

Stock Code: 1341

FULIN PLASTIC INDUSTRY (CAYMAN)
HOLDING CO., LTD.

2024 Annual Report

This Annual Report is available at:

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Company Website: <http://www.fulinvn.com/>

Published on March 31, 2025

Notice to readers

This English-Version Agenda is a summary translation of the Chinese version and is not An official document of the shareholders, meeting. If there is any discrepancy between The English and Chinese versions, the Chinese version shall prevail.

I. The Company's Spokesperson and Deputy Spokesperson

Spokesperson Name: Hsu, Nai-Jen	Deputy Spokesperson: Chen, Jen-Chung
Title: Senior Manager	Title: Finance & Accounting Senior Manager
Email: hsu@fulintw.com.tw	Email: u6150@fulinvn.com
Tel: 886-7-5352366	Tel : 84- 251- 3936688# 130

II. Contact Information of Headquarters, Branches and Plants

The Company

Name: Fulin Plastic Industry (Cayman) Holding Co., Ltd.
Address: The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands
Tel: 886-7-5352366
Website: <http://www.fulinvn.com>

Taiwan Branch

Name: Fulin Plastic Industry (Cayman) Holding Co., Ltd., Taiwan Branch
Address: 19F-1, No. 38 Xinguang Road, Lingya District, Kaohsiung
Tel: 886-7-5352366
Website: <http://www.fulinvn.com>

Headquarters of the Subsidiary

Name: Fulin Plastic Industry Joint Stock Company
Address: Km9 Pham Van Dong Hai Thanh Ward Duong Kinh District Hai Phong Viet Nam
Tel: 84-225-3860399
Website: <http://www.fulinvn.com>

Branch of the Subsidiary

Name: Fulin Plastic Industry Joint Stock Company Dong Nai Branch
Address: 109 AMATA Industrial Park, Long Binh Ward Bien Hoa City Dong Nai Province Viet Nam
Tel: 84-251-3936688
Website: <http://www.fulinvn.com>

III. Name, job title, contact telephone number, and e-mail address of the litigious and non-litigious agent within the ROC

Name: Hsu, Nai-Jen
Title: Senior Manager, Taiwan Branch
Tel: 886-7-5352366
Email: hsu@fulintw.com.tw

IV. List of Members of the Board of Directors

Title	Name	Nationality/ place of registration	Experience
Chairman	Wang, Yuan-Lin	Republic of China	Graduated from Annan Junior High School Chairman, Cty TNHH Xay Dung va Phat Trien Dai Dang Chairman, Fulin Plastic Industry Joint Stock Company
Director	Chen, Chao- Long	Republic of China	Kaohsiung Medical University, School of Medicine Honorary Director of Kaohsiung Changgang Memorial Hospital Chairman, CHO Pharma, Inc. Independent Director, King's Town Bank Co., Ltd. Director of HI-LAI FOODS CO., LTD. Independent Director, Nan Liu Enterprise Co., Ltd. Independent Director, Scivision Biotech Inc.
Director	Chiu, Wen-Hui (Note 1)	Republic of China	Masters of Finance, National Cheng Kung University Accounting Assistant Manager, Caesar Accounting Head, Caesar Vietnam Finance & Accounting Manager, Fulin Plastic Industry Joint Stock Company Director, Fulin Plastic Industry Joint Stock Compan
Independent Director	Wang, Chin- San	Republic of China	EMBA, National Taiwan University Vice Chairman, Deloitte Taiwan Institutional Director, Yageo Corporation Independent Director, Taiwan Navigation Co., Ltd. Independent Director, Taiwan Cement Ltd. Independent Director, DACIN Construction Co., Ltd. Institutional representative, YFYInc.
Independent Director	Tsai, Hsien-Tang	Republic of China	Ph.D. Krannert School of Management, Purdue University Dean, School of Management, National Sun Yat-sen University 11th Chairman, the Association of Quality Management, Kaohsiung Branch Director, Central News Agency Director, Public Television Service Remuneration Committee's member, Liyu Technology Co., Ltd. Independent director, Logah Technology Independent director, Chung Hung Steel Independent Director, Lipaijing Environmental Technology Co., Ltd. Independent director, Innovision Flextech Corporation Independent Director, Fulin Plastic Industry Joint

Title	Name	Nationality/ place of registration	Experience
			Stock Company
Independent Director	Li, Hung-Wen	Republic of China	Department of Law, School of Law and Business, National ChungHsing University Attorney, Ming Yang Law Firm Attorney, Wan Chung Law Firm Partner Lawyer, Fayu United Law Firm
Independent Director	Su, Chiu-Hsia (Note 2)	Republic of China	George Washington University Master of Business Administration Standard Chartered Bank/Executive Vice President of Human Resources Nielsen N.V. -Director of Human Resources Independent Director, GSD Technologies Co., Ltd. Independent director, Enli Technology Ltd.

Note1: Chiu, Wen-Hui, Director, was dismissed on January 18, 2024.

Note2. Su, Chiu-Hsia, Independent Director, was appointed after being elected in Shareholders'meeting on June 12, 2024.

V. Stock Transfer Agency

Name: Stock Affairs Agency Department of Chinatrust Commercial Bank
Address: 5F, No. 83, Chongqing South Road, Zhongzheng District, Taipei
Website: <http://www.ctbcbank.com>
Tel: 886-2-66365566

VI.CPAs for the Financial Statements of the Most Recent Year

Name of CPAs: Wang, Teng-Wei, Chen, Chen-Li
Name of Accounting Firm: Deloitte Taiwan
Address: 3F, 88 Chenggong 2nd Road, Cianjhen District, Kaohsiung
Website: www.deloitte.com.tw
Tel : (07)530- 1888

VII.Name of Overseas Trading Site for Listed Securities and Inquiry Information:

None

VIII. Company Website: <https://www.fulinvn.com/>

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Chapter 1 Letter to Shareholders

All the Shareholders

The Company's consolidated operating income in 2024 was NT\$2,789,002 thousand, an increase of 10.85% over 2023; net profit before tax was NT\$362,600 thousand, an increase of 23.53% over 2023. The operating results for 2024 are as follows:

I. 2024 Business Report.

(I) Practical Results of the Business Plan:

Unit: NT\$ thousand

Item	2024	2023	Increase (Decrease)	
			Amount	%
Operating revenue	2,789,002	2,516,049	272,953	10.8
Operating costs	2,199,538	1,981,268	218,270	11.0
Gross operating profit	589,464	534,781	54,683	10.2
Operating expenses	256,835	242,392	14,443	6.0
Net operating profit	332,629	292,389	40,240	13.8
Profit before tax	362,600	293,525	69,075	23.5
Net profit for the year	282,514	230,190	52,324	22.7
Net profit attributable to:Owners of the Company	282,514	230,190	52,324	22.7
Total comprehensive income	302,846	192,565	110,281	57.3

(II) 2024 Budget Implementation:

The Company did not publicly disclose any financial forecast in 2024.

(III) Financial Revenue and Expenditure:

Item	2024	2023	Increase (Decrease)	
			Amount	%
Cash flows from operating activities	312,317	587,601	(275,284)	(46.8)
Cash flows from investing activities	(166,592)	(178,498)	11,906	(6.7)
Cash flows from financing activities	(82,841)	(479,333)	396,492	(82.7)
Effect of exchange rate fluctuations on cash	(26,948)	(15,537)	(11,411)	73.4%
Net increase in cash (Decrease)	35,936	(85,767)	121,703	(141.9)
Cash balance at the beginning of the year	275,684	361,451	(85,767)	(23.7)
Cash and cash equivalents at the end of the year	311,620	275,684	35,936	13.0

(IV) Profitability:

Item	2024	2023
Return on assets(%)	12.86	11.00
Return on equity(%)	20.54	18.33
Operating Profit to Paid-in Capital (%)	62.94	56.58
Net Profit Before Tax to Paid-in Capital (%)	68.61	56.8
Net Profit Ratio(%)	10.13	9.15
Earnings per share (NT\$)	5.38	4.48

(V) R&D:

The Company has engaged in PVC processing for more than 20 years, providing user-defined PVC products. Therefore, the Company's R&D primarily focuses on the R&D of machine equipment and process improvements or new product processing technology to improve production efficiency and reduce cost. The Company cooperates with customers and suppliers to improve its competitiveness by using existing equipment and the research and testing of formulas. Also, it develops and creates differentiated products to follow the market trends to expand to new markets and new applications, such as TPU and water-based PU environmentally friendly products.

II. Outline of the 2025 Business Plan

(I) Business Strategy

1. Tape Products

- (1) The tape machines of Fulin Plastic Industry Joint Stock Company cooperate with Samsung Electronics in Beining to produce pressurized transparent tape, ensuring stable quality, maintaining market share, and competing against imported goods.
- (2) Assist in helping domestic processing factories secure long-term stable orders. Strengthen the development of domestic electrical tape processing factories in Vietnam to secure large-volume orders and enhance acquisition of overseas customers, especially clients in the US market.
- (3) Encourage downstream product processing customers to switch to the company for processing, in order to offer lower fees and attract customers to concentrate their tape orders with the company's production.

2. Latex/rubber leather products

- (1) In the domestic market, low-priced products have higher market share, which meet market demand. Increasing investment in equipment to improve recycled material quality will enable the launch of low-price, stable-quality products, ensuring we don't lose market share or any order opportunities.

- (2) In addition to strengthening service to distributors, we must also enhance cooperation with domestic processing factories for sample development to secure orders.
- (3) Develop customer sources for motorcycle mat products to increase order volume.
- (4) Develop a variety of high-quality products that utilize different backing fabrics to meet the demands of high-end markets.
- (5) In line with global environmental protection trends, successfully develop PVC recycled products in collaboration with SOLTO (COACH), attracting more attention from brand merchants for increased order opportunities.

3. Soft Leather

- (1) Continue to collaborate with domestic sofa factories on sample development and strive for orders.
- (2) Ensure quality to secure stable orders from bicycle saddle factories.

4. TPU and PU Leather

- (1) Improve management, ensure stable quality, and enhance technical development of multipurpose products to increase order opportunities.
- (2) To ensure continued growth of brand sports shoe orders, we will continue to introduce technical teams in 2025 to develop more shoe brands for customers.
- (3) The global development trend is moving toward the concept that humans have a responsibility to protect the Earth, so in 2025 we will continue to cooperate with SOLTO to develop various products using environmentally friendly materials in order to gain competitive advantage.

(II) Sales Volume Forecast and Supporting Basis:

Our company determines the annual expected sales target based on the 2024 operating performance, overall synthetic leather market environment, industry supply and demand situation, expected customer orders, interviews with major agents on their future expectations, and our company's production capacity planning. The expected sales target for 2025 is expected to grow by approximately 20%.

III. Company's Future Development Strategy

- (I) Continue to improve the quality of recycled materials to ensure low product costs and high quality, enhancing competitiveness to facilitate order acquisition. Develop domestic processing factories, cooperate with customers' demand of price and quality for sampling to secure more order opportunities.
- (II) In response to the current increase in US import tariffs on Chinese goods, seize opportunities to develop more new foreign customers, especially in the US market.

IV. Impacts from external competition, regulatory compliance and macro environment

Vietnam's competitiveness in the global market faces some challenges, especially in manufacturing and export-oriented industries, including the impact of US-China trade and the slowdown of China's economic growth. Therefore, the Vietnamese government actively participates in global value chains (GVC) and promotes exports and attracts foreign investment through various free trade agreements (FTAs).

The Vietnamese government has implemented a series of policies favorable to foreign direct investment (FDI), especially targeting export-oriented manufacturing industries, which has become an important driver of economic growth. In addition, the Vietnamese government is committed to achieving the goal of net-zero emissions by 2050 and has signed the Just Energy Transition Partnership (JET-P) with international partners.

Overall economic situation: Vietnam's GDP growth rate in 2024 reached 7.09% (exceeding the 6.0%~6.5% target set by the National Assembly), with GDP per capita reaching approximately 4,763 US dollars, mainly benefiting from the recovery of exports and tourism, the rebound in consumption and business investment, as well as the government's supportive policies.

In 2025, under a series of policy measures by the Vietnamese government and the impact of US tariffs, all members of our company will continue to face challenges and opportunities, actively implement the 2025 operational plan, enhance company value, and continue to create good returns for shareholders.

