procedures and related confidentiality mechanisms for accepting reports are formulated in the "Ethical Corporate Management Best Practice Principles" and the "Regulations of Employee Complaint Management".	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
(3)Does the company provide proper whistleblower protection?	V		(3) The Company's reported incidents were handled by dedicated email address and personnel to protect whistleblowers from improper treatment due to leaks of information.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.

Evaluation item	Implementaion status (Note 1)			Deviations from the "Ethical Corporate Management Best Practice Principles of TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract explanation	
4. Strengthening information disclosure (1) Does the company disclose its ethical. The Corporate management policies and the. results of its implementation on the company's website and MOPS?	V		The company discloses the Ethical Corporate Management Best Practice Principles and implementation on the Company website, annual report, and MOPS, updates the content of theimplementation report and submitted to the board of directors every year.	Compliance with the integrity and operation guidelines for listed and over-the-counter companies / None.
5. If the company has established ethical corporate management policies based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the policies and their implementation. The Company formulated the "Ethical Corporate Management Best Practice Principles" based on the content announced by the authority, incorporated it into the company's management regulations, and disclosed it on the company's website. There is no difference in operation.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies: According to the various regulations of public companies, the Company has formulated operation regulations, except for the above mentioned "Regulations Governing Procedure for Board of Directors Meetings" to avoid the interests of directors. The Company has also formulated "Management of Avoiding Insider Trading", " Procedure of Tackling Internal Material Information" and other measures which are helpful for ethical corporate management, and the latest regulations of the competent authority are considered to make amendments to the provisions.				

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

4.8 If the company has formulated the Corporate Governance Best Practice Principles and related rules and. regulations, the way of searching should be disclosed: Forthe company's "Corporate Governance Best Practice Principles", please visit the company's official website link (http://www.pontex.com) or check the corporate governance page on the Market Observation Post System.

4.9 Other important information regarding corporate governance:

For the Company's "Corporate Social Responsibility Best Practice Principles", please visit the Company's. official website link (http://www.pontex.com) or check the corporate governance page on the Market Observation Post System.

4.10 Implementation of internal control for disclosure:

1. Declaration of internal control: Please refer to p.55.

2. If a CPA is appointed to conduct a special audit on the internal control system, disclose the auditor's report: None.

4.11 The Company and insiders were punished under the law or the violation of the internal control system up to the date this report was printed. If the punishment result may have a significant impact on shareholders'. rights or securities prices, the content, the major defect, and the status of rectification shall be specified: None.

4.12. Major Resolutions of Shareholders' Meetings and Board Meetings in the most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report:

Date	Resolution	Impletmentation
2023.06.07	1. Adoption of the 2022 Business Report and Financial Statements	Approved.
	2. Adoption of 2022surplus earning or loss off-setting.	Approved, and the implementation has been completed in accordance with the resolution of the shareholders' meeting.
	1.Discussion of surplus profit distributed in the form of new shares.	Approved.
	2. Discussion of amending "Regulations of Electing Director and Supervisor".	Approved.
	3. Approval of discussing the proposal of handling private placement of common stock.	Approved.

Date	Board of directors	Major resolutions
2023.03.09	Board of director	1. Proposal of 2021 Statement of Internal Control System. 2. Proposal of 2022 distribution of employee's salary and director and supervisor's remuneration. 3. Proposal of 2022 business report and financial statement. 4. Proposal of 2022 distribution of earnings. 5. Proposal of surplus profit distributed in the form of new shares. 6. Proposal of 2023 regular meeting of shareholders' date, time and place and other matters. 7. Proposal of releasing the prohibition on directors from participation in competitive business 8. Proposal of accepting the proposal from the shareholders holding one percent (1%). 9. Amendment of "Regulation for Director's Election". 10. Amendment of Rules of Procedure for Board of Directors Meetings. 11. Proposal of 2022 performance evaluation result of the board of directors. 12. Proposal of making of endorsements/guarantees for VietNam Pontex. 13. Proposal of formulating the approval of general principles in non-assurance service policy in advance. 14. Proposal of formulating the issue price of private placement of common shares.
2023.03.23	Board of director	1. Proposal of report on the payment status of the issuance of private placement common shares and adjustment of the number of subscribed shares.
2023.03.31	Board of director	1. Proposal of the Company's director by-election. 2. Amendment of 2023 regular meeting of shareholders' date, time and place and other matters. 3. Proposal of accepting the candidate nomination of directors from shareholders holding one percent (1%).

2023.04.27	Board of director	1. Proposal of the Company's 2023 independent assessment of CPAs and the appointment remuneration for the certified accountants. 2. Discussion of resolution for director candidate list nominated in 2023 regular shareholders' meeting. 3. Proposal of the report on the handling of the private placement of common stock approved in the Company's 2022 regular shareholders' meeting. 4. Proposal of handling the private placement of common stock. 5. Amendment of the reason for 2023 regular shareholders' meeting. 6. Proposal of releasing the prohibition on directors from participation in competitive business. 7. Proposal of setting up a corporate governance supervisor of the Company.
2023.08.03	Board of director	1. Proposal of authorize the chairman fully handle the 2022 surplus profit distributed in the form of new shares, and "establish the new share issuance record date,distribution date,and other matters. 2. Proposal of authorize chairman to handle the margin purchase with First Bank. 3. Proposal of the planning schedule of greenhouse gas inventory and verification. 4. Proposal of formulating the issue price of private placement of common stock.
2023.11.09	Board of director	1. Proposal of the Company's 2024 audit plan. 2. Proposal of 2024 business report. 3. Proposal of appoint Xu,Ji-Shan,Independent Director, as member of the Remuneration Committee. 4. Proposal of 2023 year-end bonuses of managers and directors. 5. Proposal of the transcation model,reasonableness,necessity of raw material resale, inventory control(including physical inventory management and subsequent inventory disposition),and appropriateness of accounting treatment for reassessing the transation model for raw material resale. 6. Proposal the company's fund lending case. 7. Proposal of the additional overtime expenses of Ernst & Young Global Limited by handling the Company's substantive examination.
2024.01.11	Board of director	1. Proposal of the replacement of the accounting firm and CPA from the fourth quarter in 112th year of R.O.C, and assess the independence and suitability of the auditor. 2. Proposal of the remuneration of the newly appointed CPA of the Company.1

2024.03.07	Board of director	1. Proposal of 2023 Statement of Internal Control system. 2. Proposal of 2023 bussniness report and financial statement. 3. Proposal of 2023 company losses. 4. Proposal of the Company’s Independent Diretor by-election. 5. Proposal of 2024 regular meeting of shareholders date,time, place,and other matters. 6. Proposal of the releasing the prohibitation on directors from participation in competitive business. 7. Proposal of accepting the proposal from the shareholders holding one percent (1%) 8. Proposal of accepting the candidate nomination of shareholders,directors and independent directors who holding one percent(1%) 9. Proposal of the result of regulation for performance evaluation for the board of directors. 10. Proposal of making of endorsements/guarantees for VietNam Pontex. 11. Proposal of formulating the issue price of private placement of common stock.
2024.04.25	Board of director	1. Discussion of resolution for director candidate list nominated in 2024regular shareholders’ meeting. 2. Proposal of the report on status, capital utilization,progress of implementation and the handling of the private placement of common stock, approved in the Company’s the year of 2022 and 2023 regular shareholder’s meeting. 3. Proposal of the amendment of "Procedure of tackling internal material information and avoiding insider trading management" 4. Proposal of releasing the prohibition on directors from participation in competitive business.

4.13 Major contents of any dissenting opinions on record or stated in a written statement made by directors or supervisors regarding material resolutions of the board meeting in the most recent year up to the publication date of this annual report: None.

4.14 Resignation or dismissal of the Company’s chairman, general manager, and heads of accounting, finance, internal audit, corporate governance and R&D in the recent year to the date of the annual report was printed: None.

The Status of resignation or Dismissal of the Company’s Key Individuals.

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
General Manager of important subsidiaries,Pontex(Q.Y)Polyblend Co.,Ltd. and Vietnam Bang Tai Polyblend Co.,Ltd.	Tseng,San-Pi	2010.09.01	2024.03.31	Retirement

Note：The Term “company’s key Individuals” refers to the Chairman, CEO, and Heads of Accounting, Finance, Internal Audit, Corporate Governance and R&D officer.

Pontex Polyblend Co., Ltd.
Statement of Internal Control System

Date: March 7, 2024

Based on the findings of a self-assessment, Pontex Polyblend Co., Ltd. states the following with regard to its internal control system during the year 2023:

1. Pontex Polyblend Co., Ltd.'s Board of Directors and management are responsible for establishing,implementing, and maintaining an adequate internal control system. The internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.

2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Pontex Polyblend Co., Ltd. takes immediate remedial actions in response to any identified deficiencies.

3. Pontex Polyblend Co., Ltd. evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items which can be found in the Regulations.

4. Pontex Polyblend Co., Ltd. has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

5.Based on the findings of such evaluation, Pontex Polyblend Co., Ltd. believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.

6.This Statement is an integral part of Pontex Polyblend Co., Ltd.'s annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

7.This Statement was passed by the Board of Directors in their meeting held on March 7 2024, with none of the 10 attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Pontex Polyblend Co., Ltd.
Chairman: Henry Global Investment Co., Ltd.
General Manager: Shen,Mao-Ken

3.5 Information Regarding the Company's Audit Fee of CPA

Unit: NT$thousands

Accounting Firm	Name of CPA	Period Coverd of CPA's Audit	Aduit Fee	Non-audit fee	Total	Remark
Ernst &Young Taiwan	Huang,Zi-Ping, Chen,Ming-Hong	2023.01.01~2023.09.30	2,750	1,943	4,693	
Lan-Jai CPA's Firm	Ciou,Lang-Min, Jian,Jhih-Hong	2023.10.01~2023.12.31	1,100	750	1,850	

Please describe in detail the content of the non-audit fees:

(1) The non-audit fee services provided by Ernst & Young included the public fee of amending the company's Articles of Incorporation and changes in the registration in the Ministry of Economic Affairs, internal control, and the inspection period to the company's quarterly reports, and annual reports of 2023, including fare, typing, photocopying, and binding fees).

(2) The non-audit fee provided by Lan-Jai included tax visas, transfer pricing, financial report of English version and annual report of shareholders' meeting and ending internal control fees.

6. Change of CPA:

(1) Regarding the former CPA:

Replacement Date	2024.01.15
Replacement reasons and explanations	Take the business and management needs into consideration.
Describe whether the Company terminated or the CPA did not accept the appointment	The company terminated the appointment voluntarily.
Other issues (except for unqualified issues) in the audit reports within the last two yers.	None
Differences with the compnay	None
Other Revealed Matters	None

(2) Regarding the successor CPA:

Name of accounting firm	Lan-Jai CPA's Firm
Name of CPA	Ciou,Lang-Min, Jian,Jhih-Hong
Date of appointment	2024.01.15
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None
Succeeding CPA's written opinion of disagreement toward the former CPA.	None

3.7 The Chairman, President and Financial or Accounting Manager of the Company Who Has, in the Most Recent Year, Held a Position at the Accounting Firm of Its CPA or at an Affiliated Company: None.

3.8 In the Previous Period to the Date This Report Was Printed, The. Transfer of Shares or Changes in the Pledge of Shares Under Lien by the Directors, Managers, and Shareholders Holding More Than 10% of the Shares Issued by the Company.

8.1 Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders:

Unit: shares

Titles	Name	2023		As of April 8 of current year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Major Sharehlder	Lin,Yu-Zhe	0	0	15,500,000	0
Chairman	Henry Global Investment Co., Ltd	132,455	0	0	0
Chairman, Representative of the juridical person, and general manager	Shen,Mao-Ken	108,485	0	0	0
Director	Teng Tsai investment Co.,Lt	33,783	0	0	0
Representative of juridical person director	Xiong,Di-Jun	13,245	0	0	0
Director	Jung-Shiung Investment Co.,Ltd.	22,342	0	0	0
Representative of juridical person director	Zheng,Rong-Zhu	2,835	0	0	0
Director	Bang- Tai Investment Co.Ltd.	264	0	0	0
Representative of juridical person director	Chen,Zong-Yi	185	0	0	0
Director	Jia-Jie Approachable Co.,Ltd.	26	0	0	0

Titles	Name	2023		As of April 8 of current year	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Representative of juridical person director	Xu,Yin-Zhu	0	0	0	0
Director	Houndey enterprise Co.,Ltd	176,589	0	0	0
Representative of juridical person director	Huang,Qi-Wen	0	0	0	0
Director	Chang, Ming-Tung	43,286	0	0	0
Independent Director	Shen,Xiu-Xiong	15,755	0	0	0
Independent Director	Xu,Ji-Shan	0	0	0	0
Independent Director	Li,Wen-Bin	0	0	0	0
General Manager	Yu,You-Fa	61,813	0	0	0
Vice general Manager	Wu,Mei-Ling	609	0	0	0
Executive Senior Manager	Hong,Jing-Cheng	0	0	0	0
Senior Manager	Lin,Xian-Yuan	327	0	0	0
Senior Manager	Liao, Shih-Yuan	0	0	0	0
Financial /Accounting officer	Zhung,Xiu-Ju	129	0	0	0

Note 1: Director, Lai,Xing-Yi resigned as a director of Pontex Ployblend Co.,Ltd on March 23. 2023.

Note 2: Independent director, Guo,Tian-Cai resigned as an independent of director of. Pontex Polyblend Co.,Ltd. on August 15,2023.

Note 3: Vice General Manager,Tseng,San-Pi,resigned (retirement) as a vice general manager. of Pontex Polyblend Co.,Ltd. on March 31,2024.

8.2 Information on transfer of shares: None

8.3 Information on Shares Pledge with Related Parties: None.

The Company’s director, supervisor, manager, or shareholder with a stake of more than 10 percent and the counterparty in equity interests are not a related party,therefore, not applicable.

3.9 The information of Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives within Two Degrees.

The information of Relationship Between the Company's Top Ten Shareholders

April 8, 2024

Name (Note 1.)	Current Shareholding		Spouse's/minor's children Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
Lin,Yu-Zhe	15,500,000	13.66%	0	0	0	0%	None	None	None
Houndey enterprise Co.,Ltd	6,842,589	6.03%	0	0%	0	0%	None	None	None
Henry Global Investment Co.,Ltd	5,132,455	4.52%	0	0%	0	0%	None	None	None
Representive: Shen,Mao-Ken	2,278,485	2.01%	1,416,557	1.25%	0	0%	Lai,Xing-Yi	Spouse	None
Yu,You-Fa	2,395,180	2.11%	170,825	0.15%	0	0%	None	None	None
Shen,Mao-Ken	2,278,485	2.01%	1,416,557	1.25%	0	0%	Lai,Xing-Yi	Spouse	None
Tseng,San-Pi	2,155,787	1.90%	13,964	0.01%	0	0%	None	None	None
Daily Polymer Corp.	2,092,718	1.84%	0	0%	0	0%	None	None	None
Chang, Ming-Tung	1,677,282	1.48%	0	0%	0	0%	Shen,Mao-Ken	Second degree relative by marriage	None

Name (Note 1.)	Current Shareholding		Spouse's/minor's children Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
Wang,Bo-Jun(Note4)	1,433,153	1.26%	0	0%	0	0%	None	None	None
Lai,Xing-Yi	1,416,557	1.25%	2,278,485	2.01%	0	0%	Shen,Mao-Ken	Spouse	None

Note 1: List the top 10 shareholders, if the shareholders are institutional shareholders, list the names of the institutions and the representatives separately.

Note 2: The proportion of shareholding should include the holding in the own name of the. person, by a spouse, minor, or nominee in the calculation.

Note 3: Disclose the relation of the shareholders, including institutions and natural persons, in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers.

Note 4. The shareholder is not an insider reported by the company, therefore, the information related to their spouse,minor children, or Shareholding by nominee arrangement cannot be obtained.

3.10 The Quantity of Shares Issued by the Investee Company Held Jointly by the Directors, Supervisors,Managers,and Direct or Indirect Controlled Entity of the Company,and the Proportion of Shares Under Joint Holding:

Combined calculation of the comprehensive shareholding ratio

Unit: Shares;%

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/ Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Multitex Polyblend co.,LTD	6,000,020	100%	0	0%	6,000,020	100%
Pontex(Q.Y.) Polyblend Co.,Ltd.	6,000,020	100%	0	0%	6,000,020	100%
Polytech Global Limited	9,060,000	100%	0	0%	9,060,000	100%
Cleated Molding Global Limited	9,060,000	100%	0	0%	9,060,000	100%
Vietnam Pontex Polyblend Co.,Ltd.	9,060,000	100%	0	0%	9,060,000	100%

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Sources of Capital

Month/Year	Par Value	Authorized Capital		Capital Stock		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$thousands)	Capital Increased by Assets Other than Cash	Other
December,1982	10	200,000	2,000,000	200,000	2,000,000	Original Investment	None	
September,1986	10	1,250,000	12,500,000	1,250,000	12,500,000	Cash capital increase NT$ 10,500 thousands	None	
August ,1987	10	2,500,000	25,000,000	2,500,000	25,000,000	Cash capital increase NT$12,500 thousands	None	
May, 1991	10	14,046,800	140,468,000	14,046,800	140,468,000	Capitalization of addition paid-in capital NT$115,468 thousands	None	
July,1996	10	17,558,500	175,585,000	17,558,500	175,585,000	Capitalization of addition paid-in capitalNT$ 21,070 thousands, capitalization of retained earnings NT$14,047 thousands	None	Note (1)
October, 1998	10	19,314,350	193,143,500	19,314,350	193,143,500	Capitalization of retained earnings NT$ 17,558 thousands	None	Note (2)

Month/Year	Par Value	Authorized Capital		Capital Stock		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$thousands)	Capital Increased by Assets Other than Cash	Other
July,1999	11	33,168,000	331,680,000	33,168,000	331,680,000	Capitalization Of rerained Earnings NT$23,177 thousands, Cash Capital increase NT$115,359	None	Note (3)
December,2000	13	50,000,000	500,000,000	42,123,360	421,233,600	Capitalization of retained earnings NT$33,168 thousands, Capitalization of additionall paid-in capital NT$6,634 thousands, Cash capital increase NT$49,752	None	Note (4)
August ,2001	10	60,000,000	600,000,000	47,178,163	471,781,630	Capitalization of retained earnings NT$ 21,062 thousands, Capitalization of additional paid-in capital NT$29,486 thousands.	None	Note (5)
April,2002	10	100,000,000	1,000,000,000	52,839,543	528,395,430	Capitalization of retained earnings NT$56,614 thousands	None	Note (6)

Month/Year	Par Value	Authorized Capital		Capital Stock		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$thousands)	Capital Increased by Assets Other than Cash	Other
June,2002	29	100,000,000	1,000,000,000	67,939,543	679,395,430	Cash capital Increase NT$ 151,000 thousands	None	Note (7)
July,2003	10	120,000,000	1,200,000,000	76,092,289	760,922,890	Capitalization of retained earnings NT$ 40,764 thousands, Capitalization of additional paid-in capital NT$40,763 thousands	None	Note (8)
March ,2004	10	120,000,000	1,200,000,000	76,351,901	763,519,010	Convertible corporate bonds NT$ 2,596 thousands	None	Note (9)
June,2004	10	120,000,000	1,200,000,000	97,197,986	971,979,860	Convertible corporate bonds NT$ 208,460 thousands	None	Note (10)
September,2005	10	120,000,000	1,200,000,000	101,209,448	1,012,094,480	Convertible corporate bonds NT$ 40,115 thousands	None	Note (11)
December,2005	10	120,000,000	1,200,000,000	104,233,748	1,042,337,480	Convertible corporate bonds NT$ 30,243 thousands	None	Note (12)
February ,2006	10	120,000,000	1,200,000,000	106,463,617	1,064,636,170	Convertible corporate bonds NT$ 22,299 thousands	None	Note (13)

Month/Year	Par Value	Authorized Capital		Capital Stock		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$thousands)	Capital Increased by Assets Other than Cash	Other
July,2006	15	200,000,000	2,000,000,000	142,963,617	1,429,636,170	Cash capital increase NT$365,000 thousands	None	Note (14)
August,2008	10	200,000,000	2,000,000,000	150,111,797	1,501,117,970	Capitalization of additional paid-in capital NT$50,037 thousands Capitalization of retained earnings NT$21,445 thousands	None	Note (15)
June,2009	10	200,000,000	2,000,000,000	101,902,107	1,019,021,070	Capital reduction of NT$482,097 thousands	None	Note (16)
June,2009	10	200,000,000	2,000,000,000	151,902,107	1,519,021,070	Cash capital increase NT$500,000 thousands	None	Note (17)
Novemberm2010	10	350,000,000	3,500,000,000	201,902,107	2,019,021,070	Cash capital increase NT$500,000 thousands	None	Note (18)
August ,2013	10	350,000,000	3,500,000,000	120,306,391	1,203,063,910	Capital reduction of NT$815,957 thousands	None	Note (19)
Septmeber,2017	10	350,000,000	3,500,000,000	84,300,000	843,000,000	Capital reduction of NT$360,064 thousands	None	Note (20)
April,2023	10	350,000,000	3,500,000,000	90,966,000	909,660,000	Private cash capital increase NT$ 66,660,000	None	Note (21)

Month/Year	Par Value	Authorized Capital		Capital Stock		Remark		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of Capital (NT$thousands)	Capital Increased by Assets Other than Cash	Other
September,2023	10	350,000,000	3,500,000,000	95,466,000	954,660,000	Private cash capital increase NT$ 45,000,000	None	Note (22)
November,2023	10	350,000,000	3,500,000,000	97,995,000	979,950,000	capitalization of retained earnings NT$ 25,290,000	None	Note (23)
April,2024	10	350,000,000	3,500,000,000	113,495,000	1,134,950,000	Private cash capital increase NT$155,000,000	None	Note (24)

Note (1): Ministry of Economic Affairs Jing (85) Shan No. 114875 dated 17 September ,1996.
Note (2): Ministry of Economic Affairs Jing (87) Shan No. 138263 dated 25 November,1998.
Note (3): Ministry of Finance Securities and Futures Bureau (SFB) Letter (88) Tai-Tsai-Cheng-(Yi) No. 58040 dated 3 July1999
Note (4): Ministry of Finance Securities and Futures Bureau (SFB) Letter (89) Tai-Tsai-Cheng (Yi) No. 83785 dated 9 October 2000
Note (5): Ministry of Finance Securities and Futures Bureau (SFB) Letter (90) Tai-Tsai-Cheng- (Yi) No. 150145 dated 6 August 2001
Note (6): Ministry of Finance Securities and Futures Bureau (SFB) Letter (91) Tai-Tsai-Cheng-(Yi) No. 117459 dated 18 April 2002
Note (7): Ministry of Finance Securities and Futures Bureau (SFB) Tai-Tsai-Cheng-(Yi) No.09100129621 dated 6 June 2002
Note (8): Ministry of Finance Securities and Futures Bureau (SFB) Tai-Tsai-Cheng-(Yi) No. 0920130142 dated 7 July 2003
Note (9): Ministry of Finance Securities and Futures Bureau (SFB) Tai-Tsai-Cheng-(Yi) No. 0920153663 dated 21 November 2003
Note (10): Ministry of Economic Affairs Jing-Shou-Shan No. 0930197460 dated 23 July 2004.
Note (11): Ministry of Economic Affairs Jing-Shou-Shan No. 09401207590 dated 20 October. 2005.
Note (12): Ministry of Economic Affairs Jing-Shou-Shan No. 09501012420 dated 19 January 2006
Note (13): Ministry of Economic Affairs Jing-Shou-Shan No. 09501045230 dated 17 March 2006
Note (14): Ministry of Economic Affairs Jing-Shou-Shan No. 09501128510 dated 3 July 2006
Note (15): Ministry of Economic Affairs Jing-Shou-Shan No. 09701194380 dated 13 August 2008
Note (16): Ministry of Economic Affairs Jing-Shou-Shan No. 09801128430 dated 26 June 2009
Note (17): Ministry of Economic Affairs Jing-Shou-Shan No. 09801247650 dated 27 October 2009
Note (18): Ministry of Economic Affairs Jing-Shou-Shan No. 09901260570 dated 19 November 2010
Note (19): Ministry of Economic Affairs Jing-Shou-Shan No. 10201172320 dated 22 August. 2013
Note (20): Ministry of Economic Affairs Jing-Shou-Shan No. 10601122460 dated 6 September 2017
Note (21): Ministry of Economic Affairs Jing-Shou-Shan No. 11230059130 dated 18 April 2023
Note (22): Ministry of Economic Affairs Jing-Shou-Shan No. 11230168310 dated 6 September 2023
Note (23): Ministry of Economic Affairs Jing-Shou-Shan No. 11230206900 dated 22 November 2023
Note (24): Ministry of Economic Affairs Jing-Shou-Shan No. 11330050660 dated 09 April 2024

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total Shares	
Registered Common Shares	113,495,000	263,466,800	350,000,000	OTC-Listed stock

Information for shelf registration: None.

4.1.2 Status of shareholders

Status of Shareholders

8 April,2024

Type of Shareholders / Number	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	0	175	21,087	13	21,275
Shareholding (shares)	0	0	21,993,201	91,385,482	116,317	113,495,000
Percentage	0.00%	0.00%	19.38%	80.52%	0.10%	100.00%

4.1.3 Shareholding distribution status

Shareholding Distribution Status

Par value NT$10 per share. April 8, 2024

Class of Shareholding (Unit:Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1~ 999	17,986	709,983	0.63%
1,000~ 5,000	1,920	4,121,363	3.63%
5,001~ 10,000	524	3,572,855	3.15%
10,001~ 15,000	242	2,848,751	2.51%
15,001~ 20,000	106	1,824,442	1.61%
20,001~ 30,000	128	3,035,631	2.68%
30,001~ 40,000	51	1,748,110	1.54%
40,001~ 50,000	53	2,329,039	2.06%
50,001~ 100,000	101	7,052,970	6.21%
100,001~ 200,000	82	10,518,020	9.27%
200,001~ 400,000	39	11,427,045	10.07%
400,001~ 600,000	14	6,686,329	5.89%
600,001~ 800,000	7	4,611,962	4.06%
800,001~1,000,000	5	4,274,197	3.76%
1,000,001 or over	17	48,724,303	42.93%
Total	21,275	113,495,000	100.00%

Preferred Shares: None.

4.1.4 List of Major Shareholders:

The list of shareholders holding more than 5% of the shares or the top 10 shareholders in terms of shareholding ratio.

April 8,2024

Shares / Major shareholders	Shareholding Shares	Shareholding Percentage(%)
Lin,Yu-Zhe	15,500,000	13.66%
Houndey enterprise Co.,Ltd	6,842,589	6.03%
Henry Global Investment Co.,Ltd	5,132,455	4.52%
Yu,You-Fa	2,395,180	2.11%
Shen,Mao-Ken	2,278,485	2.01%
Tseng,San-Pi	2,155,787	1.90%
Daily Polymer Corp.	2,092,718	1.84%
Chang,Ming-Tung	1,677,282	1.48%
Wang,Bo-Jun	1,433,153	1.26%
Lai,Xing-Yi	1,416,557	1.25%

4.1.5 Market price, net worth, earnings, and dividends per share in recent two years:

Unit:NT$

Year / Item			2022	2023	As of 31 March 2024 (Note 8)
Market Price Per Share (Note 1)	Highest Market Price		16.70	13.40	12.75
	Lowest Market Price		10.20	10.50	10.90
	Average Market Price		14.11	12.07	11.53
Net Worth Per Share (Note 2)	Before Distribution		9.94	8.83	8.97
	After Distribution		9.65	-	-
Earnings per Share	Weighted Average Sahres (thousand shares)		86,829	93,705	99,869
	Earning per Share (Note 3)		0.32	(0.75)	(0.15)
Dividends Per Share	Cash Dividends		-	-	-
	Stock Dividend distrubtion	Dividends from Retained Earnings	0.26491107	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends (Note 4)		-	-	-
Return on Investment	Price/Earnings ratio (Note 5)		44.09	-	-
	Price / Dividend ratio (Note 6)		-	-	-
	Cash Dividend Yield (Note 7)		-	-	-

*If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: Set forth the highest and lowest market prices per common share for each year and calculate each year's average market price based on that year's transaction value and transaction volume.

Note 2: Please refer to the number of shares issued at the end of the year and fill in the. distribution according to the resolution of the Board of directors or the next year's shareholders' meeting.

Note 3: If there is a retroactive adjustment due to stock dividend distribution or other. conditions, the adjustment before and after earnings per share shall be listed.

Note 4: If unpaid dividends in the current year might be accumulated and distributed in a. profitable year are formulated in the issuance condition of equity securities, the cumulated and unpaid dividends up to the current year shall be disclosed respectively.

Note 5: Price/Earnings Ratio = Average Market Price / Earnings per Share

Note 6: Price/Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7: Cash Dividend Yield = Cash Dividends per Share / Average Market Price

Note 8: The net worth per share and earnings per share shall be filled in with the information. audited (reviewed) by a CPA for the most recent quarter up to the date of publication of the annual report. The other columns shall be filled with the data of the current year up to the date of publication of the annual report.

4.1.6 Dividend Policy and Implementation Status:

1. Dividend Policy

According to the company's Articles of Incorporation, the company is growing. Considering the company's long-term financial planning and capital needs, the distribution of earnings is the company's annual settlement. The company shall after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. Additionally, after contributing or reversing the special reserve by the regulations of the authority, the Board of directors shall propose distribution for the net remainder and the accumulated undistributed earnings of the previous year and submit to the shareholders' meeting for a resolution on shareholder dividends, and allocate the net remainder:

a. Employee bonuses should be allocated no less than 1% as employee compensation, and the Board of Directors suggests distribution according to the current year's earnings. The object of distribution of dividends and bonuses is authorized by the Board of Directors to the chairman by the Company's "Regulation of employee dividends".

b. The remuneration of directors and supervisors shall not exceed 8%, and the Board of. Directors shall suggest distribution according to the current year's earnings.

c. The company's dividend policy should take into account the profit situation, capital structure, and future operational needs. Every year, the Company will allocate no less than 10% of distributable earnings to distribute to shareholders as dividends. However, if the dividend per share based on the distributable earnings is less than 0.5 yuan, it may not be distributed. The dividends may be distributed in cash or stock, but the maximum limit for stock dividends is 10% of the total dividend amount. After the Board of Directors drafts the earnings distribution plan, it shall be submitted to the shareholders' meeting for decision.

2. Proposed distribution of dividends at the annual shareholders’ meeting: None

Due to the company’s net loss after tax in the year of 2023 was NT$69,898 thousand dollars ,and accumulated deficit in the year of 2023 was 69,909 thousand dollars. Therefore, there isn’t any dividend ditrstrution this period.

4.1.7 Impact on 2023 business performance and EPS resulting from stock dividend distribution proposed in shareholders' meeting: None.

4.1.8 Compensation of Employees, Directors and Supervisors:

1.According to the Company's Articles of Incorporation, the company is growing. Considering the company's-term financial planning and capital needs, the distribution of earnings is the company's annual settlement. The company shall after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve.Additionally, after contributing or reversing the special reserve by the regulations of the authority, the board of directors shall propose distribution for the net remainder and the accumulated undistributed earnings of the previous year, and submit to the shareholders' meeting for a resolution on shareholder dividends, and allocate the net remainder:

a. Employee bonuses should be allocated no less than 1% as employee compensation,and the Board of Directors suggests distribution according to the current year's earnings. The object of distribution of dividends and bonuses is authorized by the Board of Directors to the chairman by the Company's "Regulation of Employee Dividends ".

b. The remuneration of directors and supervisors shall not exceed 8%, and the Board of. Directors shall suggest distribution according to the current year's earnings.

c. The company's dividend policy should take into account the profit situation, capital. structure, and future operational needs. Every year, the Company will allocate no less than 10% of distributable earnings to distribute to shareholders as dividends. However, if the dividend per share based on the distributable earnings is less than 0.5 yuan, it may not be distributed. The dividends may be distributed in cash or stock, but the maximum limit for stock dividends is 10% of the total dividend amount. The balance shall be retained by the laws and regulations. After the Board of Directors drafts the earnings distribution plan, it shall be submitted to the shareholders' meeting for decision.

2.The basis for estimating the amount of employee, director, and supervisor. compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: None.

3. The distribution condition of compensation approved by the Board of Directors:

(1) The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: None.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None.

4.The actual allocation of employees' , directors' and supervisors' compensation which. include the number, amount, and stock price in the previous year. If there is any difference between the listed employees', ,directors' and supervisors' compensation, the difference, reason, and solution shall be stated: None.

4.1.9 Buy-back of Treasury Stock: None.

4.2 Corporate Bonds: None

4.3 Preferred Shares: None

Preferred Shares with Warrants: None

4.4. Global Depository Receipts: None

4.5. Employee Stock Option Plan: None

1. The annual report shall disclose unexpired employee subscription warrants issued by the company in existence as of the date of publication of the annual report and shall explain the effect of such warrants upon shareholders'equity. Any privately placed employee subscription warrants shall be prominently. identified as such: None.

2. Up to the date of publication of the annual report, employee stock options were granted. to the management team and the top 10 employees: None.

4.6. Issuance of New Restricted Employee Shares: None

1. For all new restricted employee shares for which the vesting conditions have not yet been. met for the full number of shares, the annual report shall disclose the status up to the date of publication of the annual report and the effect on shareholders' equity: None.
2. Up to the date of publication of the annual report, employee restricted stock was granted. to the managementteam and the top 10 employees: None.

4.7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

4.8 Funding Plans and Implementation:

Item	Implementation
Project Content	Private placement of Private cash capital increase common shares in the year of 2022.
Date and Amount approved by the shareholder’s meeting	The company's shareholders' meeting, held on June 2, 2022, resolved to authorize the board of directors to conduct private placement cash capital increase for common shares up to 30,000,000 shares within one year from the date of the shareholders' meeting resolution, to be conducted in three installments.
Fund resourses	On March 23, 2023, the first fund-raising was completed, issuing 6,666,000 shares at a price of NT$10.00 per share, total was NT$66,660,000. There remained an unissued quota of 23,334,000 shares. As the deadline approached, the board of directors approved on April 27, 2023, and the shareholders' meeting on June 7, 2023, passed the resolution to discontinue further proceedings.
Funding plans and implementation	Enriched operation capital, improved financial structure, repaid bank loans ,and all private placement funds have been fully utilized.
Benefit analysis of the plan	The financial structure has been improved, been reduced current liablities and interest expense, and been increased the current ratio and quick ratio.

Item	Implementation	
The date of submission to the information reporting website	Relevant information should be reported within two days from the date of the board resolution.	April 21, 2022
	Relevant information should be reported within two days from the actual pricing date.	Phase 1: March 9 ,2023
	Relevant information should be reported within fifteen days from the completion date of the payment of capital or pric	Phase 1: March 23,2023
	Quarterly Report on the Utilization of Private Placement Securities Funds	Phase 1: July 10 ,2023

Item	Implementation	
Project Content	Private placement of Private cash capital increase common shares in the year of 2023.	
Date and Amount approved by the shareholder's meeting	The company's shareholders' meeting, held on June 7, 2023, resolved to authorize the board of directors to conduct private placement cash capital increase for common shares up to 20,000,000 shares within one year from the date of the shareholders' meeting resolution, to be conducted in three installments.	
Fund resourses	On August 17, 2023, the first fund-raising was completed, issuing 4,500,000 shares at a price of NT$10.00 per share, total was NT$45,000,000. On March 21, 2024, the second fund-raising was completed, issuing 15,500,000 shares at a price of NT$10.00 per share, total was NT$155,000,000. ◦	
Funding plans and implementation	Enriched operation capital, improved financial structure, repaid bank loans ,and all private placement funds have been fully utilized in the first phrase of the year 2023. Enriched operation capital, improved financial structure, repaid bank loans. However, private placement funds haven't been utilized in the second phrase of the year 2023.	
Benefit analysis of the plan	The financial structure has been improved, been reduced current liablities and interest expense, and been increased the current ratio and quick ratio.	
The date of submission to the information reporting website	Relevant information should be reported within two days from the date of the board resolution.	April 27th ,2023
	Relevant information should be reported within two days from the actual pricing date.	Phase 1: August 3,2023 Phase 2: March 7 ,2024
	Relevant information should be reported within fifteen days from the completion date of the payment of capital or price.	Phase 1: August 17,2023 Phase 2: March 21 ,2024
	Quarterly Report on the Utilization of Private Placement Securities Funds	Phase 1: January 10,2024 Phase 2: April 10 ,2024

Item	Implementation	
		July 10 , 2024 (Estimated)

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1. Major Business:

According to the Company's Business Scope in the Change Registration Form the main business as below:

(1) C801100 Synthetic Resin and Plastic Manufacturing
(2) C801990 Other Chemical Materials Manufacturing
(3) C805070 Reinforced Plastic Products Manufacturing
(4) C805050 Industrial Plastic Products Manufacturing
(5) C801030 Precision Chemical Material Manufacturing
(6) C805990 Other Plastic Products Manufacturing
(7) F107200 Wholesale of Chemical Feedstock
(8) F207200 Retail Sale of Chemical Feedstock
(9) F107990 Wholesale of Other Chemical Products
(10) F207990 Retail Sale of Other Chemical Products
(11) CK01010 Footwear Manufacturing
(12) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing. Accessories
(13) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
(14) CF01011 Medical Devices Manufacturing
(15) F108031 Wholesale of Medical Devices
(16) F208031 Retail Sale of Medical Apparatus
(17) CA04010 Surface Treatments
(18) CQ01010 Mold and Die Manufacturing
(19) F106030 Wholesale of Molds
(20) F206030 Retail Sale of Die
(21) CC01080 Electronics Components Manufacturing
(22) F119010 Wholesale of Electronic Materials
(23) F219010 Retail Sale of Electronic Materials
(24) CE01030 Optical Instruments Manufacturing
(25) F113030 Wholesale of Precision Instruments
(26) F213040 Retail Sale of Precision Instruments
(27) CN01010 Furniture and Decorations Manufacturing
(28) F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
(29) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
(30) F107030 Wholesale of Cleaning Supplies
(31) F207030 Retail Sale of Cleaning Supplies
(32) CB01010 Mechanical Equipment Manufacturing
(33) F113010 Wholesale of Machinery

(34) F213080 Retail Sale of Machinery and Tools
(35) CB01990 Other Machinery Manufacturing
(36) F113990 Wholesale of Other Machinery and Tools
(37) F213990 Retail Sale of Other Machinery and Tools
(38) C802100 Cosmetics Manufacturing
(39) F108040 Wholesale of Cosmetics
(40) F208040 Retail Sale of Cosmetics
(41) CC01110 Computer and Peripheral Equipment Manufacturing
(42) F113050 Wholesale of Computers and Clerical Machinery Equipment
(43) F118010 Wholesale of Computer Software
(44) F218010 Retail Sale of Computer Software
(45) CH01010 Sporting and Athletic Articles Manufacturing
(46) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
(47) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational. Entertainment Supplies
(48) C701010 Printing
(49) H701010 Housing and Building Development and Rental
(50) H701040 Specific Area Development
(51) F401010 International Trade
(52) F199990 Other Wholesale Trade
(53) F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified
(54) F399990 Retail sale of Other Integrated
(55) C111010 Tea Manufacturing
(56) F102050 Wholesale of Tea Leaves
(57) F102030 Wholesale of Tobacco Products and Alcoholic Beverages
(58) F203020 Retail Sale of Tobacco and Alcohol
(59) C110010 Beverage Manufacturing
(60) F102040 Wholesale of Nonalcoholic Beverages
(61) F102170 Wholesale of Foods and Groceries
(62) F203010 Retail Sale of Food, Grocery and Beverage
(63) C901010 Ceramic and Ceramic Products Manufacturing
(64) F106050 Wholesale of Pottery, Porcelain and Glassware
(65) F301020 Supermarkets
(66) F399010 Convenience Stores
(67) F501030 Beverage Shops
(68) I103060 Management Consulting
(69) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue distribution:

Unit : NT$ thousands,%

Product	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Equipment injection component	125,694	21.15	278,675	29.44	243,653	20.19

Plastic compound material	468,619	78.85	667,808	70.56	962,950	79.81
Sum	594,313	100.00	946,483	100.00	1,206,603	100.00

3. The Company’s current commodity(service) item:

(1) Equipment business department

I. Related components of professional exercising equipment, shoe accessories, and outsole.

II. Design and processing of precision mold.

III. Provide shoe accessories, outsole injection and design and processing of precision mold.

IV. 2D and 3D design, and construction services related to shoe materials.

V. Injection of TPU casual shoes.

VI. Injection of eco-friendly tableware.

VII. Injection of Taiwan High Speed Rail component.

VIII. Injection of car radiators.

IX. Injection of other various industrial products, 3C product frames, etc.

(2) Compound material business department

I.Manufacture and sales of engineering plastic materials compound modification material.

II. Sales of special customized plastic raw materials and general raw materials.

III.Development and manufacture of customer terminal products and special raw materials.

IV.Integrated services: mold development, processing, finished product manufacturing, sales

V. Manufacture and sale of rPET eco-friendly recycled materials and modified materials of. biodegradable materials.

VI. Sales of high-functioning engineering plastic with high value, ultra-high-functioning, low temperature, halogen free, flame retardant and fireproof.

VII. Manufacture and sale of independent research and development of metalloid patent. material.

VIII. Manufacture and extrusion of solar panel border material.

IX.Manufacture textile fiber hot-press board.

4. The developing and planning to develop commodity:

(1) High specification compound material.

(2) Functional biodegradable plastic.

(3) Development of high-temperature biodegradable material.

(4) High-temperature electronic engineering plastic.

(5) Electroplatable high-density engineering plastic.

(6) extrudable high-functioning compound material.

5.2 Industry Overview

2.1 Industry overview and development

The Company divides the product into the equipment business department, and compound material business department, the illustration of industry status is as follows:

(1) Equipment business department:

(A) Footwear manufacturing is a labor-intensive industry, and its development is affected by land, labor costs, raw material supply, environmental protection, and sales markets. In the past 20 years, Asia has become a concentrated area where major brand shoe factories are located due to superior competitive qualifications. Although China's shoe factories have continuously moved out in recent years, which caused the status has been gradually replaced by Vietnam, Asia has continued to be the largest center of shoemaking in the world. Currently, about 85% of the world's shoes are produced in China, India, Vietnam, Indonesia, Thailand, Pakistan, and other Asian countries. Due to the fierce competition in global sports shoe manufacturing, the competition in the entire shoe industry is not only a competition between brands but also a competition in the supply chain. Brand customers are putting more emphasis on the management of the supply chain. Nike and Adidas have gradually participated in the process of comprehensive arrangement of raw material procurement, product planning, design, material selection, mold manufacturing, and production equipment, and strengthened close cooperation with core suppliers to achieve the best integration of production and sales. The Company specializes in the injection and shaping of components. The Company will continue to play an important role.

(B) In the category of footwear, the market is mainly divided into sports shoes,casual shoes, sandals,and others. In 2019, the gross output value of footwear is about USD435.139 billion, and the sports shoe market scale is about USD2056.5, with an annual growth rate of about 5-10%. According to the analysis of an international professional agency, "The major consumer markets of global sports shoes are concentrated in two regions, one is developed countries and regions, such as the United States, the European Union, Japan, Canada, etc.; the other is countries and regions with largepopulations, such as China, India, Brazil, Indonesia, etc.”. Modern people pay more attention to recreational sports. Even if the economy slumps the globe, the global market for sports equipment isstill growing year by year. Due to the high concentration of brands in the global sports shoe market,NIKE is the first (including its Jordan brand), Adidas is second, and the total of the two has more than half of the global market share. The brands above and other well-known brands such as ASICS (Japanese brand), PUMA (German brand), and New Balance (American brand) are the top five brands that could account for about 70% of the proportion. Additionally, with the increase in income, the importance of the Chinese market is increasing steadily. Although the first-tier cities still mainly prefer the above-mentioned foreign brands, Chinese local brands such as Anta Sports, Li Ning, 361 sport, Xtep, etc. have also emerged from the fierce competition which stabilizes the second and thirdtier markets. Soon, this may change the global sports shoe market. Under Armour, which once emerged briefly and reached its peak in 2015, the business of shoes has not been the main business in recent years and has temporarily lost its important influence on the global market.

(C) In the past, China's footwear manufacturing was thriving and continued to grow, with an annual growth rate of 10%-20%. In 2014, China's shoe production reached its peak, which has an annual output of 14.3 billion pairs. The labor-cost advantage gradually weakened, and many global shoe brands shifted production from China to other countries. It is worth noting that Vietnam is currently the fastest-growing region in the world for footwear. Since Vietnam has signed bilateral Free Trade Agreements (FTAs) and Multilateral Trade Agreement with many countries, furthermore, is a member of CPTPP, it is expected that the annual growth rate of Vietnam's footwear will grow strongly in the future.

(D) Due to the radical changes in the manufacturing environment and the development trend of global operations of shoe brands, the domestic production costs of mid-priced and low-priced shoes are too high, and it is difficult to compete with other regions with cheaper labor in Southeast Asia or China in the international market. Under the business philosophy of "Stay rooted in Taiwan, arrange the layout global", the Company retains orders and innovative research and development in Taiwan. While in the methods of overseas production, the Company takes full advantage of Taiwan's talent, management, technology, capital, etc. As well as the relatively low-cost labor and land resources inChina and Vietnam, gradually expand the scale of operation and the global footwear market.

(E) The Company's domestic footwear production line has fully moved to China in 2013. The new Vietnam factory was also officially completed and put into production in September 2017. Currently,China and Vietnam are the two major operating bases and produce a series of international brand products such as NIKE, CROCS, etc. Particularly, Pontex could quickly grasp the future competitive advantages of CPTPP and ASEAN regional economies, and continuously strengthen its key position in the industry. In the long term, major international brands will continue to maintain stable OEM cooperation in Asia, and the Company will be able to win an excellent opportunity to play an important role in the international supply chain.

(F)Implement the government's renewable energy development policy, and develop durable, anticorrosion, weather-resistant photovoltaic module to replace part of aluminum alloy framed solar module.

(2) Compound material business department:

(A) Compound material engineering plastics are widely used in the fields of automobiles, packaging, building materials, 3C, and machine parts due to the advantage of being lightweight, solid, and insulation. They have become important materials to support key or peripheral components in various industries.

(B) Engineering plastics have become the fastest-growing material in the plastic market in. the world nowadays and have gradually replaced the original materials such as metal, wood, ceramics, glass, and other materials in many terminal application products. The demand in Asia, especially in China,is growing faster. Only by grasping the market's rapidly growing demand for engineering plastics can we grasp the opportunity for continuous growth.

(C) Currently, automobiles and electronic products are important application markets for engineering plastics. Among them, polycarbonate (PC) is the engineering plastic with the largest demand,followed by polyamide (PA) and Polypropylene (PP). With the changes and the requirements of lawsand regulations in the development trend of application products, automobiles are developed to be lightweight, energy-saving, and eco-friendly. Electronic products are developed to be light, thin, and small to reduce damage to the environment.

(D) Global major manufacturers are actively investing in eco-friendly process production, which will also drive raw materials upstream to join the production of eco-friendly materials. The green supply chain has become an indicator for companies to strive for international business opportunities. Engineering plastic materials are at the upstream material end of the entire industry chain, given that environmental protection and recyclable materials such as r-PET are gradually being valued,manufacturers will be more actively get involved in research and development of related materials to welcome the green business opportunities.

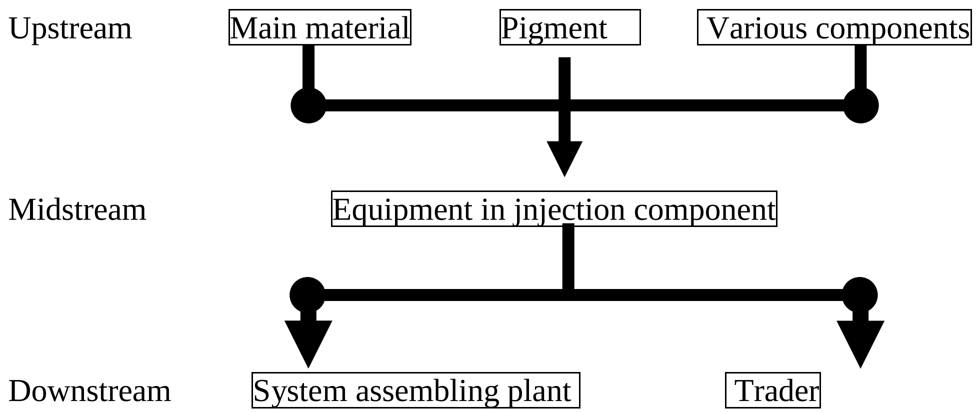
(E) To Grasp the business opportunities of global restrictions on the import of waste plastics, Pontex’s Taiwan and Vietnam factories simultaneously develop the recycling material industry and expand the breadth and depth of diverse compound material products. Furthermore, the Vietnam factory corresponds with CPTPP and issues the 'Certificate of Origin' to strive for the favorable position of preferential tariffs and attract many international customers to cooperate with.

(F) Facing the global carbon reduction trend and implementing the government's 2050 net. zero carbon emission policy and ESG sustainable operation, the Company develops various carbon reduction products, which could also provide the carbon emission of each product for upstream and downstream customers to achieve carbon reduction policies.

(G) According to statistics, the global fiber production reach 1.13 billion tons in the year of. 2021, with synthetic fibers derived from petrochemical raw materials exceeding 722 million tons, accounting for 64% of the total. It is estimated that by the year of 2023, global fiber production will increase to 1.49 billion tons, with synthetic fibers expected to see a substantial increase as well. Synthetic fibers have become the primary material in the global textile industry, and the recycling and treatment of large quantities of discarded textiles and textile fibers each year remain a pressing environmental issue for the textile industry. In the year of 2023, our company completed the establishment of Taiwan's first fully automated production line for hot-pressing, using recycled clothing, fabrics, or textile fibers as the main raw materials. Through our patented process (pending application), we produce versatile colored hot-pressed boards under the brand "Bangtai." Bangtai hot-pressed boards are set to a size of 240cm × 120cm, conforming to standard wood board specifications, and offer product advantages such as pressure resistance, moisture resistance, and minimal deformation. The boards can be cut, molded, nailed, and glued, making them suitable for a wide range of applications including wall decoration, household shelves, mall displays, exhibit bases, frames, signage, indoor artworks, and more. By selecting and crushing fabrics with various colors, eliminating the need for dyeing, our products can showcase rich patterns and colors with a touch of fashion. The establishment of Bangtai hot-pressing plant can help solve the problem of large quantities of scraps and waste textiles generated by major domestic and foreign apparel brands, fabric factories, etc. During the construction period, it has attracted many international apparel brands and enterprises from Japan, Korea, India, and other countries to visit. Downstream, we transform textile fibers into exquisite hard boards, creating a new international commercial market. Bangtai integrates upstream and downstream industries with forward-thinking and participates in the global net-zero carbon emissions goal by 2050. We are at the forefront of creating a circular textile economy.

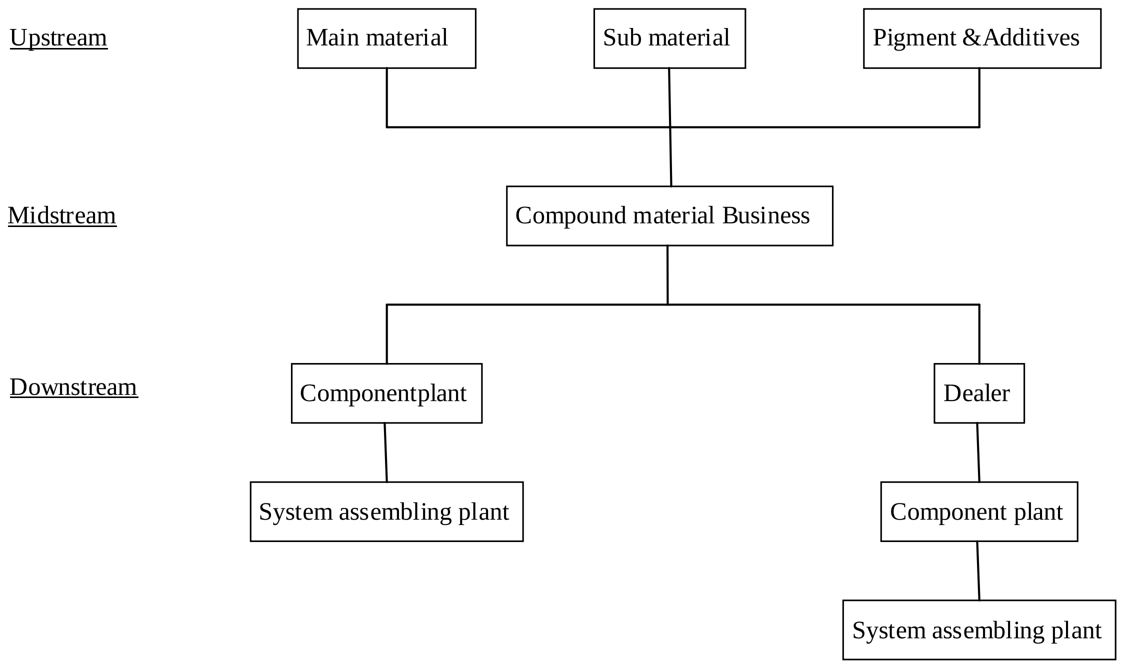
2. The relationship between the upstream, midstream and downstream of the industry:

(1) The relationship between the upstream, midstream and downstream of the Equipment. Business Department is as below:



Pontex occupies a key position in the midstream of the industry, connecting upstream like raw material and material factories and downstream like assembling factories. Most of the required plastics, rubber and other materials are still imported from abroad. The company then uses capabilities of precision mold development to produce high-performance components, supply downstream customers including major shoe assembling factories and serve specific international well-known manufacturers such as NIKE, CROCS, etc. Therefore, the industry has a very close relationship between the upstream, midstream, and downstream.

(2) The relationship between the upstream, midstream and downstream of the compound material business department as below:



The upstream raw materials of engineering plastic compound materials include PC, PP, NYLON, PBT, ABS, and other plastic raw materials. The downstream uses are extensive, including various 3C industries, sports equipment, medical equipment, automobiles, hand tools, furniture, etc.

3. Product development trends and competition

(1) Equipment business department

(A) A key role in the trend of international professional teamwork

Due to the consideration of professional teamwork and production cost, the internationally wellknown shoe factories have almost handed over the production to the Asian supply system. The factories are only responsible for designing the new. product and the marketing and advertising of merchandise. Since domestic footwear manufacturing has matured in plastic material technology and mold making, which could compete with international competitors. The Company is not only an OEM factory for international brands but has even played an important role in ODM. Over the years, Taiwan has always been the most important part of global footwear manufacturing. The company takes advantage of external resources from industry, government, and academia to learn product innovation and the latest technology to occupy a place in the market.

(B) Industrial upgrading changes after the production base moved out

Due to the increase in labor and costs of management and sales, most domestic Footwear manufacturing has shifted its production to China and Southeast Asian countries. Based on its substantial experience in production and management in domestic, the company has successfully relocated its production bases. Meanwhile, the Company transforms and upgrades Taiwan as a global operation headquarters and development and design center and continues to strengthen competitiveness in industrial strategy and technology. The Company also uses external resources to increase the overall production capacity of molds and production. Additionally, the company enhances cross-strait teamwork, promotes resource integration, and maximizes effectiveness.

(C) Based on the key element in the international supply chain system

To control quality and reputation, international brand manufacturers have always. strongly led products,from development and design, material selection, components planning, production, and manufacturing, to distribution and sales. Due to the current globalized professional teamwork, all companies entering the supply chain are requested to meet the best efficiency standards and invest in sufficient equipment capacity to cooperate. Therefore, the manufacturer which has accumulated good cooperative relations and reliability will obtain the most favorable position, and then establish an important relationship of stability and reliability.

(D)The ability to significantly shorten the production cycle to respond to the trend of rapid competition. In response to the rapid demands of global consumers for new. products and the. continuous challenges of competitors' new products, the design, mass production, distribution, and marketing which take 6 to 12 months for a new pair of sneakers in the past is no longer aligned with the market. This situation means that only professional manufacturers with a high degree of computerization,automation, and substantial experience and technology could undertake at least 1/2 shorter delivery than in the past and can maintain high-quality output.

(E) The teamwork integrated mode of designing in Taiwan and producing overseas

Taiwan has strong technical advantages in product design and mold development in the front-end process of footwear manufacturing. With this competitive advantage, Taiwan has developed a separate direction from China and Southeast Asia in recent years. Countries such as China and Southeast Asia, which have the advantages of relatively low land and labor cost, attract most downstream, system operators, and midstream, injection processing factories, to move their production lines to these regions, leading to an excellent model of teamwork which develop, design,and service in Taiwan, massively produce overseas and enhance Taiwan's OEM status around the globe. The Company cultivates talents with excellent management and technology to enhance competitiveness.

(F)Take advantage of the economic scale to achieve the competences of reducing cost

With the shortening of the production cycle, and after consumers' consciousness. about the quick replacement of the new product, meanwhile, due to the impact of the economic depression, the sales of the expensive sneaker have declined. Under the premise of being unwilling to reduce profit, the company turns to asking suppliers to cut prices. Therefore, seeking production capacity with an economic scale and sharing more management and sales costs have become the way for suppliers to survive and compete.

(2) Compound material business department

(A) Modularize the development and manufacturing of the single product, in addition to holding the market share and improving product profitability.

(B) Integrate technological innovation and possess comprehensive technical service capabilities, which equip more competitive advantages.

(C) In response to the diversification of customers, the special processing of materials, and the demand for injection products, the company provides vertically integrated. services from mold design, injection molding, and post-processing of finished products.

(D) The demand for products with special specifications will increase. Through diverse and customized product development, the company will strive for market competitive. advantages.

(E) Develop lightweight alternative materials and the application of eco-friendly recycled materials,aligned with market new trends.

3. Overview of technology and research and development:

1. The invested research and development expense

Unit: NT$ thousands

Item \ Year	2022	2023
R&D Expense	17,899	11,728

Data resource: Financial report verified by CPA in recent two years.

1. Successfully developed technology or commodity

Year	Product	Development Item	Counseling Unit
1999	Development of polyamide or Continuous Mixing Process for EVA	Improve the foaming degree of ultra-light compound materials, so that the density after foaming is less than 0.34g/cm2, and can increase the durability (up to 150mm,DIN535-16).	Plastics Industry Development Center Independent research and development
1999	Advanced development technology of Elastomer polarization	Evaluation of SEBS, the proportion of grafting achieved 1% wt to increase itsvreactivity and improve the adhesivevstrength or intermolecular force.	Plastics Industry Development Center
1999	Light weighting of thermoplastic polyurethane (TPU)	Maintain stability at high temperatures reduce the density from 1.2g/cm3 to 0.6~0.82g/cm3 and maintain the original physical properties.	Plastics Industry Development Center
2005	The processing and application of comfortable material	Applied for the outsole of soccer boots of NIKE and entered the promotion period in October 2005.	Independent research and development
2005	Fastener components interior part compound material for automobile	The company mainly aligns with the lightweight trend of the automobile and motorcycle industry in the future. The developed compound materials have the characteristics of high rigidity, high fluidity, high impact, and recyclability. This not only improves the safety factor of The original plastic, reduces future energy consumption but also contributes to environmental protection.	Independent research and development
2007	Compound design of outsole studs	The outsole of NIKE football shoes has a hybrid high-efficiency design of shoe spikes and shoe studs, which can prolong the useful life and reduce the consumption of earth resources, which aligns with environmental protection benefits.	Independent research and development

Year	Product	Development Item	Counseling Unit
2007	High-functional ecofriendly compound material	Applied for the industry of sport and casual products in 96.8.	Independent research and development
2008	High rigidity, high intensity nylon compound material	Apply for electronic device components.	Independent research and development
2010	Recyclable green ecofriendly compound material	Apply for office equipment.	Independent research and development
2010	Recyclable green ecofriendly compound material	Apply for 3C products.	Independent research and development
2011	Development of nylon hydrolytic compound	For the problem of degradation of nylon after absorbing moisture, the Company conducts the development of compound materials to improve the advantages of high mechanical strength, high dimensional stability, and resistance to high temperature and high humidity environments. It could be applied to radiator tanks, etc. in the automobile radiator parts market.	Independent research and development
2011	Eco-friendly non Halogen Free flame retardant TPU material	Applied for solar PV wire insulation material.	Independent research and development
2011	Halogen Free flame retardant TPU material	Development of TPU Halogen Free flame retardant material UL-94 1/16” V-O completed.	Independent research and development
2011	Heat resistant PLA biomass material	Apply for food container. 。	Independent research and development
2011	Recyclable eco-friendly compound material	Apply for daily necessities	Independent research and development
2012	Plastic Oropharyngeal Airway Guide for Emergency Intubation	Medical equipment.	Plastics Industry Development Center
2012	Eco-friendly woodplastic material	Wood-plastic building material.	Plastics Industry Development Center
2013	High rigidity nylon compound material	Electronic tool material	Independent research and development
2013	Heat resistant nylon compound material	Electrical connector material	Independent research and development

Year	Product	Development Item	Counseling Unit
2014	Low float fiber nylon compound material	Applied for the case of headlight material.	Independent research and development
2014	Development of advanced nylon waterresistant compound material	Integrate specifications to seize the market share of automobile radiator parts.	Independent research and development
2015	Nylon mineral fiber compound material	Electroplatable material for car headlight housing.	Independent research and development
2015	Advanced heat resistant biodegradable material	Disposable heat resistant tableware material	Independent research and development
2016	Recycled PET development plan	Useable in various parts of shoes.	Independent research and development
2016	Development of weather resistance TPU	Wearable device	Independent research and development
2017	Development of electroplatable high specific gravity plastic	Bathroom accessories	Independent research and development
2017	Development plan of eco-friendly utensils with recycled bamboo and wheat powder.	Tableware (knife, fork, spoon)。	Independent research and development
2018	Development of high density polypropylene	Cosmetic box	Independent research and development
2018	Development of shell pattern material.	Cosmetic box	Independent research and development
2018	Conductive PC carrier tape	Tray	Independent research and development
2019	Development of weather resistance ecofriendly PP	The case of motorcycles.	Cooperate with customers development
2019	Development of low moisture absorption nylon grill	low moisture absorption nylon 66 grill for the truck.。	Customer’s development
2020	Seat of light rail in USA standard	Must comply with fireworks safety regulations.	Customer’s development
2020	Development of extruded compound material for luggage board with infrared resistance.	Extruded PC/PBT compound material with infrared resistance for luggage board.	Customer’s development

Year	Product	Development Item	Counseling Unit
2021	High-end nylon-ppa poly-phenylene amide.	Flame-retardant Nylon 9T/10T reinforced with fiber for connectors and capacitor bases.	Independent research and development
2021	Biomass material PA56 and PCR certified ecofriendly material	Introduce original material in response to net zero emission in the future.	Independent research and development
2022	Wafer transport carrier	HDPE+ CNT (Carbon nanotubes)	Customer's development
2022	Biodegradable ecofriendly container made from sugarcane bagasse	PLA-free, eco-friendly biodegradable container	Customer's development
2023	Reinforced Automotive Parts with Glass Fiber of PCR Ecofriendly PP.	Successfully developed automotive components with PCR ecofriendly of PP material to meet the property requirements	Customer's development
2023	High-valued anti-static product PEI with CNT.	Apply for sockets in semi-conductor worshops.	Customer's development
2023	Recycle fiber hot-pressing board	Appyly for decoration and construction materials	Independent research and development

4. Long-term and short-term business development plan:

(1) Short-term:

A. Business:

a. Strengthen the business development function of the enterprise, actively develop new customers, and spread business risks.

b. Provide comprehensive technical and service capabilities to maintain the company's existing competitiveness.

c. Strengthen customer relationship management and provide differentiated product and service value.

d. Establish a strong cross-departmental business team for the business, research and. development, and quality assurance, actively striving for business opportunities for. Strategic alliances.

B. Product research and development:

a. Recycled modified PET eco-friendly material.

b. Weather resistance TPU material.

c. Metalloids high-density plastic materials.

d. Biodegradable eco-friendly tableware material.

e. High specification engineering plastic material.

C. Production:

a. Improve process quality and increase yield.

b. Strengthen the production and sales cooperation mechanism to ensure meeting the quality and delivery requirements of customers.

c. Improve the quality of personnel, reduce the turnover rate, and maintain the technical experience.

d. Introduce robotic arms to improve production capacity and quality stability.

D. Operation Planning:

a. Strengthen the teamwork with overseas factories, promote the integration of resources, and use the overall capabilities of the group to maximize its effectiveness.

b. Use core technical capabilities to develop overall business strategies.

c. Establish an international ERP and e-commerce system to effectively manage the operating performance of overseas bases.

d.Cultivate R&D, technology, business professional, and management talents to improve operational performance.

(2) Long-term:

A. Business:

a. Analyze products' international fashion trends, develop new products or extended products, and arrange multiple marketing channels layout.

b.Construct a global logistics and teamwork integration system to establish a more stable marketing channel.

c.Improve business development capabilities and move toward profession and internationalization.

d. Strategic alliance with customers to develop niche markets and establish a marketing system.

e. Actively contact various types of brands, and expand the business scope, including trade business model.

B. Research and development:

a. Develop eco-friendly and recyclable plastic materials, reduce plastic incineration, save energy and reduce carbon.

b. Development of wearable weather resistance and anti-sensitivity plastic materials.

c. Development of metalloids high-density plastic series products.

C. Production:

a. Cooperate with the company's marketing goals and technology development and introduce the latest production management technology.

b. Continuously improve the production process, increase the yield rate, reduce internal costs,and create profits.

c. Use the external resources of industry, government, and academia to learn product innovation and the latest technology in the world.

d. Introduce production technology from other industries and apply it to existing products to increase value.

e. Gradually upgrade automatic production technology and equipment.

D. Operation Planning:

a. Cooperate with the company's long-term and short-term planning, take advantage of the capital market to raise funds, and attract more funds and talents to achieve the company's sustainable operation goal.

b. Integrate the company's resources, strengthen the layout of the global production and sales capabilities of each business division, and expand the company's operations and niche scale.

c.Strengthen core technical capabilities, integrate upstream and downstream key technologies,enter the supply chain of well-known brands, and establish competitiveness.

d. Assess the feasibility of investing in future trend industries, such as energy, environmental protection, and regeneration industries.

2. Market and Production and Sales Overview

2.1 Market Overview

1.Sales (Service)Reigon. Unit: NT$ thousands

Year / Reigon		2021		2022		2023	
		Sales Amount	%	Sales Amount	%	Sales Amount	%
Domestic		438,031	36.30	332,982	35.18	324,965	54.68
Export Sales	Asia	343,253	28.45	351,477	37.14	140,477	23.64
	America	238,504	19.77	98,252	10.38	6,085	1.02
	Others	186,815	15.48	163,772	17.30	122,786	20.66
	subtotal	768,572	63.70	613,501	64.82	269,348	45.32
Total		1,206,603	100.00	946,483	100.00	594,313	100.00

2. Market Share

（1）Equipment business department

The company is one the few domestic professional factories that could integrate plastic materials, design and development, mold manufacturing, and injection molding. It is the. designated manufacturer of NIKE high-functional spikes outsole components. Additionally, the Company passed the factory inspection and certification of Under Armour and CROCS, becoming the main global production base of many brands.

（2）Compound material business department

Combined with market trends, the company develops customized r-PET, eco-friendly.