Person in Charge:
Wang, Yuan-Lin

Managerial Officer:
Wang, Yuan-Lin

Accounting Supervisor:
Chen, Jen-Chung

Chapter 2 Corporate Governance Report

I. Information on the Company's Directors, Supervisors, General Manager, and the Managers of the Company's All Divisions and Branch Units

(I) Directors and Supervisors

1. Information on Directors

Unit: shares Monday, March 31, 2025

Title	Name	Gender/Age	Nationality/ place of registration	Date of initial election	Election (Appointment) Date	Term of office	Shareholding upon election		Current shareholding		Spouse & minor shareholding		Shareholding by nominees		Major Experience (education)	Other position concurrently held in the Company or other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks (Note 1)
							Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
Chairman	Wang, Yuan-Lin	Male/66~70 years old	Republic of China	2020.6.9	2023.6.9	3	431,882	0.84%	431,882	0.82%	—	—	24,729,606	46.79%	Graduated from Annan Junior High School Chairman, Cty TNHH Xay Dung va Phat Trien Dai Dang	Chairman, Fulin Plastic Industry Joint Stock Company Chairman, Wang Yuan-Lin Culture Art Foundation Director, Zhumeiyuan Entertainment Co.,Ltd.	—	—	—	Note 1
Director	Chen, Chao- Long	Male/71~75 years old	Republic of China	2017.11.13	2023.6.9	3	—	—	—	—	—	—	—	—	Kaohsiung Medical University, School of Medicine President, Kaohsiung Chang Gung Memorial Hospital Honorary Director of Kaohsiung Changgang Memorial Hospital Chairman, CHO Pharma, Inc.	Chairman, Chao-Long Chen Academic Foundation Chairman, Chao-Long Chen Liver Transplantation Foundation Chairman, CHO Pharma, Inc. Director, Wang, Yuan-Lin Culture Art Foundation Independent Director, King's Town Bank Co., Ltd. Independent Director, Nan Liu Enterprise Co., Ltd. Independent Director, Scivision Biotech Inc.	—	—	—	—
Independent Director	Wang, Chin- San	Male/71~75 years old	Republic of China	2017.11.13	2023.6.9	3	—	—	—	—	—	—	—	—	Department of Accounting of Soochow University EMBA, National Taiwan University Vice Chairman, Deloitte Taiwan	Institutional Director, Yageo Corporation Independent Director, Taiwan Navigation Co., Ltd. Independent Director, Taiwan Cement Ltd. Independent Director, DACIN Construction Co., Ltd. Institutional representative, YFYInc.	—	—	—	—
Independent Director	Tsai, Hsien-Tang	Male/66~70 years old	Republic of China	2020.6.9	2023.6.9	3	—	—	—	—	—	—	—	—	Ph.D. Krannert School of Management, Purdue University Professor, Department of Business Administration, National Sun Yat-sen University Associate Professor, Department of Business Administration, National Sun Yat-sen University Director, Department of Business Administration, National Sun Yat-sen University 11th Chairman, the Association of Quality Management, Kaohsiung Branch Dean, School of Management, National Sun Yat-sen University Director, Central News Agency Director, Public Television Service	Independent director, Logah Technology Independent director, Chung Hung Steel Independent Director, Fulin Plastic Industry Joint Stock Company Independent Director, Lipaijing Environmental Technology Co., Ltd.	—	—	—	—
ndent Direct	Li, Hung-Wen	Male/56~70 years old	Republic of China	2020.6.9	2023.6.9	3	—	—	—	—	—	—	—	—	Department of Law, School of Law and Business, National ChungHsing University Attorney, Ming Yang Law Firm Attorney, Wan Chung Law Firm	Partner Lawyer, Fayu United Law Firm	—	—	—	—
Independent Director	Su, Chiu-Hsia	Female/56- 60years old	Republic of China	2024.6.12	2024.6.12	3	—	—	—	—	—	—	—	—	George Washington University Master of Business Administration Executive Vice President of Human Resources, Standard Chartered Bank Director of Human Resources, Nielsen N.V.	Independent Director, GSD Technologies Co., Ltd. Independent director, Logah Technology Adjunct Lecturer, Hsing Wu University Contract Senior Personnel Counselor, DBS Bank (Taiwan) Ltd.	—	—	—	—

(Note 1) If the company's Chairman and general manager or a person of an equivalent position (the highest-level managerial officer) are the same person, spouses, or relatives within the first degree of kinship, the reasons, rationality, necessity, and relevant information on the corresponding measures shall be explained: Our company's general manager resigned on October 16, 2023, and Mr. Wang Yuan-Lin, the Chairman, temporarily took over the position of general manager. The company is actively training suitable candidates internally. To implement corporate governance, it is expected that one independent director and one director will be added in June 12,2024 to enhance the functionality of the board of directors and strengthen supervisory functions.

2. Major shareholders of juristic shareholders: There are no juristic directors, so it is not applicable.

(II) Information on the Professional Qualification of Directors and Supervisors and the Independence of Independent Directors:

Qualification Name	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Chairman- Wang, Yuan-Lin	He is the founder of Fulin Plastic Industry Joint Stock Company, with experience in company properties, strategy management and leadership. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	N/A	—
Director- Chen, Chao- Long	He served as the president of Kaohsiung Chang Gung Memorial Hospital and the Chairman of CHO Pharma, Inc., and he concurrently serves as the independent director of King's Town Bank, the director of Hilai- foods Co., Ltd. and the Independent Director of Nan Liu Enterprise Co., Ltd. ,with experience in business management. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	N/A	3
Director- Chiu, Wen-Hui (Note 3)	He concurrently serves as the finance & accounting manager of the Company, and he served as the accounting head of Caesar Vietnam. He has experience in financial and accounting management. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	N/A	—
Independent Director Wang, Chin- San	He served as the vice-chairman of the Deloitte Taiwan. He has financial and accounting specialty. He is the convener of the Audit Committee of the Company. He concurrently serves as the independent director of Taiwan Navigation Co., Ltd., the independent director of Taiwan Cement Ltd., the independent director of DACIN Construction Co., Ltd., and the Institutional representative of YFY Inc. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	1. He is not an employee of the Company or its affiliates. 2. He is not a director or supervisor of the Company or its affiliates. 3. He is not a natural-person shareholder who holds, or who holds by his spouse or minor children or under others' names, 1% or more of the total outstanding shares of the Company, or ranks among the top ten shareholders who are natural persons in terms of the share volume held. 4. He is not the Managerial Officer listed in 1 or the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed in 2 and 3.	3
Independent Director Tsai, Hsien-Tang	He served as the dean of the College of Management of National Sun Yat-sen University. He has the expertise required for corporate management and business. He is the member of the Company's Audit Committee. He concurrently serves as the independent director of Logah Technology, the independent director of Chung Hung Steel, the independent director of Fulin Plastic Industry Joint Stock Company, and the independent director of Revivegen Environmental Technology Co. Ltd. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	5. He is not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the Company's total issued shares, the top five shareholders or legal shareholders appointed as a company director, supervisor or employee representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. 6. He is not a director, supervisor or employee of an other company which is under the same control with the Company in terms of the number of the Company's directors or over half of the Company's shares with voting rights. 7. He is not the same person as the Company's Chairman, General Manager or person with equivalent position or the director, supervisor or	3

Qualification Name	Professional Qualification and Experience (Note 1)	Independence Criteria (Note 2)	Number of other public companies where the individual concurrently serves as an independent director
Independent Director Li, Hung-Wen	He served as the attorney of Wan Chung Law Firm. He has legal expertise. He is the member of the Company's Audit Committee. He served as the Partner Lawyer of Fayu United Law Firm. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	employee of company or institution of the spouse thereof. 8. He is not a director, supervisor, Managerial Officer, or shareholder holding 5% or more shares of a specific company or institution which has a financial or business relationship with the Company. 9. He is not any professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof.	—
Independent Director Su, Chiu-Hsia (Note 3)	She served as executive vice president of Human Resources of Standard Chartered Bank, director of Human Resources of Nielsen N.V. , independent director of GSD Technologies Co., Ltd., independent director of Enli Technology Co, Ltd. She has experience in business and management.	10. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	2

Note1: The professional qualification and experience of individual directors and supervisors shall be specified. If anyone of them is the Audit Committee's member and have accounting or financial expertise, his/her accounting or financial background and work experience shall be specified. In addition, it shall be specified that whether any condition set forth in Article 30 of the Company Act occurs/occurred to him/her.

Note 2: For an independent director, it shall be specified that whether he/she meets the independence requirements, including but not limited to that whether he/she, his/her spouse or relative within the second degree of kinship serves as the director, supervisor or employee of the Company or its affiliates, the number and ratio of the Company shares held by him/her, his/her spouse, and relative within the second degree of kinship (or in other person's name), that whether he/she serves as a director, supervisor or employee for the companies with a special relation with the Company (please refer to Sub-paragraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the remuneration received by him/her for rendering commercial, legal, financial, accounting and other services to the Company or its affiliates in the last 2 years.

Note 3: Director Chiu, Wen-Hui, was dismissed on January 18, 2024; independent Director Su, Chiu-Hsia was appointed on June 12, 2024.

(III) Diversity and Independence of Board of Directors:

1. Diversity of directors:

The Company's goals in respect of the Board of Director's members:

There are 3 Board of Director's members in the professional fields of business management and industrial technology, 1 members who has expertise in finance and accounting, 1 member who has expertise in legal affairs, and 1 member who has expertise in medical care and social welfare.

Goals for and results of diversity of directors

Goals	Implementation Status
3 Board of Director's members in the professional fields of business management and industrial technology	Achieved
1 members who has expertise in finance and accounting	Achieved
1 member who has expertise in legal affairs	Achieved
1 member who has expertise in medical care and social welfare.	Achieved

The Company's 4th Board of Directors is composed of 6 directors, including Wang, Yuan-Lin, who have expertise in leadership, business judgment, management and industrial knowledge; Chen, Chao-Long, who has expertise in medical care and social welfare. In addition, the four independent directors of the Company, Wang, Chin-San, Tsai, Hsien-Tang, Li, Hung-Wen, and Su Chiu-Hsia, who have expertise in finance and accounting, business management and legal affairs, respectively.

Since the company's chairman acts on behalf of general manager, one independent director was re-elected on June, 2024. The number of independent directors accounts for 66% of all directors, and there are 3 independent directors with a tenure less than 4 years, and 1 independent director with a tenure of 7 years. There are 4 directors aged 70 or older, 1 directors aged 60 or older and 1 director aged 50 or older.

2. Independence of directors:

- (1) There are 4 independent directors in the Company's current Board of Directors, accounting for 66% of all directors.
- (2) There are no more than over half of all members of the Company's Board of Directors who are spouse or relatives within second degree of kinship, and the tenure of an independent directors does not exceed 9 years.

3. For those whose board of directors does not have at least one-third of directors of either gender, please explain the reasons and plans for measures to be taken to improve gender diversity on the board:

In our company's fourth board, there are 5 male directors and 1 female director, which does not reach one-third of female directors. During the re-election of directors in 2026, our company will uphold the spirit of board diversity to continually seek and invite suitable candidates to join, nominate appropriate director candidates, and strive to increase the proportion of female directors.

(IV) General Manager, Deputy General Manager, Assistant Vice President, and Managers of Departments and Branches

Unit: shares Monday, March 31, 2025

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Spouse Or Minor Shareholding		Shareholding by nominees		Major Education and Work Experience	Other position concurrently held in other companies	Managerial Officers who are spouse or relatives within second degree of kinship			Remarks (Note 1)
					Number of shares	%	Number of shares	%	Number of shares	%			Title	Name	Relationship	
General Manager (Temporary)	Republic of China	Wang, Yuan-Lin	Male	2023.10.16	431,882	0.82%	—	—	24,729,606	46.79%	Graduated from Annan Junior High School Chairman, Cty TNHH Xay Dung va Phat Trien Dai Dang	Chairman, Fulin Plastic Industry Joint Stock Company Chairman, Wang Yuan-Lin Culture Art Foundation Director, Zhumeiyuan Entertainment Co.,Ltd.	—	—	—	Note 1
Senior Manager of the Production Department	Republic of China	Lo, Cheng-An	Male	2024.01.01	—	—	—	—	—	—	I-Shou University. Institute of Management Studies Administration Senior Specialist, San Fang Chemical Industry Co., Ltd. Kaohsiung Plant Factory Director, PU Manufacturing Department and R&D Department, Zhangzhou Changtai An An Co., Ltd. General Manager, An An (China) Co., Ltd. Vietnam Plant Manager, Zhen Ding Technology Holding Limited India Plant Deputy General Manager, Yilin Vietnam Co.,Ltd. Deputy Administration Associate Manager, KAE SHENG INDUSTRIAL CO., LTD. Vietnam Plant Factory	—	—	—	—	—
Senior Manager and Corporate Governance Officer	Republic of China	Hsu, Nai-Jen	Male	2017.11.30	583,058	1.10%	10,161	0.02%	—	—	Chang Jung Senior High School Finance Deputy Section Chief, RIGHT WAY INDUSTRIAL CO.,LTD Finance Manager, Shun Hui Steel Co., Ltd. General Manager, Fulin Plastic Industry Joint Stock Company	—	—	—	—	—
Senior Manager, Finance & Accounting Department	Republic of China	Chen, Jen-Chung	Male	2024.12.27	—	—	—	—	—	—	Department of Accounting, Central Queensland University, Australia Audit Coordinator, GROBEST GROUP LIMITED Chief Financial Officer, GROBESTINDUSTRIALVIETNAMCO.,LTD Vice President of Finance, Ha Long Wei Tai Textile Co., Ltd.	—	—	—	—	—
Deputy Manager, Audit Office	Republic of China	Lin, Yu-Chun	Female	2019.03.16	7,000	0.01%	—	—	—	—	Department of Accounting of Soochow University Deputy Manager, Audit office, Deloitte Taiwan	—	—	—	—	—

Note 1: If the General Manager or equivalent position (highest managerial officer) and the Chairman are the same person, spouses, or first-degree relatives, the reasons, rationality, necessity, and corresponding measures (e.g., increasing the number of independent directors, and more than half of the directors should not concurrently serve as employees or managerial officers) should be disclosed: Mr. Huang Zheng-hong, the General Manager of the Company, resigned on October 16, 2023. Mr. Wang Yuan-lin, the Chairman, has temporarily assumed the position of General Manager. The Company has been actively training suitable candidates internally. To implement corporate governance, one independent director has been added in June 2024 to enhance the functionality of the board of directors and strengthen supervisory functions.