Recycled materials, fireproof materials, automobile materials, and 3C electronic materials, as well as self-developed electroplatable metalloids patented materials to expand its competitiveness among peers. In addition to the Taiwan factory in the global layout, it also includes setting up factories in China and Vietnam to strive for the domestic demand market of the red supply chain, Regional Comprehensive Economic Partnership(RECP), and Comprehensive and Progressive Agreement for Trans-Pacific Partnership(CPTPP) economies, rapidly expanding the global overseas market.

3. The future supply and demand situation and growth of the market.

（1）Equipment business department

(A) Over the past 30 years, with its precision mold development technology and professional production capacity, Pontex has become an important production base in Asia. for high-functional spike outsoles of Nike and shoe injection of CROCS.

(B) Pontex has created the greatest competitiveness for a long time with its leading technology advantages in the industry and the production process that passed the ISO9001. quality management standard.Whether it is the factory in Taiwan, China, or Vietnam, every product is guaranteed with the great commitment of Pontex to provide the highest quality service.

(C) After the Vietnam factory joined, Pontex's engineering compound material molding capabilities of controlling the elastomers and non-elastomers compound materials, and the capabilities of developing 3D molds and system manufacturing, the multi-point market supply chain can meet the different needs of each brand and assist the brand to establish automatic process technology, introducing popular materials and trend analysis, adding value to shoe design, and increasing the added value of shoes.

(D) Assist the industry in the continuous development of new shapes and innovative designs to meet a small number but diverse consumption patterns. Shorten the design and process of shoe proofing, make efficient production, rationalize the process, and automated equipment to reduce costs, shorten the development time of shoe proofing, and increase brand profits.

(E) Cooperate with the company's self-developed compound materials (high. specification materials,green r-PET materials), and provide footwear customers with more material application options,reduce costs, and provide more ideas to attract the market.

(F) In Vietnam and China, the company produces a variety of casual shoes that are sold. worldwide for CROCS as an OEM factory and has become a major manufacturer in Asia.

(G) In response to the emergence of China brands, Pontex has successfully won orders. from Anta, Xtep, and 361sport for mass production.

(H) With the vigorous development of cycling around the globe, cycling shoes have become an important new footwear product. In addition to the major production. of professional sneakers outsole, the company also cooperates with PFI Shoe Factory in China to develop clipless road bike outsoles for the Italian bicycle brand, Fi'zi:k, and produce bicycle shoe outsoles for Northwave, which are sold all over the world to provide more high-quality product choices to cycling enthusiasts.

（2）Compound material business department

The company's R&D center will continue to devote itself to the modification of compound materials and the recycling and reuse of raw materials to enhance compound material technology and mass production capacity. Furthermore, the Company would become a professional green material R&D center and professional supplier of green materials in Asia, and continue towards "energy-saving","resource-saving", "avoiding harmful substances", "recycling and reuse", and "energy saving and carbon reduction".

Compound materials are widely used in automobiles, boats, building materials, electronic, electrical, sports and leisure, and industrial and public engineering materials due to their superior properties such as lightweight, high strength, high degree of freedom in design, and weather resistance and corrosion resistance. Globally, the consumption of engineering plastics is rough as follows: automobiles and other industries account for 40%, agriculture and tool machinery account for 30%, daily necessities account for 20% and electrical and electronic products account for about 10%. With the demand for engineering plastic compound materials and the improvement of compound material technology, the human's pursuit of light, thin, and short has replaced the use of many traditional metals. Additionally, the compound material could be recycled and eco-friendly. The industry requires its upstream suppliers actively research and develop eco-friendly materials, which will drive engineering plastic manufacturers to actively invest in R&D, production, and supply. The flourishing development of the electronics industry in recent years drives the business opportunities of computer replacement.

The demand for electronic application plastics will continue to grow. Additionally, the Asian automobile and motorcycle market is estimated to grow, which causes an increased demand for automotive plastic materials. Due to the continuous expansion of China market, the engineering plastics market growth is expected in the future. In recent years, in response to the increasing demand for eco-friendly materials, and the need to submit relevant recycling certifications to meet business development goals, The company has applied for the Global Recycling Standards (GRS) verification and counseling. The company obtained the Global Recycling Standards (GRS) certificate in October 2020. Additionally, 9 products were certificated for Post-Consumer Resin (PCR) in December 2020. Furthermore, 2 new products passed PCR certification in 2022.

4.Competitiveness

Businss Unit	Competitiveness
Equipment business department	1. The liability of long-term cooperation with international well-known factories
	2. Complete the automatic production of manufacturing equipment and fast supply capabilities.
	3.Comprehensive factory from the design to material compounding, precision mold making, and injection assembly.
	4. Effective cost management to control the economy scale.
Compound material business department	1. Equip with the ability to develop functional plastic compound materials, which is one of the core technologies of Pontex.
	2. Equip with the ability to assist customers in improving and solving problems in processing and mold development.
	3. The color matching and secondary processing ability of engineering plastics are strong, and the speed and quality are better than the company in the same industry.
	4. Combine the company's internal and external system resources to provide customers with more diverse added value and enhance customers' market competitiveness.

5. Favorable and Unfavorable Factors in the Long Term:

(1) Favorable factors in SWOT analysis:

(A)Opportunity

a. The development of the global sports industry continues to grow year, although it might be effected by the economic cycles, it remains stable for long-term demand-driven market.

b. The flourishing development of China's sports industry will help the growth of. international brands and well-known Chinese brands.

c. Close cooperation between industry and academia. The mature production. technology in the domestic industry has won the trust of foreign customers.

d. Early deployment of the Vietnam factory to obtain cooperation opportunities. with international customers.

e. The trends of compound plastic products focusing on environmental protection and being green.

f. Possess a good R&D team and production capacity.

g. VietNam Pontex equipment and compound materials have developed rapidly, striving for regional economic advantages such as CPTPP in the future.

(B)Threat

a. The domestic and foreign overall industrial technology continuously improves, and more competitors who want to invest increase.

b. The production continues to move abroad, and foreign management risks are. relatively higher.

c. Equipment customers continue to move out. The nearby supply is gradually. Becoming a trend.

d. The higher the quality requirements of compound materials, the faster the research and development must be.

e. The price of oil and raw materials fluctuated violently, and the profits were squeezed.

f. Due to the low-price competition in the industry, the move out downstream is becoming more common.

(C)Strength

a. Professional technology has been recognized internationally.

b. Equip with the capability of comprehensive vertical integration.

c. Equip with the capability of engineering plastic materials, mold, and injection. processing, and develop vertical integration capabilities.

d. Injection technology and raw material color-matching technology are the best in. the industry and are recognized by customers.

e. The service system and initiative are excellent. The response and speed to solve problems are flexible.

f. All relevant internal technologies could be supported mutually which solves problems efficiently.

g. The equipment and compound materials could be produced by factories in. China and Vietnam in the future to directly serve domestic demand in China and the international market.

(D)Weakness

a. Major international brands are mutually exclusive; therefore, it is difficult to strive for orders simultaneously.

b. Excessive reliance on a small number of major customers but an insufficient number of major customers.

c. Insufficient innovation capability. The capability and experience of the R&D/Sales team need to be strengthened.

d. Raw material prices continue to make new highs which reduces the profits.

(2) The coping strategy against unfavorable factors:

(A)Equipment business department:

a. Continuously improve service quality and efficiency to strengthen customer stability.

b. Continuously improve the added value of the new product and material development to strengthen the customers' dependency on the Company.

c. Strengthen the management of the raw material. Quickly grasp price fluctuations and strive for the most favorable cost.

d. Use injection technology to develop new products and business opportunities in. related industries.

e. Introduce automatic equipment such as robotic arms to improve delivery capabilities and competitiveness.

f. Introduce external information and resources to strengthen the personnel with. professional technology.

(B) Compound material business department:

a.Collect the information and technologies which are popular in the market. Align. with the trend of the future market, invest in research and development of the materials of future trend, and seize the market:

(a) Green eco-friendly materials: recyclable ABS, PET, 3C eco-friendly electronic packaging materials, biodegradable materials, food packaging materials, electric equipment packaging materials......etc.

(b) Develop high thermal conductivity materials to meet the demand of heat conduction plastic materials of LEDs, computer CPUs, automobiles, or other mechanical equipment to replace metals.

(c) Develop high rigidity, high heat resistance NB tablet case to respond to the thinner case market.

b. Research and develop high-tech, high-standard, patented products, and gradually eliminate low-tech and unprofitable products.

c. Strengthen the ability to produce customized products and provide suitable. products with appropriate quality and quantity in time to win the trust of customers, consolidate the source of customers, and obtain profits.

d. Combine suppliers, strategic alliances manufacturers in the same industry, and. downstream customers to do vertical integration to provide comprehensive services, develop new customers to increase revenue, and create higher added value.

e. Take advantage of Vietnam Pontex's competition conditions which meet the. requirement of CPTPP preferential tariff and attract international customers for cooperation.

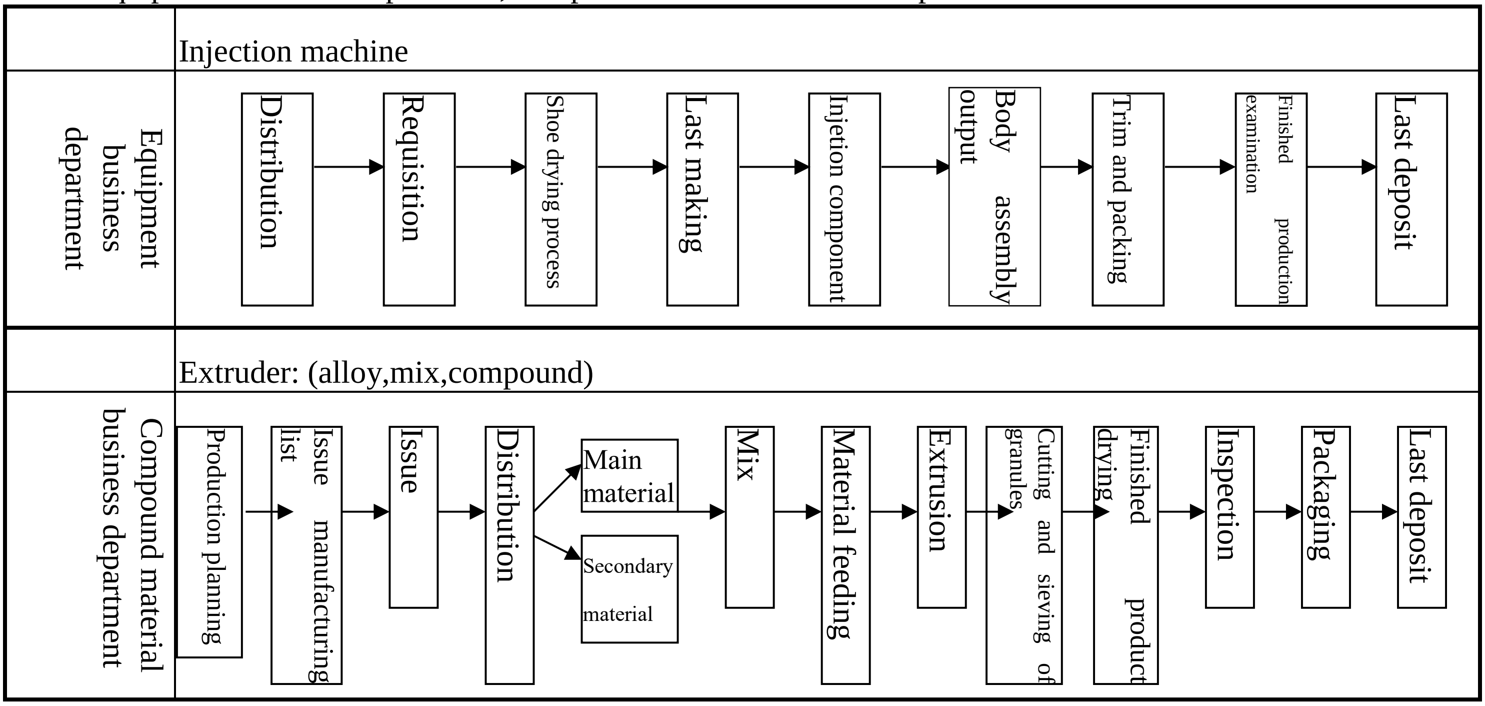
2 Major Products and Their Production Processes

(1) Major Products and Their Main Uses

Major Product	Important Uses
Equipment business department	All kinds of sports equipment component injection and casual shoe injection produced by the company are multi-color, multi-material,high-functioning, and high intensity products, which are provided for downstream system assembly plants to assemble.
Compound material business department	The PC series is used to manufacture domestic appliances,automobile components, medical equipment, communication equipment and other components, and electronic products. The PA series is suitable for agricultural machinery components, connectors, hand tools, electrical appliances, electric tools, radiators, automobile lampshades, etc. The PP series is suitable for the manufacture of automobile interior and exterior components,machine tool components, and automobile door panels. The PCABS series can be used for the manufacture of camera cases, toys, automobile dashboards, splitters, and other information products. The PLA series is suitable for BB shots, packaging materials,tableware, daily necessities, and other eco-friendly consumables.

(2) The manufacturing process of major products:

Equipment business department, compound material business department



(3.)Supply Status of Main Materials Equipment injection components and engineering plastic compound. materials

Major Raw Material	Source of Supply	Supply situation
TPU	GRECO/Sunko	Normal
PP	FCFC/ GreenWealth/Chunyi/Chengken /Huaiji/ Horng Gee Co./Minying/Quanliuliu/ Qi Feng/ Li Tai/HappyChi/DingHua	Normal
PC、PS	CHIMEI / FIPC / FCFC /Zhanxin/ Megaextra /Haiping/KaoFu	Normal
NYLON	Li Peng/Li Ling/Hourong/ GPPC / GOLDPOLY / Changcherng /Chengken/Zigsheng/ Yi sheng / Cheng-Ying/QinJi/TE KENG/Fu LeeYi/Yuan Cheng	Normal
ABS	CHIMEI /Hongsheng/haiping /Zhanxin	Normal
BaSO4	Nanfeng/World Chem /Huadong	Normal

4. A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the following figures.

(1). The main supplier information in the recent two years and up to the publication date of the annual report:

	2022				2023			
Item	Company Name	Amount	Percent(%)	Relation with Issuer	Company Name	Amount	Percent(%)	Relation with Issuer
					Qi Ping	40,857	10.55	None
	Others	606,352	100.00		Others	346,353	89.45	
	Net Total Supplies	606,352	100.00		Net Total Supplies	387,210	100.00	

Note1: A list of any suppliers and clients accounting for 10 percent or more. of the company's total. procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note2: Up to the date of publication of the annual report, if a company that is. listed or whose shares have been. traded in a Securities Trading on the Taipei Exchange has the latest financial information that has been audited, certified, or reviewed by CPA, it shall also disclose it.

When the Company chooses the source of purchase, in addition to considering the price, thetechnical capabilities, product quality, production capacity, and delivery cooperation of the suppliers are all the company's considerations. In addition to the political suppliers, the Company continues to decentralize procurement sources to reduce production costs and procurement risks.

The decrease in purchases in 2023 compared to 2022 was mainly due to the reduction in company orders which lead to a decrease in material preparation.

5.The list of major customers in recent two years：

	2022				2023			
Item	Customer	Amount	Percent	Relation to Pontex	Customer	Amount	Percent	Relation to Pontex
1	GREEN	119,692	12.65	None		,	.	
2	ECOTECH	98,252	10.38	None		,	.	
3	CROHAN	95,870	10.13	None				
	Others	632,669	66.84		Others	594,313	100.00	
	NetTotal Supplies	946,483	100.00		Net Total Supplies	594,313	100.00	

Note1: Setting forth the names of any clients that have sold 10 percent or more of the. company's sales in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such sales as a percentage of total sales, and explaining the reason for any change in the amount; provided however, that Where the company is prohibited by contract from revealing the name of a trading counterpart, or where a trading counterpart is an individual person who is not a related party, a code may be used in place of such trading counterpart's actual name.

Note2: Up to the date of publication of the annual report, if a company that is listed or whose. shares have been traded in a Securities Trading on the Taipei Exchange has the latest financial information that has been audited, certified, or reviewed by CPA, it shall also disclose it.

The Company's customers are dispersed and stable. Pontex could maintain a good cooperative relationship with customers, strive to deepen the core technology and develop new products and new markets to reduce the risk of customer concentration.

Compared with 2023, the proportion of ratio of net sales in 2022 decreased, mainly due to the decrease orders.

5. Production in the Last Two Years:

Unit: thousand /ton/NT$ thousands

Year / Production Number / Item	2022			2023		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Equipment injection component	48,000	13,695	190,036	48,000	6,743	107,185
Compound material /ultra-light compound material	32,640	11,946	565,423	26,304	6,693	351,096
Total	80,640	25,641	755,459	74,304	13,436	458,281

6. Shipments and Sales in the Last Two Years:

Unit: thousands/ton/NT$ thousands

Year / Shipment and Sales Number / Item	2022				2023			
	Domestic		Export		Domestic		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Equipment injection component	-	-	15,612	278,675	1	643	12,171	125,051
Compound material/ultra-light compound material	7,452	332,982	9,417	334,826	6,450	324,322	2,824	144,297
Total	7,452	332,982	25,029	613,501	6,451	324,965	14,995	269,348

5.3 The Number of Employees Employed For The 2 Most Recent Fiscal Years, and During the Current Fiscal Year up to the Date of Publication of the Annual Report, Their Average Years of Service, Average Age, and Education Levels:

The employee's information up to the publication date of annual report in recent two years.

(Headquarter) Pontex Polyblend Co., Ltd.

Year		2022	2023	Data as of ending data on March 31,2024
Number of Employees	Administative Personnel	50	51	49
	Research and development personnel	7	8	8
	Manufacturing personnel	29	26	26
	Total	86	85	83
Average age		40.18	40.91	41.19
Average years of service		10.10	11.02	11.47
Education	Ph.D	0.00%	0.00%	0.00%
	Masters	5.81%	5.88%	6.02%
	Bachelor's degree	50.00%	51.76%	53.01%
	Senior high school	41.86%	40.00%	38.55%
	Below Senior High School	2.33%	2.35%	2.41%

(Pontex(Q.Y) Polyblend Co., Ltd.)

Year		2022	2023	Data as of ending data on March 31,2024
Number of employees	Adminstrative personnel	34	26	29
	Research and development personnel	0	0	0
	Manufacturing personnel	44	32	32
	Total	78	58	61
Average age		37.67	39.61	39.08
Average years of service		2.24	3.58	3.58
Education	Ph.D	0.00%	0.00%	0.00%
	Masters	0.00%	0.00%	0.00%
	Bachelor’s degree	19.23%	20.69%	19.67%
	Senior high school	16.67%	20.69%	22.95%
	Below Senior high School	64.10%	58.62%	57.38%

(VietNam Pontex Polyblend Co., Ltd.)

Year		2022	2023	Data as of ending data on March 31,2024
Number of emplyees	Administrative personnel	14	16	15
	Research and development personnel	0	0	0
	Manufacturing personnel	126	46	39
	Total	140	62	54
Average age		28.61	31.10	32.25
Average years of service		1.38	2.77	2.94
Education	Ph.D	0.00%	0.00%	0.00%
	Masters	0.00%	0.00%	0.00%
	Bachelor’s degree	2.14%	3.23%	3.70%
	Senior high school	29.29%	22.58%	24.07%
	Below senior high school	68.57%	74.19%	72.22%

5.4 Environmental Protection Expenditure

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution (including compensation and results of environmental protection inspections for violations of environmental regulations, the disposition date, disposition number, violated regulation articles, contents of violated regulation, and contents of disposition shall be specified.) The disclose of an estimated possible expenses that could be incurred currently and, in the future, and measures being or to be taken shall be disclosed. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Environmental Protection Bureau of Taichung City Government conducted a routine. inspection in June 2020, determining that the content of the Company's manual on the impact on the original environment was partially inconsistent with the current situation of the factory. The minimum penalty was NT$300,000. The Company signed a contract on 15 December 2020 to entrust Dali Environmental Technology Co., Ltd. to handle the application for modification of the environmental impact assessment. The contract amount is NT$3.5 million (before tax). The Environmental Protection Bureau of Taichung City Government held an initial review meeting of the task force on 15 December 2021. To meet the needs of the minutes of the initial review meeting, the Company signed another contract in February 2022 and commissioned Hongyi Engineering Consultants Co., Ltd. to re-apply the water conservation plan. The contract amount was NT$1.1 million (before tax). Then according to the disclosure requirements in the soil and water conservation plan, in July of 2022, the Company commissioned DK engineering development for geological exploration in a sensitive area. The contract amount was NT$830,000(excluding taxes).

After the third preliminary review meeting of the task force convened by the Environmental Protection Bureau of Taichung City Government on April 28 2023, according to the meeting records, it is necessary to consult the relevant competent authority to determine the proportion of production capacity expansion. Before the date of publication of the annual report, the review results from the authority were still pending. If there are additional expenditures for improvement, they shall be listed according to the actual situation.

5.5 Labor Relations:

1. List any 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

The Company budgets a detailed welfare every year. In addition to the labor insurance. and health insurance by law, Group personal accident insurance, overseas travel insurance, etc. are added. Furthermore, the Company also provides uniforms, meal. subsidies, regular physical examinations, free parking spaces, etc.

Additionally, the Company established an employee welfare committee. The company allocates employee welfare funds to handle various employee welfare affairs. The affairs handled by the committee include weddings, funerals, celebrations, injuries, illnesses and childbirth, emergency assistance, travel, birthday celebrations, Labor Day, the year-end banquet of the Mid-Autumn Festival, recognition of model employees and employees with certain service years, cultural and recreational activities and other welfares.

(2) Employee continuing education and training

To improve the quality of colleagues, the constitution of the company, work efficiency.and quality, etc., the Company has formulated the "Regulations of education and training management". The education and training are led by the human resources, who are responsible for compiling various education and training needs and policies of all departments of the company and assisting in the implementation of internal or external education and training.

(Headquarter) Pontex Polyblend Co., Ltd. employee continuing education and training

Employee continuing education and training

Item	Number of classes	Number of people	Total hours	Total expense (NT$)
1. Rookie training	15	23	476	0
2.Professional competency training	30	103	416	40,960
3.Self-inspiration training	0	0	0	0
Total	45	126	892	40,960

Subsidiary Pontex(Q.Y) Polyblend Co., Ltd. employee continuing education and training

Employee continuing education and training

Item	Number of classes	Number of people	Total hours	Total expense (CYN)
1. Rookie training	5	5	5	0
2.Professional competency training	0	0	0	0
3.Self-inspiration training	0	0	0	0
Total	5	5	5	0

Subsidiary VietNam Pontex Polyblend Co., Ltd. employee continuing education and training

Employee continuing education and training

Item	Number of classes	Number of people	Total hours	Total expense(VND)
1. Rookie training	0	0	0	0
2.Professional competency training	0	0	0	0
3.Self-inspiration training	0	0	0	0
Total	0	0	0	0

（3）Retirement system and implementation

Since the implementation of the "Labor Pension Act" on 1 July 2005, for employees. who are covered by the retirement mechanism in the Labor Standards Act and reserve their seniority prior to the application of the Act. The employee retirement management measures were formulated according to the Labor Standards Act, and the approved establishment of the Supervisory Committee of Business Entities’ Labor Retirement Reserve is to supervise retirement reserve related matters. And since January 1993, the the Trust Department of the Bank of Taiwan. For employees who meet the retirement requirements, the Company provides retirement pensions according to the working years and the basis formulated by the Labor Standards Act. Additionally, since 1 July 2005, for the employees who chose the new system of retirement pension and the employees who worked after 1 July 2005, the Company refers to the standard, "Monthly Contribution Classification of Labor Pension ", that not lower than 6% of the employee's salary is insured and paid to the employee's personal retirement account monthly.

(4) Labor-management circumstance

The Company usually puts great emphasis on the handling of various welfare for. employees, regards employees as shareholders of the company, and emphasizes bilateral communication with employees, therefore, the labor-management relationship is harmonious. The Company fully respects the opinions of the employees. If anything is needed communication could be resolved through coordination. The labor management is in good condition.

(5) Measures related to the protection of employees' rights and interests

The Company holds regular labor-management meetings by the law and settles an employee suggestion box. The human resource unit is responsible for handling the suggestions of employees.

2. List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes and disclose an estimate of possible expenses that could be incurred currently and, in the future, and measures being or to be taken: None.

(1) The Company has always put great emphasis on labor relationships. If anything is. needed communication could be resolved through coordination. Therefore, no major labor disputes have occurred, and no losses have been suffered.

(2) The estimated losses that might occur at present and in the future and the countermeasures:
The company will fully abide by Labor Standards Act and strengthen welfare at present. and in the future and establish interactive communication and complaint management. The company's labor-management relationship has always been rational and harmonious. There have been no major labor disputes and losses in recent years. It is estimated that the possibility of major labor disputes in the future is extremely small.

5.6 Cyber Security Management:

Cyber security risk management

1. The company has settled an information department, with one dedicated officer and.
One dedicated personnel, who are responsible for information security control and maintaining the normal operation of the company's information system.
2. The doors and cabinets of the computer room of the Company are locked and. controlled. General personnel is not allowed to enter at will. The computer room is equipped with HVAC (Heating, Ventilation, and Air Conditioning) System and is regularly inspected in the fire prevention and waterproof safety facilities.
3. The company has established a complete firewall, anti-virus software, and spam filtering. system.The legally authorized software is installed on all the computers. Employees are strictly prohibited from downloading illegal software without permission. The information personnel will regularly conduct the inspections.
4. The company has a complete backup mechanism for important data. Employees need to. enter personal accounts and passwords to log in when using computers. The authority of the ERP systemis set up according to their job duties to control data access and modification.
5. Information personnel attend information training courses irregularly every year and. promotecybersecurity awareness messages on the latest viruses and other security issues from time to time.

5.7 Important Contract

Agreement	Counterparty	Period	Major Contents	Restrictions
Margin purchase contract	First Commercical Bank	1. From October 23,2023 to November 1,2024. 2. From December28, 2018 to 28 December, 2025.	1.Short-term comprehensive financing Facilit NT$400 million. 2. Medium-term NT$ loan limit NT$400 million. The entire project is pledged by setting a mortgage on the land and factory building	None

VI. Financial information

6.1. Condensed Balance Sheets and Statements of Comprehensive Income for the Past 5 Fiscal Years, Showing the Name of the Certified Public Accountant and the Auditor's Opinion Given Thereby

(1) Condensed balance sheet and statement of comprehensive income

Consolidated condensed balance sheet

Unit:NT$ thousands

Year / Item		Financial summary for the last five years				
		2019【Note1】	2020【Note1】	2021【Note1】	2022【Note1】	2023【Note1】
Current assets		662,398	739,188	774,340	763,255	627,400
Property,plant,and equipment (Note2)		889,601	794,472	750,642	722,405	684,583
Intangible assets		380	284	229	251	232
Right-of-use asssets		149,248	166,262	156,984	156,293	149,327
Investment property		-	61,677	58,403	55,968	51,692
Other assets		19,381	47,664	27,146	22,867	32,297
Total assets		1,721,008	1,809,547	1,767,744	1,721,039	1,545,531
Current liabilities	Before distribution	497,459	642,380	661,518	609,193	466,416
	After distribution	-	-	-	-	-
Non-current liabilities		420,798	395,320	322,553	273,977	213,364
Total liabilities	Before distribution	918,257	1,037,700	984,071	883,170	679,780
	After distribution	-	-	-	-	-
Equity attributable to shareholders of the parent		802,751	771,847	783,673	837,869	865,751
Capital stock		843,000	843,000	843,000	843,000	979,950
Capital surplus		-	-	-	-	-
Retained earnings	Before distribution	(14,406)	(36,968)	6,188	34,434	(60,897)
	After distribution	-	-	-	9,144	-
Other equity interest		(25,843)	(34,185)	(65,515)	(39,565)	(53,302)

Item \ Year		Financial summary for the last five years				
		2019 【Note1】	2020 【Note1】	2021 【Note1】	2022 【Note1】	2023 【Note1】
Treasury stock		-	-	-	-	-
Total equity	Before distribution	802,751	771,847	783,673	837,869	865,751
	After distribution	-	-	-	-	-

Note 1: The financial information from 2019 to 2023 has been audited by CPA.

Note 2: Has not dealt with revalued of an asset.

Note 3: Up to the date of publication of the annual report, if the TWSE/TPEx Listed. Companies have the latest financial information that has been audited or reviewed by CPA, it should also be disclosed.

Note 4: For the figures after allocation mentioned above, please fill in according to the. resolution of the board of directors or the next year's shareholders' meeting.

Note 5: If the financial information is notified by the authority to be corrected or restated, the. corrected or restated figures shall be listed, and the circumstances and reasons shall be stated.

Consolidated condensed statement of comprehensive income

(Only earnings per shares expressed in NT$)

Unit:NT$thousands

Year / Item	Financial summary for the last five years				
	2019 【Note1】	2020 【Note1】	2021 【Note1】	2022 【Note1】	2023 【Note1】
Operating revenue (Note 4)	969,311	891,713	1,206,603	946,483	594,313
Gross profit	155,205	148,187	210,306	172,442	67,565
Income from operations	21,818	(9,535)	45,367	18,539	(62,098)
Non-operating income and expenses	(7,149)	(13,399)	(8,018)	5,411	(8,154)
Income(Loss) before tax	14,669	(22,934)	37,349	23,950	(70,252)
Net profit(Loss)from continuing operations	25,062	(23,041)	43,464	27,356	(69,898)
Loss of discontinued operations	-	-	-	-	-
Net income(Loss)	25,062	(23,041)	43,464	27,356	(69,898)
Other comprehensive income(income after tax)	(10,854)	(7,863)	(31,638)	26,840	(13,880)
Total comprehensive income	14,208	(30,904)	11,826	54,196	(83,778)
Net income attributable to shareholders of parent	25,062	(23,041)	43,464	27,356	(69,898)
Net income attributable to shareholders of the parent	-	-	-	-	-
Comprehensive income attributable to Shareholders of parent	14,208	(30,904)	11,826	54,196	(83,778)
Comprehensive income attributable non-controlling interest	-	-	-	-	-
Earnings per share(NT$)	0.30	(0.27)	0.52	0.32	(0.75)

Note 1: The financial information from 2019 to 2023 has been audited by CPA.

Note 2: Up to the date of publication of the annual report, if the TWSE/TPEx Listed. Companies have the latest financial information that has been audited or reviewed by CPA, it should also be disclosed.

Note 3: loss of discontinued operations is presented as the net amount after deducting income tax.

Note 4: If the financial information is notified by the authority to be corrected or restated, the corrected or restated figures shall be listed, and the circumstances and reasons shall be stated. The adjustment of part of the products should be renewed the revenue by IFRS15, which transactions previously changed the director into agent,so the income should be recognized by gross method to net method. There is no impact on the company financial report from 2020 to 2022 with the merge operating net profit and pre-tax(after-tax).

(2) Condensed balance sheet and condensed statement of income parent company only condensed balance sheet

Unit:NT$thousands

Item \ Year		Financial Summary for The Last Five Years				
		2019 【Note 1】	2020 【Note 1】	2021 【Note 1】	2022 【Note1】	2023 【Note1】
Current assets		513,748	508,177	550,033	538,132	390,708
Investment accounted for using equity method		742,403	729,897	733,858	754,665	717,495
Property, plant and equipment (Note2)		532,127	511,751	497,750	479,020	467,981
Intangible assets		185	124	121	189	207
Other assets		19,267	47,542	27,146	22,767	32,287
Total assets		1,807,730	1,797,491	1,808,908	1,794,773	1,608,678
Current liabilities	Before distribution	590,849	631,897	705,364	685,547	532,178
	After distribution	-	-	-	-	-
Non-current liabilities		414,130	393,747	319,871	271,357	210,749
Total liabilities	Before distribution	1,004,979	1,025,644	1,025,235	956,904	742,927
	After distribution	-	-	-	-	-
Equity attributable to shareholders of parent		802,751	771,847	783,673	837,869	865,751
Capital stock		843,000	843,000	843,000	843,000	979,950
Capital surplus		-	-	-	-	-
Retained earnings	Before distribution	(14,406)	(36,968)	6,188	34,434	(60,897)
	After distribution	-	-	-	9,144	-
Other equity interest		(25,843)	(34,185)	(65,515)	(39,565)	(53,302)
Treasury stock		-	-	-	-	-
Total equity	Before distribution	802,751	771,847	783,673	837,869	865,751
	After distribution	-	-	-	-	-

Note 1: The financial information from 2019 to 2023 has been audited by CPA.

Note 2: Has not dealt with revalued of an asset.

Note 3: Up to the date of publication of the annual report, if the TWSE/TPEx Listed. Companies have the latest financial information that has been audited or reviewed by CPA, it should also be disclosed.

Note 4: For the figures after allocation mentioned above, please fill in according to the. resolution of the board of directors or the next year's shareholders' meeting.

Note 5: If the financial information is notified by the authority to be corrected or restated, the corrected or restated figures shall be listed, and the circumstances and reasons shall be stated.

Parent company only Condensed Statement of Comprehensive Income

Unit:NT$ thousands

(Only earnings per shares expressed in NT$)

Year / Item	Financial summary for the last five years				
	2019 【Note 1】	2020 【Note 1】	2021 【Note1 】	2022 【Note1】	2023 【Note1】
Operating.revenue (Note4)	846,975	713,543	907,043	655,714	454,749
Gross profit	75,868	94,428	139,074	77,582	56,613
Income from operations	46	(12,949)	23,557	(20,630)	(26,518)
Non-operating income and expenses	26,541	(9,693)	19,364	47,590	(42,529)
Income(loss)before tax	26,587	(22,642)	42,921	26,960	(69,047)
Net profit(loss)from continuing operations	25,062	(23,041)	43,464	27,356	(69,898)
loss of discontinued operations	-	-	-	-	-
Net income(Loss)	25,062	(23,041)	43,464	27,356	(69,898)
Other comprehensive income	(10,854)	(7,863)	(31,638)	26,840	(13,880)
Total comprehensive income	14,208	(30,904)	11,826	54,196	(83,778)

Note 1: The financial information from 2018 to 2022 has been audited by CPA.