II. Remuneration Paid During the Most Recent Fiscal Year to Directors, Supervisors, General Managers, and Deputy General Managers

(I) Remuneration to General and Independent Directors

Unit: NT\$ thousand ; shares

Title	Name	Directors' Remuneration								Ratio of the sum of A, B, C and D to net profit after tax		Relevant remuneration received by directors who are also employees								Ratio of the sum of A, B, C, D, E, and F to net profit after tax		Compensation paid to directors from an invested company other than the Company's subsidiaries or parent company
		Remuneration (A) (Note 1)		Severance pay and pension (B)		Directors' Remuneration (C)(Note2)		Business Execution Fees (D) (Note 3)				Salary, Bonus, and Special Expenses (E)(Note 4)		Severance pay and pension (F) (Note 6)		Employee Bonus (G) (Note 5)						
		The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	Cash	Stock	Cash	Stock	The Company	All companies listed in the Financial Statements	
Director	Wang, Yuan-Lin	3,565	5,105	-	-	-	-	70	70	3,635 1.29%	5,175 1.83%	-	-	-	-	-	-	-	-	3,635 1.29%	5,175 1.83%	None
Director	Chen, Chao- Long	736	736	-	-	-	-	60	60	769 0.28%	769 0.28%	-	-	-	-	-	-	-	-	769 0.28%	769 0.28%	None
Independent Director	Wang, Chin- San	736	736	-	-	-	-	70	70	806 0.29%	806 0.29%	-	-	-	-	-	-	-	-	806 0.29%	806 0.29%	None
Independent Director	Tsai, Hsien-Tang	736	736	-	-	-	-	70	70	806 0.29%	806 0.29%	-	-	-	-	-	-	-	-	806 0.29%	806 0.29%	None
Independent Director	Li, Hung-Wen	736	736	-	-	-	-	70	70	806 0.29%	806 0.29%	-	-	-	-	-	-	-	-	806 0.29%	806 0.29%	None
Independent Director	Su, Chiu-Hsia (Note 3)	424	424			-	-	30	30	454 0.16%	454 0.16%	-	-	-	-	-	-	-	-	454 0.16%	454 0.16%	None
1. Please explain the payment policy, system, standards, and structure of independent directors' remuneration, and describe the relationship between the amount of remuneration paid and factors such as responsibilities, risks, and time invested: According to the Company's "Rules for Governance of Directors' Remuneration," directors and independent directors receive fixed remuneration, while the Chairman's service compensation consists of a fixed monthly payment plus year-end bonus. The amount is reviewed by the Remuneration Committee and implemented after approval by the Board of Directors. Directors' remuneration is implemented according to the provisions of the Company's Articles of Incorporation, through a resolution approved by more than two-thirds of the directors present at a Board of Directors meeting and with the consent of more than half of the attending directors, and is reported to the Shareholders' meeting. Directors' remuneration for the year 2024 has been resolved by the Board of Directors not to be distributed. Additionally, attendance fees are paid when directors personally attend Board of Directors meetings or are present at Shareholders' meetings. 2. In addition to the disclosure made in the above chart, remuneration received by the Company's directors due to rendering services in the most recent year (such as serving as non-employee consultant for parent company/all companies listed in the financial statements/the Company's invested companies): None 3. Independent Director, Su, Chiu-Hsia was newly appointed on June 12, 2024.																						

Range of remuneration paid to the Company's directors	Names of directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements
Less than NT\$1,000,000	Chen Chao-Long, Wang, Chin-San, Li, Hung-Wen, Tsai, Hsien-Tang, Su, Chiu-Hsia	Chen Chao-Long, Wang, Chin-San, Li, Hung-Wen, Tsai, Hsien-Tang, Su, Chiu-Hsia	Chen Chao-Long, Wang, Chin-San, Li, Hung-Wen, Tsai, Hsien-Tang, Su, Chiu-Hsia	Chen Chao-Long, Wang, Chin-San, Li, Hung-Wen, Tsai, Hsien-Tang, Su, Chiu-Hsia
NT\$1,000,000 (inclusive) to NT\$2,000,000 (not inclusive)	0	0	0	0
NT\$2,000,000 (inclusive) to NT\$3,500,000 (not inclusive)	0	0	0	0
NT\$3,500,000 (inclusive) to NT\$5,000,000 (not inclusive)	Wang, Yuan-Lin	0	Wang, Yuan-Lin	0
NT\$5,000,000 (inclusive) to NT\$10,000,000 (not inclusive)	0	Wang, Yuan-Lin	0	Wang, Yuan-Lin
NT\$10,000,000 (inclusive) to NT\$15,000,000 (not inclusive)	0	0	0	0
NT\$15,000,000 (inclusive) toNT\$30,000,000 (not inclusive)	0	0	0	0
NT\$30,000,000 (inclusive) toNT\$50,000,000 (not inclusive)	0	0	0	0
NT\$50,000,000 (inclusive) to NT\$100,000,000 (not inclusive)	0	0	0	0
More than NT\$100,000,000	0	0	0	0
Total	6	6	6	6

- Note 1: It refers to the remuneration paid to Directors in the most recent year (including directors’ salary, job allowance, severance pay, bonuses, incentive fee, etc.).
- Note 2: Directors’ remuneration paid, as approved by the Board of Directors, in the most recent year should be filled out.
- Note 3: It refers to the business expenses paid to Directors in the most recent year (including travel expense, special expense, allowances, accommodation, vehicles and other physical objects provided, etc.). If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation.
- Note 4: It refers to the salary, executive differential pay, severance pay, various bonuses, incentives, traveling costs, special allowance, various allowances, accommodation, vehicles and other physical objects received by directors who concurrently serve as employees (including general managers, deputy general managers, other managerial officers, and employees) in the most recent year. If housing, vehicle or other means of transportation, or personal expenses are provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, disclose compensation paid to the driver in a note; however, do not calculate such as part of executive compensation. Any salary listed under IFRS 2 Share-Based Payment, including employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall also be included in remuneration.
- Note 5: If any director received employee’s remuneration (including stock and cash) due to serving as an employee concurrently (including general manager, deputy general manager, other managerial officers and employees) in the most recent year, the employee’s remuneration distributed to such director in the most recent year as approved by the Board of Directors shall be disclosed. If it cannot be estimated, the amount planned to be distributed in current year shall be calculated based on the ratio of the amount actually distributed in last year.
- Note 6: It refers to the Company’s contribution to employee’s severance pay and pension account, not actual amount paid.

(II) Remuneration Paid to Supervisors: It is not applicable as the Company has not appointed Supervisors.

(III) Remuneration Paid to general managers and deputy general managers in the most recent year

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance Pay and Pensions (B) (Note 1)		Bonuses and Special Allowance (C)		Employee’s remuneration(D)				Ratio of the sum of A, B, C and D to net profit after tax (%)		Compensation paid to directors from an invested company other than the Company’s subsidiaries or parent company
		The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company		All companies listed in the Financial Statements		The Company	All companies listed in the Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Wang, Yuan-Lin (Note 3)	3,565	5,105	-	-	-	-	-	-	-	-	3,565 1.29%	5,105 1.83%	-

Note 1: It refers to the Company's contribution to employee's severance pay and pension account.

Note 2: The Company has no new deputy general manager.

Note 3: The General Manager position is temporarily assumed by the Chairman, who does not receive compensation for serving as General Manager. Only the remuneration for serving as Chairman is disclosed.

Range of remuneration paid to general managers and deputy general managers	Names of general managers and deputy general managers	
	The Company	All companies listed in the Financial Statements
Less than NT\$1,000,000	0	0
NT\$1,000,000 (inclusive) to NT\$2,000,000 (not inclusive)	0	0
NT\$2,000,000 (inclusive) to NT\$3,500,000 (not inclusive)	0	0
NT\$3,500,000 (inclusive) to NT\$5,000,000 (not inclusive)	Wang, Yuan-Lin	0
NT\$5,000,000 (inclusive) to NT\$10,000,000 (not inclusive)	0	Wang, Yuan-Lin
NT\$10,000,000 (inclusive) to NT\$15,000,000 (not inclusive)	0	0
NT\$15,000,000 (inclusive) to NT\$30,000,000 (not inclusive)	0	0
NT\$30,000,000 (inclusive) to NT\$50,000,000 (not inclusive)	0	0
NT\$50,000,000 (inclusive) to NT\$100,000,000 (not inclusive)	0	0
More than NT\$100,000,000	0	0
Total	1 people	1 people

(IV) Names of Managerial Officers Received Employees' Remuneration in the most recent fiscal year

Unit: NT\$ thousand

Title	Name	Stock	Cash	Total	Ratio of total amount to net income (%)
Senior Manager of the Production Department	Lo, Cheng-An	—	517	517	0.18%
Senior Manager, Taiwan Branch	Hsu, Nai-Jen				
Senior Manager, Finance & Accounting Department	Chen, Jen-Chung				

Note: The distribution of employee remuneration for fiscal year 2024 has not yet been determined; this is only an estimated figure.

(V) Compensation of the top 5 highest-paid Managers of listed companies

Unit: NT\$ thousand

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and Special Allowance (C)		Employee’s remuneration(D)				Ratio of the sum of A, B, C and D to net profit after tax (%)		Compensation paid to directors from an invested company other than the Company’s subsidiaries or parent company
		The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company	All companies listed in the Financial Statements	The Company		All companies listed in the Financial Statements (Note 5)		The Company	All companies listed in the Financial Statements	
								Cash	Stock	Cash	Stock			
Senior Manager	Hsu, Nai-Jen	1,126	1,126	-	-	220	220	353	-	353	-	1,699 0.60%	1,699 0.60%	None
Senior Manager	Lo, Cheng-An	1527	2,115	33	65	357	357	-	-	-	-	1,917 0.68%	2,537 0.90%	None
Manager	Hsu, Tien-Peng (Note 1)	1,119	1,543	30	30	281	281	-	-	-	-	1,430 0.51%	1,854 0.66%	None
Senior Manager	Liu, Chuan-Sheng (Note 2)	272	1,400	-	-	-	-	161	-	161	-	433 0.15%	1,561 0.55%	None
Senior Manager	Chang Ching-Liang (Note 3)	138	255	26	26	-	-	-	-	-	-	164 0.06%	281 0.10%	None

Note 1: Finance & Accounting Manager, Hsu, Tien-Peng was transferred and dismissed on 2024.12.27.

Note 2: Production Senior Manager, Liu, Chuan-Sheng was dismissed on 2024.9.24.

Note 3: Production Senior Manager, Chang Ching-Liang was dismissed on 2024.3.8.

(VI) The ratio of total compensation paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, general managers and deputy general managers of the Company, to the net income, and the policies, standards, and portfolios for the payment of remuneration, the procedures for determining compensation, and the correlation with risks and business performance:

1. The ratio of total compensation paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, general managers and deputy general managers of the Company, to the net income is as follows:

Title	2023		2024	
	Ratio of total remuneration to net income (%)		Ratio of total remuneration to net income (%)	
	The Company (Note)	Consolidated financial statements	The Company (Note)	Consolidated financial statements
Director	—	6.13%	—	3.14%
Supervisor	—	—	—	—
General Manager	—	1.59%	—	1.83%
Net income after tax for the current period	—	230,190	—	282,514

The Company only prepared consolidated financial statements and thus is not applicable.

Explanation: The decrease in director remuneration in 2024 compared to 2023 is because the 2023 board composition included employee directors, thus including remuneration for those serving concurrently as employees. In 2024, there were no employee directors, resulting in reduced remuneration. The General Manager resigned in October 2023, with the Chairman temporarily assuming the position, resulting in increased remuneration in 2024 compared to 2023.

2. Policies, standards, and portfolios for the payment of remuneration, the procedures for determining compensation, and the correlation with risks and business performance:
 - (1) The Company pays fixed directors' remuneration each month according to the Rules for Governance of Directors' Remuneration, but it pays no director's remuneration to those who concurrently hold management positions in the Company. In addition, service fees are fixed, i.e. attendance fee for attending meeting each time.
 - (2) The remuneration for managerial officers, including salary, year-end bonus and employee's remuneration, is paid according to the Rules for Governance of Managerial Officers' Remuneration. The year-end bonus is paid in the fixed amount of 2 months of salary in principle, and it shall be drafted by the chairman based on the annual business performance and personal performance (such as: leadership, execution, communication and coordination skills, etc.) and submitted to the Remuneration Committee for review before it will be submitted to the Board of Directors for approval. If the Company has profits in a year, it shall withdraw 1% to 10% of such profits as employees' remuneration according to Article 14.5 of the Articles of Association. Remuneration shall be distributed to individual managerial officer based on the evaluation on his/her annual performance, and shall be submitted to the Remuneration Committee for review before it will be submitted to the Board of Directors for approval.

III. Implementation of Corporate Governance:

(I) Board of Directors' Operation Status

The Board of Directors held 7 meetings in 2024, with the attendance of the directors as follows:

Title	Name	Actual attendance	Proxy attendance times	Actual attendance rate (%)	Remarks
Chairman	Wang, Yuan-Lin	7	0	100	
Director	Chen, Chao- Long	6	1	86	
	Chiu, Wen-Hui	0	0	0	Dismissed on 2024.1.18
Independent Director	Wang, Chin- San	7	0	100	
	Tsai, Hsien-Tang	7	0	100	
	Li, Hung-Wen	7	0	100	
	Su, Chiu-Hsia	3	0	100	Re-elected and newly appointed on 2024.6.12
Other Important Matters:					
1. If any of the following circumstances occur in the operation of the Board of Directors, the date of the Board of Directors, the session number, the content of the motions, the opinions of all independent directors, and the company's handling of the independent directors' opinions shall be described: (1) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to the major resolutions of the Shareholders' Meeting and the Board of Directors for the year 2024 and up to March 31, 2025. (2) Other matters resolved by the Board of Directors with objections or reservations by independent directors that are recorded or stated in writing: None. 2. The implementation of recusal by directors from motions involving conflicts of interest shall describe the names of the directors, the content of the motions, the reasons for recusal, and the voting participation: (1) At the company's board of Directors on August 15, 2024, regarding the appointment of members to the Remuneration Committee, independent directors Su, Chiu-Hsia recused herself due to conflicts of interest related to her own interests. The case was passed without objection after consultation with the remaining directors present by the chairperson. (2) At the company's board of Directors on December 27, 2024, regarding the appointment of members to the Sustainable Development Committee, independent directors Su,					

Chiu-Hsia, Wang, Chin-San, and Tsai, Hsien- Tang recused themselves due to conflicts of interest related to their own interests. The case was passed without objection after consultation with the remaining directors present by the chairperson.