Note 2: Up to the date of publication of the annual report, if the TWSE/TPEx Listed. Companies have the latest financial information that has been audited or reviewed by CPA, it should also be disclosed.

Note 3: Loss of discontinued operations is presented as the net amount after deducting. income tax.

Note 4: If the financial information is notified by the authority to be corrected or restated, the corrected or restated figures shall be listed, and the circumstances and reasons shall be stated : The adjustment of part of the products should renew the revenue by IFRS15,which transactions previously changed the director into agent,so the income should be recognized by gross method to net method. There is no impact on the company's individual report from 2020 to 2022 with the operating net profit and pre-tax(after-tax).

(3) Auditors' Opinions from 2018 to 2022

Year	Accounting firm	CPR	Audit opinion
Quarter 4 in 2023	LAN-JAI CPAs FIRM	Ciou,Lang-Min,and Jian,Jhih-Hong	Unqualified opinion(Emphasize issue or other matters): Other matter-Audited by another accountant in the prior period.
Quarter 1 to Quarter 3 in 2023	Ernst & Young, Taiwan	Huang,Zi-Ping, Chen,Ming-Hong	Unqualified opinion
2022	Ernst & Young, Taiwan	Huang,Zi-Ping, Yan,Wen-Bi	Unqualified opinion
2021	Ernst & Young, Taiwan	Tu,Qing-Yuan、Huang,Yu-Ting	Unqualified opinion
2020	Ernst & Young, Taiwan	Tu,Qing-Yuan、Huang,Yu-Ting	Unqualified opinion
2019	Ernst & Young, Taiwan	Tu,Qing-Yuan、Huang,Yu-Ting	Unqualified opinion

6.2 Financial Analyses for the Past 5 Fiscal Years

Consolidated Financial Analysis

Item	Year	2019 (Note 1)	2020 (Note 1)	2021 (Note 1)	2022 (Note 1)	2023 (Note 1)
Financial structure (%)	Debt Ratio (%)	53.36	57.35	55.67	51.32	43.98
	Ratio of long-termcapital to property ,plant,and equipment (%)	137.54	146.91	147.37	153.91	157.63
Solvency%	Current ratio (%)	133.16	115.07	117.06	125.29	134.52
	Quick ratio (%)	73.89	69.31	63.60	70.96	67.30
	Interest earned ratio(times)	1.99	(0.07)	3.05	2.24	(2.45)
Operating performance	Accounts receivable turnover(times)	3.35	2.88	3.78	3.48	3.11
	Average collection period	109	127	97	105	117
	Inventory turnover (times)	3.30	2.90	3.42	2.44	1.70
	Accounts payable turnover(times)	9.63	5.12	6.91	6.87	5.42
	Averagge days in sales	111	126	107	150	215
	Property,plants and equipment turnover (times)	1.19	1.06	1.56	1.29	0.84
	Total assets turnover (times)	0.55	0.51	0.67	0.54	0.36
Profitablility	Return on total assest (%)	2.09	(0.33)	3.25	2.45	(3.28)
	Return on stocksholders' equity	3.15	(2.93)	5.59	3.37	(8.21)
	Pre-tax income to paid-in capital(%)	1.74	(2.72)	4.43	2.84	(7.17)
	Profit ratio (%)	2.59	(2.58)	3.60	2.89	(11.76)
	Earnings per share (NT$)	0.30	(0.27)	0.52	0.32	(0.75)
Cash flow	Cash flow ratio(%)	(12.92)	7.06	5.94	24.13	17.05
	Cash flow adequacy ratio (%)	(48.41)	(32.92)	(44.21)	(6.59)	70.81
	Cash reinvestment ratio(%)	(3.78)	2.87	2.54	9.15	4.91
Leverage	Operating leverage	38.09	(81.48)	23.19	43.83	(8.09)
	Financial leverage	3.11	0.31	1.67	(25.89)	0.75

		Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%) (1): The changes in the interest earned ratio is mainly due to the decrease in revenue, which affects profit before tax and leads to a decrease in the interest earned ratio. (2)：The changes in inventory turnover and average days of sales are mainly due to the decrease in revenue and cost of sales, as well as an increase in average inventory,resulting in a decrease in inventory turnover and an increase in average days of sales. (3): The changes in the Property, Plant, and Equipment Turnover, return on total assets turnover, return on total assets, return on stockholders' equity, pre-tax income to paid-in capital, and earnings per share are mainly due to the decrease in revenue, which affects the current profits and losses and leads to a decrease in the Property,Plant,and Equipment Turnover, return on total assets ratio, return on total assets,return on stockholders' equity, pre-tax income to paid-in capital, and earnings per share. (4) The changes in cash flow ratio and cash reinvestment ratio are mainly due to the cash inflow from operating activities, resulting in a decrease in the cash flow ratio,and cash reinvestment ratio. (5) The changes in the net cash flow adequacy ratio mainly due to the decrease in capital expenditure and inventory increases number decrease in the recent most five years, resulting in an increase in the net cash flow coverage ratio (6): The changes in operating leverage are mainly due to the decrease in revenue and operating benefit, resulting in a decrease in operating leverage. (7): The changes in financial leverage are mainly due to the decrease in revenue and operating benefit, resulting in an increase in financial leverage.

* If the company prepares individual financial statements, it should also prepare the. company's individual financial ratio analysis.
* If the financial information using the International Financial Reporting Standards is less than 5 years, the financial information based on ROC GAAP in the following Table 2 should be prepared separately.

Note 1: The financial information from 2019 to 2023 has been audited by CPA.
Note 2: Up to the date of publication of the annual report, if the TWSE/TPEx Listed. Companies have the latest financial information that has been audited or reviewed by CPA, it should also be analyzed.
Note 3: The following calculation formula should be listed at the end of this form of the. annual report:

1. Financial structure
(1) Debt Ratio = Total Liabilities / Total Assets
(2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Solvency
(1) Current Ratio = Current Assets / Current Liabilities
(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
(3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating performance
(1) Average Collection Turnover = Net Sales / Average Trade Receivables
(2) Days Sales Outstanding = 365 / Average Collection Turnover
(3) Average Inventory Turnover = Cost of Sales / Average Inventory
(4) Average Inventory Turnover Days = 365 / Average Inventory Turnover
(5) Average Payment Turnover = Cost of Sales / Average Trade Payables
(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment.
(7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability
(1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
(2) ROE＝Profit and loss after tax／Average total equity
(3) Net Margin = Net Income / Net Sales
(4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding (Note4)

5. Cash Flow
(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
(2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
(3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) /(Gross Property, Plant and Equipment + Long-term Investments + Other Noncurrent Asset+ Working Capital) (Note5)

6. Leverage
(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations
(2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

Note4: When calculating the earnings per share formula, special attention should be paid. To the following matters:

1. The calculation should be based on the weighted average number of shares of common. stock, not the number of shares outstanding at the end of the year.
2. Where there is a cash capital increase or treasury stock trading, the weighted average. number of shares shall be calculated in consideration of its circulation period.
3. Where there is a capital increase from surplus or capital reserve, when calculating the. earnings per share for previous years and half-years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividends. for the year (whether paid or not) shall be deducted from the net profit after tax or added to the net loss after tax. If the preferred share is of a non-cumulative nature, and if there is a net profit after tax, the preferred stock dividend shall be deducted from the net profit after tax; if it is a loss, there is no need to adjust it.

Note5: When analyzing cash flow, special attention should be paid to the following matters.
When measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating. activities in the statement of cash flow.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is only included when the closing balance is greater than the. opening balance. If the inventory decreases at the end of the year, it is calculated as nil.
4. Cash dividends include cash dividends on ordinary shares and preferred shares.
5. The gross of property, plant and equipment is the total amount of property, plant and. equipment before accumulated depreciation.

Note6: The issuer should classify various operating costs and operating expenses into fixed. and variable according to their nature. If an estimate or subjective judgment involved, attention should be paid to rationality and consistency should be maintained.

Note7: If the shares of the company have no par value or the denomination per share is. not NT$10, the ratio of the paid-in capital previously stated shall be calculated as the ratio of equity attributable to the owners of the parent company on the balance sheet.

Parent company only financial analysis

Item		Year: Financial analysis for the last five years				
		2019 (Note1)	2020 (Note1)	2021 (Note1)	2022 (Note1)	2023 (Note1)
Financial structure(%）	Debt ratio（%）	55.59	57.06	56.68	53.32	46.18
	Ratio of long-term capital to propert, plant and equipment（%）	228.68	227.77	221.71	231.56	230.03
Solvency%	Current ratio (%)	86.95	80.42	77.98	78.50	73.42
	Quick ratio (%)	55.85	52.36	47.30	44.93	31.72
	Interest earned ratio (times)	2.50	(0.43)	3.44	2.45	(2.67)
Operating performance	Accounts receivable turnover(times)	3.21	2.57	3.44	2.93	2.97
	Average collection period	114	142	106	125	123
	Inventory turnover(times)	4.22	3.52	4.01	2.70	1.81
	Accounts payable turnover(times)	2.95	2.79	4.45	3.24	2.41
	Average days in sales	86	104	91	135	202
	Property,plant and equipment turnover(times)	1.55	1.37	1.80	1.34	0.96
	Total assets turnover(times)	0.47	0.40	0.50	0.36	0.27

Item \ Year		Financial analysis for the last five years				
		2019 (Note1)	2020 (Note1)	2021 (Note1)	2022 (Note1)	2023 (Note1)
Profitability	Return on total assets(%)	2.16	(0.58)	3.19	2.34	(3.22)
	Return on stickholders' equity(%)	3.15	(2.93)	5.59	3.37	(8.21)
	Pre-tax income to paid-in capital (%) (Note7)	3.15	(2.69)	5.09	3.20	(7.05)
	Profit ratio(%)	2.96	(3.23)	4.79	4.17	(15.37)
	Earning per share(NT$)	0.30	(0.27)	0.52	0.32	(0.75)
Cash flow	Cash flow ratio (%)	9.66	(13.92)	7.62	5.62	8.28
	Cash flow adequacy ratio(%) (Note3)	143.74	68.10	7.04	107.23	140.18
	Cash reinvestment ratio(%)	3.30	(5.24)	3.27	2.31	2.67
Leverage	Operating leverage	17,471.24	(51.38)	35.26	(29.03)	(15.18)
	Financial leverage	0.00	0.45	3.94	0.53	0.59

		Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%) (1) The changes of quick ratio is mainly due to the decrease in revenue, which affects quick ratio decreasement. (2) The changes of interest earned ratio is mainly due to the. decrease in revenue, which affects profit before tax and leads to a decrease in the interest earned ratio. (3) The changes in inventory turnover, average days of sales and Accounts receivable turnover are mainly due to the decrease in revenue and cost of sales, as well as an increase in average inventory, resulting in a decrease in inventory turnover and an increase in average days of sales. (4) The changes in property, plant and equipment turnover, total asset turnover, return on total assets, return on stockholders' equity, pre-tax income to paid-in capital, and earning per shareare mainly due to the decrease in revenue, resulting in the current period's losses. This resulted in decreases in the ratio of property of plant and equipment, total asset turnover, return on total assets, return on stockholders' equity, pre-tax income to paid-in capital ,and earning per share. (5) The changes in the cash flow ratio are mainly due to the net cash inflow from operating activities, which leads to an increase in the cash flow ratio. (6) The changes in the net cash flow adequacy ratio are mainly due to the decrease in capital expenditures over the past five years and the decrease inventory increases over the past five years, resulting in an increase in the cash flow adequacy ratio. (7) The changes in operating leverage are mainly due to the decrease in revenue and operating loss, resulting in an increase in operating leverage.2

Note1: The financial information from 2019 to 2023 has been audited by CPA.

Note2: Up to the date of publication of the annual report, if the TWSE/TPEx Listed Companies have the latest financial information that has been audited or reviewed by CPA, it should also be analyzed.

Note 3: The following calculation formula should be listed at the end of this form of the annual report:

1. Financial structure

(1) Debt Ratio = Total Liabilities / Total Assets

(2) Long-term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity +. Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Solvency

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses

3. Operating performance

(1) Receivables turnover ratio (including accounts receivable and notes receivable from operating)=net sales revenue/ average accounts receivable (including accounts receivable and notes receivable generated from operations) balance for each period.

(2) Days Sales Outstanding = 365 / Average Collection Turnover

(3) Average Inventory Turnover = Cost of Sales / Average Inventory

(4) Accounts payable turnover ratio (including accounts payable and not payable from operating)=cost of sales / average accounts payable (including accounts payable and notes payable generated from operations) balance for each period.

(5) Average Inventory Turnover Days = 365 / Average Inventory Turnover

(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability

(1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate) /Average Total Assets

(2) ROE＝Profit and loss after tax / Average total equity

(3) Net Margin = Net Income / Net Sales

(4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent – PreferredStock Dividend) / Weighted Average Number of Shares Outstanding（Note4）

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities

(2) Cash Flow Adequacy Ratio = Five-year Sum of Cash from Operations / Five-year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

(3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (GrossProperty, Plant and Equipment + Long-term Investments + Other Noncurrent Assets + Working Capital) (Note5)

6. Leverage:

(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations (Note6)。

(2) Financial Leverage = Income from Operations / (Income from Operations – Interest Expenses)

Note4: The formula for calculating earnings per share above should pay attention to the following items when measuring:

1. The calculation should be based on the weighted average number of shares of common stock, not the number of shares outstanding at the end of the year.
2. Where there is a cash capital increase or treasury stock trading, the weighted average number of shares shall be calculated in consideration of its circulation period.
3. Where there is a capital increase from surplus or capital reserve, when calculating the earnings per share for previous years and half-years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.
4. Where there is a capital increase from surplus or capital reserve, when calculating the earnings per share for previous years and half-years, retrospective adjustments should be made according to the capital increase ratio, regardless of the issuance period of the capital increase.

Note5: When analyzing cash flow, special attention should be paid to the following matters when measuring:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flow.
2. Capital expenditure refers to the annual cash outflow for capital investment.
3. The increase in inventory is only included when the closing balance is greater than the opening balance. If the inventory decreases at the end of the year, it is calculated as nil.
4. Cash dividends include cash dividends on ordinary shares and preferred shares.
5. The gross of property, plant and equipment is the total amount of property, plant and equipment before accumulated depreciation.

Note6: The issuer should classify various operating costs and operating expenses into fixed and variable according to their nature. If an estimate or subjective judgment involved, attention should be paid to rationality and consistency should be maintained.

Note7: If the shares of the company have no par value or the denomination per share is not NT$10, the ratio of the paid-in capital previously stated shall be calculated as the ratio of equity attributable to the owners of the parent company on the balance sheet.

6.3 Audit Committee Review Report of Financial Statements for the Recent Year:

PONTEX POLYBLEND CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report,Financial Statements, and parent company only finanicial statements and the proposal of loss statement. The CPA firm of Lan-Jai CPA's Firm Ciou,Lang-Min,and Jian,Jhih-Hong was retained to audit the Company's Financial Statements and has issued an audited report relating to the Financial Statements. The Business Report, Financial Statements, and parent company only finanicial statements and the proposal of loss statement have been reviewed and determined to be correct and accurate by the Audit Committee members of Pontex Polyblend Co., Ltd. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely,

PONTEX POLYBLEND CO., LTD. 2024 regular meeting of shareholders

Convener of the Audit Committee: Shen,Xiu-Xiong

March 7, 2024

6.4. Financial Statements for the Most Recent Fiscal Year, Including an Auditor's Report Prepared by a Certified Public Accountant, and 2-Year Comparative Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Chart, and Any Related Footnotes or Attached Appendices:

PONTEX POLYBLEND CO., LTD

REPRESENTATION LETTER

The entities that are required to be included in the consolidated statements of affiliates of PONTEX POLYBLEND CO., LTD. as of and for the year ended 31 December 2023 under the"Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports andConsolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No.10 "Consolidated Financial Statements". Relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidatedfinancial statements of parent and subsidiary companies. Consequently, PONTEX POLYBLEND CO., LTD. and its subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Hereby certified.

PONTEX POLYBLEND CO., LTD

HENRY GLOBAL INVESTMENT CO., LTD.

Representative: SHEN, MAO-KEN

March 7 2024

Independent Auditors' Report Translated from Chinese

To PONTEX POLYBLEND CO.,LTD

Opinion

We have audited the accompanying consolidated balance sheets of PONTEX POLYBLEND CO.,LTD and its subsidiaries as of December 31, 2023 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and notes to the consolidated financial statements, including the summary of significant accounting policies (together"the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and their consolidated financial performance and cash flows for the years ended December 31, 2023 in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with Regulations Governing Financial statement Audit and Attestation Engagement of Certified Public Accountant and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of accounts receivable

As of 31 December 2023, gross accounts receivable and loss allowance by the Company amounted to NT$118,042 thousand and NT$214 thousand, respectively. Net accounts receivable accounted for 8% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter. Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of allowance for loss policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; investigating accounts receivable details, recalculating the reasonableness of allowance for loss based on the expected credit companies, and the expected loss rate by management assessing; evaluating individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

2. Inventory valuation

As of 31 December 2023, the net inventories of the Company and its subsidiaries amounted to NT$263,988 thousand accounting for 17% of the total assets. Due to the highly competitive nature of the market for polyblend materials, the wide range of product applications, the fact that the prices of raw materials, finished goods and products are subject to anticipated future market and economic conditions, and the uncertainty arising from rapid changes in product technology, the allowance for impairment of inventories involves significant management judgement. We therefore determined the inventory valuation a key audit matter. Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Other Matter

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023.

The consolidated financial statements of the Company for the year ended December 31, 2022 were audited by the other auditor who expressed an unqualified opinion on those statements on March 9, 2023.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with The Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CHIU, LANG-MIN

CHIEN, CHIH-HUNG

LAN-JAI CPAs FIRM,
March 7, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, LAN-JAI CPAs FIRM cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	$107,758	7	$151,394	9
1136	Financial assets measured at amortized cost - current		58,078	4	35,272	2
1150	Notes receivable, net	4,6(2)	23,405	2	13,748	1
1170	Accounts receivable, net	4,6(3)	117,828	8	226,103	13
1200	Other receivables	4	4,566	-	4,050	-
130x	Inventories	4,6(4)	263,988	17	277,306	17
1410	Prepayments		24,915	2	22,857	1
1476	Other current financial assets	6(1),8	24,591	1	30,787	2
1479	Other current assets		2,271	-	1,738	-
11xx	Total current assets		627,400	41	763,255	45
	Non-current assets					
1600	Property, plant and equipment	4,6(5),8	684,583	44	722,405	42
1755	Right-of-use assets	4,6(14)	149,327	10	156,293	9
1760	Investment property	4,6(6)	51,692	3	55,968	3
1780	Intangible assets	4	232	-	251	-
1840	Deferred tax assets	4,6(18)	15,206	1	15,962	1
1900	Other non-current assets	6(7)	13,884	1	3,844	-
1975	Net defined benefit non-current assets	4,6(10)	3,207	-	3,061	-
15xx	Total non-current assets		918,131	59	957,784	55
1xxx	Total assets		$1,545,531	100	$1,721,039	100

(Continued)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD.
Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer：CHUNG, HSIU-CHU

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6(8)	$296,814	19	$427,749	25
2150	Notes payable		18,326	1	28,876	2
2170	Accounts payable		50,742	3	38,697	2
2200	Other payables		24,679	2	33,127	2
2230	Current tax liabilities	6(18)	764	-	6,354	-
2320	Long-term liabilities-current portion	4,6(9)	74,666	5	72,500	4
2399	Other current liabilities	6(12)	425	-	1,890	-
21xx	Total current liabilities		466,416	30	609,193	35
	Non-current liabilities					
2540	Long-term loans	4,6(9)	198,075	13	258,750	15
2570	Deferred tax liabilities	4,6(18)	12,676	1	12,556	1
2645	Other non-current liabilities-others		2,613	-	2,671	-
25xx	Total non-current liabilities		213,364	14	273,977	16
2xxx	Total liabilities		679,780	44	883,170	51
31xx	Equity attributable to the parent company					
3100	Capital					
3110	Common stock	6(11)	979,950	63	843,000	49
3300	Retained earnings	6(11)				
3310	Legal reserve		3,443	-	619	-
3320	Special reserve		5,569	-	5,569	-
3350	Retained earnings (accumulated deficit)		(69,909)	(4)	28,246	2
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(53,302)	(3)	(39,565)	(2)
3xxx	Total equity		865,751	56	837,869	49
	Total liabilities and equity		$1,545,531	100	$1,721,039	100

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Manager: SHEN, MAO-KEN Accounting Officer：CHUNG, HSIU-CHU
Representative: SHEN, MAO-KEN

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

			For the years ended 31 December 2023		For the years ended 31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
4000	Operating revenues	4,6(12),7	$594,313	100	$946,483	100
5000	Operating costs	6(4),6(15)	(526,748)	(89)	(774,041)	(82)
5900	Gross profit-net		67,565	11	172,442	18
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(36,001)	(6)	(48,355)	(5)
6200	General and administrative expenses		(83,904)	(14)	(85,417)	(9)
6300	Research and development expenses		(11,728)	(2)	(17,899)	(1)
6450	Expected credit gain (loss)	4,6(13)	1,970	-	(2,232)	-
	Total operating expenses		(129,663)	(22)	(153,903)	(15)
6900	Operating income		(62,098)	(11)	18,539	3
7000	Non-operating income and expenses					
7100	Interest income		2,256	-	630	-
7010	Other income	6(16)	13,554	2	19,893	2
7020	Other gains and losses	6(16)	(3,581)	(1)	4,143	-
7050	Finance costs	6(16)	(20,383)	(2)	(19,255)	(2)
	Total non-operating income and expenses		(8,154)	(1)	5,411	-
7900	Income from continuing operations before income tax		(70,252)	(12)	23,950	3
7950	Income tax benefit	4,6(18)	354	-	3,406	-
8200	Net income		(69,898)	(12)	27,356	3
8300	Other comprehensive income (loss)	6(17)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement on defined benefit plan		(179)	-	1,112	-
8349	Income tax related to items that will not be reclassified subsequently		36	-	(222)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(13,737)	(2)	25,950	3
	Total other comprehensive income (loss), net of tax		(13,880)	(2)	26,840	3
8500	Total comprehensive income		$(83,778)	(14)	$54,196	6
8600	Net income attributable to:					
8610	Stockholders of the parent		$(69,898)		$27,356	
8620	Non-controlling interests		-		-	
			$(69,898)		$27,356	
8700	Comprehensive income attributable to:					
8710	Stockholders of the parent		$(83,778)		$54,196	
8720	Non-controlling interests		-		-	
			$(83,778)		$54,196	
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		$(0.75)		$0.32	
9850	Earnings per share-diluted		$(0.75)		$0.31	

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Manager: SHEN, MAO-KEN Accounting Officer：CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity Attributable to the Parent Company					Total Equity
			Retained Earnings			Other components of equity	
		Capital	Legal Reserve	Special reserve	Unappropriated Earnings (accumulated deficit)	Exchange Differences on Translation of Foreign Operations	
Balance as of 1 January 2022		$843,000	$ -	$ -	$6,188	$(65,515)	$783,673
Appropriation and distribution of 2021 retained earnings							
Legal reserve		-	619	-	(619)	-	-
Special reserve		-	-	5,569	(5,569)	-	-
Net income for the year ended 31 December 2022		-	-	-	27,356	-	27,356
Other comprehensive income, net of tax for the year ended 31 December 2022	6(17)	-	-	-	890	25,950	26,840
Total comprehensive income		-	-	-	28,246	25,950	54,196
Balance as of 31 December 2022		$843,000	$619	$5,569	$28,246	$(39,565)	$837,869
Balance as of 1 January 2023		$843,000	$619	$5,569	$28,246	$(39,565)	$837,869
Appropriation and distribution of 2022 retained earnings							
Legal reserve		-	2,824	-	(2,824)	-	-
Stock dividends of Common Stock		25,290	-	-	(25,290)	-	-
Net loss for the year ended 31 December 2023		-	-	-	(69,898)	-	(69,898)
Other comprehensive income, net of tax for the year ended 31 December 2023	6(17)	-	-	-	(143)	(13,737)	(13,880)
Total comprehensive income		-	-	-	(70,041)	(13,737)	(83,778)
Issuance of Common Stock		111,660	-	-	-	-	111,660
Balance as of 31 December 2023		$979,950	$3,443	$5,569	$(69,909)	$(53,302)	$865,751

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD.
Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer：CHUNG, HSIU-CHU

English Translation of Consolidated Financial Statements Originally Issued in Chinese
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from operating activities:			
Net income(loss) before tax		$(70,252)	$23,950
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			
Depreciation		49,914	56,739
Amortization		91	142
Expected credit (gain)loss		(1,970)	2,232
Finance costs		20,383	19,255
Interest income		(2,256)	(630)
loss on disposal of property, plant and equipment		1	174
Reversal of impairment loss on non-financial assets		-	(174)
Changes in operating assets and liabilities:			
Decrease (increase) in notes receivable		(9,657)	9,902
Decrease in accounts receivable		108,295	53,719
Increase in other receivables		(173)	(290)
Decrease in inventories, net		13,318	4,081
Decrease (increase) in prepayments		(2,058)	18,033
Decrease in other current financial assets		6,196	531
Increase in other current assets		(533)	(625)
Increase (decrease) in notes payable		(10,550)	4,005
Increase (decrease) in accounts payable		12,045	(28,921)
Increase (decrease) in other payables		(8,709)	3,427
Decrease in other current liabilities		(1,465)	(303)
Decrease in net defined benefit non-current assets		(325)	(314)
Cash generated from operations		102,295	164,933
Interest received		2,093	598
Interest paid		(20,552)	(19,127)
Income tax paid (return)		(4,330)	582
Net cash provided by operating activities		79,506	146,986
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(20,852)	(11,810)
Acquisition of intangible assets		(73)	(160)
Increase in financial assets measured at amortized Cost - current		(22,806)	(35,272)
Decrease increase in other non-current assets		4,721	420
Net cash provided by (used in) investing activities		(39,010)	(46,822)
Cash flows from financing activities:			
Increase in short-term loans		786,855	955,937
Decrease in short-term loans		(917,781)	(982,124)
Increase in long-term loans		13,991	24,000
Cash payment for long-term loans		(72,500)	(73,743)
Issuance of Common Stock		111,660	-
Increase in other non-current liabilities		-	40
Net cash used in financing activities		(77,775)	(75,890)
Effect of exchange rate changes on cash and cash equivalents		(6,357)	14,974
Net increase in cash and cash equivalents		(43,636)	39,248
Cash and cash equivalents at beginning of period		151,394	112,146
Cash and cash equivalents at end of period	6(1)	$107,758	$151,394

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Representative: SHEN, MAO-KEN   Manager: SHEN, MAO-]   Accounting Officer：CHUNG, HSIU-CHU

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, unless Otherwise Stated)

1、 History and organization

Pontex Polyblend Co., Ltd. (hereinafter “the Company”) was incorporated in 21 December 1982. It is primarily in the business of compounding, processing, injection, moulding and trading of resins, plastic and rubber materials, shoe sole materials, etc., as well as in the operation and investment of the relevant businesses.

In July 1999, in response to the need for diversification of future fund raising channels and with the consent of the securities authorities, a retroactive handling of public issuance procedures was completed. In September 2001, an application was made to the Taipei Exchange for the listing of the shares on the Taipei Exchange and the listing was approved on 26 March 2002. Its registered office and primary place of business is located at No.23-6, Longxing Ln., Sec. 2, Fengxing Rd., Tanzi Dist., Taichung City 427, Taiwan.

2、 Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as “the Group”) for the years ended 31 December 2023 and 2022 were approved to release in accordance with a resolution of the board of directors’ meeting on 07 March 2024.

3、 Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2023. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Amendments to IAS 1 "Presentation of Financial Statements" - Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants	January 1, 2024
b	Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback	January 1, 2024
c	Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"-Supplier Finance Arrangements	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

a. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

b. Amendments to IFRS 16 "Leases" (IFRS 16) - Lease Liability in a Sale and Leaseback

The amendments add seller-lessee additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

c. Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - Supplier Finance Arrangements

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

d. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The standards and interpretations listed (a) - (c) have no material impact on the Group's financial position and performance.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 Effective Date issued by IASB To be determined by IASB "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability	January 1, 2025

a. Amendments to IFRS 10 "Consolidated Financial Statements" (IFRS 10) and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (IAS 28)

The amendments address the inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture.

IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture.

IFRS 10 requires full profit or loss recognition on the loss of control of a subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 "Business Combinations" (IFRS 3) between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

b. IFRS 17 "Insurance Contracts" (IFRS 17)

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements).

The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021), provide additional transition reliefs, simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain.

IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

c. Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

4、 Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed by FSC (TIFRSs).

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and loss and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. recognizes any surplus or deficit in profit or loss;
F. reclassifies the parent's share of components previously recognized in other comprehensive income as changes in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Investor	Subsidiary	Main businesses	2023.12.31	2022.12.31
The Company	MULTITEX POLYBLEND CO.,LTD.	A holding company of investment in China.	100%	100%
MULTITEX POLYBLEND CO., LTD.	Pontex(Q.Y) Polyblend Co.,Ltd (Hereinafter referred to as Pontex(Q.Y) Co.)	Manufacture and sale of plastic pellets, plastic sports equipment together with parts thereof, shoes, shoe materials and parts thereof, and moulds.	100%	100%
The Company	Polytech Global Limited	A holding company of investment in VietNam.	100%	100%
Polytech Global Limited	Cleated Molding Global Limited	A holding company of investment in VietNam.	100%	100%
Cleated Molding Global Limited	VietNam Bang Thai Polyblend Co.,Ltd (Hereinafter referred to as VietNam Bang Thai Co.)	Manufacture and sale of plastic pellets, plastic sports equipment together with parts thereof, shoes, shoe materials and parts thereof, and moulds.	100%	100%

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NTD), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Group holds the asset primarily for the purpose of trading
C. The Group expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle
B. The Group holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the
D. reporting period

E. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalent

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group’s business model for managing the financial assets
(b) the contractual cash flow characteristics of the financial asset.

<u>Financial assets measured at amortized cost</u>

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or loss.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

<u>Financial asset measured at fair value through other comprehensive income</u>

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or loss and foreign exchange gains and loss, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method.
This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition.
Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or loss resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit loss on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit loss of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
(b) the time value of money
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or loss on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

<u>Financial liabilities at amortized cost</u>

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and loss are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

<u>Derecognition of financial liabilities</u>

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a. In the principal market for the asset or liability, or
b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a first in, first out basis

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively.The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment.When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	3～50 years
Machinery and equipment	2～10 years
Transportation equipment	5～10 years
Office equipment	2～10 years
Other equipment	3～20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets’ residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	20 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

<u>Group as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

<u>Computer software</u>

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	5~6 years
Amortization method used	Amortized on a straight-line basis over the period of the patent
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells goods and recognizes revenue when the promised goods are delivered to the customer and the customer obtains control over them (i.e. The customer simultaneously receives and consumes the economic benefits of the provided asset as the entity performs). The main goods are functional shoe outsoles, midsoles, trim components and other upper injection and rubber materials, and revenue is recognized on the basis of contracted prices.

The credit period of the Group's sale of goods is from 10 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

the date of the plan amendment or curtailment, and

(a) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Mulititex Ployblend co., LTD.、Polytech Global Limited、Cleated Molding Global Limited. Income from offshore operations is exempt from income tax under local tax laws.

In accordance with the “Enterprise Income Tax Law of the People's Republic of China”, the corporate income tax rate for Pontex (Q. Y) Co. is at 25%.

The corporate income tax rate corporate income tax is at 20% for VietNam Bang Thai Polyblend Co., Ltd. Corporate income tax is exempted for two years from the commencement of taxable income and reduced by half for the following four years.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of thefuture salary etc. Please refer to Note 6 for a detailed description of the assumptions used to measure the defined benefit cost and the defined benefit obligation.

(c) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group companys domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(d) Trade receivables–estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(e) Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

1. Cash and cash equivalents

	As of 31 December	
	2023	2022
Cash on hand	$407	$1,252
Cheque deposits	1,315	1,688
Demand deposits	106,036	148,454
Total	$107,758	$151,394

As at 31 December 2023 and 2022, restricted bank deposits amounting to NT$24,591 thousand and NT$30,787 thousand, respectively, were classified under other financial assets - current.

Please refer to note 8 for other financial assets - current under pledge.

(1) Notes receivables

	As of 31 December	
	2023	2022
Notes receivables arising from operating activities	$23,405	$14,655
Less: loss allowance	-	(907)
Total	$23,405	$13,748

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.13 for more details on loss allowance and Note 12 for details on credit risk.

(2) Accounts receivables

	As of 31 December	
	2023	2022
Acounts receivables	$118,042	$226,933
Less: loss allowance	(214)	(830)
Total	$117,828	$226,103

Accounts receivables were not pledged.

Accounts receivables are generally on 10-165 day terms. The total receivables of carrying amount are NT $118,042 thousand and $226,933 as of December 31, 2023 and 2022, respectively. Please refer to Note 6(13) for more details on loss allowance of accounts receivables for the year periods ended December 2023 and 2022. Please refer to Note 12 for more details on credit risk management. 100% credit loss provision is reserved for account receivables which are deemed with least possibility to be collected. Please refer to Note 6(7) for more details.

(3) Inventories

	As of 31 December	
	2023	2022
Raw materials	$204,644	$214,864
Work in progress	4,390	5,809
Finished goods	53,319	53,520
Merchandise	173	329
Inventory in transit	1,462	2,784
Total	$263,988	$277,306

The cost of inventories recognized in cost of goods sold including the write-down of inventories for 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
Cost	$526,748	$774,041
Write-down of inventories	1,175	3,255

Inventories were not pledged.

(4) Property, plant and equipment

	Land and land Improvements	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress	Total
Cost:								
As of January 2023	$353,545	$622,597	$253,644	$12,800	$11,948	$190,279	$ -	$1,444,813
Additions	-	-	2,821	294	4,415	961	-	8,491
Disposals	-	-	(92)	(99)	(3,640)	(1,115)	-	(4,946)
Reclassification	-	-	-	-	-	-	-	-
Exchange differences	-	(4,395)	(2,362)	(113)	(76)	(928)	-	(7,874)
As of December 2023	$353,545	$618,202	$254,011	$12,882	$12,647	$189,197	$ -	$1,440,484
Depreciation and impairment:								
As of January 2023	$ -	$350,737	$184,126	$11,882	$9,717	$165,946	$ -	$722,408
Depreciation and impairment	-	18,476	14,158	368	1,686	7,263	-	41,951
Disposals	-	-	(92)	(98)	(3,640)	(1,116)	-	(4,946)
Exchange differences	-	(1,045)	(1,655)	(111)	(38)	(663)	-	(3,512)
As of December 2023	$ -	$368,168	$196,537	$12,041	$7,725	$171,430	$ -	$755,901
Cost:								
As of January 2022	$353,545	$615,166	$244,309	$13,078	$11,869	$186,486	$ -	$1,424,453
Additions	-	160	7,976	344	-	1,673	5,975	16,128
Disposals	-	(761)	(3,015)	(863)	-	-	-	(4,639)
Reclassification	-	-	-	-	-	-	(5,975)	(5,975)
Exchange differences	-	8,032	4,374	241	79	2,120	-	14,846
As of December 2022	$353,545	$622,597	$253,644	$12,800	$11,948	$190,279	$ -	$1,444,813
Depreciation and impairment:								
As of January 2022	$ -	$331,026	$166,986	$11,767	$8,422	$155,610	$ -	$673,811
Depreciation and impairment	-	19,012	18,298	761	1,245	9,304	-	48,620
Disposals	-	(587)	(3,015)	(863)	-	-	-	(4,465)
Exchange differences	-	1,286	1,857	217	50	1,032	-	4,442
As of December 2022	$ -	$350,737	$184,126	$11,882	$9,717	$165,946	$ -	$722,408
Net carrying amount:								
31 December 2023	$353,545	$250,034	$57,474	$841	$4,922	$17,767	$ -	$684,583
31 December 2022	$353,545	$271,860	$69,518	$918	$2,231	$24,333	$ -	$722,405

As of 31 December 2023 and 2022, NT$18,754 thousand of the cost of land was accounted for as costs related to the acquisition of farmland. Due to legal restrictions, the title is temporarily registered in the name of another party and a trust of land is signed, which will be changed to the name of the Company when the transfer to the Company is permitted by law in the future.

The movement in the Company's accumulated impairment is as follows:

	For the years ended 31 Decembe	
	2023	2022
Accumulated impairment at the beginning of the period	$(50,559)	$(50,692)
Reversal for the period	-	174
Effect of exchange rate	51	(41)
Accumulated impairment at the end of the period	$(50,508)	$(50,559)

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(5) Investment property

Investment property comprises only the Group's owned investment property.

	Buildings
Cost：	
As of January 2023	$66,169
Exchange differences	(1,215)
As of December 2023	$64,954
Depreciation and impairment：	
As of January 2023	$10,201
Depreciation	3,297
Exchange differences	(236)
As of December 2023	$13,262
Cost：	
As of January 2022	$65,194
Exchange differences	975
As of December 2022	$66,169
Depreciation and impairment：	
As of January 2022	$6,791
Depreciation	3,318
Exchange differences	92
As of December 2022	$10,201
Net carrying amount:	
31 December 2023	$51,692
31 December 2022	$55,968

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties held by the Group as at 19 January 2022, as assessed by an independent external appraiser, was NT $261,547 thousand. The Company's management assessed the fair value of investment property and there were no significant changes as at 31 December 2023.

(6) Other non-current assets

	As of 31 December	
	2023	2022
Overdue receivables	$291,765	$296,485
Less: loss allowance (overdue receivables)	(291,765)	(293,735)
Advance payments in equipments	12,864	73
Refundable deposits	670	671
Other non-current assets	350	350
Total	$13,884	$3,844

(7) Short-term borrowings

	As of 31 December	
	2023	2022
Secured bank loans	$296,814	$427,749

	As of 31 December	
	2023	2022
Unused short-term lines of credits	$316,769	$201,359

Interest Rates (%):

	For the years ended 31 December	
	2023	2022
Secured bank loans	2.60%~6.05%	2.04%~5.25%

Please refer to Note 8 for more details on other financial assets and property, plant and equipment pledged as security for short-term borrowings.

(8) Long-term borrowings

Details of long-term loans as at 31 December 2023 and 31 December 2022 are as follows:

Lenders	As of 31 December 2023	Interest Rate (%)	Maturity date and terms of repayment
First Commercial Bank secured bank loans	226,000	2.90%	From 30th December 2018 to 29th December 2025, installments will be made in monthly installments of $1,500 thousand each in the first year, $3,000 thousand each in the second year and $4,000 thousand each in the third year. With effect from 16th July 2020, the credit terms were changed for a grace period up to 27th June 2021. The principal is repayable in monthly installments of $4,000 thousand from 28th June 2021 to 28th June 2022 and $5,000 thousand from 28th June 2022, with the remaining principal of $111,000 thousand to be repaid in full on the maturity date.
The Shanghai Commercial Bank unsecured bank loans	13,750	3.50%	Interest is payable monthly in monthly instalments from 14th October 2020 to 14th October 2025, with the first year being a grace period of NT$625 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	7,125	3.00%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$188 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	3,167	3.00%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	8,708	3.00%	Interest is payable monthly in monthly instalments from 17th March 2022 to 17th February 2027, with the first year being a grace period of NT229 thousand and the final instalment being repaid in full, with interest payable monthly.
MEGA BANK unsecured bank loans	13,991	2.01%	Interest is payable monthly in monthly instalments from 23th September 2024 to 23th August 2028, with the first year being a grace period of NT180 thousand and the final instalment being repaid in full, with interest payable monthly.
Subtotal	272,741		
Less: current portion	(74,666)		
Total	$198,075		

Lenders	As of 31 December 2022	Interest Rate (%)	Maturity date and terms of repayment
First Commercial Bank secured bank loans	$286,000	2.78%	From 30th December 2018 to 29th December 2025, installments will be made in monthly installments of $1,500 thousand each in the first year, $3,000 thousand each in the second year and $4,000 thousand each in the third year. With effect from 16th July 2020, the credit terms were changed for a grace period up to 27th June 2021. The principal is repayable in monthly installments of $4,000 thousand from 28th June 2021 to 28th June 2022 and $5,000 thousand from 28th June 2022, with the remaining principal of $111,000 thousand to be repaid in full on the maturity date.
The Shanghai Commercial Bank unsecured bank loans	21,250	3.25%	Interest is payable monthly in monthly instalments from 14th October 2020 to 14th October 2025, with the first year being a grace period of NT$625 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	4,000	2.75%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	9,000	2.75%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	11,000	2.75%	Interest is payable monthly in monthly instalments from 17th March 2023 to 17th February 2027, with the first year being a grace period of NT229 thousand and the final instalment being repaid in full, with interest payable monthly.
Subtotal	331,250		
Less: current portion	(72,500)		
Total	$258,750		

Certain land and buildings are pledged as first priority security for secured bank loans, please refer to Note 8 for more details.

(9) Post-employment benefits

Defined contribution plan

The Group adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$2,322 thousand and NT$2,369 thousand, respectively.

Defined benefits plan

The Group adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19.The Group expects to contribute NT$288 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The weighted average duration of the defined benefits obligation was 5 years as of 31 December 2023.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current service costs	$ -	$ -
Net interest on the net defined benefit liabilities (assets)	(37)	(11)
Total	$(37)	$(11)

Reconciliations of liabilities of the defined benefit obligation and plan assets at fair value are as follows:

	As of		
	31 December 2023	31 December 2022	1 January 2022
Defined benefit obligation	$10,989	$11,026	$12,669
Plan assets at fair value	(14,196)	(14,087)	(14,304)
Net defined benefit liabilities, noncurrent	$(3,207)	$(3,061)	$(1,635)

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of 1 January 2022	$12,669	$(14,304)	$(1,635)
Current period service costs	-	-	-
Interest expense (income)	85	(96)	(11)
Subtotal	12,754	(14,400)	(1,646)
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(398)	-	(398)
Experience adjustments	440	(1,154)	(714)
Subtotal	42	(1,154)	1,112
Payments of benefit obligation	(1,770)	1,770	-
Contributions by employer	-	(303)	(303)
As of 31 December 2022	$11,026	$(14,087)	$(3,061)
Current period service costs	-	-	-
Interest expense (income)	132	(169)	(37)
Subtotal	11,158	(14,256)	(3,098)
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	24	-	24
Experience adjustments	235	(80)	(155)
Subtotal	259	(80)	179
Payments of benefit obligation	(428)	428	-
Contributions by employer	-	(288)	(288)
As of 31 December 2023	$10,989	$(14,196)	$(3,207)

The principal assumptions used in determining the Group's defined benefit plan are shown below:

	As of 31 December	
	2023	2022
Discount rate	1.15%	1.20%
Expected rate of salary increases	0.50%	0.50%

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2023		2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	$ -	$235	$ -	$342
Discount rate decrease by 0.50%	260	-	374	-
Future salary increase by 0.50%	260	-	375	-
Future salary decrease by 0.50%	-	192	-	279

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(10) Equity

A. Common stock

As of December 31, 2023, The Company had an authorized capital stock of NT$3,500,000 thousand divided into 350,000,000 shares with a par value of NT$10 per share. Of these, 97,995,000 shares had been issued, resulting in a paid-up capital of NT$979,950 thousand. Each share carries one voting right and entitlement to dividends.

During the shareholders' meeting on June 7, 2023 it was resolved to increase the capital by NT$25,290 thousand from retained earnings, at a price of NT$10 per share, resulting in the issuance of 2,529,000 shares. This increase was approved by the FSC on September 15, 2023 with the record date for the rights issue set as October 20, 2023.

In order to augment operational funds, the company resolved at the shareholders' meeting on June 2, 2022 to conduct a cash capital increase through private placement. Additionally, on March 9 the board of directors resolved to proceed with cash capital increase through private placement and on March 23 originally intended to subscribe to 17,000,000 ordinary shares at NT$10 per share, the actual subscription amounted to 6,666,000 shares as of the same day. By June 30, 2023 6,666,000 shares had been issued, raising NT$66,660 thousand. Considering practical circumstances, as resolved by the board of directors on April 27, 2023 and endorsed by the shareholders' meeting on June 7, 2023 the remaining balance of 23,334,000 ordinary shares could be issued through private placement within the original one-year period. No further private placements would be conducted during the remaining duration.

Furthermore, another private placement for a cash capital increase was approved at the same shareholders' meeting, with an upper limit of 20,000,000 shares. On August 3, 2023 the board of directors resolved to issue 4,500,000 ordinary shares through private placement at NT$10 per share. As of December 31, 2023 4,500,000 shares had been issued, raising NT$45,000 thousand leaving a balance of 15,500,000 ordinary shares available for private placement within one year from the date of the shareholders' meeting resolution.

B. Capital surplus

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Legal reserve

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

D. Special reserve

According to the existing regulations, when the Company distributing distributable earnings, it shall set aside an amount equal to “other net deductions from shareholders’ equity for the current fiscal year to special reserve. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. The Company recorded a negative balance of retained earnings (accumulated deficit) as at 1 January 2012. Therefore, this order has no impact on the Company.

E. Retained earnings and dividend policies

According to the Company’s original Articles of Incorporation, current year’s earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years’ operation losses;
c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;

d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company's dividend policy shall take into account the profitability, capital structure and future operation and shall allocate no less than 10% of the distributable earnings to shareholders each year. Dividends per share calculated on the basis of distributable earnings of less than NT$0.50 may be withheld. Dividends to shareholders may be distributed in cash or in shares. Except that stock dividends shall be limited to not less than 10% of the total dividends.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on 7 June 2023 and 2 June 2022, respectively, are as follows:

	For the years ended 31 December			
	Appropriation of earnings and distribution		Dividend per share	
	2022	2021	2022	2021
Legal reserve	$2,824	$619	-	-
Provision for special reserve	-	5,569	-	-
Stock dividends	25,290	-	$0.26491107	$ -

In the 2023 The Company conducted a private placement to increase the issuance of common shares, totaling 11,166,000 shares. Consequently, the total outstanding shares increased to 95,466,000 shares. As a result, the adjusted rights issue rate is NT$0.26491107 per share.

Please refer to Note 6(15) for further details on employees' compensation and remuneration to directors and supervisors.

(12) Operating revenue

	For the years ended 31 December	
	2023(Note)	2022(Note)
Revenue from contracts with customers		
Sale of goods	$594,313	$946,483

Note:In accordance with IFRS 15, certain transactions are expressed on a net basis.

A. Disaggregation of revenue

For the year ended 31 December 2023:

	Equipment Business Department	Compound Materials Business Department	Total
Sale of goods	$125,694	$468,619	$594,313

For the year ended 31 December 2022:

	Equipment Business Department	Compound Materials Business Department	Total
Sale of goods	$278,675	$667,808	$946,483

The Group recognize revenue from contracts with customers at a point in time.

B. Contract balance

Contract liabilities – current (Classified as other current liabilities)

	As of		
	31 Decemder 2023	31 Decemder 2022	1 January 2022
Sales of goods	$257	$1,714	$2,019

The Group's balance of contract liabilities for the years ended 31 December 2023 and 2022 decreased because most of the performance obligations have been fulfilled.

The significant changes in the Group's balances of contract liabilities for the tyears ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
(Decrease) increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	$(1,457)	$(305)

(13) Expected credit (losses)gains

	For the years ended 31 December	
	2023	2022
Operating expenses – Expected credit (loss) gains		
Account receivables	$1,970	$(750)
Overdue receivables	-	-
Long-term receivables	-	(1,482)
Subtotal	$1,970	$(2,232)

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at 31 December 2023, 31 December 2022 are as follows:

As of 31 December 2023

Group 1

	Not yet due	Overdue 0-90 days	91-180 days	181-270 days	271-365 days	>=366 days	Total
Gross carrying amount	$135,377	$5,845	$10	$1	$-	$214	$141,447
Loss ratio	- %	- %	- %	- %	- %	100%	
Lifetime expected credit losses	-	-	-	-	-	(214)	(214)
Carrying amount	$135,377	$5,845	$10	$1	$-	$ -	$141,233

Group 2：None.

As of 31 December 2022

Group 1

	Not yet due	Overdue 0-90 days	91-180 days	181-270 days	271-365 days	>=366 days	Total
Gross carrying amount	$237,455	$2,835	$1	$3	$168	$1,126	$241,588
Loss ratio	0.2%	- %	- %	5%	5%	100%	
Lifetime expected credit losses	(611)	-	-	-	-	(1,126)	(1,737)
Carrying amount	$236,844	$2,835	$1	$3	$168	$ -	$239,851

Group 2：None.

The movement in the impairment provision of note receivables and trade receivables for the years ended 31 December 2023 and 2022 is as follows:

	Note receivables	Trade receivables	Overdue receivable	Long-term receivables
As of 1 January 2023	$907	$830	$293,735	$ -
Rreversal for the current period	-	-	(1,970)	-
Write-off due to irrecoverability	(907)	(612)	-	-
Exchange difference	-	(4)	-	-
As of 31 December 2023	$-	$214	$291,765	$ -
As of 1 January 2022	$907	$3,855	$271,374	$17,089
Addition for the current period	-	750	-	1,482
Reclassification	-	(3,790)	22,361	(18,571)
Exchange difference	-	15	-	-
As of 31 December 2022	$907	$830	$293,735	$ -

(14) Leases

A. The Group is a lessee

The Group leases various properties, including land, buildings, transportation equipment and other equipment. The lease terms range from 20 to 46 years.

The impact of Group’s leases on the financial position, financial performance and cash flows is as follows:

(a) Amounts recognized in the balance sheet

Right-of-use asset

	As of 31 December	
	2023	2022
Land	$149,327	$156,293

As of December 31, 2023, and December 31, 2022, the Group have not yet obtained the certified translation of real property ownership certificate for certain right-of-use assets, with the amounts of CNY 19,511 thousand and CNY 20,347 thousand, respectively.These rights were legally acquired during the purchase of the right-of-use assets; however, due to their classification as woodland, there are temporary restrictions on constructing buildings. Nevertheless, it is anticipated that certified translation of real property ownership certificate will be acquired at a later date once development approvals are granted by Qingyuan Qingxin District Bureau of Industry and Information Technology.

There has been no addition to the Group's right-to-use assets for the years ende 31 December 2023 and 2022.

（b）Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Land	$4,666	$4,627

(c) Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$1,418	$623

(d) Cash outflow relating to leasing activities

The Group's total cash outflow from leases amounted to NT $1,418 thousand and NT $623 thousand for the years ended 31 December 2023 and 2022.

B. Group as a lessor

Please refer to Note 6(6) for details on the Group’s owned investment properties and investment properties held by the Group as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$7,884	$8,347

(15) Summary statement of employee benefits, depreciation and amortization expenses by function:

Function / Nature	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$46,606	$42,874	$89,480	$60,413	$46,659	$107,072
Labor and health insurance	6,062	3,875	9,937	6,315	3,712	10,027
Pension	576	1,709	2,285	678	1,680	2,358
Other employee benefits	2,519	1,392	3,911	3,074	1,418	4,492
Depreciation	26,774	23,140	49,914	32,839	23,900	56,739
Amortization	10	81	91	3	139	142

The number of employees for Company and its subsidiaries were 233 and 277 as of 31 December 2023 and 2022.

According to the Articles of Incorporation, at least 1% of profit of the current year is distributable as employees' compensation and no higher than 8% of profit of the current year is distributable as remuneration of directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

No employees' compensation and remuneration of directors and supervisors were estimated as the Company reported loss for the year ended December 31 2023.

The amounts allocated to the employees' compensation and remuneration of directors and supervisors of the year ended 31 December 2022 were $1,862 thousand and $1,040 thousand, respectively and which was resolved at the shareholders' meeting on June 7 2023. There was no difference between these amounts and the amounts recorded as expenses in the consolidated financial statements for the year ended 31 December 2022.

(16) Non-operating income and expenses

A. Interest income

	For the years ended 31 December	
	2023	2022
Financial assets measured at amortized cost	$2,256	$630

B. Other income

	For the years ended 31 December	
	2023	2022
Government grant	$-	$4,815
Rental income	7,884	8,347
Sample income	2,666	4,042
Others	3,004	2,689
Total	$13,554	$19,893

C. Other gains and loss

	For the years ended 31 December	
	2023	2022
(Loss) gains on disposal of property, plant and equipment	$(1)	$(174)
Foreign exchange gains, net	2,236	6,592
Reversal of gain on impairment of non-financial assets	-	174
Processing fee expenses	(1,395)	(1,625)
Miscellaneous expenses	(4,421)	(824)
Total	(3,581)	$4,143

D. Finance costs

	For the years ended 31 December	
	2023	2022
Interest on bank loans	$20,383	$19,255
Interest on lease liabilities	-	-
Total	$20,383	$19,255

(17) Components of other comprehensive income

(a) For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(179)	$ -	$(179)	$36	$(143)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(13,737)	-	(13,737)	-	(13,737)
Total of other comprehensive income	$(13,916)	$ -	$(13,916)	$36	$(13,880)

(b) For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$1,112	$ -	$1,112	$(222)	$890
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	25,950	-	25,950	-	25,950
Total of other comprehensive income	$27,062	$ -	$27,062	$(222)	$26,840

(18) Income tax

For the year ended 31 December 2023 and 2022 the major components of income tax (expense) benefit are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax (expense) benefit:		
Current income tax charge	$(3,250)	$(2,248)
Adjustments in respect of current income tax of prior periods	1,984	5,130
Deferred tax (expense) benefit:		
Deferred tax (expense) benefit relating to origination and reversal of temporary differences	912	524
Total income tax benefit	$354	$3,406

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred income tax (expense) benefit:		
Actuarial gains and losses on defined benefit plans	$36	$ (222)
Income tax relating to components of other comprehensive income	$36	$(222)

Reconciliation between tax expense (benefit) and accounting profit at the Company's applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit(loss) before tax from continuing operations	$(70,252)	$23,950
At the Company's statutory income rate	$14,050	$(4,789)
Tax effect of different tax rates applied to individual entities operating in other tax jurisdictions	3,009	(2,629)
Tax effect of non-deductible expenses	(968)	(108)
Unrecognized tax losses / deductible temporary differences	(13,752)	5,802
Adjustments in respect of current income tax of prior periods	(1,985)	5,130
Total income tax income recognized in profit or loss	$ 354	$ 3,406

Significant components of deferred tax assets (liabilities) are as follows:

For the year ended 31 December 2023

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary difference				
Loss from price reduction of inventories	$5,003	$58	$ -	$5,061
Unrealized foreign exchange gains or losses	567	(467)	-	100
Impairment of non-financial assets	9,815	(266)	-	9,549
Property, plant and equipment - accumulated depreciation	(11,425)	(111)	-	(11,536)
Exchange differences resulting from translating the financial statements of a foreign operation	-	-	-	-
Net defined benefit liabilities - non-current	561	(65)	-	496
Actuarial gains and losses on defined benefits	(1,174)	-	36	(1,138)
Unrealized intra-group transactions	59	(61)	-	(2)
Deferred income tax benefit /(expense)		$(912)	$36	
Net deferred income tax assets/(liabilities)	$3,406			$2,530
Balances on 31 December 2023:				
Deferred tax assets	$15,962			$15,206
Deferred tax liabilities	$(12,556)			$(12,676)

For the year ended 31 December 2022

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary difference				
Loss from price reduction of inventories	$4,931	$72	$ -	$5,003
Unrealized foreign exchange gains or losses	27	540	-	567
Impairment of non-financial assets	9,850	(35)	-	9,815
Property, plant and equipment - accumulated depreciation	(11,307)	(118)	-	(11,425)
Exchange differences resulting from translating the financial statements of a foreign operation	-	-	-	-
Net defined benefit liabilities - non-current	624	(63)	-	561
Actuarial gains and losses on defined benefits	(952)	-	(222)	(1,174)
Unrealized intra-group transactions	(69)	128	-	59
Deferred income tax benefit /(expense)		$524	$(222)	
Net deferred income tax assets/(liabilities)	$3,104			$3,406
Balances on 31 December 2022:				
Deferred tax assets	$15,422			$15,962
Deferred tax liabilities	$(12,318)			$(12,556)

The following table contains information of the unused tax losses of the Group:

	Unused tax losses as at		
Year	2023.12.31	2022.12.31	Expiration year
2014	$63,285	$63,285	2024
2015	38,529	38,529	2025
2016	167,247	167,247	2026
2017	47,836	47,836	2027
2018	16,215	16,215	2028
2019	4,264	4,264	2029
2020	39,407	39,407	2030
2021	47,450	-	2031
Total	$424,233	$376,783	

Unrecognized deferred tax assets

As of 31 December 2023 and 2022, the Company have not recognized deferred tax assets amounting to NT$110,914 thousand and NT$130,308 thousand, respectively, as the future taxable profit may not be available.

The assessment of income tax returns

As of 31 December 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Approved up to 2021 (2020 not yet approved)
Subsidiary -Pontex(Q.Y) Polyblend Co.,Ltd	Assessed up to 2022
Subsidiary -VietNam Bang Thai Polyblend Co.,Ltd	Assessed up to 2022

(19) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
Basic earnings per share		
Net income (in thousands)	$(69,898)	$27,356
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	93,705	86,829
Basic earnings per share (NT$)	$(0.75)	$0.32

	For the years ended 31 December	
	2023	2022
Diluted earnings per share		
Net income attributable to the parent company (in thousands of NTD)	$(69,898)	$27,356
Net income attributable to the parent company after dilution (in thousands of NTD)	$(69,898)	$27,356
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	93,705	86,829
Effect of dilution:		
Employees' compensation – stock (thousand shares)	28	146
Weighted average number of ordinary shares after dilution (thousand shares)	93,733	86,975
Diluted earnings per share (NTD)	$(0.75)	$0.31

The calculation of the Company's diluted earnings per share is consistent with the calculation of basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

(1)Key management personnel compensation

	For the years ended 31, December	
	2023	2022
Short-term employee benefits	$14,309	$15,131

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

	Carrying amount		
Items	As of 31 December 2023	As of 31 December 2022	Secured liabilities
Other current financial assets	$24,591	$30,787	Short-term loans
Property, plant and equipment - land and buildings	382,728	384,374	Long and short-term loans
Total	$407,319	$415,161	

9. Significant contingencies and unrecognized contractual commitments

(1) Amounts available under unused letters of credit as of 31 Deceber 2023 are NT$1,731 thousand.

(2) Notes payable used as security for borrowings, processing and research and development that has not be recovered for cancellation as of 31 Deceber 2023 are NT$448,000 thousand.

(3) In July 2016, the Securities and Futures Investor Protection Centre (hereinafter referred to as the "SFIPC") filed a class action lawsuit on behalf of the Company's investors against the Company's former Chairman for his unauthorized investment in Suzhou Shangbang Optoelectronics Co., Ltd. without the approval of the Board of Directors, on the ground that the financial statements for the period from the fourth quarter of 2010 to the second quarter of 2012 were false and omitted and claimed for the Company for joint and several liability. According to the Company's assessment, the investment in Shangbang Co. was a personal wrongdoing of the former chairman in breach of his appointment and there were no false and omission in the financial statements. Given that Shangbang was not invested by the Company, the basis of the claim against the Company did not exist. The lawsuit was dismissed by the Taiwan Taichung District Court on 25 October 2018, which ruled against the SFIPC. However, the SFIPC filed an appeal on 26 December 2018, and on 27 May 2020, the Taiwan High Court Taichung Branch Court ruled that the Company and the other appellees were liable for a compensation. On 16 June 2020, the Company's attorney filed an appeal to the Taiwan High Court against the ruling of the second trial.The Supreme Court ruled on November 15, 2023 reversed the judgment of the original second trial, which held the Company and the other appellees liable for additional interest in compensation, and remanded the case to the Taiwan Taichung Branch of the Taiwan High Court. As at the reporting date of the financial statements, the litigation is still in progress hence the result of the case is not confirmed and it is not possible to predict the exact amount of compensation that may be claimed or awarded.

10. Losses due to major disasters

None.

11. Significant subsequent events

As of December 31, 2023 the company has privately placed and issued 4,500,000 shares of private stock, totaling NT$45,000 thousand. There is still a remaining balance of 15,500,000 shares of private stock available for private placement. These shares can be issued and processed within one year from the date of the shareholders' meeting resolution.

On March 7, 2024 the board of directors resolved to set the price for the private stock at NT$10 per share. The anticipated total fundraising amount is NT$155,000 thousand. The record date for this private placement capital increase is set for March 21, 2024 with authorization for adjustment by the chairman if necessary. As of March 7, 2024 the relevant procedures are still in progress.

12. Other

(1) Categories of financial instruments

Financial assets

	As of 31 December	
	2023	2022
Financial assets measured at amortized cost (Note)	$336,678	$460,102

Financial liabilities

	As of 31 December	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loans	$296,814	$427,749
Trade and other payables	93,747	67,573
Long-term borrowings (including current portion)	272,741	331,250
Total	$663,302	$826,572

Note: Including cash and cash equivalents (not including cash on hand), notes receivable, trade receivables, other receivables, other current financial assets and Refundable deposits.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period.

The Group's foreign currency risk is mainly related to the volatility in the exchange rates for NTD and USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the impact on the profit and equity on the Group is as follows:.

	Equity (loss)	Profit / loss
For the years ended 31 December 2023	$ -	$735
For the years ended 31 December 2022	$ -	$944

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the twelve months periods ended 31 December 2023 and 2022 to decrease by NT$570 thousand and NT$759 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2023 and 31 December 2022 trade receivables from top ten customers represent 43% and 61% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of 31 December 2023					
Long and short-term loans	$371,480	$191,246	$6,829	$ -	$569,555
Trade and other payables	93,747	-	-	-	93,747
As of 31 December 2022					
Long and short-term loans	$512,570	$262,314	$7,120	$ -	$782,004
Trade and other payables	67,573	-	-	-	67,573

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term loans	Long-term loans (including current portion)	Total liabilities from financing activities
As of 1 January 2023	$427,749	$331,250	$758,999
Cash flows	(130,926)	(58,509)	(189,435)
Non-cash changes	(9)	-	(9)
As of 31 December 2023	$296,814	$272,741	$569,555

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loans	Long-term loans (including current portion)	Total liabilities from financing activities
As of 1 January 2022	$452,453	$380,993	$833,446
Cash flows	(26,187)	(49,743)	(75,930)
Non-cash changes	1,483	-	1,483
As of 31 December 2022	$427,749	$331,250	$758,999

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(e) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 31 December 2023: None.
As of 31 December 2022: None.

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no re-classifications between Level 1 and Level 2 fair value measurements.Significant assets and liabilities denominated in foreign currencies

(9) Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: thousands

	As at 31 December 2023			As at 31 December 2022		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	$2,583	30.71	$79,324	$3,798	30.715	$116,656
CNY	27,603	4.328	119,466	18,525	4.409	81,677
Financial liabilities						
Monetary items:						
USD	$190	30.71	$5,835	$723	30.715	$22,207
CNY	2,387	4.328	10,331	3,886	4.409	17,133

The Group has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Group recognized NT$2,236 thousand and NT$6,592 thousand for foreign exchange profit (loss) for the years ended 31 December 2023 and 2022, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions

1. Financing provided: None

2. Endorsement/Guarantee provided:

	Endorsement/ guarantee provider (Company name)	Guaranteed party		Limits on endorsement/ guarantee amount provided to each guaranteed party (Notes 1 and 2)	Maximum Balance For the Period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 2)	Guarantee provided by Parent Company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in China
		Name	Nature of relationship										
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	Third-tier subsidiary	$519,451	$40,537	$40,537	$40,537	-	4.68	$692,601	Y	N	N

Note 1：The total amount of the endorsement/guarantee provided to a single entity shall not exceed 60% of the net worth of the Company.
Note 2：The maximum amount of the endorsement/ guarantee is limited to 80% of the net equity of the Company's most recent financial statements.

3. Securities held as of 31 December 2023 (Not including investments in subsidiaries, associates and joint ventures): None

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

5. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

6. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

7. Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

8. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of year ended 31 December 2023: None.

9. Financial instruments and derivative transactions: None.

10. The business relationship, significant transactions and amounts between parent company and subsidiaries:

No. (Note 1)	Company name (Note 2)	Counterparty	Nature of relationships (Note 2)	Transaction details			
				Financial statement account	Amount (Note 3)	Payment terms (Note 4)	% to total operating revenue or total assets (Note 5)
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Sales	$32,674	-	5.5%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Accounts Receivable	$1,459	-	0.09%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Purchase	$17,021	-	2.86%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Accounts Payable	$27,122	-	1.75%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Sales	$4,190	-	0.71%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Purchase	$70,618	-	11.88%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Accounts Payable	$60,042	-	3.88%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Purchase	$32,674	-	5.5%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Accounts Payable	$1,459	-	0.09%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Sales	$17,021	-	2.86%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Accounts Receivable	$27,122	-	1.75%
1	Pontex(Q.Y) Polyblend Co.,Ltd	VietNam Bang Thai Polyblend Co.,Ltd	3	Purchase	$1,509	-	0.25%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Purchase	$4,190	-	0.71%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Sales	$70,618	-	11.88%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Accounts Receivable	$60,042	-	3.88%
2	VietNam Bang Thai Polyblend Co.,Ltd	Pontex(Q.Y) Polyblend Co.,Ltd	3	Sales	$1,509	-	0.25%

Note 1： Information on business transactions between the parent company and the subsidiaries should be indicated separately in the numbered column as follows:

1. Enter 0 for the parent company.
2. Subsidiaries are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2：There are three types of relationship between the parties to the transaction, which can be identified as follows:

1. Parent company to a subsidiary.
2. A subsidiary to parent company.
3. A subsidiary to a subsidiary.

Note 3：In accordance with the provisions of the letter of the Accounting Research And Development Foundation Interpretation 87-076, the transactions between the Company and Pontex(Q.Y) was subject to the accounting treatment for processing subcontract, and the amount of purchase and sales in this column is presented based on the actual amount of transaction before the offsetting of the Company's purchase and sales.

Note 4：The term is determined based on the capital requirements of the subsidiaries and is not materially different from that of general customers.

Note 5：The percentage of total amount of transactions to total consolidated operating revenues or total assets is calculated as the ending balance to total consolidated assets for assets and liabilities accounts, or as the cumulative amount to total consolidated operating revenues for profit and loss accounts.

(2) Information on investees:

1. Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2023 (Not including investments in mainland China):

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Ending balance	Number of shares (thousands)	Percentage of ownership (%)	Carrying value			
The Company	MULTITEX POLYBLEND CO., LTD.	Samoa	Holding company.	$193,174 (USD6,000,020)	$193,174 (USD6,000,020)	6,000,020	100%	$439,022	$(15,578)	$(14,953) (Note 1) (Note 2)	A subsidiary of the Company
The Company	POLYTECH GLOBAL LIMITED	Seychelles	Holding company.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$278,473	$(8,225)	$(8,660) (Note 1) (Note 2) (Note 3)	A subsidiary of the Company
POLYTECH GLOBAL LIMITED	Cleated Molding Global Limited	Seychelles	Holding company.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$268,347	$(8,225)	$(8,225) (Note 1)	A sub-subsidiary of the Company
Cleated Molding Global Limited	VietNam Bang Thai Polyblend Co.,Ltd	Vietnam	Manufacture and sale of plastic pellets, plastic sports equipment together with parts thereof, shoes, shoe materials and parts thereof, and moulds.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$268,344	$(7,112)	$(8,225) (Note1) (Note 3)	A third-tier subsidiary of the Company

Note 1： The recognized investment gains and losses for the current period include the investment gains and losses that are required to be recognized for the investment.