3. A listed and OTC company shall disclose information such as the evaluation cycle, period, scope, method, and content of the Board of Directors' self (or peer) evaluation. For details, please refer to the Evaluation of the Board of Directors.
4. Evaluation of enhancing the Board of Directors' performance (e.g. establishing an Audit Committee and increasing information transparency) and its implementation during the year and previous years:
 - (1) The Company has formulated its Rules of Procedural Rules Of Board Meetings in accordance with Regulations Governing Procedure for Board of Directors' meetings of Public Companies. The information of Directors' attendance at the Board of Directors' meetings was published on the website of Market Observation Post System (MOPS) and major resolutions were disclosed on the Company's website. Also, a Remuneration Committee shall be established to set and regularly review the annual and long-term performance goals and remuneration policies, systems, standards and structures for the compensation of the directors and managerial officers of the Company, determine the content and amount of their individual compensation, and assist the board in the exercising its compensation management function and supervising the quality and integrity of the Company's execution of accounting, auditing, financial reporting processes, and financial controls.
 - (2) The Company completed the renewal of all directors' liability insurance in June 2024 to strengthen the risk management of the Company and to protect shareholders' interests so that the directors can fulfill their duties and responsibilities.
 - (3) The Company has completed the 2024 evaluation on the Board of Directors' performance and has submitted the report to the Board of Directors on March 6, 2025, to strengthen its functions.
 - (4) The Company arranges annual training for directors, and it arranged all directors to attend training for 6 hours in 2024.
 - (5) In December 2022, the Company's Board of Directors approved the establishment of a Corporate Governance Officer to assist the Directors in performing their duties and to enhance the effectiveness of the Board of Directors.
 - (6) In December 2024, our company established a Sustainability Development Committee under the Board of Directors, responsible for formulating sustainability development policies, as well as reviewing the implementation and effectiveness of sustainability development initiatives.

Evaluation of the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Methods	Contents of Evaluation
Annually	January 1, 2024 to December 31, 2024	All members of the Board of Directors	Internal self-evaluation of the Board of Directors	The Company designed 41 questions to evaluate the overall performance of the Board of Directors: 1. Degree of participation in the Company's operations 2. Improvement in the quality of decision-making of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuous education of Directors 5. Internal control The average score in 2024 was 4.6 points, "Excellent" ~ "Extremely Excellent".
		Evaluation on individual director's performance	Self-evaluation by the directors	The Company designed 23 questions to evaluate individual director's performance based on the following major six items: 1. Control over the Company's Goals and Tasks 2. Understanding of Directors' Duties 3. Degree of participation in the Company's operations 4. Internal Relationship Management and Communication 5. Expertise and continuous education of Directors 6. Internal control The average score in 2024 was 4.7 points, "Excellent" ~ "Extremely Excellent".
		Remuneration Committee and Audit Committee	Self-evaluation by the directors	The Company designed 22 questions to evaluate the overall performance of the Board of Directors: 1. Degree of participation in the Company's operations 2. Responsibilities of functional committees 3. Improvement in the quality of decision making by the functional committee 4. The composition of the functional committee, and election and appointment of committee members 5. Internal control The average score in 2024 was 4.7 points, "Excellent" ~ "Extremely Excellent".

(II) Audit Committee's operation status or Supervisors' Participation in the Board of Directors

1. Audit Committee's operation status:

The Audit Committee held 6 meetings in 2024, with the attendance of independent directors as follows:

Title	Name	Actual attendance times	Proxy attendance times	Actual attendance rate (%)	Remarks
Independent Director	Wang, Chin- San	6	0	100	
	Tsai, Hsien-Tang	6	0	100	
	Li, Hung-Wen	6	0	100	
	Su, Chiu-Hsia	3	0	100	Newly Appointed on 2024.6. 12

Other Important Matters:

1. The Company's Audit Committee is composed of 4 independent directors. The purpose of the Audit Committee is to assist the Board of Directors in supervising the quality and integrity of the Company's execution of accounting, auditing, financial reporting processes, and financial controls.

The main matters reviewed by the Audit Committee in 2024 are as follows:

1. Financial statement audits and accounting policies and procedures
2. Internal control system and related policies and procedures
3. Compliance with laws and regulations
4. Evaluation of the qualifications, independence, and performance of the CPAs
5. Appointment, dismissal, or remuneration of certified public accountants
6. Appointment or dismissal of financial, accounting, or internal audit managers

● Review Financial Reports

The Board has prepared and submitted the 2024 Business Report, financial statements, and appropriation of earnings resolution. The audit report was prepared based on the review of the consolidated financial statements by the appointed Deloitte Taiwan. The aforesaid Business Report, Consolidated Financial Statements, and Earnings Distribution Proposal have been audited by the Audit Committee, and no inconsistency is found.

● Evaluating the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the company's internal control system policies and procedures, and reviews the regular reports of the company's audit department, CPAs, and management, including risk management and regulatory compliance. The Audit Committee considers the company's internal control system to be effective, and the company has adopted necessary control mechanisms to monitor and correct non-compliant behaviors.

● Appointment of CPAs

The Audit Committee is tasked with overseeing the independence and suitability of the CPAs firm to ensure the fairness of the financial statements. In general, except for tax-related services or specially approved items, the CPAs firm may not provide other services to the company. All services provided by the CPAs firm must be approved by the Audit Committee.

The company's Audit Committee annually evaluates the independence and suitability of its certified public accountants, requiring the certified public accountants to provide an "independence statement" and "audit quality indicators (AQIs)", and assesses according to the standards and 13 AQI indicators on pages 31-32 (including audit experience, training hours, turnover rate, professional support, audit input, case quality control review, client familiarity, external inspection deficiencies and penalties, etc.) as detailed on page 26~ 27. After confirming that the accountants and the company have no other financial interests or business relationships other than audit and tax-related fees, that the accountants' family members do not violate the independence requirements, and referring to the AQI information, it is confirmed that the accountants and firm have audit experience and training hours superior to the industry average, and will continue to introduce audit tools in the recent three years to improve audit quality. As for the evaluation on the independence and competence of CPAs, the evaluation results of the most recent year were approved by the resolution made at the 10th meeting of the 3rd Audit Committee and the 12th meeting of the 4th Board of Directors on March 6, 2025.

2. If any of the following applies to the operation of the Audit Committee, the date and number of the Audit Committee' meeting, contents of resolutions, the dissenting or unqualified opinions or major suggestions of independent directors, resolutions of the Audit Committee and the Company's actions in response to the opinions of the Audit Committee shall be stated.

(1) Matters specified in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date	Term	Content of the proposal	Resolution of the Audit Committee	Company's handling of the Audit Committee's opinions
2024.1.31	The 3rd The 4th	Approval of the change of the Company's Finance & Accounting Manager.	Agree	Pass as proposed
2024.3.7	The 3rd The 5th	The Company's 2023 Business Report and Consolidated Financial Statements.	Agree	Pass as proposed
		Approval of issuance of the Company's Statement on 2023 Internal Control System.	Agree	Pass as proposed
		Approval of evaluation on the independence and competence of the Company's CPAs.	Agree	Pass as proposed
2024.8.15	The 3rd The 7th	Approval of the Company's 2024 Q2 Consolidated Financial Statements.	Agree	Pass as proposed
		Approval of lending of funds to the Company's subsidiary, Fulin Plastic Industry (Cayman) Holding Co., Ltd.	Agree	Pass as proposed
		Revision of certain internal control systems for our company and its subsidiaries.	Agree	Pass as proposed

Audit Committee Date	Term	Content of the proposal	Resolution of the Audit Committee	Company's handling of the Audit Committee's opinions
2024.12.27	The 3rd The 9th	Formulate the 2025 annual audit plan for the Company.	Agree	Pass as proposed
		Establishment of sustainability internal control regulations.	Agree	Pass as proposed
		Approval of the change of the Company's Finance & Accounting Manager.	Agree	Pass as proposed

(2) Except the preceding issues, other resolutions approved by two-thirds of all Directors but yet to be approved by the Audit Committee: None

3. In regard to the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the proposal content, reasons for recusal due to conflict of interests and voting outcomes should be specified: None.

4. Communications between the independent directors, the Company's internal audit manager, and CPAs (shall include the material items, methods, and results of audits of corporate finance or operations, etc.):

(1) The audit reports completed by the Company's internal audit manager in accordance with the audit plan shall be delivered to the independent directors by the end of the following month for their review via email or in person. In case of special circumstances, he shall report relevant information to the Audit Committee.

(2) The internal audit manager of the Company attends the Audit Committee on a quarterly basis as required, and the independent directors provide their professional opinions on the reports and matters discussed, and the relevant personnel of the Company reply and follow up.

(3) The Audit Committee of the Company audited the Company's financial reports on a regular basis and requested the CPAs of the Company to attend its meetings quarterly. The CPAs and the Audit Committee maintained smooth communication.

(4) Summary of communication between the Audit Committee and CPAs over the years:

Date	Communication Focus	Opinions of the Audit Committee and Subsequent Implementation
2024.3.7	CPAs' report and explanation on the key audit matters and the audit results on the consolidated financial statements in 2023.	None
2024.5.6	CPAs' explanation on the audit results of 2024 Q1 consolidated financial statements.	None
2024.8.15	CPAs' report and explanation on the key audit matters and the audit results of the consolidated financial statements for the first half year of 2024.	None
2024.11.8	1. CPAs' explanation on the audit results of 2024 Q3 consolidated financial statements. 2. CPAs' report on the Group's audit plan for 2024.	None

(5) Summary of communication between the Audit Committee and internal auditor over the years:

Date	Communication Focus	Opinions of the Audit Committee and Subsequent Implementation
2024.1.31	Reporting of the audit results of the parent company and subsidiaries.	None
2024.3.7	1. Reporting of the audit results of the parent company and subsidiaries. 2. Report on the Group's Statement on the Internal Control System of 2023.	None
2024.5.6	Reporting of the audit results of the parent company and subsidiaries.	None
2024.8.15	Reporting of the audit results of the parent company and subsidiaries.	None
2024.11.8	Reporting of the audit results of the parent company and subsidiaries.	None
2024.12.27	1. Reporting of the audit results of the parent company and subsidiaries. 2. 2025 audit plan.	None

2. Supervisors' participation in the operation of the Board of Directors: The Company has set up an Audit Committee, so there is no supervisor.

(III) Corporate Governance Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
1. Does the company formulate and disclose its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		The Company has formulated its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies", and has disclosed them on the Market Observation Post System and the Company's website.	None
2. Company's shareholding structure and shareholders' equity				
(1) Does the company have internal operating procedures for handling shareholder suggestions, doubts, disputes and litigation matters, and implement them accordingly?	✓		The company has established "Procedures for Handling Material Inside Information" and appointed a spokesperson and acting spokesperson to respond to shareholder suggestions, doubts, disputes and litigation matters, and has commissioned a share transfer agency to handle related affairs.	None
(2) Does the company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		The Company have a timely list of the major shareholders who actually control the Company as well as the ultimate owners of those major shareholders.	None
(3) Does the company establish and execute a risk management and firewall system within its affiliates?	✓		The company has established "Rules Governing Financial and Business Matters Between this Corporation and its Related Parties", and disclosed them on the Public Information Observatory and the company's website. There are clear regulations for operations, business and financial dealings with related enterprises, achieving a	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
			risk control mechanism.	
(4) Does the company establish internal rules against insiders using undisclosed information to trade in securities?	✓		The Company has established the "Procedures for the Prevention of Insider Trading", "Procedures for Handling Material Inside Information" and "Codes of Ethical Conduct" in its internal control system to regulate the trading of securities by insiders using non-public market information.	None
3. Composition and responsibilities of the Board of Directors				
(1) Have the Company formulated diversity policies and specific management objectives for the Board of Directors and implement them?	✓		(1) The Company has formulated the “Corporate Governance Best Practice Principles” specifying the diversity policies for the Board of Directors, which is disclosed on the Company's website and the Market Observation Post System. The company's policies for its Board of Directors’ members: 3 persons who have expertise in business management, 1 person who has expertise in medical care and social welfare, 1 persons who has expertise in finance and accounting, 1 person who has expertise in legal affairs shall be chosen to serve as the Company’s Board of Directors’ members. (2) The Company’s 4th Board of Directors is composed of 6 directors whose qualifications satisfy the Company’s goals, including Wang, Yuan-Lin, who has expertise in leadership,business judgment, management and industrial knowledge; Chen, Chao-Long, who has expertise in medical care and social welfare. In addition, the four independent directors of the Company, Wang, Chin-San, Tsai, Hsien-Tang, Su, Chiu-Hsia and Li, Hung-Wen, who have expertise in	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
			finance and accounting, business management and legal affairs, respectively. (3) Our directors don't have employee status and 66% are independent directors. There are 3 independent directors with a tenure less than 4 years, and 1 independent director with a tenure of 7 years. There are 4 directors aged 70 or older, 1 directors aged 60 or older, and 1 directors aged 50 or older.	
(2) Does the company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	✓		Our company established a Sustainability Development Committee in December 2024 to promote and supervise the company's sustainability-related procedures.	None
(3) Does the company establish standards and methods to evaluate the performance of the Board of Directors, conduct the evaluation annually and regularly, report the results of evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		The Company has formulated the rules and methods for evaluation on the Board of Directors' performance to evaluate the performance of the Board of Directors, the Remuneration Committee and the Audit Committee at least once every year, and it reports the performance evaluation results to the Board of Directors at the Board of Directors' meeting in March annually. The Company reported, at the Board of Directors' meeting on March 06, 2025, the results of the evaluation on the directors' performance made in 2024 as Excellent - Extremely Excellent. (More details on page 23)	None
(4) Does the company regularly evaluate the independence of the CPAs?	✓		Our company regularly evaluates the independence of CPAs annually in accordance with regulations, and obtains a statement of	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof																															
	Yes	No	Summary description																																
			independence from the accountants and assesses their compliance with independence and eligibility based on AQIs. The results will be reported to the Audit Committee and the Board of Directors on March 6, 2025. Items for evaluating eligibility based on AQIs: <table> <tr> <th>Evaluation dimensions</th> <th>Evaluation item</th> <th>Whether comply with independence and competency</th> </tr> <tr> <td rowspan="4">Professionalism</td> <td>1. Audit experience</td> <td>Yes</td> </tr> <tr> <td>2. Training hours</td> <td>Yes</td> </tr> <tr> <td>3. Turnover rate</td> <td>Yes</td> </tr> <tr> <td>4. Professional support</td> <td>Yes</td> </tr> <tr> <td rowspan="4">Quality Control</td> <td>1. Auditor workload</td> <td>Yes</td> </tr> <tr> <td>2. Audit input</td> <td>Yes</td> </tr> <tr> <td>3. Case quality control review</td> <td>Yes</td> </tr> <tr> <td>4. Quality control support capability</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Independence</td> <td>1. Non-audit services</td> <td>Yes</td> </tr> <tr> <td>2. Client familiarity</td> <td>Yes</td> </tr> <tr> <td rowspan="2">Supervision</td> <td>1. External inspection deficiencies and penalties</td> <td>Yes</td> </tr> <tr> <td>2. Regulatory authority</td> <td>Yes</td> </tr> </table>	Evaluation dimensions	Evaluation item	Whether comply with independence and competency	Professionalism	1. Audit experience	Yes	2. Training hours	Yes	3. Turnover rate	Yes	4. Professional support	Yes	Quality Control	1. Auditor workload	Yes	2. Audit input	Yes	3. Case quality control review	Yes	4. Quality control support capability	Yes	Independence	1. Non-audit services	Yes	2. Client familiarity	Yes	Supervision	1. External inspection deficiencies and penalties	Yes	2. Regulatory authority	Yes	
Evaluation dimensions	Evaluation item	Whether comply with independence and competency																																	
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Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof						
	Yes	No	Summary description							
			<table><tr><td></td><td>letter for improvement</td><td></td></tr><tr><td>Innovation capability</td><td>Innovation planning or advocacy</td><td>Yes</td></tr></table> Please refer to the Auditor Independence Assessment Form on pages 37-38.		letter for improvement		Innovation capability	Innovation planning or advocacy	Yes	
	letter for improvement									
Innovation capability	Innovation planning or advocacy	Yes								
4. Does the company appoint adequate persons and a Corporate Governance Officer to be in charge of corporate governance matters (including but not limited to providing directors and supervisors required information for business execution, assisting directors and supervisors in following laws and regulations, handling matters in relation to the Board of Directors' meetings and shareholders' meetings and keeping minutes at the Board of Directors' meetings and shareholders' meetings according to law)?	✓		The Company’s Corporate Governance Officer is assigned to branch office’s Senior Manager Hsu, Nai-Jen. Main responsibilities: 1 (1) Deal with the affairs related to registration of the Company and registration of changes. (2) Deal with the affairs related to the Board of Directors’ meeting and Shareholders’ Meeting, and assist the Company in compliance with the relevant rules of the Board of Directors and Shareholders’ Meeting. (3) Prepare agenda for the Board of Directors’ meeting and Shareholders’ Meeting. (4) Provide the information required for directors to perform their business and the latest development of the laws and regulations related to the management of the company to assist directors in compliance with laws and regulations. (5) Deal with the affairs related to the relation with investors. (6) Report to the Board of Directors the results of its review on that whether the qualifications of independent directors comply with relevant laws and regulations upon nomination and election and during their tenure.	None						