Note 2： The investment gains and losses recognized in the current period include the effect of downstream transactions.

The investment gains or losses recognized in the current period include the effect of capitalization of interest on borrowings.

Note 3： The investment gains and losses recognized in the current period include the effect of premiums on equity.

(3) Information on investments in mainland China

1. Investment in Mainland China:

(Amounts in thousands; Currency denomination in NTD or in foreign currencies)

Investee Company	Main businesses and products	Total amount of paid-in capital	Method of investment	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note1)	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Outflow						
Pontex (Q.Y) Polyblend Co.,Ltd	Manufacture and sale of plastic pellets, plastic sports equipment together with its parts and accessories, shoes, shoe materials together with its parts and moulds.	$193,174 (RMB 44,325,843)	Investment in China through a company in the third region (MULTITEX POLYBLEND CO., LTD.)	$193,174 (USD6,000,020)	$ -	$ -	$193,174 (USD6,000,020)	$(15,562)	100%	$(15,562)	$439,972	$ -

Note 1： The investment gains and losses recognized in the current period are based on the financial statements of the investees audited by the CPA of the parent company in Taiwan.

Accumulated investment in China as of 31 December 2023	nvestment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment
		Net equity×60%
$193,174 (USD6,000,020)	$511,240 (USD17,081,509)	$519,451

2. Significant transactions through third regions with the investees in Mainland China:

a. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Refer to Note 13.1(10).

b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Refer to Note 13.1(10).

c. The amount of property transactions and the amount of the resultant gains or losses: None.

d. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

e. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

f. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

(4) Information of major shareholders

As of 31 December 2023

Main shareholder \ Shares	Number of shares	Percentage of ownership (%)
HOUNDEY ENTERPRISE CO., LTD.	6,842,589	6.98%
HENRY GLOBAL INVEST MENT CO., LTD.	5,132,455	5.23%

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has two reportable operating segments as follows:

Equipment Business Segment: This segment is responsible for the manufacturing and processing of various plastic injection mouldings (shoe soles and parts, sports equipment and parts).

Compound Materials Business Segment: The segment is responsible for the manufacture, processing and trading of engineering plastic materials (glass/fire resistant compounds, nylon 6 and nylon 66 cold impact resistant materials and plastic compounds for fire resistant materials).

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm’s length basis in a manner similar to transactions with third parties.

(1)Information on reportable segment profit or loss and assets and liabilities

Period ended 31 December 2023

	Equipment Business Segment	Compound Materials Business Segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue						
External customer	$125,694	$468,619	$594,313	$ -	$ -	$594,313
Inter-segment	86,669	1,759	88,428	-	(88,428)	-
Total revenue	$212,363	$470,378	$682,741	$ -	$(88,428)	$594,313
Interest expense	(1,874)	(18,509)	(20,383)	-	-	(20,383)
Depreciation and impairment	(22,018)	(27,123)	(49,141)	-	(864)	(50,005)
Segment profit	$(77,117)	$(16,998)	$(94,115)	$ -	$23,863	$(70,252)
Assets						
Capital expenditure on non-current assets	(2,282)	(15,034)	(17,316)	(3,536)	-	(20,852)
Segment assets	$1,086,131	$842,099	$1,928,230	$418,055	$(800,754)	$1,545,531
Segment liabilities	$106,036	$104,546	$210,582	$560,774	$(91,576)	$679,780

Period ended 31 December 2022

	Equipment Business Segment	Compound Materials Business Segment	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue						
External customer	$278,675	$667,808	$946,483	$ -	$ -	$946,483
Inter-segment	186,943	3,759	190,702	-	(190,702)	-
Total revenue	$465,618	$671,567	$1,137,185	$ -	$(190,702)	$946,483
Interest expense	(1,295)	(17,960)	(19,255)	-	-	(19,255)
Depreciation and impairment	(23,767)	(32,170)	(55,937)	-	(944)	(56,881)
Segment profit	$98,839	$(19,175)	$79,664	$ -	$(55,714)	$23,950
Assets						
Capital expenditure on non-current assets	(4,843)	(6,210)	(11,053)	(757)	-	(11,810)
Segment assets	$1,170,809	$952,433	$2,123,242	$494,625	$(896,828)	$1,721,039
Segment liabilities	$193,512	$193,393	$386,905	$646,384	$(150,119)	$883,170

[1] Inter-segment revenue are eliminated on consolidation and recorded under the “adjustment and elimination” column, all other adjustments and eliminations are disclosed below.

(2)Geographic information

(i) The Group’s external sales are listed as follows:

	For the years ended 31 December	
	2023	2022
China	$140,477	$351,477
Taiwan	324,965	332,982
United States	6,085	98,252
Other	122,786	163,772
Total	$594,313	$946,483

Sales by region are grouped based on the regions where the customers are located at.

(ii) Non-current asset:

	As of 31 December	
	2023	2022
Taiwan	$482,062	$482,969
China	233,510	253,699
Other	184,146	202,093
Total	$899,718	$938,761

Non-current assets do not include deferred income tax assets and net defined benefit assets - non-current.

(3)Information about major customers

The Group's revenue from sales to a single customer as a percentage of net operating revenue of more than 10% for the years ended 31 December 2023 and 2022 is as follows:

	For the years ended 31 December			
	2023		2022	
Customer name	Net sales	%	Net sales	%
Company A	$58,642	9.87%	$119,692	12.65%
Company B	6,085	1.02%	98,252	10.38%
Company C	49,070	8.26%	95,870	10.13%

6.5 A Parent Company Only Financial Statement for the Most Recent. Fiscal Year, Certified by a CPA, but Not Including the Statements of Major Accounting Items:

To PONTEX POLYBLEND CO.,LTD

Opinion

We have audited the accompanying parent company only balance sheets of PONTEX POLYBLEND. CO.,LTD (the "Company") as of 31 December 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, the parent company only financial statements referred to above present fairly, in all material. respects, the parent company only financial position of the Company as of 31 December 2023, and their parent company only financial performance and cash flows for the years ended 31 December 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial statement Audit and. Attestation Engagement of Certified Public Accountant and the Standards on Auditing of the Republic of China; Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit. of 2023 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Impairment of accounts receivable

As of 31 December 2023, gross accounts receivable and loss allowance by the. Company amounted to NT$78,460 thousand and NT$0 thousand, respectively. Net accounts receivable accounted for 5% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the. effectiveness of internal control over accounts receivable; assessing the reasonableness of allowance for loss policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; investigating accounts receivable details, recalculating the reasonableness of allowance for loss based on the expected credit companies, and the expected loss rate by management assessing; evaluating individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period.

We also assessed the adequacy of disclosures of financial assets. Please refer to. Notes 5 and 6 to the parent company only financial statements.

2. <u>Inventory valuation</u>

As of 31 December 2023, the Company’s net inventories amounted to NT$192,092. thousand accounting for 12% of the total assets. Due to the highly competitive nature of the market for polyblend materials, the wide range of product applications, the fact that the prices of raw materials, finished goods and products are subject to anticipated future market and economic conditions, and the uncertainty arising from rapid changes in product technology, the allowance for impairment of inventories involves significant management judgement. We therefore determined the inventory valuation a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the. adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management.

We also assessed the adequacy of disclosures of financial assets. Please refer to. Notes. 5 and 6 to the parent company only financial statements.

Other Matter

The only financial statements of the Company for the year ended December 31, 2022. were audited by the other auditor who expressed an unqualified opinion on those statements on March 9, 2023.

Responsibilities of Management and Those Charged with Governance for the Parent. Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent. company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is. responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for. overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial. Statements

Our objectives are to obtain reasonable assurance about whether the parent company. only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

CHIU,LANG-MIN

CHIEN,CHIH-HUNG

LAN-JAI CPAs FIRM,

March 7, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, LAN-JAI CPAs FIRM cannot accept any liability for the use of, or re liance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	$59,834	4	$103,901	6
1136	Financial assets measured at amortized cost - current	4	6,142	-	-	
1150	Notes receivable, net	4,6(2)	23,405	1	13,748	1
1170	Accounts receivable, net	4,5,6(3)	77,001	5	181,851	10
1180	Accounts receivable, net - related parties	4,5,6(3),7	1,459	-	7,165	-
130x	Inventories	4,6(4)	192,092	12	196,696	11
1410	Prepayments		8,589	1	9,275	1
1476	Other current financial assets	6(1),8	21,195	1	24,174	1
1479	Other current assets	4,7	991	-	1,322	-
11xx	Total current assets		390,708	24	538,132	30
	Non-current assets					
1550	Investments accounted for under the equity method	4,6(5)	717,495	45	754,665	42
1600	Property, plant and equipment	4,6(6),8	467,981	29	479,020	27
1780	Intangible assets	4	207	-	189	-
1840	Deferred tax assets	4,6(18)	15,206	1	15,946	1
1900	Other non-current assets	4,6(7)	13,874	1	3,760	-
1975	Net defined benefit non-current assets	4,6(10)	3,207	-	3,061	-
15xx	Total non-current assets		1,217,970	76	1,256,641	70
1xxx	Total assets		$1,608,678	100	$1,794,773	100

(Continued)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer：CHUNG, HSIU-CHU

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(8)	$291,483	18	$407,044	23
2150	Notes payable		18,326	1	28,876	2
2170	Accounts payable		42,769	3	21,791	1
2180	Accounts receivable, net - related parties	7	87,164	5	131,178	7
2200	Other payables		17,381	1	22,685	1
2320	Current portion of long-term loans	6(9)	74,666	5	72,500	4
2399	Other current liabilities	4,6(12)	389	-	1,473	-
21xx	Total current liabilities		532,178	33	685,547	38
	Non-current liabilities					
2540	Long-term loans	6(9)	198,075	12	258,750	14
2570	Deferred tax liabilities	4,6(18)	12,674	1	12,599	1
2645	Guarantee deposits		-	-	8	-
25xx	Total non-current liabilities		210,749	13	271,357	15
2xxx	Total liabilities		742,927	46	956,904	53
3100	Capital					
3110	Common stock	6(11)	979,950	61	843,000	47
3300	Retained earnings	6(11)				
3310	Legal reserve		3,443	-	619	-
3320	Special reserve		5,569	-	5,569	-
3350	Retained earnings (accumulated deficit)		(69,909)	(4)	28,246	2
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(53,302)	(3)	(39,565)	(2)
3xxx	Total equity		865,751	54	837,869	47
	Total liabilities and equity		$1,608,678	100	$1,794,773	100

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Manager: SHEN, MAO-KEN Accounting Officer：CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenues	4,6(12),7	$454,749	100	$655,714	100
5000	Operating costs	6(4),6(15)	(398,316)	(88)	(577,945)	(88)
5900	Gross profit		56,433	12	77,769	12
5910	Unrealized profit or loss on sales		357	-	177	-
5920	Realized profit or loss on sales		(177)	-	(364)	-
5950	Gross profit-net		56,613	12	77,582	12
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(26,401)	(6)	(30,512)	(5)
6200	General and administrative expenses		(47,765)	(11)	(48,233)	(7)
6300	Research and development expenses		(10,935)	(2)	(17,235)	(3)
6450	Expected credit gain(loss)	4,6(13)	1,970	-	(2,232)	-
	Subtotal		(83,131)	(19)	(98,212)	(15)
6900	Operating (loss) income		(26,518)	(7)	(20,630)	(3)
7000	Non-operating income and expenses					
7100	Interest income		1,318	-	320	-
7010	Other income	4,6(16)	3,198	1	9,129	1
7020	Other gains and losses	6(16)	(4,627)	(1)	1,827	-
7050	Finance costs	6(16)	(18,805)	(3)	(18,610)	(3)
7060	Share of profit of subsidiaries,associates and joint ventures	4,6(15)	(23,613)	(5)	54,924	8
	Subtotal		(42,529)	(8)	47,590	6
7900	Net income before tax		(69,047)	(15)	26,960	3
7950	Income tax (expense)benefit	4,6(18)	(851)	-	396	-
8200	Net income (loss)		(69,898)	(15)	27,356	3
8300	Other comprehensive income (loss)	4,6(10),6(17)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		(179)	-	1,112	-
8349	Income tax related to items that will not be reclassified subsequently		36	-	(222)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(13,737)	(3)	25,950	4
	Total other comprehensive income, net of tax		(13,880)	(3)	26,840	4
8500	Total comprehensive income		$(83,778)	(18)	$54,196	7
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		$(0.75)		$0.32	
9850	Earnings per share-diluted		$(0.75)		$0.31	

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer：CHUNG, HSIU-CHU

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Capital	Legal Reserve	Special reserve	Retained earnings (accumulated deficit)	Other components of equity	Total Equity
						Exchange Differences on Translation of Foreign	
Balance as of 1 January 2022		$843,000	$ -	$ -	$6,188	$(65,515)	$783,673
Appropriation and distribution of 2021 retained earnings							
Legal reserve		-	619	-	(619)	-	-
Special reserve		-	-	5,569	(5,569)	-	-
Net income for the year ended 31 December 2022		-	-	-	27,356	-	27,356
Other comprehensive income, net of tax for the year ended 31 December 2022	6(17)	-	-	-	890	25,950	26,840
Total comprehensive income		-	-	-	28,246	25,950	54,196
Balance as of 31 December 2022		$843,000	$619	$5,569	$28,246	$(39,565)	$837,869
Balance as of 1 January 2023		$843,000	$619	$5,569	$28,246	$(39,565)	$837,869
Appropriation and distribution of 2022 retained earnings							
Legal reserve		-	2,824	-	(2,824)	-	-
Stock dividends of Common Stock		25,290	-	-	(25,290)	-	-
Net loss for the year ended 31 December 2023		-	-	-	(69,898)	-	(69,898)
Other comprehensive income, net of tax for the year ended 31 December 2023	6(17)	-	-	-	(143)	(13,737)	(13,880)
Total comprehensive income		-	-	-	(70,041)	(13,737)	(83,778)
Issuance of Common Stock		111,660	-	-	-	-	111,660
Balance as of 31 December 2023		$979,950	$3,443	$5,569	$(69,909)	$(53,302)	$865,751

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD.

Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer：CHUNG, HSIU-CHU

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from operating activities:			
Net income(loss) before tax		$(69,047)	$26,960
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			
Depreciation		18,110	24,318
Amortization		55	91
Expected credit (gain)loss		(1,970)	2,232
Finance costs		18,805	18,610
Interest income		(1,318)	(320)
Share of profit of subsidiaries,associates and joint ventures		23,613	(54,924)
loss on disposal of property, plant and equipment		1	174
Reversal of impairment loss on non-financial assets		-	(174)
Unrealized profit or loss on sales		(357)	(177)
Realized profit or loss on sales		177	364
Changes in operating assets and liabilities:			
Decrease (increase) in notes receivable		(9,657)	9,902
Decrease in accounts receivable		109,570	25,192
Decrease in receivables - related parties		5,706	9,468
Decrease in other receivables		602	-
Decrease (increase) in inventories, net		4,604	(14,768)
Decrease in prepayments		686	1,465
Decrease (increase) in other current financial assets		2,979	(461)
Decrease (increase) in other current assets		(91)	399
Decrease in current contract liabilities		(1,121)	-
Increase (decrease) in notes payable		(10,550)	4,005
Increase (decrease) in accounts payable		20,978	(32,298)
Increase (decrease) in payables - related parties		(44,014)	35,140
Increase (decrease) in other payables		(5,614)	2,537
Increase (decrease) in other current liabilities		38	(673)
Decrease in net defined benefit non-current assets		(325)	(314)
Cash generated from operations		61,860	56,748
Interest received		1,138	320
Interest paid		(18,925)	(18,518)
Net cash provided by operating activities		44,073	38,550

(Continued)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Manager: SHEN, MAO-KE Accounting Officer：CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(19,507)	(6,464)
Acquisition of intangible assets		(73)	(159)
Decrease in other non-current assets		-	420
Dividends received		-	59,880
Increase in financial assets measured at amortized cost - current		(6,142)	-
Net cash provided by (used in) investing activities		(25,722)	53,677
Cash flows from financing activities:			
Increase in short-term loans		759,634	922,666
Decrease in short-term loans		(875,195)	(948,145)
Increase in long-term loans		(72,500)	(73,743)
Cash payment for long-term loans		13,991	24,000
Decrease in Guarantee deposits		(8)	-
Issuance of Common Stock		111,660	-
Net cash used in financing activities		(62,418)	(75,222)
Net increase (decrease) in cash and cash equivalents		(44,067)	17,005
Cash and cash equivalents at beginning of period		103,901	86,896
Cash and cash equivalents at end of period	6(1)	$59,834	$103,901

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman：HENRY GLOBAL INVEST MENT CO., LTD. Manager: SHEN, MAO-KE Accounting Officer：CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

PONTEX POLYBLEND CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the Years Ended 31 December 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. <u>History and organization</u>

Pontex Polyblend Co., Ltd. (hereinafter "the Company") was incorporated in December 1982. It is primarily in the business of compounding, processing, injection, moulding and trading of resins, plastic and rubber materials, shoe sole materials, etc., as well as in the operation and investment of the relevant businesses.

In July 1999, in response to the need for diversification of future fund raising channels and with the consent of the securities authorities, a retroactive handling of public issuance procedures was completed. In September 2001, an application was made to the Taipei Exchange for the listing of the shares on the Taipei Exchange and the listing was approved on 26 March 2002. Its registered office and primary place of business is located at No.23-6, Longxing Ln., Sec. 2, Fengxing Rd., Tanzi Dist., Taichung City 427, Taiwan.

2. <u>Date and procedures of authorization of financial statements for issue</u>

The parent company only financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors' meeting on 7 March 2024.

3. <u>Newly issued or revised standards and interpretations</u>

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Company.

(4) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Amendments to IFRS 16 "Leases" - Lease Liability in a Sale and Leaseback	January 1, 2024
c	Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures"-Supplier Finance Arrangements	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

a. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

b. Amendments to IFRS 16 "Leases" (IFRS 16) - Lease Liability in a Sale and Leaseback

The amendments add seller-lessee additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

c. Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments: Disclosures" - Supplier Finance Arrangements

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

d. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The standards and interpretations listed (a) - (c) have no material impact on the Company’s financial position and performance.

(5) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 Effective Date issued by IASB To be determined by IASB “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” - Lack of Exchangeability	January 1, 2025

a. Amendments to IFRS 10 “Consolidated Financial Statements” (IFRS 10) and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (IAS 28)

The amendments address the inconsistency between the requirements in IFRS 10 and IAS 28, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture.

IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint venture.

IFRS 10 requires full profit or loss recognition on the loss of control of a subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 “Business Combinations” (IFRS 3) between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gain or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

b. IFRS 17 "Insurance Contracts" (IFRS 17)

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements).

The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin.

The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021), provide additional transition reliefs, simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain.

IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

c. Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Lack of Exchangeability

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of Compliance

The parent company only financial statements of the Company for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of Preparation

The Company prepared the parent company only financial statements in accordance with the Regulations. According to the Article 21 of the Regulation, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign Currency Transactions

The Company's parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NT$). Items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and Non-current Distinction

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Company holds the asset primarily for the purpose of trading
(c) The Company expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle
(b) The Company holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalent

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company’s business model for managing the financial assets

(b) the contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
(c)

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

   i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

   ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet.
Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit loss on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit loss of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
(b) the time value of money
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit loss: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit loss in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit loss: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit loss.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

<u>Financial liabilities</u>

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or loss on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and loss are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.
Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(10) Investments accounted for under the equity method

According to Article 21 of the Regulation, the Company’s investment in subsidiaries was presented as “Investments accounted for using equity method” and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders’ equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustment was considered the difference between investment in subsidiaries in consolidated financial statements according to IFRS 10 “Consolidated financial statements” and application of IFRS to different reporting entities, debit/credit “Investment accounted for using equity method”, “Share of profit or loss of subsidiaries, associates and joint ventures” or “Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures” etc.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	3～50 years
Machinery and equipment	3～10 years
Transportation equipment	6 years
Office equipment	2～5 years
Other equipment	3～20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;

(d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(13) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	5~6 years
Amortization method used	Amortized on a straight-line basis over the period of the patent
Internally generated or acquired	Acquired

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(15) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(16) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

<u>Sale of goods</u>

The Company manufactures and sells goods and recognizes revenue when the promised goods are delivered to the customer and the customer obtains control over them (i.e. The customer simultaneously receives and consumes the

economic benefits of the provided asset as the entity performs). The main goods are functional shoe outsoles, midsoles, trim components and other upper injection and rubber materials, and revenue is recognized on the basis of contracted prices.

The credit period of the Company's sale of goods is from 10 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(19) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's individual financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1)Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(2)Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

(3)Income tax

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(4)Accounts receivables–estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(5)Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of 31 December	
	2023	2022
Cash on hand	$385	$1,146
Notes deposits	1,315	1,688
Demand deposits	58,134	101,067
Total	$59,834	$103,901

As of 31 December 2023 and 2022, demand deposits with restriction on use which amounted to $21,195 thousand and $24,174 thousand, respectively, were classified under other financial assets - current.

Refer to Note 8 for information on endorsement/guarantee of other financial assets - current.

(2) Notes receivables

	As of 31 December	
	2023	2022
Notes receivables arising from operating activities	$23,405	$14,655
Less: loss allowance	-	(907)
Total	$23,405	$13,748

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6.13 for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivables and accounts receivable - related parties

	As of 31 December	
	2023	2022
Accounts receivables	$77,001	$182,462
Less: loss allowance	-	(611)
subtotal	77,001	181,851
Accounts receivables－related parties	1,459	7,165
Total	$78,460	$189,016

Accounts receivables were not pledged.

Accounts receivables are generally on 10-150 day terms. The total carrying amount for the years ended 31 December 2023 and 2022 were NT$78,460 thousand and NT$189,627 thousand, respectively. Please refer to Note 6(13) for more details on loss allowance and Note 12 for details on credit risk management.

100% credit loss provision is reserved for account receivables which are deemed with least possibility to be collected. Please refer to Note 6(7) for more details.

(4) Inventories

	As of 31 December	
	2023	2022
Raw materials	$154,717	$154,152
Work in progress	819	3,807
Finished goods	32,259	31,954
Merchandise	-	77
Outsourced inventory	4,297	6,706
Total	$192,092	$196,696

The cost of inventories recognized as cost of sales for the years ended 31 December 2023 and 2022 amounted were NT$398,316 thousand and NT$577,945 thousand respectively. The price (gain from price recovery) reduction of inventories related to cost of goods sold were NT$288 thousand and NT$361 thousand.

Inventories were not pledged.

(5) Investments accounted for using the equity method

Details of investments accounted for under the equity method are as follows:

	As of 31 December			
	2023		2022	
Investees	Amount	%	Amount	%
Multitex Polyblend CO.,LTD.	$439,022	100%	$462,172	100%
Polytech Global Ltd.	278,473	100%	292,493	100%
Total	$717,495		$754,665	

The share of profit or loss of subsidiaries recognized using the equity method and the share of other comprehensive income for the years 2023 and 2022 are as follows:

	For the years ended 31 December			
	2023		2022	
	Share of profit or loss of subsidiaries, associates and joint ventures recognized under the equity method	Share of other comprehensive income of associates and joint ventures recognized under the equity method	Share of profit or loss of subsidiaries, associates and joint ventures recognized under the equity method	Share of other comprehensive income of associates and joint ventures recognized under the equity method
Multitex Polyblend CO.,LTD.	$(14,953)	$(8,287)	$36,202	$6,195
Polytech Global Limited	(8,660)	(5,450)	18,722	19,755
Total	$(23,613)	$(13,737)	$54,924	$25,950

The Company recognized NT$0 thousand and NT$59,880 thousand in cash dividends from investments accounted for using the equity method for the years ended 31 Dec. 2023 and 2022, respectively.

The investments were not pledged.

(6) Property, plant and equipment

	As of 31 December	
	2023	2022
Owner occupied property, plant and equipment	$467,981	$479,020

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Total
Cost:							
As of 1 January 2023	$353,545	$393,604	$146,310	$7,363	$9,704	$146,175	$1,056,701
Additions	-	-	2,592	257	3,415	808	7,072
Disposals	-	-	(92)	(2)	(3,640)	(150)	(3,884)
As of 31 December 2023	$353,545	$393,604	$148,810	$7,618	$9,479	$146,833	$1,059,889
Depreciation and impairment:							
As of 1 January 2023	$ -	$(308,376)	$(116,240)	$(6,635)	$(8,267)	$(138,163)	$(577,681)
Depreciation and impairment	-	(7,230)	(5,958)	(252)	(1,337)	(3,333)	(18,110)
Disposals	-	-	92	1	3,640	150	3,883
As of 31 December 2023	$ -	$(315,606)	$(122,106)	$(6,886)	$(5,964)	$(141,346)	$(591,908)
Cost:							
As of 1 January 2022	$353,545	$394,265	$145,393	$7,937	$9,704	$144,909	$1,055,753
Additions	-	100	3,933	289	-	1,266	5,588
Disposals	-	(761)	(3,016)	(863)	-	-	(4,640)
As of 31 December 2022	$353,545	$393,604	$146,310	$7,363	$9,704	$146,175	$1,056,701
Depreciation and impairment							
As of 1 January 2022	$ -	$(301,131)	$(109,010)	$(7,151)	$(7,310)	$(133,401)	$(558,003)
Depreciation and impairment	-	(7,832)	(10,246)	(347)	(957)	(4,762)	(24,144)
Disposals	-	587	3,016	863	-	-	4,466
As of 31 December 2022	$ -	$(308,376)	$(116,240)	$(6,635)	$(8,267)	$(138,163)	$(577,681)
Net carrying amount as at:							
31 December 2023	$353,545	$77,998	$26,704	$732	$3,515	$5,487	$467,981
31 December 2022	$353,545	$85,228	$30,070	$728	$1,437	$8,012	$479,020

There was no capitalization of interest arising from the purchase of property, plant and equipment by the Company in 2023 and 2022.

As of 31 December 2023 and 2022, NT$18,754 thousand of the cost of land was accounted for as costs related to the acquisition of farmland. Due to legal restrictions, the title is temporarily registered in the name of another party and a trust of land is signed, which will be changed to the name of the Company when the transfer to the Company is permitted by law in the future.

The movement in the Company's accumulated impairment is as follows:

	For the years ended 31 December	
	2023	2022
Accumulated impairment at the beginning of the period	$(47,748)	$(47,922)
Impairment for the period	-	-
Reversal	-	174
Accumulated impairment at the end of the period	$(47,748)	$(47,748)

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(7) Other non-current assets

	As of 31 December	
	2023	2022
Non-accrual loans	$291,765	$296,485
Less: loss allowance	(291,765)	(293,735)
Prepayment for equipment	12,864	-
Refundable deposits	660	660
Other	350	350
Total	$13,874	$3,760

(8) Short-term loans

	As of 31 December	
	2023	2022
Secured bank loans	$291,483	$407,044

	For the years ended 31 December	
	2023	2022
Interest rates applied	2.60%~3.29%	2.04%~3.04%

The Company’s unused short-term lines of credits amounted to NT$285,248 thousand and NT$185,106 thousand as of 31 December 2023 and 2022, respectively.

Guaranteed bank loans are pledged against other financial assets and property, plant and equipment, as disclosed in Note 8.

(9) Long-term borrowings

Details of long-term loans as at 31 December 2023 and 31 December 2022 are as follows:

Lenders	As of 31 December 2023	Interest Rate (%)	Maturity date and terms of repayment
First Commercial Bank secured bank loans	226,000	2.90%	From 30th December 2018 to 29th December 2025, installments will be made in monthly installments of $1,500 thousand each in the first year, $3,000 thousand each in the second year and $4,000 thousand each in the third year. With effect from 16th July 2020, the credit terms were changed for a grace period up to 27th June 2021. The principal is repayable in monthly installments of $4,000 thousand from 28th June 2021 to 28th June 2022 and $5,000 thousand from 28th June 2022, with the remaining principal of $111,000 thousand to be repaid in full on the maturity date.
The Shanghai Commercial Bank unsecured bank loans	13,750	3.50%	Interest is payable monthly in monthly instalments from 14th October 2020 to 14th October 2025, with the first year being a grace period of NT$625 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	7,125	3.00%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$188 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	3,167	3.00%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	8,708	3.00%	Interest is payable monthly in monthly instalments from 17th March 2022 to 17th February 2027, with the first year being a grace period of NT229 thousand and the final instalment being repaid in full, with interest payable monthly.
MEGA BANK unsecured bank loans	13,991	2.01%	Interest is payable monthly in monthly instalments from 23th September 2024 to 23th August 2028, with the first year being a grace period of NT180 thousand and the final instalment being repaid in full, with interest payable monthly.
Subtotal	272,741		
Less: current portion	(74,666)		
Total	$198,075		

Lenders	As of 31 December 2022	Interest Rate (%)	Maturity date and terms of repayment
First Commercial Bank secured bank loans	$286,000	2.78%	From 30th December 2018 to 29th December 2025, installments will be made in monthly installments of $1,500 thousand each in the first year, $3,000 thousand each in the second year and $4,000 thousand each in the third year. With effect from 16th July 2020, the credit terms were changed for a grace period up to 27th June 2021. The principal is repayable in monthly installments of $4,000 thousand from 28th June 2021 to 28th June 2022 and $5,000 thousand from 28th June 2022, with the remaining principal of $111,000 thousand to be repaid in full on the maturity date.
The Shanghai Commercial Bank unsecured bank loans	21,250	3.25%	Interest is payable monthly in monthly instalments from 14th October 2020 to 14th October 2025, with the first year being a grace period of NT$625 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	4,000	2.75%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	9,000	2.75%	Interest is payable monthly in monthly instalments from 10th March 2023 to 10th February 2027, with the first year being a grace period of NT$83 thousand and the final instalment being repaid in full, with interest payable monthly.
The Shanghai Commercial Bank unsecured bank loans	11,000	2.75%	Interest is payable monthly in monthly instalments from 17th March 2023 to 17th February 2027, with the first year being a grace period of NT229 thousand and the final instalment being repaid in full, with interest payable monthly.
Subtotal	331,250		
Less: current portion	(72,500)		
Total	$258,750		

Certain land and buildings are pledged as first priority security for secured bank loans, please refer to Note 8 for more details.

(10) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$2,322 thousand and NT$2,369 thousand, respectively.

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19.The Company expects to contribute NT$288 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The weighted average duration of the defined benefits obligation was 5 years as of 31 December 2023.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current service costs	$ -	$ -
Net interest on the net defined benefit liabilities (assets)	(37)	(11)
Total	$(37)	$(11)

Reconciliations of liabilities of the defined benefit obligation and plan assets at fair value are as follows:

	As of		
	31 December 2023	31 December 2022	1 January 2022
Defined benefit obligation	$10,989	$11,026	$12,669
Plan assets at fair value	(14,196)	(14,087)	(14,304)
Net defined benefit liabilities, noncurrent	$(3,207)	$(3,061)	$(1,635)

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of 1 January 2022	$12,669	$(14,304)	$(1,635)
Current period service costs	-	-	-
Interest expense (income)	85	(96)	(11)
Subtotal	12,754	(14,400)	(1,646)
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(398)	-	(398)
Experience adjustments	440	(1,154)	(714)
Subtotal	42	(1,154)	1,112
Payments of benefit obligation	(1,770)	1,770	-
Contributions by employer	-	(303)	(303)
As of 31 December 2022	$11,026	$(14,087)	$(3,061)
Current period service costs	-	-	-
Interest expense (income)	132	(169)	(37)
Subtotal	11,158	(14,256)	(3,098)
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	24	-	24
Experience adjustments	235	(80)	(155)
Subtotal	259	(80)	179
Payments of benefit obligation	(428)	428	-
Contributions by employer	-	(288)	(288)
As of 31 December 2023	$10,989	$(14,196)	$(3,207)

The principal assumptions used in determining the Company’s defined benefit plan are shown below:

	As of 31 December	
	2023	2022
Discount rate	1.15%	1.20%
Expected rate of salary increases	0.50%	0.50%

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2023		2022	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	$ -	$235	$ -	$342
Discount rate decrease by 0.50%	260	-	374	-
Future salary increase by 0.50%	260	-	375	-
Future salary decrease by 0.50%	-	192	-	279

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(11) Equity

F. Common stock

As of December 31, 2023, The Company had an authorized capital stock of NT$3,500,000 thousand, divided into 350,000,000 shares with a par value of NT$10 per share. Of these, 97,995,000 shares had been issued, resulting in a paid-up capital of NT$979,950 thousand. Each share carries one voting right and entitlement to dividends.

During the shareholders' meeting on June 7,2023, it was resolved to increase the capital by NT$25,290 thousand from retained earnings, at a price of NT$10 per share, resulting in the issuance of 2,529,000 shares. This increase was approved by the FSC on September 15, 2023 with the record date for the rights issue set as October 20,2023.

In order to augment operational funds, the Company resolved at the shareholders' meeting on June 2, 2022 to conduct a cash capital increase through private placement. Additionally, on March 9 the board of directors resolved to proceed with cash capital increase through private placement and on March 23 originally intended to subscribe to 17,000,000 ordinary shares at NT$10 per share, the actual subscription amounted to 6,666,000 shares as of the same day. By June 30, 2023 6,666,000 shares had been issued, raising NT$66,660 thousand. Considering practical circumstances, as resolved by the board of directors on April 27, 2023 and endorsed by the shareholders' meeting on June 7, 2023 the remaining balance of 23,334,000 ordinary shares could be issued through private placement within the original one-year period. No further private placements would be conducted during the remaining duration.