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
			(7) Deal with the affairs related to any changes to directors. (8) Other matters stipulated by the company's articles of incorporation or contracts. 2024 Implementation: (1) Handled the matters related to the Board of Directors and Shareholders' Meetings, and completed 4 Remuneration Committee meetings, 6 Audit Committee meetings, and 7 Board of Directors meetings in 2024. (2) Prepare agenda for the Board of Directors' meeting and Shareholders' Meeting. (3) Arranged training courses for the members of the Board of Directors. (4) Provided the directors with the necessary information for conducting business. (5) Evaluated the purchase of directors' liability insurance. (6) Arranged communication meetings between independent directors and accountants or internal audit supervisors. (7) Held institutional investor conferences and handled investor relations-related matters. (8) Assisted directors in complying with laws and regulations. (9) Deal with the affairs related to any changes to directors. (10) Reported to the Board of Directors that the nominated independent directors met the legal qualifications. In 2024, the Corporate Governance Officer, Senior Manager Hsu, Nai-Jen completed the required training hours (24 hours) for corporate governance officers.	

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
5. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' area been established on the Company's website?	✓		The Company has appointed a spokesperson, a deputy spokesperson and an email to handle external relations and matters pertaining to stakeholders. In addition, the Company also set up a stakeholders' area on the Company's website, acting as a channel to respond to the stakeholders' concerns regarding critical issues of corporate social responsibility.	None
6. Does the Company appoint a professional shareholder service agency to deal with?	✓		Our company has appointed Agency: Stock Affairs Agency Department, CTBC Bank Co., Ltd. to handle the affairs related to the shareholders' meeting.	None
7. Information disclosure				
(1) Does the company have a website to disclose the financial operations and corporate governance status?	✓		The Company has established a corporate website to disclose information on financial operations and corporate governance.	None
(2) Does the Company have other information disclosure channels (e.g. establishing an English website, appointing designated people to process information collection and disclosure, creating a spokesperson system, webcasting investor conferences, etc.)?	✓		The Company has established a website in both Chinese and English, appointed designated people to process information collection and disclosure, and has implemented a spokesperson system.	None
(3) Does the company publicly announce and file the annual financial reports within two months after the close of		✓	The Company announced and registered its financial statements within the time limit prescribed by the act, and it did not announce and register before the filing deadline. In the future, the Company	The Company will adjust the announcement and

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
the given fiscal year and publicly announce and file the first, second, and third quarterly financial reports and the operation of each month ahead of the required deadline?			will announce and register in advance as the case may be.	register as the case may be.
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' continuing education, implementation of customer policies, and participation in liability insurance by directors and supervisors)	✓		(1) Employee benefits, employee care situation: The Vietnam Subsidiary of the Company has established a staff welfare committee to promote welfare measures and activities; implemented a pension system, encouraged employees to participate in various education and training; and provided labor- related insurance. The factories are equipped with a health care room and qualified health care personnel to care for the physical and mental health of employees and emphasize employee interests. (2) Investor relations: The Company has maintained smooth communication and information exchange with the investors, and respects and maintains the due interests of the investors. (3) Supplier relations: The Company has maintained a smooth communication channel and good interaction with suppliers. (4) Stakeholders' rights: Stakeholders may communicate and advise with the Company to maintain the legal rights and interests. (5) Directors' continuing education: All directors of the Company participate in continuing education in accordance with the regulations. (6) Implementation of risk management policies and risk	None

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
			evaluation measures: The Company focuses on the core business and promotes the implementation of various policies in accordance with the relevant laws and regulations, and sets up various standardized operating procedures to reduce and avoid possible risks that may arise. (7) Customer policies: The Company actively deal with customer complaints and properly identify the causes of issues and responsibility to ensure the service quality for customers. (8) Purchasing insurance for Directors: The Company has purchased D&O insurance for Directors.	
9. Describe improvements made according to the corporate governance assessment made in the latest fiscal year by the Corporate Governance Center of the Taiwan Stock Exchange Corporation (TWSE), and provide priority improvements and measures to be taken for improvements that have yet to be carried out.				
The recent annual corporate governance evaluation results have improved				
Question number	Indicator			Description
1.19	Is the company's shareholders' meeting livestreamed online or is uninterrupted audio and video recording uploaded after the shareholders' meeting?			Already disclosed on the company website
As for the indicators that no score was obtained by the 11th Board of Directors, improvement is expected to be made by the 12th Board of Directors and scores will be obtained as follows. For other indicators that the scores cannot be improved, the Company will plan for continued improvement as appropriate.				
Number of the 11th Board of Directors	Number of the 12th Board of Directors	Indicator		
3.13	3.13	Does the company voluntarily disclose individual compensation of directors in its annual report?		

FULIN PLASTIC INDUSTRY (CAYMAN) HOLDING CO., LTD.

Evaluation of Effects on CPA Independence

Evaluation date: 2025/3/6

Name of Accounting Firm: Deloitte Taiwan

CPAs: Wang, Teng-Wei, Chen, Li-Chen

Evaluation item	Evaluation results	
	Yes	No
I. Article 10 of “The Norm of Professional Ethics for Certified Public Accountants of the Republic of China”, Items for Assessing the Impact on the Independence of Certified Public Accountants:		
1. Does the subject being evaluated have the following situations that affect its independence due to "self-interest": (This refers to obtaining financial benefits through the audit client, or having a conflict of interest with the audit client due to other interests): (1) Having a direct or significant indirect financial interest relationship with the audit client. (2) The firm's excessive reliance on a single client's remuneration source. (3) Having a significant close business relationship with the audit client. (4) Considering the possibility of client loss. (5) Having a potential employment relationship with the audit client. (6) Contingent public fees related to the audit case. (7) Discovering that previous professional service reports provided by other members of the firm contained material errors.		✓
2. Does/has any following circumstance occur/occurred to the evaluation objects, resulting in impacts on their independence due to “defense”: (This refers to reports issued or judgments made by certified public accountants for non-audit service engagements, which serve as important bases for audit conclusions or reviews of financial information; or members of the audit service team have previously served as directors, supervisors, or positions directly and significantly influencing the audit engagement of the audit client.) (1) The firm issues assurance reports on the effective operation of financial information systems that it designed or assisted in implementing. (2) The firm prepares original documents used for significant or important matters in assurance engagements. (3) Members of the audit service team currently or within the past two years served as directors, supervisors, managerial officers, or positions significantly influencing the audit engagement of the audit client. (4) Non-audit services provided to the audit client will directly impact significant items in the audit engagement.		✓

Evaluation item	Evaluation results	
	Yes	No
3. Is the subject being evaluated subject to the following circumstances that affect its independence from being "advocated": (Refers to a member of the audit service team becoming an advocate for the position or opinion of the audit client, causing their objectivity to be questioned) (1) Promoting or brokering the stocks or other securities issued by the audit client. (2) Representing the audit client in legal cases or other disputes with third parties, except for permitted businesses under laws and regulations.		✓
4. Does/has any following circumstance occur/occurred to the evaluation objects, resulting in impacts on their independence due to “familiarity”: (It refers to that any CPA or any member of the audit service team pays too much attention or attaches too much importance to the interests of audit clients due to the close relationship with the directors, supervisors or managerial officers of the audit clients) (1) Members of the audit service team have a family relationship with the directors, supervisors, managerial officers, or personnel in positions that have a significant impact on the audit case of the audit client. (2) A former co-practicing accountant who has resigned within one year takes on the role of director, supervisor, managerial officer, or a position that has a significant impact on the audit case of the audit client. (3) Receiving gifts or special favors of significant value from the audit client or its directors, supervisors, managerial officers, or major shareholders.		✓
5. Does/has any following circumstance occur/occurred to the evaluation objects, resulting in impacts on their independence due to “coercion”: (It refers that any member of the audit service team cannot keep its objectivity and cannot clarify any doubts about his/her professionalism due to suffering from or feeling intimidation.) (1) Client threatens to initiate legal action. (2) Threaten to revoke the appointment of a non-audit case, forcing the firm to accept an inappropriate accounting treatment policy for a particular transaction. (3) Threaten to revoke or renew the appointment of the audit case. (4) To reduce public expenditure, pressure is exerted on the accountant to unduly reduce the audit work to be performed. (5) The client's personnel, in the guise of an expert, coerce the audit staff to accept the professional judgment on a disputed issue. (6) The accountant requires members of the audit service team to accept management's inappropriate choice of accounting policies or improper disclosures in the financial statements, otherwise they will not be promoted.		✓

Evaluation item	Evaluation results	
	Yes	No
II. Article 47 of the Accountant Act: the evaluation items concerning that who shall not perform audit on financial statements:		
1. Whether any evaluation object is employed by the Company to perform regular work, or it receives fixed salary, or serves as a director or supervisor.		✓
2. Whether any evaluation object serves as the Company's director, supervisor or managerial officer or employee who has a significant influence on the Company, and it is less than two years after his/her job separation.		✓
3. Whether any evaluation object is the spouse, immediate relative, lineal affinity or relative within second degree of kinship of the person in charge of the Company or of the Company's managerial officer.		✓
4. Whether any evaluation object or his/her spouse or minor child makes investment in or shares any financial interests with the Company.		✓
5. Whether any evaluation object or his/her spouse or minor child lends or borrows any funds to or from the Company.		✓
6. Whether any evaluation object offers management consulting or other non-audit service for the Company, which is sufficient to affect its independence.		✓
7. Whether any evaluation object complies with regulatory authority's regulations on rotation between CPAs, accounting treatment for others and other circumstances that can affect independence.		✓

Results: ■Meet indicator request/ □Not meet indicator request Independence of CPAs

2024 Directors' continuing education

Title	Name	Training date	Hours of the courses	Organizer	Course title
Director	Wang, Yuan-Lin	2024.9.20	3	Securities and Futures Institute	Advocation Conference for Prevention of Insider Trading for 2024
		2024.10.22	6	The Institute of Internal Auditors-Chinese Taiwan	Prevention of workplace sexual harassment and illegal infringement (bullying)
	Chen, Chao-Long	2024.5.9	3	Taiwan Corporate Governance Association	Corporate Sustainability Governance Essential Course: Diversified Management of External Influences, Creating Positive Corporate Value
		2024.11.8	3	Taiwan Corporate Governance Association	Practical Analysis of Corporate Governance 3.0 "Sustainability Report
		2024.12.17	3	Taiwan Corporate Governance Association	Latest ESG Sustainability Information Regulations and Practices
		2024.12.17	3	Taiwan Corporate Governance Association	Insights into Corporate Fraud Risks and Prevention Strategies from Actual Cases
Independent Director	Li, Hung-Wen	2024.5.17	3	Securities and Futures Institute	Practice of Sustainable Development Publicity Conference
		2024.9.6	3	Securities and Futures Institute	Advocation Conference for Prevention of Insider Trading for 2024
	Wang, Chin- San	2024.10.29	3	Accounting Research and Development Foundation	ESG Special Topic: Legal Responsibility Cases in Gender Equality and Human Rights
		2024.10.29	3	Accounting Research and Development Foundation	Analysis of Legal Responsibilities and Cases Related to Corporate Control Contests
		2024.11.8	3	Securities and Futures Institute	Carbon Trading Mechanism and Carbon Management Applications
	Tsai, Hsien-Tang	2024.5.17	3	Securities and Futures Institute	Practice of Sustainable Development Publicity Conference
		2024.9.6	3	Securities and Futures Institute	Advocation Conference for Prevention of Insider Trading for 2024
	Su, Chiu-Hsia	2024.5.10	3	Securities and Futures Institute	Economic Situation and Market Opportunities in New Southbound Policy Countries
		2024.5.10	3	Securities and Futures Institute	Risks and Considerations of Artificial Intelligence for Enterprises

Title	Name	Training date	Hours of the courses	Organizer	Course title
		2024.8.9	3	Taiwan Corporate Governance Association	How Enterprises Can Balance Intelligent Security Risks in Digital Transformation to Create a Triple Win Situation
		2024.8.14	3	Taiwan Corporate Governance Association	How Enterprises Can Prevent Corruption - Case Analysis
		2024.9.2	3	Taiwan Corporate Governance Association	Comprehensive Activation of Enterprise Innovation and Growth
		2024.9.20	3	Securities and Futures Institute	Advocation Conference for Prevention of Insider Trading for 2024
		2024.10.1	3	Taiwan Corporate Governance Association	How the Board of Directors Can Establish ESG Sustainable Governance Strategies

(IV) Composition, Duties and Operation of the Remuneration Committee:

1. Information on the Remuneration Committee's members

December 31, 2024

Identity	Qualification	Professional Qualification and Work Experience	Independence	Number of other public companies where the individual concurrently serves as a remuneration committee member
	Name			
Convener Independent Director	Wang, Chin-San	Please refer to page 6. Basic Information on Directors	1. He is not an employee of the Company or its affiliates. 2. He is not a director or supervisor of the Company or its affiliates. 3. He is not a natural-person shareholder who holds, or who holds by his spouse or minor children or under others' names, 1% or more of the total outstanding shares of the Company, or ranks among the top ten shareholders who are natural persons in terms of the share volume held. 4. He is not the Managerial Officer listed in 1 or the spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship of the persons listed in 2 and 3. 5. He is not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the Company's total issued shares, the top five shareholders or legal shareholders appointed as a company director, supervisor or employee representative in accordance with Article 27, Paragraph 1 or 2 of the Company Act. 6. He is not a director, supervisor or employee of an other company which is under the same control with the Company in terms of the number of the Company's directors or over half of the Company's shares with voting rights. 7. He is not the same person as the Company's Chairman, General Manager or person with equivalent position or the director, supervisor or employee of company or institution of the spouse thereof. 8. He is not a director, supervisor, Managerial Officer, or shareholder holding 5% or more shares of a specific company or institution which has a financial or business relationship with the Company. 9. He is not any professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliate of the Company, or that provides	3
Independent Director	Tsai, Hsien-Tang	Please refer to page 7. Basic Information on Directors		3
Independent Director	Li, Hung-Wen	Please refer to page 7. Basic Information on Directors		0
Independent Director	Su, Chiu-Hsia	Please refer to page 7. Basic Information on Directors		

Identity	Qualification	Professional Qualification and Work Experience	Independence	Number of other public companies where the individual concurrently serves as a remuneration committee member
	Name			
			commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. 10. No circumstance specified in Article 30 of the Company Act occurred/occurs to him.	

2. The Scope of the Remuneration Committee's duties and powers:

- (1) Periodically reviewing the Charter and proposing recommendations for amendments.
- (2) Establish and regularly review the standards of performance evaluation for the Company's Directors (including Independent Directors) and Managerial Officers and annual and long-term performance goals as well as policy, system, standards, and structure of remunerations. Performance evaluation standards are also disclosed in the Annual Report.
- (3) Regularly assess the attainment of the performance goals of the Company's Directors (including Independent Directors) and Managerial Officers of the Company, and determine individual salary and remuneration based on the evaluation results obtained from the performance evaluation standard.

3. Operational status of the Remuneration Committee

- (1) The Company's Remuneration Committee is composed of 4 members.
- (2) The tenure of the members of the current Remuneration Committee is from June 9, 2023 to June 8, 2026. A total of 4 meetings of the Remuneration Committee (A) were held in the most recent year, with the qualifications of members and attendance records as follows:

Title	Name	Actual attendance times	Proxy attendance times	Actual attendance rate (%)	Remarks
Convener	Wang, Chin- San	4	0	100%	
Commissioner	Tsai, Hsien-Tang	4	0	100%	
Commissioner	Li, Hung-Wen	4	0	100%	
Commissioner	Su, Chiu-Hsia	1	0	100%	Re-elected on 2024.6.12

Other Important Matters:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the company should state the date, term, agenda content, and resolutions of the Board of Directors, as well as how the company has addressed the Remuneration Committee's opinions (if the remuneration approved by the Board of Directors is more favorable than the recommendations of the Remuneration Committee, the company should explain the differences and reasons): There were no such situations.
2. If any member of the Remuneration Committee has expressed dissenting or qualified opinions on the Committee's decisions, and such opinions are recorded or stated in writing, the company should state the date, term, agenda content, opinions of all members, and how the company has addressed such opinions: There were no such situations.

4. Major Resolutions of the Remuneration Committee in 2024

Date	Content of Motion and Follow-up Actions	Resolution	The Company's response to the opinions of the Remuneration Committee
2024.1.31	Salary and Compensation Case for Newly Appointed Finance & Accounting Manager and Corporate Governance Officer.	Adopted with the approval of all members of the Committee	Submitted to the Board of Directors and approved by all directors presented
2024.3.7	1. Proposal for distribution of 2023 employees' remuneration and directors' remuneration of the Company. 2. The Salary and Compensation Case for the Change of Corporate Governance Officer of the Company	Adopted with the approval of all members of the Committee	Submitted to the Board of Directors and approved by all directors presented
2024.8.15	1. Proposal for distribution of 2023 employees' remuneration to the Company's individual managerial officer. 2. Approval of amendment to the Company's Remuneration Committee Charter.	Adopted with the approval of all members of the Committee	Submitted to the Board of Directors and approved by all directors presented
2024.12.27	1. Proposal for review on the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers of the Company. 2. Proposal regarding 2024 year-end bonus to the managerial officers of the Company and its subsidiaries. 3. The Salary and Compensation Case for the Newly Appointed Finance & Accounting Manager of the Company.	Adopted with the approval of all members of the Committee	Submitted to the Board of Directors and approved by all directors presented

(V) Sustainability performance and climate-related information

1. Implementation Status of Sustainable Development and Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
1. Has the company established a governance structure to promote sustainable development, and set up a dedicated (or part-time) unit to promote sustainable development, with the board of directors authorizing senior management to handle it, and the board of directors supervising the situation?	✓		The Company's Board of Directors approved the establishment of a Sustainability Development Committee on December 27, 2024. The committee consists of three Independent Directors who assist the Board in decision-making regarding sustainability development initiatives. Under this committee, there are functional groups for Environmental Sustainability and Social Responsibility, Corporate Governance and Sustainability Information Disclosure. The Executive Secretary appointed by the committee coordinates, allocates, executes, and operates related tasks.	No material deviation.
2. Has the company conducted a risk assessment of environmental, social, and corporate governance issues related to its operations based on the principle of materiality, and formulated relevant risk management policies or strategies?		✓	On December 23, 2021, the company's board of directors approved the revision of the "Sustainable Development Best Practice Principles", which will fulfill the company's sustainable development obligations and implement the relevant regulations of the principles. However, no relevant risk management policies have been formulated, and they will continue to be carried out by the Sustainable Development Committee in fiscal year 2025.	The Sustainable Development Committee will continue carrying out relevant risk management policies in fiscal year 2025.

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
3. Environmental issues (1) Has the company established a suitable environmental management system based on the characteristics of its industry?	✓		The Company mainly operates in Vietnam, and its subsidiaries in Vietnam has implemented an environmental management system and obtained ISO9001:2015 and ISO14001:2015 certifications on November 6, 2020 and September 15, 2016, with respective expiration date of June 13, 2026 and September 15, 2025.	No material deviation.
(2) Is the company committed to improving the use efficiency of energy and using renewable materials with low impacts on the environment?	✓		Measures: 1. The Company actively implements various energy- saving measures, i.e. it reasonably arranges production plans, uses equipment with energy- saving design, and turns off power and air conditioners when they are not used. 2. Maintain and regularly inspect machines and equipment. 3. Purchase electric forklifts to replace push carts using oil. 4. Use environmentally-friendly and renewable materials. 5. Recycle and dispose of the remaining materials in PVC for use. 6. Install solar power generation equipments. 7. Continually increase training hours of employees.	No material deviation.
(3) Has the Company assessed the potential risks and opportunities arising from climate change at present and in the future and taken corresponding measures?		✓	The Company has not finished evaluating any risks brought by climate changes to an enterprise and any risks to be brought by the same in the future, but it pays attention to climate change issues, and regularly maintains machinery equipment, radiating equipment, and air conditioners by advocating energy-saving and carbon reduction concept to its employees and by improving its processes to achieve energy-saving as well as carbon and GHG	Will continue to implement measures for assessing climate change in 2025

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof									
	Yes	No	Summary description										
			reduction. The Company plans to have the Sustainability Development Committee continue to promote the assessment of potential risks and opportunities posed by climate change to the enterprise, both present and future, as well as corresponding measures in 2025.										
(4) Does the Company inspect its greenhouse gas (GHG) emissions, water consumption and total weight of wastes in the past two years? Does the Company formulate policies on energy conservation and carbon reduction, GHG reduction, water reduction or waste management?	✓		The Company mainly operates in Vietnam, and its subsidiaries in Vietnam (Fulin Plastic Industry Joint Stock Company (Branch) and Fulin Plastic Industry Joint Stock Company) have completed HiggIndex (FEM) verification for year 2023, but the verification for 2024 has not been completed yet. When the Company completes verification for year 2024, the information will be disclosed on its website. Additionally, the Company has also introduced ISO14064-1 greenhouse gas inventory, and the inventory results will be disclosed in the sustainability report and on the company website. According to the Higg Index statistical data as follows: GHG Emission Unit: ton(s) CO2e <table> <tr> <th></th> <th>2024</th> <th>2023</th> </tr> <tr> <td>Range 1</td> <td>25,290.9576</td> <td>25,985.2346</td> </tr> <tr> <td>Range 2</td> <td>19,804.6013</td> <td>19,587.7507</td> </tr> </table> Water Consumption		2024	2023	Range 1	25,290.9576	25,985.2346	Range 2	19,804.6013	19,587.7507	No material deviation.
	2024	2023											
Range 1	25,290.9576	25,985.2346											
Range 2	19,804.6013	19,587.7507											

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof													
	Yes	No	Summary description														
			Unit: m³ <table><tr><td>2024</td><td>2023</td></tr><tr><td>128,756</td><td>142,169</td></tr></table> Statistics on Total Weight of Waste Unit: ton(s) <table><tr><td></td><td>2024</td><td>2023</td></tr><tr><td>Hazardous waste</td><td>644.347</td><td>552.52</td></tr><tr><td>Non-Hazardous waste</td><td>6,546.357</td><td>7,131.6472</td></tr></table> GHG emission reduction, water- saving and waste management policies and implementation plans of the Company’s subsidiaries in Vietnam Policy: GHG 1. Plan to install solar energy equipment. 2. Replace traditional light bulbs in energy-saving LED lights. 3. Gradually replace the air- conditioning and refrigeration systems that use R22 gas into other more environmentally-friendly types. 4. Control the quality of incoming rice husks. 5. Offer training to improve employees’ awareness of energy-saving and environmental protection. Water Consumption	2024	2023	128,756	142,169		2024	2023	Hazardous waste	644.347	552.52	Non-Hazardous waste	6,546.357	7,131.6472	
2024	2023																
128,756	142,169																
	2024	2023															
Hazardous waste	644.347	552.52															
Non-Hazardous waste	6,546.357	7,131.6472															

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
			1. Install sensors for washbasin. 2. Regularly maintain and update water pipe system. 3. Install water meters in factory areas to track water consumption. 4. Post water-saving announcements. Wastes 1. Strengthen promotion of separation of wastes and recycling of resources. 2. Recover remaining materials and put them into production after disposal.	
4. Social Issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company formulates human rights management policies for itself and its subsidiaries in accordance with the Universal Declaration of Human Rights issued by United Nations, and other internationally recognized human rights standards issued by International Labor Organization. The Company prohibits child labor, forced or compulsory labor, and respects the provisions on protection specified in the human rights convention, and publishes them on its website.	No material deviation.
(2) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	✓		The Company has formulated remuneration-related rules. Please refer to 5. Labor Relations for details. In addition, the Company calculates performance bonus based on its revenue each month, and reflects operating performance through employee's remuneration as appropriate. Diversification and equality in the workplace: The Company	No material deviation.

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
			offers equal remuneration for male and female employees for the same work, provides equal opportunities for promotion. In 2024,the average proportion of female employees in Fulin Plastic Industry Joint Stock Company (Branch) and Fulin Plastic Industry Joint Stock Company was 25.18% and 25.58% respectively, and the average proportion of female managers was 12.50% and 27.27% respectively. The Company respects the rights and interests of employees, shares profits and earnings with employees, maintains a good working environment, and cares for employees' physical and mental health.	
(3) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		The Company's subsidiaries provide employees with a healthy and safe working environment, and at least once a year, we provide employee health and safety training to our employees. The Company also carries out employee health examinations annually to understand the physical and mental health of employees under the work environment. In 2024, 6 work-related accidents and 1 traffic accidents occurred, which accounted for 0.66%of the employees of the Company and subsidiary. Safety education publicity has been strengthened and equipment was inspected to prevent the same from occurrence again. In 2024, there were no fire incidents in our company and subsidiaries.	No material deviation.