Furthermore, another private placement for a cash capital increase was approved at the same shareholders' meeting, with an upper limit of 20,000,000 shares. On August 3, 2023 the board of directors resolved to issue 4,500,000 ordinary shares through private placement at NT$10 per share. As of December 31, 2023 4,500,000 shares had been issued, raising NT$45,000 thousand, leaving a balance of 15,500,000 ordinary shares available for private placement within one year from the date of the shareholders' meeting resolution.

G. Capital surplus

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

H. Legal reserve

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

I. Special reserve

According to the existing regulations, when the Company distributing distributable earnings, it shall set aside an amount equal to “other net deductions from shareholders’ equity for the current fiscal year to special reserve. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution. The Company recorded a negative balance of retained earnings (accumulated deficit) as at 1 January 2012. Therefore, this order has no impact on the Company.

J. Retained earnings and dividend policies

According to the Company’s original Articles of Incorporation, current year’s earnings, if any, shall be distributed in the following order:

a. Payment of all taxes and dues;
b. Offset prior years’ operation losses;

c. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
d. Set aside or reverse special reserve in accordance with law and regulations; and
e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The Company's dividend policy shall take into account the profitability, capital structure and future operation and shall allocate no less than 10% of the distributable earnings to shareholders each year. Dividends per share calculated on the basis of distributable earnings of less than NT$0.50 may be withheld. Dividends to shareholders may be distributed in cash or in shares. Except that stock dividends shall be limited to not less than 10% of the total dividends.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on 7 June 2023 and 2 June 2022, respectively, are as follows:

	For the years ended 31 December			
	Appropriation of earnings and distribution		Dividend per share	
	2022	2021	2022	2021
Legal reserve	$2,824	$619	-	-
Provision for special reserve	-	5,569	-	-
Stock dividends	25,290	-	$0.26491107	$ -

In the 2023 The Company conducted a private placement to increase the issuance of common shares, totaling 11,166,000 shares. Consequently, the total outstanding shares increased to 95,466,000 shares. As a result, the adjusted rights issue rate is NT$0.26491107 per share.

Please refer to Note 6(15) for further details on employees' compensation and remuneration to directors and supervisors.

(12) Operating revenue

	For the years ended 31 December	
	2023(Note)	2022(Note)
Revenue from contracts with customers		
Sale of goods	$454,749	$655,714

Note:In accordance with IFRS 15, certain transactions are expressed on a net basis.

Analysis of revenue from contracts with customers for the years ended 31 December 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended 31 December 2023

	Equipment Business Department	Compound Materials Business Department	Total
Sale of goods	$98,343	$356,406	$454,749

For the year ended 31 December 2022

	Equipment Business Department	Compound Materials Business Department	Total
Sale of goods	$186,271	$469,443	$655,714

The Company recognize revenue from contracts with customers at a point in time.

B. Contract balances

Contract liabilities - current (Classified as other current liabilities)

	As of		
	31 December 2023	31 December 2022	1 January 2022
Sales of goods	$225	$1,346	$1,998

For the years ended 31 December 2023, contract liabilities decreased as performance obligations are satisfied.

(13) Expected credit (losses)gains

	For the years ended 31 December	
	2023	2022
Operating expenses – Expected credit (losses)/gains		
Accounts receivables	$-	$(750)
Overdue receivables	1,970	-
Long-term accounts receivables	-	(1,482)
Total	$1,970	$(2,232)

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses, taking into account the credit rating of the counterparties and other factors, and an allowance matrix is used. The assessment of the Company's loss allowance as at 31 December 2023 and 2022 are as follows:

As of 31 December 2023

Group 1

	Not yet	Overdue					
	due	0-90 days	91-180 days	181-270 days	271-365 days	>=366 days	Total
Gross carrying amount	$99,844	$2,021	$ -	$ -	$ -	$-	$101,865
Loss ratio	-	-	-	-	-	-	-
Lifetime expected credit losses	-	-	-	-	-	-	-
Carrying amount	$99,844	$2,021	$ -	$ -	$ -	$ -	$101,865

Group 2：None.

As of 31 December 2022

Group 1

	Not yet	Overdue					
	due	0-90 days	91-180 days	181-270 days	271-365 days	>=366 days	Total
Gross carrying amount	$203,375	$ -	$ -	$ -	$ -	$907	$204,282
Loss ratio	0.3%	-	-	-	-	100%	
Lifetime expected credit losses	(611)	-	-	-	-	(907)	(1,518)
Carrying amount	$202,764	$ -	$ -	$ -	$ -	$ -	$202,764

Group 2：None.

The movement in the provision for impairment of note receivables and trade receivables during the years ended 31 December 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable	Overdue receivables	Long-term accounts receivable
As of 1 January 2023	$907	$611	$293,735	$-
Addition/(reversal) for the current period	-	-	(1,970)	-
Write-off due to irrecoverability	(907)	(611)	-	-
As of 31 December 2023	$-	$-	$291,765	$ -
As of 1 January 2022	$907	$3,652	$271,374	$17,089
Addition/(reversal) for the current period	-	750	-	1,482
Reclassification	-	(3,791)	22,361	(18,571)
As of 31 December 2022	$907	$611	$293,735	$ -

(14) Leases

The Company is a lessee

The Company has entered into commercial leases for motor vehicles for an average term of one to three years with no renewal rights and no restrictions have been imposed on the Company under these leases.

The Company has entered into leases for forklifts for an average term of two to six months with no renewal rights and no restrictions have been imposed on the Company under these leases.

A. Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$1,399	$604

(15) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2023 and 2022:

Function / Nature	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$19,013	$34,526	$53,539	$20,914	$37,212	$58,126
Labor and health insurance	2,002	3,481	5,483	2,164	3,291	5,455
Pension	576	1,709	2,285	678	1,680	2,358
Remuneration to directors and supervisors	-	1,683	1,683	-	2,161	2,161
Other employee benefits expense	774	596	1,370	813	631	1,444
Depreciation	10,905	7,205	18,110	16,730	7,588	24,318
Amortization	10	45	55	3	88	91

For the years ended 31 December 2023 and 2022, the number of employees of the Company were 86 and 87; the number of directors who were not concurrently employees were 10 and 10, respectively.

For the years ended 31 December 2023 and 2022, the average of employees benefits expense of the Company were NT$729 thousand and NT$775 thousand, respectively.

For the years ended 31 December 2023 and 2022, the average of employees salaries of the Company were NT$623 thousand and NT$668 thousand, respectively. The Company's average salary expense adjustment for the year ended 31 December 2023 increased by (6.74)%.

The company for the years ended 31 December 2023 and 2022, remuneration to The Audit Committee and supervisors of the Company were NT$0 thousand and NT$103 thousand, respectively.

The Company's remuneration policy for directors and managers is evaluated and reviewed by the Remuneration Committee on a regular basis, while the remuneration policy for employees is to review the levels of pay on an annual basis to provide employees with market-competitive salaries.

According to the Articles of Incorporation, at least 1% of profit of the current year is distributable as employees' compensation and no higher than 8% of profit of the current year is distributable as remuneration of directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

No employees' compensation and remuneration of directors and supervisors were estimated as the Company reported loss for the year ended December 31 2023.

Based on profit of 31 December 2022, the Company estimated the amounts of the employees' compensation and remuneration of directors and supervisors for the year ended of 31 December 2022 to be 6.24% and 3.48% of profit, respectively, recognized as employee benefits expense and recognized employees' compensation and remuneration to directors and supervisors of NT $1,862 thousand and NT $1,040 thousand respectively.

The amounts allocated to the employees' compensation and remuneration of directors and supervisors for the year ended 31 December 2022 were NT $1,862 thousand and NT $1,040 thousand, respectively which was resolved at the shareholders' meeting on June 7 2023. There was no difference between these amounts and the amounts recorded as expenses in the financial statements for the year ended 31 December 2022.

(16) Non-operating income and expenses

(a) Interest income

	For the years ended 31 December	
	2023	2022
Financial assets measured at amortized cost	$1,318	$320

(b) Other income

	For the years ended 31 December	
	2023	2022
Sample income	$1,763	$3,328
Rental income	32	58
Others	1,403	5,743
Total	$3,198	$9,129

(c) Other gains and losses

	For the years ended 31 December	
	2023	2022
Gains (losses) on disposal of property, plant and equipment	$(1)	$(174)
Foreign exchange gains (losses), net	(489)	3,456
Fee expense	(1,266)	(1,462)
Reversal of impairment loss on non-financial assets	-	174
Mixcellaneous disbursements	(2,871)	(167)
Total	(4,627)	$1,827

(d) Finance costs

	For the years ended 31 December	
	2023	2022
Interest on loans from bank	$18,805	$18,610

(17) Components of other comprehensive income

For the year ended 31 December 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(179)	$ -	$(179)	$36	$(143)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(13,737)	-	(13,737)	-	(13,737)
Total of other comprehensive income	$(13,916)	$ -	$(13,916)	$36	$(13,880)

For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$1,112	$ -	$1,112	$(222)	$890
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	25,950	-	25,950	-	25,950
Total of other comprehensive income	$27,062	$ -	$27,062	$(222)	$26,840

(18) Income tax

The major components of income tax expense are as follows:

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense :		
Current income tax charge	$ -	$ -
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	(851)	396
Total income tax expense (income)	$(851)	$396

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax (expense)income :		
Remeasurements of defined benefit plans	$36	$(222)
Income tax relating to components of other comprehensive income	$36	$(222)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit (loss) before tax from continuing operations	$(69,047)	$26,960
Tax at the domestic rates applicable to profits in the country concerned	$13,809	$(5,392)
Tax effect of expenses not deductible for tax purposes	(968)	(108)
Unrecognized tax losses / deductible temporary differences	(13,692)	5,896
Total income tax expense recognized in profit or loss	$(851)	$396

Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2023

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Loss from price recovery (reduction) of inventories	$5,003	$58	$ -	$5,061
Unrealized foreign exchange gains or losses	567	(467)	-	100
Impairment of non-financial assets	9,815	(266)	-	9,549
Property, plant and equipment - accumulated depreciation	(11,425)	(111)	-	(11,536)
Exchange differences on translation of foreign operations	-	-	-	-
Non-current liability – Defined benefit liability	561	(65)	-	496
Actuarial gain (loss) – Defined benefit	(1,174)	-	36	(1,138)
Deferred tax income (expense)		$(851)	$36	
Net deferred tax assets (liabilities)	$3,347			$2,532
Reflected in balance sheet as follows:				
Deferred tax assets	$15,946			$15,206
Deferred tax liabilities	$(12,599)			$(12,674)

For the year ended 31 December 2022

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Loss from price recovery (reduction) of inventories	$4,931	$72	$ -	$5,003
Unrealized foreign exchange gains or losses	27	540	-	567
Impairment of non-financial assets	9,850	(35)	-	9,815
Property, plant and equipment - accumulated depreciation	(11,307)	(118)	-	(11,425)
Exchange differences on translation of foreign operations	-	-	-	-
Non-current liability – Defined benefit liability	624	(63)	-	561
Actuarial gain (loss) – Defined benefit	(952)	-	(222)	(1,174)
Deferred tax income (expense)		$396	$(222)	
Net deferred tax assets (liabilities)	$3,173			$3,347
Reflected in balance sheet as follows:				
Deferred tax assets	$15,432			$15,946
Deferred tax liabilities	$(12,259)			$(12,599)

The following table contains information of the unused tax losses of the Group:

	Unused tax losses as at		
Year	2023.12.31	2022.12.31	Expiration year
2014	$63,285	$63,285	2024
2015	38,529	38,529	2025
2016	167,247	167,247	2026
2017	47,836	47,836	2027
2018	16,215	16,215	2028
2019	4,264	4,264	2029
2020	39,407	39,407	2030
2021	47,450	-	2031
total	$424,233	$376,783	

Unrecognized deferred tax assets

As of 31 December 2023 and 2022, the Company have not recognized deferred tax assets amounting to NT$110,914 thousand and NT$130,308 thousand, respectively, as the future taxable profit may not be available.

The assessment of income tax returns

As of 31 December 2023, the Company's income tax returns through 2021 have been assessed and approved by the tax authority.

(19) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
Basic earnings per share		
Net income (in thousands)	$(69,898)	$27,356
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	93,705	86,829
Basic earnings per share (NT$)	$(0.75)	$0.32

	For the years ended 31 December	
	2023	2022
Diluted earnings per share		
Net income attributable to the parent company (in thousands of NTD)	$(69,898)	$27,356
Net income attributable to the parent company after dilution (in thousands of NTD)	$(69,898)	$27,356
Weighted average number of ordinary shares outstanding for basic earnings per share (thousand shares)	93,705	86,829
Effect of dilution:		
Employees' compensation – stock (thousand shares)	28	146
Weighted average number of ordinary shares after dilution (thousand shares)	93,733	86,975
Diluted earnings per share (NTD)	$(0.75)	$0.31

The calculation of the Company's diluted earnings per share is consistent with the calculation of basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship
Pontex(Q.Y) Polyblend Co.,Ltd(Note 1)	Subsidiary
VietNam Bang Thai Polyblend Co.,Ltd	Subsidiary

Note 1: Formerly known as Pontex China Changming Factory, which has been changed to Pontex (Q.Y) Polyblend Co. ,Ltd.on 24 September 2020.

A. Sales

The sales price to the Company related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 60~150 days, while the terms for overseas sales were month-end 150 days. The collcetion period for third party sales was month-end 10~125 days. The outstanding amounts at the end of the year are unsecured, interest-free and are repayable in cash. The receivables from the related parties were not guaranteed.

The Company's sales to related parties for the year ended 31 December 2023 are as follows:

Related parties	Transaction type	Amount	Financial statement accounts	Disclosure of related party transactions
Pontex(Q.Y) Polyblend Co.,Ltd	Sales	$32,674	Sales revenue, which has been offset against purchases	$ -
VietNam Bang Thai Polyblend Co.,Ltd	Sales	4,190	Sales revenue, which has been offset against purchases	-
Total		$36,864		$ -

The Company's sales to related parties for the year ended 31 December 2022 are as follows:

Related parties	Transaction type	Amount	Financial statement accounts	Disclosure of related party transactions
Pontex(Q.Y) Polyblend Co.,Ltd	Sales	$65,306	Sales revenue, which has been offset against purchases	$ -
VietNam Bang Thai Polyblend Co.,Ltd	Sales	9,850	Sales revenue, which has been offset against purchases	-
Total		$75,156		$ -

B. Purchases

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers, which are between 30 to 150 days per month.

The Company's purchases from related parties for the year ended 31 December 2023 are as follows:

Related parties	Transaction type	Amount	Financial statement accounts	Disclosure of related party transactions
VietNam Bang Thai Polyblend Co.,Ltd	Purchase	$70,618	Sales revenue, which has been offset against purchases	$63,406
Pontex(Q.Y) Polyblend Co.,Ltd	Purchase	17,021	Sales revenue, which has been offset against purchases	-
Total		$87,639		$63,406

The Company's purchases from related parties for the year ended 31 December 2022 are as follows:

Related parties	Transaction type	Amount	Financial statement accounts	Disclosure of related party transactions
VietNam Bang Thai Polyblend Co.,Ltd	Purchase	$137,394	Sales revenue, which has been offset against purchases	$121,058
Pontex(Q.Y) Polyblend Co.,Ltd	Purchase	47,699	Sales revenue, which has been offset against purchases	-
Total		$185,093		$121,058

C. Accounts receivable-related parties

	As of 31 December	
	2023	2022
Pontex(Q.Y) Polyblend Co.,Ltd	$1,459	$7,165

D. Accounts payable-related parties

	As of 31 December	
	2023	2022
VietNam Bang Thai Polyblend Co.,Ltd	$60,042	$82,567
Pontex(Q.Y) Polyblend Co.,Ltd	27,122	48,611
Total	$87,164	$131,178

E. Key management personnel compensation

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$14,309	$15,131

F. Financing provided to others and Endorsement/Guarantee provided to others

Please refer to Note 13(1) for more details.

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

Items	Carrying amount 31 December 2023	Carrying amount 31 December 2022	Secured liabilities
Other current financial assets	$ 21,195	$ 24,174	Short-term borrowings
Property, plant and equipment - land and buildings	382,728	384,374	Borrowings
Total	$403,923	$408,548	

9. Significant contingencies and unrecognized contract commitments

(1). Amounts available under unused letters of credit as of 31 Deceber 2023 are NT$1,731 thousand.

(2). Notes payable used as security for borrowings, processing and research and development that has not be recovered for cancellation as of 31 Deceber 2023 are NT$448,000 thousand.

(3). In July 2016, the Securities and Futures Investor Protection Centre (hereinafter referred to as the "SFIPC") filed a class action lawsuit on behalf of the Company's investors against the Company's former Chairman for his unauthorized investment in Suzhou Shangbang Optoelectronics Co., Ltd. without the approval of the Board of Directors, on the ground that the financial statements for the period from the fourth quarter of 2010 to the second quarter of 2012 were false and omitted and claimed for the Company for joint and several liability. According to the Company's assessment, the investment in Shangbang Co. was a personal wrongdoing of the former chairman in breach of his appointment and there were no false and omission in the financial statements. Given that Shangbang was not invested by the Company, the basis of the claim against the Company did not exist. The lawsuit was dismissed by the Taiwan Taichung District Court on 25 October 2018, which ruled against the SFIPC. However, the SFIPC filed an appeal on 26 December 2018, and on 27 May 2020, the Taiwan High Court Taichung Branch Court ruled that the Company and the other appellees were liable for a compensation. On 16 June 2020, the Company's attorney filed an appeal to the Taiwan High Court against the ruling of the second trial. The Supreme Court ruled on November 15, 2023 reversed the judgment of the original second trial, which held the Company and the other appellees liable for additional interest in compensation, and remanded the case to the Taiwan Taichung Branch of the Taiwan High Court. As of the date of the financial statements submission, the litigation is still ongoing, and the outcome of the case is not yet known. Therefore, it is not possible to ascertain the exact amount of compensation that may be sought or awarded. As at the reporting date of the financial statements, the litigation is still in progress hence the result of the case is not confirmed and it is not possible to predict the exact amount of compensation that may be claimed or awarded.

10. Losses due to major disasters

None.

11. Significant subsequent events

As of December 31,2023 the company has privately placed and issued 4,500,000 shares of private stock, totaling NT$45,000 thousand . There is still a remaining balance of 15,500,000 shares of private stock available for private placement. These shares can be issued and processed within one year from the date of the shareholders' meeting resolution.

On March 7, 2024 the board of directors resolved to set the price for the private stock at NT$10 per share. The anticipated total fundraising amount is NT$155,000 thousand The record date for this private placement capital increase is set for March 21, 2024 with authorization for adjustment by the chairman if necessary. As of March 7, 2024 the relevant procedures are still in progress.

12. Others

(1) Categories of financial instruments

Financial assets

	As of 31 December	
	2023	2022
Financial assets measured at amortized cost (Note)	$183,622	$330,567

Financial liabilities	As of 31 December	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loans	$291,483	$407,044
Accounts payable (including related parties)	165,583	181,845
Long-term loans (including current portion with maturity less than 1 year)	272,741	331,250
Total	$729,807	$920,139

Note: Including cash and cash equivalents (not including cash on hand), notes receivable, trade receivables, other receivables, other current financial assets and Refundable deposits.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period.

The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2023 and 2022 are as follows:

	Equity (loss)	Profit / loss
For the years ended 31 December 2023	$ -	$189
For the years ended 31 December 2022	$ -	$1,125

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended 31 December 2023 and 2022 to decrease / increase by NT$564 thousnad and NT$738 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2023 and 2022, amounts receivables from top ten customers represented 44% and 69% of the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of 31 December 2023					
Borrowings	$366,149	$191,246	$6,829	$ -	$564,224
Notes and accounts payable (including related parties)	165,583	-	-	-	165,583
As of 31 December 2022					
Borrowings	$491,423	$262,314	$7,120	$ -	$760,857
Notes and accounts payable (including related parties)	181,845	-	-	-	181,845

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term loans	Long-term loan(including maturity within a year)	Total liabilities from financing activities
As of 1 January 2023	$407,044	$331,250	$738,294
Cash flow	(115,561)	(58,509)	(174,070)
As of 31 December 2023	$291,483	$272,741	$564,224

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loans	Long-term loan(including maturity within a year)	Total liabilities from financing activities
As of 1 January 2022	$432,523	$380,993	$813,516
Cash flow	(25,479)	(49,743)	(75,222)
As of 31 December 2022	$407,044	$331,250	$738,294

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis.

Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 31 December 2023 and 2022: None

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 31 December 2023			As of 31 December 2022		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	$2,226	30.71	$68,360	$3,663	30.715	$112,509
Financial liabilities						
Monetary items:						
USD	$2,840	30.71	$87,216	$ -	30.715	$ -

The Company has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Company recognized NT$(489) thousand and NT$3,456 thousand foreign exchange gains (losses) for the years ended 31 December 2023 and 2022, respectively.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions:

(a) Financing provided to others for the year ended 31 December 2023: None

(b) Endorsement/Guarantee provided to others for the year ended 31 December 2023:

No.	Endorsement/ guarantee provider (Company name)	Guaranteed party		Limits on endorsement/ guarantee amount provided to each guaranteed party (Notes 1 and 2)	Maximum Balance For the Period	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/ guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowable (Note 2)	Guarantee provided by Parent Company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in China
		Name	Nature of relationship										
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	Third-tier subsidiary	$519,451	$40,537	$40,537	$40,537	-	4.68	$692,601	Y	N	N

Note 1：The total amount of the endorsement/guarantee provided to a single entity shall not exceed 60% of the net worth of the Company.

Note 2：The maximum amount of the endorsement/ guarantee is limited to 80% of the net equity of the Company's most recent financial statements.

(c) Securities held as of 31 December 2023 (Not including investments in subsidiaries, associates and joint ventures): None

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

(g) Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of year ended 31 December 2023: None.

(i) Financial instruments and derivative transactions: None.

(j) The business relationship, significant transactions and amounts between parent company and subsidiaries:

No. (Note 1)	Company name (Note 2)	Counterparty	Nature of relationships (Note 2)	Transaction details			
				Financial statement account	Amount (Note 3)	Payment terms (Note 4)	% to total operating revenue or total assets (Note 5)
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Sales	$32,674	-	5.5%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Accounts Receivable	$1,459	-	0.09%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Purchase	$17,021	-	2.86%
0	The Company	Pontex(Q.Y) Polyblend Co.,Ltd	1	Accounts Payable	$27,122	-	1.75%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Sales	$4,190	-	0.71%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Purchase	$70,618	-	11.88%
0	The Company	VietNam Bang Thai Polyblend Co.,Ltd	1	Accounts Payable	$60,042	-	3.88%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Purchase	$32,674	-	5.5%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Accounts Payable	$1,459	-	0.09%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Sales	$17,021	-	2.86%
1	Pontex(Q.Y) Polyblend Co.,Ltd	The Company	2	Accounts Receivable	$27,122	-	1.75%
1	Pontex(Q.Y) Polyblend Co.,Ltd	VietNam Bang Thai Polyblend Co.,Ltd	3	Purchase	$1,509	-	0.25%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Purchase	$4,190	-	0.71%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Sales	$70,618	-	11.88%
2	VietNam Bang Thai Polyblend Co.,Ltd	The Company	2	Accounts Receivable	$60,042	-	3.88%
2	VietNam Bang Thai Polyblend Co.,Ltd	Pontex(Q.Y) Polyblend Co.,Ltd	3	Sales	$1,509	-	0.25%

Note 1： Information on business transactions between the parent company and the subsidiaries should be indicated separately in the numbered column as follows:

1. Enter 0 for the parent company.
2. Subsidiaries are numbered sequentially by company, starting with the Arabic numeral 1.

Note 2：There are three types of relationship between the parties to the transaction, which can be identified as follows:

1. Parent company to a subsidiary.
2. A subsidiary to parent company.
3. A subsidiary to a subsidiary.

Note 3：In accordance with the provisions of the letter of the Accounting Research And Development Foundation Interpretation 87-076, the transactions between the Company and Pontex(Q.Y) was subject to the accounting treatment for processing subcontract, and the amount of purchase and sales in this column is presented based on the actual amount of transaction before the offsetting of the Company's purchase and sales.

Note 4：The term is determined based on the capital requirements of the subsidiaries and is not materially different from that of general customers.

Note 5：The percentage of total amount of transactions to total consolidated operating revenues or total assets is calculated as the ending balance to total consolidated assets for assets and liabilities accounts, or as the cumulative amount to total consolidated operating revenues for profit and loss accounts.

Information on investees:

(a) Names, locations, main businesses and products, original investment amount, investment as of 31 December 2023, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2023 (Not including investments in mainland China):

(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Address	Main businesses and products	Initial investment amount		Investment as at end of the period			Net income (loss) of investee Company	Investment income (loss) recognized	Note
				Ending balance	Ending balance	Number of shares (thousands)	Percentage of ownership (%)	Carrying value			
The Company	MULTITEX POLYBLEND CO., LTD.	Samoa	Holding company.	$193,174 (USD6,000,020)	$193,174 (USD6,000,020)	6,000,020	100%	$439,022	$(15,578)	$(14,953) (Note 1) (Note 2)	A subsidiary of the Company
The Company	POLYTECH GLOBAL LIMITED	Seychelles	Holding company.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$278,473	$(8,225)	$(8,660) (Note 1) (Note 2) (Note 3)	A subsidiary of the Company
POLYTECH GLOBAL LIMITED	Cleated Molding Global Limited	Seychelles	Holding company.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$268,347	$(8,225)	$(8,225) (Note 1)	A sub-subsidiary of the Company
Cleated Molding Global Limited	VietNam Bang Thai Polyblend Co.,Ltd	Vietnam	Manufacture and sale of plastic pellets, plastic sports equipment together with parts thereof, shoes, shoe materials and parts thereof, and moulds.	$280,559 (USD9,060,000)	$280,559 (USD9,060,000)	9,060,000	100%	$268,344	$(7,112)	$(8,225) (Note1) (Note 3)	A third-tier subsidiary of the Company

Note 1： The recognized investment gains and losses for the current period include the investment gains and losses that are required to be recognized for the investment.

Note 2： The investment gains and losses recognized in the current period include the effect of downstream transactions.

The investment gains or losses recognized in the current period include the effect of capitalization of interest on borrowings.

Note 3： The investment gains and losses recognized in the current period include the effect of premiums on equity.

(2) If the issuer directly or indirectly exercises significant influence or control over an investee company, it shall disclose information on significant transactions with the investee company:

There is no further information required to be disclosed under Article 17(2)(B) of the Regulations Governing the Preparation of Financial Reports by Securities Issuers in respect of the Company's investment activities, except for the following matters.

(a) Financing provided to others for the year ended 31 December 2023: None.

(b) Endorsement/Guarantee provided to others for the year ended 31 December 2023: None.

(c) Securities held as of 31 December 2023 (Not including investments in subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended 31 December 2023: None.

(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

(g) Related party transactions for purchases and sales exceeding the lower of NT$100 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of year ended 31 December 2023: None.

(i) Financial instruments and derivative transactions: None.

(3) Information on investments in mainland China

(a) Investment in Mainland China:

(Amounts in thousands; Currency denomination in NTD or in foreign currencies)

Investee Company	Main businesses and products	Total amount of paid-in capital	Method of investment	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note1)	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Outflow						
Pontex (Q.Y) Polyblend Co.,Ltd	Manufacture and sale of plastic pellets, plastic sports equipment together with its parts and accessories, shoes, shoe materials together with its parts and moulds.	$193,174 (RMB 44,325,843)	Investment in China through a company in the third region (MULTITEX POLYBLEND CO., LTD.)	$193,174 (USD6,000,020)	$ -	$ -	$193,174 (USD6,000,020)	$(15,562)	100%	$(15,562)	$439,972	$ -

Note 1： The investment gains and losses recognized in the current period are based on the financial statements of the investees audited by the CPA of the parent company in Taiwan.

Accumulated investment in China as of 31 December 2023	nvestment amounts authorized by Investment Commission, MOEA	Upper Limit on Investment
		Net equity×60%
$193,174 (USD6,000,020)	$511,240 (USD17,081,509)	$519,451

(b) Significant transactions through third regions with the investees in Mainland China:

a. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Refer to Note 13.1(10).

b. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Refer to Note 13.1(10).

c. The amount of property transactions and the amount of the resultant gains or losses: None.

4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

5. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

6. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

(4) Information of major shareholders

As of 31 December 2023

Main shareholder \ Shares	Number of shares	Percentage of ownership (%)
HOUNDEY ENTERPRISE CO., LTD.	6,842,589	6.98%
HENRY GLOBAL INVEST MENT CO., LTD.	5,132,455	5.23%

6.6 If the Company or its Affiliates Have Experienced Financial Difficulties in the Most Recent. Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report Shall Explain How Said Difficulties Will Affect the Company's Financial Situation: None.

VII. Review of Financial Conditions, Operating Results, and Risk Management.

7.1 Financial Position

Review and analysis of financial position and financial performance

Comparison and analysis of financial position

Unit: NT thousand dollars

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	627,400	763,255	(135,855)	(17.80)
Fixed Assets	684,583	722,405	(37,822)	(5.24)
Other Assets	233,548	235,379	(1,831)	(0.78)
Total Assets	1,545,531	1,721,039	(175,508)	(10.20)
Current Liabilities	466,416	609,193	(142,777)	(23.44)
Long-term Liabilities	198,075	258,750	(60,675)	(23.45)
Other Liabilities	15,289	15,227	62	0.41
Total Liabilities	679,780	883,170	(203,390)	(23.03)
Capital Stock	979,950	843,000	136,950	16.25
Retained Earnings	(60,897)	34,434	(95,331)	(276.85)
Other Adjustments	(53,302)	(39,565)	(13,737)	34.72
Total Stockholders' Equity	865,751	837,869	27,882	3.33

Analysis of changes in financial ratios:

Explanation 1: The decrease of current liabililties, long-term liabilities, and total liabilities is mainly caused by repaying the loan.

Explanation 2: The decrease of retained earnings is mainly due to the decrease of the revenue, and resulting in a net loss for the period.

Explanation3:

The increase in other adjustments mainly resulted from an increase in exchange differences related to the financial statements of foreign operating entities compared to the same period last year. This is because for the consolidated financial statements of the Group, conversion is required from RMB to TWD and VND to TWD. The depreciation of VND against TWD in the current period is greater than that in the same period last year, resulting in a decrease in the cumulative translation adjustment recognized in the current period.

7.2 Financial Performance

7.2.1 Comparison and analysis of financial performance in recent two years

Unit: NT$ thousands

Item \ Year	2023	2022	Increased (deducted) Amount	Difference ratio(%)
Net revenue	594,313	946,483	(352,170)	(37.21)
Cost of revenue	(526,748)	(774,041)	(247,293)	(31.95)
Gross profit	67,565	172,442	(104,877)	(60.82)
Operating expenses	(129,663)	(153,903)	(24,240)	(15.75)
Operating income	(62,098)	18,539	(80,637)	(434.96)
Non-operating income and expenses	(8,154)	5,411	(13,565)	(250.69)
Profit from continuing Operations before Tax	(70,252)	23,950	(94,202)	(393.33)
Tax Benefit	354	3,406	(3,052)	(89.61)
Profit from Continuing Operations after tax	(69,898)	27,356	(97,254)	(355.51)

Analysis of changes in financial ratios:

Explanation 1: The decrease in net revenue, cost of revenue, operating income, profit from continuing operations before tax, and profit from continuing operations after tax is mainly due to a decrease in revenue and a decrease in the provision for credit losses compared to the previous year.

Explanation 2: The decrease in non-operating income and expenses is mainly due to the conclusion of government subsidy programs.

Explanation 3: The decrease in tax benefit is mainly due to adjustments for prior years' estimated taxes for subsidiaries and the provision for income tax for the company's subsidiary, Vietnam Pontex.

7.2.2 furnish a sales volume forecast and the basis thereof, the possible impact on the company's future financial business and response plan:

The Company's management authorities set sales volume targets based on market demand and development trends, and also consider the Company's production capacity.

In terms of sales execution, the Company has established high customer satisfaction through high-quality production and sales service capabilities, the professional quality and enthusiasm of the business team, and strong logistics support that has accumulated extraordinary achievements over the years. This year, the Company will continue to quickly grasp the pulse of the market, deeply cultivate customers, maintain the corporate brand image, adhere to the delivery and quality assurance of customers, to cultivate long-term stable customers. Additionally, expand the multi-party production and sales strategic alliances and boost the growth momentum of revenue to achieve the goal of expanding market share and increasing the profitability of enterprises.

7.3 Cash Flow

The prospectus shall: (1) analyze and explain any changes over the most recent fiscal. year in the company's cash flows; (2) describe how the company plans to address any illiquidity problems; and (3) provide an analysis of the company's cash liquidity for the coming fiscal year.

7.3.1 Cash flow analysis for the current year

Year / Item	December 31,2023	December 31,2022	Variance
Cash Flow Ratio (%)	17.05	24.13	(29.35)
Cash Flow Adequacy Ratio (%)	70.81	(6.59)	(1,175.22)
Cash Reinvestment Ratio (%)	4.89	9.15	(46.34)
Analysis of financial ratio change: (1) The changes of the cash flow ratio and the cash reinvestment ratio are mainly due to the decrease of the net cash inflows from operating activities, resulting in the decline of both ratios. (2) The changes of the net cash flow adequacy ratio is mainly due to the decrease in capital expenditures over the past 5 years and a decrease in the increase in inventory over the past 5 years,resulting in the increase of the net cash flow adequacy ratio.			

7.3.2 Describe how the company plans to address any illiquidity problems: Not applicable.

7.3.3 Cash Flow Analysis for the Coming Year

Unit: NT$thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
$107,758	$1,054,555	$1,075,578	$86,735	$-	$-

7.4 The Annual Report Shall Describe the Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year: None.

7.5 The Annual Report Shall Describe the Company's Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-Investment Profitability, and Investment Plans for the Coming Year: None.