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
(4) Does the company establish effective career development and plans for employees at all levels every year, including new training plans for its employees?	✓		Our company has annual training programs for employees at all levels, including new employee training, regular training, professional development training, safety training, etc., to allow employees to learn and develop their capabilities. For the details of employees' training in 2024, please refer to 5. Labor Relations.	No material deviation.
(5) Does the Company comply with relevant laws, regulations and international guidelines regarding customer health and safety, customer privacy, and marketing and labeling of its products and services, and has the Company formulated related policies and grievance procedures for protection of the interests of consumers and customers?	✓		The Company's subsidiaries in Vietnam have formulated "Product Safety Management Rules" to supervise and evaluate the safety of products from design, manufacturing to use of products. In addition, the Company has formulated personal data protection and management systems and policies, and has special persons to keep customer data, and manage and protect customer privacy. In case of any doubt about products, customers may complain through the Company website.	No material deviation.
(6) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		The Company's subsidiaries in Vietnam have formulated the Rules for Evaluation on and Development of Suppliers to establish the standards for evaluating suppliers, so as to protect the environment, human rights, safety and health. And the Company helps suppliers reduce safety and environmental risks, prevents use of child labor, and protects the rights and interests of employees. The Company requires suppliers to make self-evaluation	No material deviation.

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
			annually. And the Company's purchasing persons evaluate supplier's product quality, services, management systems, compliance with environmental-protection laws, social responsibilities (safety, health and labor), sustainable development, etc. based on the standards specified in the Supplier Evaluation Form. And then, the Company compares the results based on multiple verified records. There is no unqualified supplier as evaluated in 2024	
5. Does the company refer to any internationally accepted guidelines or standards in preparing sustainable development reports or other disclosures of non-financial information? Has the aforementioned report obtained assurance or an opinion from a third-party verification entity?	✓		The Company has established the "Sustainability Report Preparation and Assurance Operating Procedures." The sustainability report is compiled in accordance with the Universal Standards, Sector Standards, and Material Standards published by the Global Reporting Initiative (GRI), and references the Sustainability Accounting Standards Board (SASB) standards to disclose industry indicator information and the SASB indicator corresponding content index in the report. The 2024 Sustainability Report will be announced before the end of August, and has not yet obtained assurance from a third-party verification organization.	No material deviation.
6. If the company has formulated sustainable development best-practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please specify its implementation status and any deviation from such principles: The Board of Directors of the Company approved a resolution on December 23, 2021, to establish the Sustainable Development Best Practice Principle, and we have since committed to promoting and implementing corporate sustainable development. No material deviation from the prescribed principles.				

Evaluation item	Implementation Status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof
	Yes	No	Summary description	
7. Other important information which can facilitate a better understanding of sustainable development: (1) During 2024, the Vietnam Subsidiary donated approximately 24,000 thousand Vietnamese dong to organizations such as the Red Cross or charitable foundations, and the Taiwan Branch conducted Christmas care activities in December at remote elementary schools in Kaohsiung (Maolin and Baolai Elementary Schools), promoting social responsibility. (2) In June 2024, the Vietnam Subsidiary responded to World Environment Day by conducting beach clean-up activities in Vung Tau City and Hai Phong City, collecting a total of 5,434 kilograms of garbage.				

2. Climate-Related Information

Item	Implementation Status
1. Describe the oversight and governance of climate-related risks and opportunities by the board of directors and management. 2. Describe how the identified climate risks and opportunities affect the company's business, strategy, and finances (short-term, medium-term, long-term). 3. Describe the financial impacts of extreme climate events and transition actions. 4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system. 5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used. 6. If there is a transition plan to manage climate-related risks, describe the plan's content and the indicators and targets used to identify and manage entity risks and transition risks. 7. If internal carbon pricing is used as a planning tool, explain the basis for price setting. 8. If climate-related targets have been set, provide information on the activities covered, greenhouse gas emission scopes, planning periods, and annual progress; if carbon offsets or Renewable Energy Certificates (RECs) are used to achieve the targets, state the source and amount of emission reductions or the number of RECs. 9. Greenhouse gas inventory and assurance, reduction targets, strategies, and specific action plans.	1. The Company established the Sustainability Development Committee on December 27, 2024. Under this committee, there are functional groups for Environmental Sustainability and Social Responsibility, Corporate Governance and Sustainability Information Disclosure. The Executive Secretary appointed by the committee coordinates, allocates, executes, and operates related tasks. Subsequently, the supervision and governance of climate-related risks and opportunities will be discussed by the Sustainability Development Committee before being reported to the Board of Directors. 2. In 2024, the company has not completed the identification process, it will continue in 2025. 3. In 2024, the company has not identified the financial impacts of extreme climate events and transition actions. The identification process will continue in 2025. 4. In 2024, the company has not established a process for integrating the identification, assessment, and management of climate risks into the overall risk management system. 5. In 2024, the company has not used scenario analysis to assess resilience to climate change risks. 6. In 2024, the company has not implemented a transition plan to manage climate-related risks. 7. In 2024, the company has not used internal carbon pricing. 8. In 2024, the company has not set climate-related targets. 9. In 2024, the company is not subject to certain conditions and therefore this section does not apply.

(VI) Implementation status of ethical corporate management and deviation from the Ethical Corporate Management Best Practice Principles for TWSE/tpex Listed Companies and reasons thereof:

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
1. Formulate policies and plans for ethical management				
(1) Has the company established an Ethical Corporate Management Policy that has been approved by the Board of Directors, and clearly stated the policy, practices, and commitment of the Board of Directors and senior management to actively implement the policy in its internal regulations and external documents?	✓		On December 28, 2017, the Board of Directors of the Company resolved to establish the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" on December 28, 2017, specifically requiring the Company's employees to follow the principles of fairness, honesty, trustworthiness, and transparency in conducting business activities, and direct the policies and practices of ethical operations.	No material deviation.
(2) Does the company establish a mechanism for assessing the risk of dishonest conduct, regularly analyze and evaluate business activities with higher risk of dishonest conduct within its business scope, and formulate plans to prevent dishonest conduct based on this, and include at least measures to prevent the acts listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	✓		In the aforementioned regulations, the company has already stipulated specific codes of conduct regarding bribery, provision of illegal political donations, improper charitable donations or sponsorships, provision or acceptance of improper benefits, infringement of intellectual property rights, product damage to health and safety, etc. Regular or irregular education and training is conducted to ensure that employees at all levels of the company clearly understand and comply with these guidelines.	No material deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
(3) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	✓		In the preceding regulations, for improper benefits and unethical conduct, the Company has established specific guidelines and regularly or irregularly held advocacy activities so that the Company's personnel at all levels can clearly understand and comply with the regulations.	No material deviation.
2. Implementing integrity management				
(1) Does the company evaluate business partners' ethical records and include ethics- related clauses in the business contracts signed with the counterparties?	✓		Before engaging in transactions, the Company always considers the legality and reputation of the transaction counterparty, avoiding transactions with parties lacking integrity. When signing contracts with transaction counterparties, the rights and obligations of both parties are clearly stipulated, specifically regulating content or clauses that prohibit dishonest behavior.	No material deviation.
(2) Does the company establish a dedicated unit under the Board of Directors to promote ethical corporate management, and report regularly (at least once a year) to the Board of Directors on its ethical corporate management policies, preventive measures against unethical conduct, and monitoring of implementation?		✓	Ethical management is independently required by the departments in accordance with the Company's specifications. The dedicated (part-time) unit has not yet been established and will set up such unit depending on the requirements of operation in the future.	It will be adjusted in the future according to the actual operating status.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		In order to build a corporate culture of ethical operation and implement the policies to prevent conflict of interests, the Company has established the "Ethical Corporate Management Principles", the "Procedures for Ethical Management and Guidelines for Conduct" and other specifications. In addition, the Company provides appropriate channels to file related complaints to actually prevent unethical conduct.	No material deviation.
(4) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining their implementation status?	✓		In order to achieve ethical management, the Company has established effective accounting and internal control systems and authorizes internal auditors to audit those systems regularly. The Company also authorizes CPAs to review the internal control system and financial statements.	No material deviation.
(5) Does the company regularly hold internal and external training on ethical corporate management?	✓		The Company carries out internal promotion of ethical management annually and arranges the Chairman to convey the importance of ethical management concepts to directors. Directors and managerial officers are arranged to attend education of insider trading annually.	No material deviation.
3. Operation of the whistle-blowing system				
(1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?	✓		The main operating entity of our company is the subsidiary, Fulin Plastic Industry Holding Co., Ltd. The subsidiary has established a whistle-blowing procedure in its "Corporate Social Responsibility	No material deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
			Policy." Besides, due to the small scale of operations and the simplicity of transactions, company has not yet established a specific whistle-blowing and reward system. However, whistle-blowing matters can still be directly reported to the Chairman.	
(2) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	✓		The main operating entity of our company is the subsidiary, Fulin Plastic Industry Holding Co., Ltd. The subsidiary has established a whistle-blowing procedure in its "Corporate Social Responsibility Policy." Besides, due to the small scale of operations and the simplicity of transactions, company has not yet established a specific whistle-blowing and reward system. However, whistle-blowing matters can still be directly reported to the Chairman.	No material deviation.
(3) Does the company provide protection for whistle-blowers against receiving improper treatment?	✓		The Company adopts protection and confidentiality measures for whistle-blowers and their identities to ensure that employees are not subjected to improper treatment or threats due to whistle-blowing activities. Additionally, the Company's subsidiary has established an anti-retaliation policy in its "Corporate Social Responsibility Policy" procedures.	No material deviation.
4. Enhanced disclosure of ethical corporate management information Does the Company disclose its ethical corporate	✓		The Company has uploaded the Code of Conduct with Integrity on the Market Observation Post System. The Company also has a spokesperson for	No material deviation.

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and reasons thereof
	Yes	No	Summary description	
management policies and the results of its implementation on the Company's website and MOPS?			our litigation and non-litigation agents in Taiwan.	
5. Where the Company has stipulated its own ethical corporate management best practices according to the "Ethical Corporate Management Best Practice Principles" for TWSE/TPEX Listed Companies, please describe any differences between the prescribed best practices and the actual activities taken by the Company: On December 28, 2017, the Board of Directors of the Company resolved to establish the "Ethical Corporate Management Best Practice Principles" on December 28, 2017, specifically requiring the Company's employees to follow the principles of fairness, honesty, trustworthiness, and transparency in conducting business activities, and direct the policies and practices of ethical operations.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: (e.g. review and amend its policies) The Company has arranged courses on security regulations and corporate governance for directors and major managerial officers. The Company irregularly publicizes its policy and concept of ethical management to employees at every level during internal meetings.				

(VII) Other Significant Information that Provides Better Understanding of the State of Operations of Corporate Governance: None.

(VIII) As for the implementation status of internal control system, the following issues shall be disclosed:

1. For the Statement of Internal Control: please refer to Appendix I.
2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(IX) Major Resolutions of Shareholders' Meeting and Board of Directors' meetings during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

1. Contents and implementation of major resolutions of the Shareholders' Meeting in 2024

- (1) Proposal for approval of 2024 Business Report and Consolidated Financial Statement Proposals of the Company

Implementation Status: Passed the recognition of the Company's 2024 Business Report and Consolidated Financial Statements.

- (2) 2024 Profit Distribution

Implementation Status:

A. 2024 Distribution of Earnings

B. According to the resolution of the Board of Directors on March 7, 2024, the Chairman is authorized to set the ex-dividend date, with the ex-dividend base date set on July 6, 2024, and the dividend payment to be made on July 26, 2024.

- (3) Proposal for amendment to the Rules of Procedure for Shareholders' Meeting

Implementation Status: Proposal for amendment to the Rules of Procedure for Shareholders Meetings was approved by resolution and it shall perform according to the revised rules.

- (4) Co-option of one independent director seat

List of Independent Director Elect: Su, Chiu-Hsia

Status of Implementation: The change was completed by the regulatory authority in the Cayman Islands on June 19, 2024.

- (5) Addition of a proposal to lift the non-compete restriction for current directors

Implementation Status: Resolution passed to prohibit current directors from engaging in competing businesses.

2. Major resolutions of the Board of Directors

Date	Resolutions
2024.1.31	Approval of the change of the Company's Finance & Accounting Manager and Corporate Governance Officer.
2024.3.7	(1) Approval of the Company's 2023 Business Report and Consolidated Financial Statements. (2) Approval of the Company's distribution of 2023 employees' and directors' remuneration. (3) Approval of distribution of 2023 earnings. (4) Approval of distribution of cash from capital reserve. (5) Approval of amendment to the Company's "Rules of Procedural Rules Of Board Meetings". (6) Approval of amendment to the Company's "Rules of Procedure for Shareholders' Meeting". (7) Approval of amendment to the Company's "Audit Committee Charter". (8) Approval of issuance of the Company's Statement on 2023 Internal Control System. (9) Approval of continued appointment of the Company's CPAs and determination of their remuneration. (10) Approval of the general principles for the Company's pre-approved non-audit services policy. (11) Approval of the change of the Company's Corporate Governance Manager. (12) Approval of the managerial officer adjustment of Zhang Qing-Liang, Senior Manager of the Production Department. (13) Approval of the by-election of two Directors (including one Independent Director). (14) Approval of holding 2024 annual Shareholders' Meeting and accepting the matters related to shareholders' proposals.
2024.4.25	(1) Approval of the change from by-election of two Directors (including one Independent Director) into co-option of one Independent Director. (2) To nominate candidates for independent directors. (3) To lift non-competition restrictions on newly elected directors. (4) Approved the amendment of matters related to the convening reasons and agenda for the Company's 2024 Annual General Shareholders' Meeting.
2024.5.6	(1) Approval of the Company's 2024 First Quarter Consolidated Financial Statements. (2) Approval of the Company's 2024 First Quarter Profit Distribution Proposal. (3) Approval of the change of the Company's (including subsidiary) Information Security Manager.
2024.8.15	(1) Approval of the Company's 2024 Q2 Consolidated Financial Statements. (2) Approval on the Company's distribution of 2024 Q2 earnings. (3) Approval of distribution of 2023 employees' remuneration to the Company's individual Managerial Officer. (4) Approval on lending of funds to the Company's subsidiary, Fulin Plastic Industry Joint Stock Company (5) Approval of amendment to the Company's Remuneration Committee Charter. (6) Approval of the Third Term Compensation Committee Members.
2024.11.8	(1) Approval of the Company's 2024 Q3 Consolidated Financial Statements. (2) Approval of the Company's distribution of 2024 Q3 earnings.