7.6 Risks

The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report:

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

Unit: NT$ thousands

Item	The effect on the company's profits(losses)		Future response measures
Year	2023	2022	
Interest revenue	2,256	630	None
Interest expense	20,383	19,255	The company will adjust the selling price appropriately depending on the changes in market interest rates and exchange rate
Foreign exchange gains (losses)	2,237	6,592	As above
Inflation	The recent changes in inflation have not significantly affected the company's operations, and have no significant impact on the company's profit and loss.		The company will continue to carefully observe changes in the price index to reduce the losses.

7.6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, Highleveraged Investments, Lending or Endorsement Guarantees, and. Derivatives Transactions

The Company does not have behavior as high-risk investments, highly leveraged investments, loans to other parrties, endorsements, guarantees, and derivatives transactions.

All are handled according to the policies and countermeasures formulated in the Company's "Procedure Governing the Acquisition and Disposal of Assets", "Tackling Procedure of Derivatives", "Procedure Governing Loaning of Funds" and "Regulations Governing Making of Endorsements/Guarantees".

7.6.3 Future Research & Development Projects and Corresponding Budget

The research and development strategy takes market competitiveness and high-quality products as the core. With the goal of environmental protection recycled PCR certification and zero carbon emissions in the future, the products will be used in commodities with the concept of the circular economy in the 3C industry, transportation industry, LED
industry, sports equipment, biodegradable, bathroom hardware, household products, and green energy power generation. Additionally, the high-class material applications are mainly heat-resistant, aging-resistant, and low-moisture-absorption, such as mobile phone camera module connectors, capacitors, and bicycle transmissions which are durable and shockproof to possess the market share of high-class components.

Unit : NT $ thousands

Research Projects	Completion(%)	Expected Research Expenditure	Expected Completion Schedule	Major Risk Factor
PCR Environmental PP Glass Fiber Reinforced Automotive Parts	Circular Economy PP recycled products and reused in automotive parts.	NT$ 1 million	June 2024	Classify recycle PP material and remove the odor
High-value anti-static product PEI with CNT	$10*^{4\sim6}$ Ω/Sq has been completed with the product certification.	NT$ 1 million	June 2024	PEI material itself is flame retardant, high temperature resistant, and transparent. If endowed with anti-static properties, it can be used for peripheral components in semiconductor room.
Recycled textile fiber pressed board	Completed the thermal pressing plant construction, the finished thermal pressed board have been exported ,and a patent application has been applied.	NT$ 5 million	June 2024	The creation of useful and aesthetically pleasing building materials from recycled textiles is a national first and has been honored with the Professor Association's certification as the Gold Award for Outstanding Product Design.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to. Corporate Finance and Sales: None.

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to. Corporate Finance and Sales: None.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and. the Company's Response Measures:

The company has always adhered to the operating principles with professionalism. and integrity and emphasizes the corporate image and risk control. Currently, there is no foreseeable crisis.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition. Plans: None.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources. and Excessive Customer Concentration: None.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in. Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%:

The company's equity is dispersed, and there is no concentration of shareholding, so the risk of large-scale transfer of equity is not high.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

7.6.12 In July 2016, the Securities and Futures Investor Protection Centre (hereinafter. referred to as the "SFIPC") filed a class action lawsuit on behalf of the Company's investors against the Company's former Chairman for his unauthorized investment in Suzhou Shangbang Optoelectronics Co., Ltd. without the approval of the Board of Directors, on the ground that the financial statements for the period from the fourth quarter of 2010 to the second quarter of 2012 were false and omitted and claimed for the Company for joint and several liability. According to the Company's assessment, the investment in Shangbang Co. was a personal wrongdoing of the former chairman in breach of his appointment and there were no false and omission in the financial statements. Given that Shangbang was not invested by the Company, the basis of the claim against the Company did not exist. The lawsuit was dismissed by the Taiwan Taichung District Court on 25 October 2018, which ruled against the SFIPC. However, the SFIPC filed an appeal on 26 December 2018, and on 27 May 2020, the Taiwan High Court Taichung Branch Court ruled that the Company and the other appellees were liable for a compensation. On 16 June 2020, the Company's attorney filed an appeal to the Taiwan High Court against the ruling of the second trial.The Supreme Court ruled on November 15, 2023 reversed the judgment of the original second trial, which held the Company and the other appellees liable for additional interest in compensation, and remanded the case to the Taiwan Taichung Branch of the Taiwan High Court. As at the reporting date of the financial statements, the litigation is still in progress hence the result of the case is not confirmed and it is not possible to predict the exact amount of compensation that may be claimed or awarded.

7.6.13 Other Major Risks and countermeasures: None.

7.6.14 The risk management organization chart:

Important risk assessment item	Direct risk control unit (First mechanism)	Risk consideration and control (Second mechanism)	Board of director and audit room (Third mechanism)
1. The risk of interest rate, exchange rate, and financial risk. 2. High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions, financial management investment	Finance department	Finance department	Board of director and supervisor: Decision of risk assessment and final control. Audit room: The inspection, assessment, supervision, improvement and tracking and report of risks
3. The research and development plan 4. The change of policy and law 5. The change of technology and industry 6. The change of corporation image 7. Investment, reinvestment and benefit of mergers and acquisitions	R&D division General manager office Sales division Planning office Finance department	R&D division and and general manager office	
8. Expand the factory or production 9. Sales or purchasing operations, and mitigation measures being or to be taken.	Production department Equipment business department and compound material business department	Production and sale meeting	
10. Change of equity of directors, supervisors, and major shareholders 11. Changes in managerial control	Shareholder Services, Board of director Shareholder Services, Board of director	Operating and Regulated meeting	
12. Litigious and non-litigious matters 13. Other operational items	General manager office		

7.7 Other Important Matters:

7.7.1 The circumstance of the Company's personnel related to financial. Transparency obtaining the relevant certificates specified by the authority:

The circumstance of the Company's personnel related to financial. Transparency. obtaining the relevant certificates specified by the authority as below:

CIA: 0 people

Enterprise internal control basic competence test held by Securities. and Futures.

Institute:2 people

CIA of ROC: 0 people

CPA of ROC: 0 people

Accounting Research and Development Foundation basic competence. test:2 people

7.7.2 Employees' code of conduct or ethics of the Company

A. The Company has formulated the "Employee Work Manual", "Personnel Management. Regulations" and "Administrative Management Regulations" as the guidelines that Pontex's directors, supervisors, managers, and all employees should follow. When employees enter the factory, they sign a "LaborContract". The main contents are:

(1) All personnel behaviors should correspond with integrity and ethics, should truly abide by the company's various systems and regulations, and should not damage the company's interests or reputation due to personal interests.

(2) Employees shall maintain the confidentiality of confidential information, files, documents, and other related materials, charts, and reference documents known or held by the company.

(3) The periodic report submitted shall be disclosed in a complete, fair, correct, timely, and easy-tounderstand manner.

(4) Treat customers and suppliers in a fair and mutually beneficial manner. (The company's business philosophy-professionalism, innovation, value, and sharing. The quality goals-satisfaction of customers,employees, and shareholders.)

(5) Protect the company's assets for effective use.

(6) Comply with various government laws and regulations.

(7) When there is a violation of this code of conduct or the possibility of violation, it should promptly report to the control unit and personnel listed in this code of conduct.

B. When the various personnel and administrative regulations are added or revised, the employees will be informed. Therefore, employees could clearly understand the. various codes of conduct. If employees encounter deeds or behaviors that could be rewarded or warned, they will be rewarded or punished by the Company's "Reward and Punishment Management Measures". Or included in the evaluation points during the employee's semi-annual performance evaluation.

7.7.3 Procedures for handling material inside information of the Company

The Company has established procedures for handling material inside information,signed a confidentiality agreement with all employees of the company and signed a statement to prevent insider trading with directors and supervisors, to avoid violations and insider trading.

The procedures for handling material inside information formulated by the Company are formulated in the "Procedures for Handling Material Inside. Information" in the administrative management regulation

7.7.4 The working environment and protection measures for employees' safety of the. Company

A. The Company has obtained the ISO14001 Environmental management systems. The. primary obligation is to construct a safe, comfortable, healthy, and hygienic working environment. To improve the working environment and personnel safety, the Company holds safety and health education training in machinery equipment and fire safety regularly. Furthermore, annual regular inspections and maintenance to ensure the relevant equipment is in a usable status. Additionally, a fire drill is carried out for all employees once half a year to ensure that all employees have received appropriate and necessary emergency response training and could perform their duties, to comprehensively prevent occupational disasters.

For the personal safety of all employees, for the access security part, the factory and. the surroundings are equipped with a complete monitoring system, which is managed and maintained by a dedicated person. A security company is signed to control the personnel and vehicles entering and leaving the factory to keep the safety of the factory. The Company insured the group insurance for employees to provide necessary assistance timely when employees suffer from illness or occupational disasters, to increase the rights of employees at work.

B. The Company regularly conducts employee health checks, sets up first aid personnel and first aid kits following the law, and conducts disinfection inside and outside of the factory from time to time to maintain the health of employees.

C. For contractors, in addition to conducting safety training for contractors who enter the. factory, the Company also inspects, manages, and supervises the construction site from time to time.

D. Formulate the norm for managing suppliers:

Norm	Approach	Standard
● Regulations of supplier environmental impact management ● Safety data sheet (SDS) ●REACHSVHC Guarantee	● New suppliers must comply with the hazardous substance safety standard testing report, and the latest version of the testing report must be obtained through platform management to ensure compliance. ● Aim not to use banned substances for 100%. ●The priority suppliers are the manufacturers that meet ISO 14001 certification and comply with the environmental and hazardous substance management system.	● RoHs ● REACH ● ISO14001 ● IATF16949

E. The Company's "Employee Work Manual" clearly lists various safety and health work rules. The day when employees enter the factory, in addition to distributing the "Employee Work Manual", the Company also provides labor safety education training and working environment introduction.

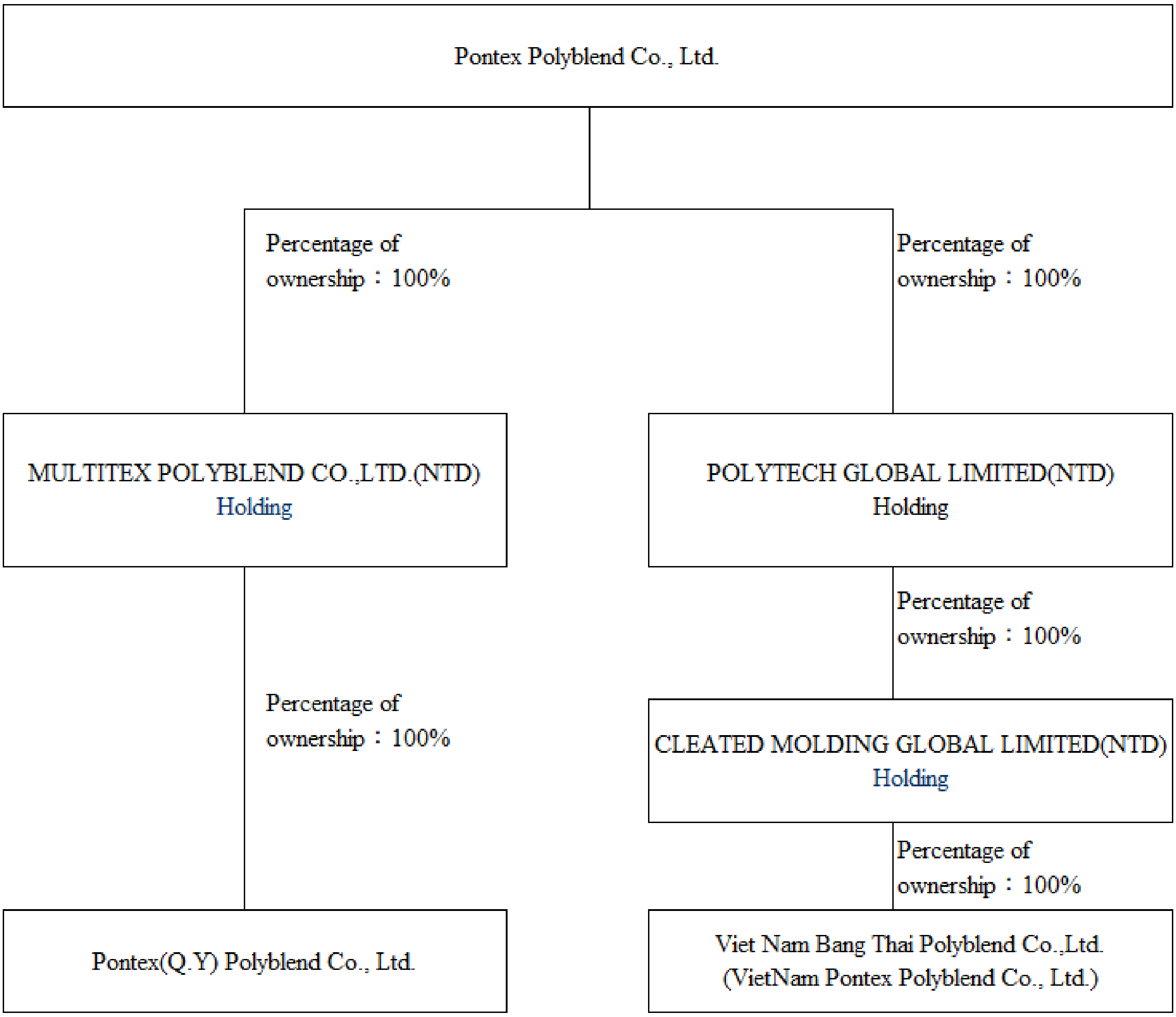
VIII. Special Disclosure

8.1 Information Related to the Company's Affiliates

1. Consolidated business report of affiliates:

   1. Affiliated companies overview

      (1) Organizational chart of the affiliates



(2) The name, incorporation date, address, paid-in capital, and main business items of each affiliate

Company	Date of Incorporation	Address	Paid-in Capital	Major Business Item
MULTITEX POLYBLEND CO.,LTD	March 28, 2007	Portcullis TrustNet Chambers,P.O.BOX1225,Apia,Samoa.	USD 6,000,020	Holding company
Pontex(Q.Y) Polyblend Co., Ltd.	July 20,2007	33 Longwan Avenue, Taiping Town, Qingxin District, Qingyuan City.	RMB 44,325,843	Production and sales of plastic particles, plastic sports equipment and its components, shoes, shoe materials, and their components, and molds.
POLYTECH GLOBAL IMITED	December 17,2015	NO、24，Lespperance Complex，Providence Industirial Estate，Mahe，Seychelles	USD 9,060,000	Holding company
CLEATED MOLDING GLOBAL	Deember 17,2015	NO、24，Lespperance Complex，Providence Industirial Estate，Mahe，Seychelles	USD 9,060,000	Holding company
Viet Nam Bang Thai Polyblend Co.,Ltd. d.(VietNam Pontex Polyblend Co., Ltd.)	October 09,2007	Lot J – 2 – CN, My Phuoc 2 Industrial Park, Chanh Phu Hoa ward, Ben Cat town, Binh Duong province. (J-2-CN building, Meifu 2 Industrial Zone, Binh Khuong commune, Ben Cat town, Binh Duong province, Vietnam.)	USD 9,060,000	Production and sales of plastic particles, plastic sports equipment and its components, shoes, shoe materials, and their components, and molds.

(3) The reason and personnel-related information that affiliation is presumed to have a relationship of control and subordination: Not applicable.

(4) The industries covered by the business operated by the affiliates overall: The business of the Company and affiliated companies are the production and sale of plastic particles, plastic sports equipment and its components, shoes, shoe material, and its components, mold, vehicle's components, and production and processing of engineering plastic and plastic alloy.

(5) The names of the directors, supervisors, and general manager of each affiliate and the details of their shareholding in such affiliate:

Company	Title	Name or Representative	Shares(Investment Amount	%(Investment Holding %)
MULTITEX POLYBLEND CO.,LTD	Director	Pontex Polyblend Co., Ltd. Legal representative: SHEN, MAO-KEN	6,000,020 shares	100.00%
	Supervisor	None	-	-
	General Manager	None	-	-
Pontex(Q.Y) Polyblend Co., Ltd.	Director	MULTITEX POLYBLEND CO.,LTD Legal representative: SHEN, MAO-KEN	6,000,000 shares	100.00%
	Director	None	-	-
	Supervisor	Lai,Xing-Yi	-	-
	General Manager	Acting: Lin, Xian-Yuan	-	-
POLYTECH GLOBAL IMITED	Director	Pontex Polyblend Co., Ltd. Legal representative: Yu, You-Fa	9,060,000 shares	100.00%
	Director	Yu, You-Fa	-	-
	Supevisor	None	-	-
	General Manager	None	-	-
CLEATED MOLDING GLOBAL	Director	POLYTECH GLOBAL IMITED Legal representative: Yu, You-Fa	9,060,000 shares	100.00%
	Director	Yu, You-Fa	-	-
	Supervisor	None	-	-
	General Manager	None	-	-
Viet Nam Bang Thai Polyblend Co.,Ltd (VietNam Pontex Polyblend Co., Ltd.)	Director	CLEATED MOLDING GLOBAL Legal representative: Yu, You-Fa	9,060,000 shares	100.00%
	Supervisor	None	-	-
	General Manager	Yu, You-Fa	-	-
	General Manager	Yu, You-Fa	-	-

2. Affiliated companies overview

Unit:NT $ thousands

Company	Capital Stock	Assets	Liabilities	Net Worth	Net Revenues	Operating Profit (Loss)	Net Profit (Loss)(after tax)	Earnings per Share (NT$) (after tax)
Pontex Polyblend Co., Ltd.	979,950	1,608,678	742,927	865,751	454,749	(26,518)	(69,898)	(0.75)
MULTITEX POLYBLEND CO.,LTD.	193,174	440,822	0	440,822	0	(21)	(15,578)	(2.60)
Pontex(Q.Y) Polyblend Co.,Ltd	193,174	454,401	14,429	439,972	132,560	(32,696)	(15,562)	(2.59)
POLYTECH GLOBAL IMITED	280,559	268,347	0	268,347	0	0	(8,225)	(0.91)
CLEATED MOLDING GLOBAL	280,559	268,347	0	268,347	0	0	(8,225)	(0.91)
Viet Nam Bang Thai Polyblend Co.,Ltd. (VietNam Pontex Polyblend Co.,Ltd.)	238,283	246,985	14,000	232,985	95,433	(2,830)	(7,112)	(0.78)

Note 1: The Company table information above is up to December 31, 2023.

Note 2: All affiliated companies, regardless of size, should entirely be disclosed.

Note 3: If the affiliated company is a foreign company, the relevant figures should be converted into NT$ based on the exchange rate on the reporting date.

Current exchange rate: USD:NT=1:30.71 ,RMB:NT=1:4.328 ,VND:NT =1:00127；

Average exchange rate: USD:NT=1:31.176 ,RMB:NT=1:4.394 ,VND:NT =1:0013

(2) Consolidated financial statements of affiliated companies: Please refer to PP.200-294

(3) Affiliation Report: None.

8.2 Status of the Company Has Carried Out a Private Placement of Securities During the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report:

Item	2022 First Private Placement Issue Date: December 23th,2023
Securities under private placement	Common Stock
Date of resolution and approved quantity	The company's shareholders' meeting, held on June 2, 2022, resolved to authorize the board of directors to conduct private placement cash capital increase for common shares up to 30,000,000 shares within one year from the date of the shareholders' meeting resolution, to be conducted in three installments.
Basis and rational for price setting	(1) The private placement price shall be calculated by the simple arithmetic average of the closing prices of ordinary shares on the preceding 1st,3rd, or 5th trading day, excluding free stock dividends, ex-rights, and dividends, and adding back the price after capital reduction and ex-rights on the pricing date; or the simple arithmetic average of the closing price of ordinary shares on the preceding 30 trading days, excluding free stock dividends, ex-rights, and didvidends, and adding back the price after capital reduction and ex-rights. The higher of the two benchmark calculation prices shall serve as the reference price. (2)Take the liquidity restrctions on the privately placed shares into consideration, which can't be freely transferred within three years, the Company has complied with the relevant provisions of the "Matters to Be Noted by Public Companies in Private Placement of Securities." The fair value of the private. Placement in this instance is set at not less than 80% of the reference price. This will be stated in the notice of the shareholder's meeting scheduled for June 2,2022, for resolution at the shareholders' meeting. (3) The actual pricing date and the actual private placement price shall fall within the range not lower than the percentage determined by the resolution of the shareholders'meeting. It is proposed that the shareholders' meeting authorize the board of directors to decide on specific cases negotiated thereafter. (4) The private placement price for this issuance is set in accordance with the relevant regulations issued by the reregulatory authorities, taking the three-year transfer restriction on privately placed securities under the Securities and Exchange Act,the company's operation status,future prospects,and market price of ordinary into consideration. Therefore it should be reasonable.

<table>
<tr><th>Item</th><th colspan="5">2022 First Private Placement
Issue Date: December 23th,2023</th></tr>
<tr><td>Selection method of specified parties</td><td colspan="5">Individuals specified under Article 43-6, Paragraph 1 of the Securities and Exchange Act.</td></tr>
<tr><td>Reasons for private placement</td><td colspan="5">Considering the factors of private placement timeliness and convenience, which should be authorized by the board of directors to conduct private placements based on the actual operational needs, and the company will effectively enhance the company’s fundraising agility and flexibility. This will promptly respond to business development requitements,and improving investment efficiency.</td></tr>
<tr><td>Date of payment and completion</td><td colspan="5">March 23, 2023</td></tr>
<tr><td rowspan="2">Information on contributing parties</td><td>Target</td><td>Eligibility</td><td>Quantity Purchased</td><td>Relationship with the Company</td><td>Participation in Company Operations</td></tr>
<tr><td>Houndey enterprise Co.,Ltd</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>6,666 shares</td><td>None</td><td>None</td></tr>
<tr><td>Actual purchase (or conversion) price</td><td colspan="5">NT$ 10.00</td></tr>
<tr><td>Difference between the actual purchase (or conversion) price and the reference price</td><td colspan="5">The reference price for this private placement was set at NT$12.50 ,which based on the average closing price of the preceding 1st,3rd,or 5th business day. The actual private placement price was determinted to be NT$10 . This pricing aligns with the resolution made at the shareholders’ meeting on June 2, 2022, which information about private placement price should not be less than 80% of the reference price.</td></tr>
<tr><td>Impact of private placement on shareholders’ equity (ex. causing an increase in accumulated losses)</td><td colspan="5">It is expected to achieve the benefits to improve the Company’s financial structure and operational development, or reinvestment, and which will also positively effects on shareholders’ rights. It is expected to meet the operational requirements of the company of laying a solid foundation for future business growth potential,strengthen the company’s competitiveness and enhance operation efficiency.</td></tr>
<tr><td>Use of funds from private placement and progress of proposed plans</td><td colspan="5">Enriched operation capital, improved financial structure, repaid bank loans, and all private placement funds have been fully utilized.</td></tr>
<tr><td>Effectiveness of private placement</td><td colspan="5">The financial structure has been improved, been reduced current liablities and interest expense, and been increased the current ratio and quick ratio.</td></tr>
</table>

Item	2023 First Private Placement Issue Date: August 17th ,2023
Securities under private placement	Common Stock
Date of resolution and approved quantity	The company's shareholders' meeting, held on June 2, 2022, resolved to authorize the board of directors to conduct private placement cash capital increase for common shares up to 30,000,000 shares within one year from the date of the shareholders' meeting resolution, to be conducted in three installments.
Basis and rational for price setting	(1) The private placement price shall be calculated by the simple arithmetic average of the closing prices of ordinary shares on the preceding 1st,3rd, or 5th trading day,excluding free stock dividends,ex-rights,and dividends,and adding back the price after capital reduction and ex-rights on the pricing date; or the simple arithmetic average of the closing price of ordinary shares on the preceding 30 trading days, excluding free stock dividends, ex-rights, and didvidends, and adding back the price after capital reduction and ex-rights. The higher of the two benchmark calculation prices shall serve as the reference price. (2)Take the liquidity restrctions on the privately placed shares into consideration, which can't be freely transferred within three years, the Company has complied with the relevant provisions of the "Matters to Be Noted by Public Companies in Private Placement of Securities." The fair value of the private. Placement in this instance is set at not less than 80% of the reference price. This will be stated in the notice of the shareholder's meeting scheduled for June 2,2022, for resolution at the shareholders' meeting. (3)The actual pricing date and the actual private placement price shall fall within the range not lower than the percentage determined by the resolution of the shareholders'meeting. It is proposed that the shareholders' meeting authorize the board of directors to decide on specific cases negotiated thereafter. (4)The private placement price for this issuance is set in accordance with the relevant regulations issued by the reregulatory authorities, taking the three-year transfer restriction on privately placed securities under the Securities and Exchange Act,the company's operation status,future prospects,and market price of ordinary into consideration. Therefore it should be reasonable.
Selection method of specified parties	Individuals specified under Article 43-6, Paragraph 1 of the Securities and Exchange Act.
Reasons for private placement	Considering the factors of private placement timeliness and convenience, which should be authorized by the board of directors to conduct private placements based on the actual operational needs, and the company will effectively enhance the company's fundraising agility and flexibility. This will promptly respond to business development requitements,and improving investment efficiency.

<table>
<tr><th>Item</th><th colspan="5">2023 First Private Placement
Issue Date: August 17th ,2023</th></tr>
<tr><td>Date of payment and completion</td><td colspan="5">August 17th ,2023</td></tr>
<tr><td rowspan="7">Information on contributing parties</td><td>Target</td><td>Eligibility</td><td>Quantity Purchased</td><td>Relationship with the Company</td><td>Participation in Company Operations</td></tr>
<tr><td>Sentronic International Corp.</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>1 million shares</td><td>None</td><td>None</td></tr>
<tr><td>Cyuan-Lian Investment Co.Ltd.</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>1 million shares</td><td>None</td><td>None</td></tr>
<tr><td>Yang,Jin-Wei</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>1 million shares</td><td>None</td><td>None</td></tr>
<tr><td>Ou,Gene-Liang</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>500 thousand shares</td><td>None</td><td>None</td></tr>
<tr><td>Bai,Jing-Hong</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>500 thousand shares</td><td>Shareholders of the company</td><td>None</td></tr>
<tr><td>Bai,Ci-Hong</td><td>Article 43-6, Paragraph 1 of the Securities and Exchange Act</td><td>500 thousand shares</td><td>Shareholders of the company</td><td>None</td></tr>
<tr><td>Actual purchase (or conversion) price</td><td colspan="5">NT$ 10.00.</td></tr>
<tr><td>Difference between the actual purchase (or conversion) price and the reference price</td><td colspan="5">The reference price for this private placement was set at NT$12.38 ,which based on the average closing price of the preceding thirty business day. The actual private placement price was determinted to be NT$10 . This pricing aligns with the resolution made at the shareholders' meeting on June 7, 2023,which information about private placement price should not be less than 80% of the reference price.</td></tr>
<tr><td>Impact of private placement on shareholders' equity (ex. causing an increase in accumulated losses)</td><td colspan="5">It is expected to achieve the benefits to improve the Company's financial structure and operational development, or reinvestment, and which will also positively effects on shareholders' rights. It is expected to meet the operational requirements of the company of laying a solid foundation for future business growth potential,strengthen the company's competitiveness and enhance operation efficiency.</td></tr>
<tr><td>Use of funds from private placement and progress of proposed plans</td><td colspan="5">Enriched operation capital, improved financial structure, repaid bank loans, and all private placement funds have been fully utilized.</td></tr>
<tr><td>Effectiveness of private placement</td><td colspan="5">The financial structure has been improved, been reduced current liablities and interest expense, and been increased the current ratio and quick ratio.</td></tr>
</table>

Item	2023 Second Private Placement Issue Date: March 21,2024
Securities under private placement	Common Stock
Date of resolution and approved quantity	The company's shareholders' meeting, held on June 2, 2022, resolved to authorize the board of directors to conduct private placement cash capital increase for common shares up to 30,000,000 shares within one year from the date of the shareholders' meeting resolution, to be conducted in three installments.
Basis and rational for price setting	(1)The private placement price shall be calculated by the simple arithmetic average of the closing prices of ordinary shares on the preceding 1st,3rd, or 5th trading day,excluding free stock dividends,ex-rights,and dividends,and adding back the price after capital reduction and ex-rights on the pricing date; or the simple arithmetic average of the closing price of ordinary shares on the preceding 30 trading days, excluding free stock dividends, ex-rights, and didvidends, and adding back the price after capital reduction and ex-rights. The higher of the two benchmark calculation prices shall serve as the reference price. (2)Take the liquidity restrctions on the privately placed shares into consideration, which can't be freely transferred within three years, the Company has complied with the relevant provisions of the "Matters to Be Noted by Public Companies in Private Placement of Securities." The fair value of the private. Placement in this instance is set at not less than 80% of the reference price. This will be stated in the notice of the shareholder's meeting scheduled for June 2,2022, for resolution at the shareholders' meeting. (3)The actual pricing date and the actual private placement price shall fall within the range not lower than the percentage determined by the resolution of the shareholders'meeting. It is proposed that the shareholders' meeting authorize the board of directors to decide on specific cases negotiated thereafter. (4) The private placement price for this issuance is set in accordance with the relevant regulations issued by the reregulatory authorities, taking the three-year transfer restriction on privately placed securities under the Securities and Exchange Act,the company's operation status,future prospects,and market price of ordinary into consideration. Therefore it should be reasonable.
Selection method of specified parties	(1) The private placement price shall be calculated by the simple arithmetic average of the closing prices of ordinary shares on the preceding 1st,3rd, or 5th trading day,excluding free stock dividends,ex-rights,and dividends,and adding back the price after capital reduction and ex-rights on the pricing date; or the simple arithmetic average of the closing price of ordinary shares on the preceding 30 trading days, excluding free stock dividends, ex-rights, and didvidends, and adding back the price after capital reduction and ex-rights. The higher of the two benchmark calculation prices shall serve as the reference price. (2)Take the liquidity restrctions on the privately placed shares into consideration, which can't be freely transferred within three years, the Company has complied with the relevant provisions of the "Matters to Be Noted by Public Companies in Private Placement of Securities." The fair value of the private. Placement in this instance is set at not less than 80% of the reference price.

Item	2023 Second Private Placement Issue Date: March 21,2024
	This will be stated in the notice of the shareholder's meeting scheduled for June 2,2022, for resolution at the shareholders' meeting. (3)The actual pricing date and the actual private placement price shall fall within the range not lower than the percentage determined by the resolution of the shareholders'meeting. It is proposed that the shareholders' meeting authorize the board of directors to decide on specific cases negotiated thereafter. (4)The private placement price for this issuance is set in accordance with the relevant regulations issued by the reregulatory authorities, taking the three-year transfer restriction on privately placed securities under the Securities and Exchange Act,the company's operation status,future prospects,and market price of ordinary into consideration. Therefore it should be reasonable.
Reasons for private placement	(1)The private placement price shall be calculated by the simple arithmetic average of the closing prices of ordinary shares on the preceding 1st,3rd, or 5th trading day,excluding free stock dividends,ex-rights,and dividends,and adding back the price after capital reduction and ex-rights on the pricing date; or the simple arithmetic average of the closing price of ordinary shares on the preceding 30 trading days, excluding free stock dividends, ex-rights, and didvidends, and adding back the price after capital reduction and ex-rights. The higher of the two benchmark calculation prices shall serve as the reference price. (2)Take the liquidity restrctions on the privately placed shares into consideration, which can't be freely transferred within three years, the Company has complied with the relevant provisions of the "Matters to Be Noted by Public Companies in Private Placement of Securities." The fair value of the private. Placement in this instance is set at not less than 80% of the reference price. This will be stated in the notice of the shareholder's meeting scheduled for June 2,2022, for resolution at the shareholders' meeting. (3)The actual pricing date and the actual private placement price shall fall within the range not lower than the percentage determined by the resolution of the shareholders'meeting. It is proposed that the shareholders' meeting authorize the board of directors to decide on specific cases negotiated thereafter. (4) The private placement price for this issuance is set in accordance with the relevant regulations issued by the reregulatory authorities, taking the three-year transfer restriction on privately placed securities under the Securities and Exchange Act,the company's operation status,future prospects,and market price of ordinary into consideration. Therefore it should be reasonable.

Item	2023 Second Private Placement Issue Date: March 21,2024				
Date of payment and completion	March 21,2024				
Information on contributing parties	Target	Eligibility	Quantity Purchased	Relationship with the Company	Participation in Company Operations
	Lin,Yu-Zhe	Article 43-6, Paragraph 1 of the Securities and Exchange Act	15,500 million shares	None	None
Actual purchase (or conversion) price	NT$ 10.00				
Difference between the actual purchase (or conversion) price and the reference price	The reference price for this private placement was set at NT$11.60 ,which based on the average closing price of the preceding 1st,3rd,or 5th business day. The actual private placement price was determinted to be NT$10 . This pricing aligns with the resolution made at the shareholders' meeting on June 7, 2023 ,which information about private placement price should not be less than 80% of the reference price.				
Impact of private placement on shareholders' equity (ex. causing an increase in accumulated losses)	It is expected to achieve the benefits to improve the Company's financial structure and operational development, or reinvestment, and which will also positively effects on shareholders' rights. It is expected to meet the operational requirements of the company of laying a solid foundation for future business growth potential,strengthen the company's competitiveness and enhance operation efficiency.				
Use of funds from private placement and progress of proposed plans	Enriched operation capital, improved financial structure, repaid bank loans, and all private placement funds have been fully utilized.				
Effectiveness of private placement	The financial structure has been improved, been reduced current liablities and interest expense, and been increased the current ratio and quick ratio				

8.3 Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

8.4 Other Matters that Require Additional Description: None.

IX. If Any of the Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities And Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, has Occurred During the Most Recent Fiscal Year or the Current Fiscal Year up to the Date of Publication of the Annual Report, Such Situations Shall Also Be Listed One by One: None.

Pontex Polyblend Co., Ltd.

Chairman: Henry Global Investment Co., Ltd.