Date	Resolutions
	(3) Approval of amendment to the Company's Articles of Association.
2024.12.27	(1) Approval of the Company's 2025 operation plan and budget. (2) Approval of formulation of 2025 audit plan for the Company. (3) Approval of the review of the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers of the Company. (4) Approval of 2024 bonus to the managerial officers of the Company and its subsidiaries. (5) Approval of the proposal to establish a Sustainability Development Committee under the Board of Directors, and to formulate the Company's "Sustainability Development Committee Organizational Rules". (6) Approval of the appointment of members to the Sustainability Development Committee. (7) Approval of the establishment of Sustainability Information Management Measures and Sustainability Report Preparation and Assurance Procedures for the Company and its subsidiaries. (8) Approval of the change of the Company's Finance & Accounting Manager.
2025.3.6	(1) Approval of the Company's 2024 Business Report and Consolidated Financial Statements. (2) Approval of the Company's distribution of 2024 employees' and directors' remuneration. (3) Approval of distribution of 2024 earnings. (4) Approval of distribution of cash from capital reserve. (5) Approval of the amendment to the Company's "Standard Operating Procedures for Handling Directors' Requests". (6) Approval of issuance of the Company's Statement on 2024 Internal Control System. (7) Approval of amendment to the Company's Articles of Incorporation. (8) Approval of evaluation on the independence and competence of the Company's CPAs. (9) Approval of the Company's pre-approved non-assurance services list. (10) Approval of holding 2025 annual Shareholders' Meeting and accepting the matters related to shareholders' proposals.

(X) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or Supervisors regarding major resolutions passed by the Board of Directors' meetings in the most recent year up to the publication date of the annual report: None.

IV. Information on CPA's Service Fees

CPAs firm	Name of CPAs	Audit period	Remarks
Deloitte Taiwan	Wang, Teng-Wei	2024/1/1 – 2024/12/31	
	Chen, Chen-Li		

Unit: NT\$ thousand

CPAs firm	Name of CPAs	Audit Period	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan	Wang, Teng-Wei Chen, Chen-Li	2024.01.01 2024.12.31	4,600	100	4,700	Non-audit fees are NT\$100 thousand for audit on tax and NT\$60 thousand for review on annual report.
	Lai, Yung-Fa Chang, Wei-Chieh		—	337	337	Non-audit fees mainly are the costs for registration and the maintenance fee in Cayman, etc.

- (I) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed: None.
- (II) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by over 10%, the reduction in the amount of audit fees, ratio, and reasons shall be disclosed: None

V. Information on Replacement of CPAs: None.

VI. Company's Chairman, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the Company's CPA Accounting Firm or an Affiliated Enterprise of Such Accounting Firm: None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10 Percent

(I) Changes to the equity of directors, supervisors, managerial officers, and major shareholders

Unit: shares

Title	Name	2024		As of March 31, 2025	
		SharesIncrease (decrease) in shareholding	Pledged shares Increase (decrease) in shareholding	SharesIncrease (decrease) in shareholding	Pledged shares Increase (decrease) in shareholding
Chairman, Acting General Manager and 10% or more shareholder	Wang, Yuan-Lin	0	0	0	0
Director	Chen, Chao- Long	0	0	0	0
Independent Director	Wang, Chin- San	0	0	0	0
Independent Director	Tsai, Hsien-Tang	0	0	0	0
Independent Director	Li, Hung-Wen	0	0	0	0
Senior Manager and Corporate Governance Officer	Hsu, Nai-Jen (Note 2)	0	0	0	0
Senior Manager	Liu, Chuan-Sheng (Note 3)	0	0	0	0
Senior Manager	Chang Ching-Liang (Note 3)	0	0	0	0
Senior Manager	Lo, Cheng-An	0	0	0	0
Director, Senior Manager of Finance & Accounting Department and Corporate Governance Officer	Chiu, Wen-Hui (Note 4)	(44,000)	0	0	0
Finance & Accounting Manager and	Hsu, Tien-Peng (Note 5)	0	0	0	0

Title	Name	2024		As of March 31, 2025	
		SharesIncrease (decrease) in shareholding	Pledged shares Increase (decrease) in shareholding	SharesIncrease (decrease) in shareholding	Pledged shares Increase (decrease) in shareholding
Corporate Governance Officer					
Senior Manager of Finance & Accounting Department	Chen, Jen-Chung (Note 6)	0	0	0	0
Shareholders with more than 10% of shareholdings	FullYoungGroupInc.	0	0	0	0
Shareholders with more than 10% of shareholdings	Travel International Corp.	0	0	0	0
Shareholders with more than 10% of shareholdings	RAPTURE INDUSTRY LIMITED	0	0	0	0

Note 1: Huang, Cheng-Hung, Director and General Manager, was dismissed, and Wang, Yuan-Lin temporarily took over the position of General Manager.

Note 2: The appointment date of the Corporate Governance Officer is 2024/3/8.

Note 3: Dismissal dates are 2024/3/8 and 2024/9/24.

Note 4: Director's dismissal date is 2024/1/18, and Finance & Accounting Manager and Corporate Governance Officer's dismissal date is 2024/2/1.

Note 5: Finance & Accounting Manager and Corporate Governance Officer's appointment date is 2024/2/1. Corporate Governance Officer was dismissed on 2024/3/8, Finance & Accounting Manager was dismissed on 2024/12/27.

Note 6: Appointment date is 2024/12/27.

Information on the counterparty which is a related party in the transfer of equity interests: None.

(II) Information on the counterparty which is a related party in the pledge of equity interests: None.

VIII.Information on the top 10 Shareholders who are Related Persons, Spouses or Relatives within Second Degree of Kinship

March 31, 2025; Unit: shares: %

NAME		SHAREHOLDER'S SHAREHOLDING		SPOUSE OR MINOR SHAREHOLDING		SHAREHOLDING BY NOMINEES		NAME AND RELATIONSHIP BETWEEN THE TOP 10 SHAREHOLDERS WHO ARE RELATED PERSONS, SPOUSES OR RELATIVES WITHIN SECOND DEGREES OF KINSHIP.		REMARKS
		Number of shares	%	Number of shares	%	Number of shares	%	Designation (or name)	Relationship	
1	Travel International Corp	15,880,586	30.05	—	—	—	—	Rapture Industry Limited	The same person in charge	
	Representative: Wang, Yuan-Lin	431,882	0.82	—	—	24,729,606	46.79	—	—	
2	Rapture Industry Limited	8,849,020	16.74	—	—	—	—	Travel International Corp.	The same person in charge	
	Representative: Wang, Yuan-Lin	431,882	0.82	—	—	24,729,606	46.79	—	—	
3	Full Young Group Inc.	6,567,867	12.43	—	—	—	—	—	—	
	Representative: Chen, Shu-Yun	—	—	—	—	6,567,867	12.43	—	—	
4	Asia Dynamic WorldwideCorp.	2,060,271	3.90	—	—	—	—	—	—	
	Representative: Huang Chi-Hao	121,943	0.23	—	—	2,060,271	3.90	—	—	
5	Leap Melody WorldwideCorp.	2,060,271	3.90	—	—	—	—	—	—	
	Representative: Huang, Chi-Ming	—	—	141,251	0.27	2,060,271	3.90	—	—	
6	Sinorise Corporation	1,638,920	3.10	—	—	—	—	Brilliant Choice Investment Limited Smart Choice International Corp. 、 Superb Sheen Holdings Limited	Final Beneficiary is Within the Second Degree of Kinship	
	Representative: Lin, Kan-Lin	—	—	—	—	—	—	—	—	
7	Brilliant Choice Investment Limited	1,306,200	2.47	—	—	—	—	Sinorise Corporation Smart Choice International Corp 、 Superb Sheen Holdings Limited	Final Beneficiary is Within the Second Degree of Kinship	
	Representative: Lin, Yi-Li	—	—	—	—	1,306,200	2.47	—	—	
8	Smart Choice International Corp.	1,306,200	2.47	—	—	—	—	Sinorise Corporation Brilliant Choice Investment Limited Superb Sheen Holdings Limited	Final Beneficiary is Within the Second Degree of Kinship	
	Representative: Lin, Kai-Ling	—	—	—	—	1,306,200	2.47	—	—	
9	Superb Sheen Holdings Limited	1,306,200	2.47	—	—	—	—	Sinorise Corporation Brilliant Choice Investment Limited Smart Choice International Corp.	Final Beneficiary is Within the Second Degree of Kinship	

NAME	SHAREHOLDER'S SHAREHOLDING		SPOUSE OR MINOR SHAREHOLDING		SHAREHOLDING BY NOMINEES		NAME AND RELATIONSHIP BETWEEN THE TOP 10 SHAREHOLDERS WHO ARE RELATED PERSONS, SPOUSES OR RELATIVES WITHIN SECOND DEGREES OF KINSHIP.		REMARKS
	Number of shares	%	Number of shares	%	Number of shares	%	Designation (or name)	Relationship	
Representative: Lin, Yung-Chieh	—	—	—	—	1,306,200	2.47	—	—	
10 Max Power Global Inc.	824,108	1.56	—	—	—	—	—	—	
Representative: Huang, Chia-Lung	312,000	0.51	400,000	0.76	824,108	1.56	—	—	

IX. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: shares ; Tuesday, December 31, 2024

Reinvested company (Note)	Investment by the Company		Investment by directors/supervisors/managerial officers and by companies directly or indirectly controlled by the Company		Total investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Fulin Plastic Industry Joint Stock Company	31,607,528	100.00%	1	0%	31,607,529	100.00%

Note: If refers to the long-term investment made by the Company accounted for by using equity method.

Chapter 3 Capital Overview

I. Capital and Shares

(I) Sources of capital

1. Type of Share

March 31, 2025

Type of Share	Authorized capital			Remarks
	Outstanding Shares	Un-issued shares	Total	
Ordinary Shares	52,850,634	47,149,366	100,000,000	Listed Stock

2. Capital formation

Unit: NT\$: shares

Year/ Month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Share amount paid by assets other than cash	Others
2016/11	10	100,000,000	1,000,000,000	1	10	Capital stock at establishment	—	—
2017/02	10	100,000,000	1,000,000,000	2,000,000	20,000,000	Capital stock at establishment (Note 1)	—	—
2017/03	10	100,000,000	1,000,000,000	37,300,000	373,000,000	Stock Exchange	—	—
2018/03	30	100,000,000	1,000,000,000	40,300,000	403,000,000	Cash capital increase	—	—
2018/09	42	100,000,000	1,000,000,000	43,900,000	439,000,000	Cash capital increase	—	—
2018/12	28.8	100,000,000	1,000,000,000	49,400,000	494,000,000	Cash capital increase	—	—
2021/09	60	100,000,000	1,000,000,000	50,400,000	504,000,000	Cash capital increase	—	—
2022/07	64.2	100,000,000	1,000,000,000	50,401,557	504,015,570	Convertible bonds	—	—
2022/08	64.2	100,000,000	1,000,000,000	50,429,594	504,295,940	Convertible bonds	—	—
2022/09	64.2	100,000,000	1,000,000,000	50,488,781	504,887,810	Convertible bonds	—	—
2022/10	64.2	100,000,000	1,000,000,000	50,502,796	505,027,960	Convertible bonds	—	—
2022/11	64.2	100,000,000	1,000,000,000	50,633,628	506,336,280	Convertible bonds	—	—
2022/12	61.3	100,000,000	1,000,000,000	50,840,792	508,407,920	Convertible bonds	—	—
2023/01	61.3	100,000,000	1,000,000,000	50,910,934	509,109,340	Convertible bonds	—	—

Year/ Month	Issuance price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Share amount paid by assets other than cash	Others
2023/02	61.3	100,000,000	1,000,000,000	51,002,281	510,022,810	Convertible bonds	—	—
2023/03	61.3	100,000,000	1,000,000,000	51,139,303	511,393,030	Convertible bonds	—	—
2023/04	61.3	100,000,000	1,000,000,000	51,353,001	513,530,010	Convertible bonds	—	—
2023/06	61.3	100,000,000	1,000,000,000	51,447,613	514,476,130	Convertible bonds	—	—
2023/07	58.8	100,000,000	1,000,000,000	51,547,948	515,479,480	Convertible bonds	—	—
2023/08	58.8	100,000,000	1,000,000,000	51,660,188	516,601,880	Convertible bonds	—	—
2023/09	58.8	100,000,000	1,000,000,000	51,663,589	516,635,890	Convertible bonds	—	—
2023/10	58.8	100,000,000	1,000,000,000	51,665,289	516,652,890	Convertible bonds	—	—
2023/11	58.8	100,000,000	1,000,000,000	51,666,989	516,669,890	Convertible bonds	—	—
2023/12	58.8	100,000,000	1,000,000,000	51,677,191	516,771,910	Convertible bonds	—	—
2024/01	58.8	100,000,000	1,000,000,000	51,678,891	516,788,910	Convertible bonds	—	—
2024/02	58.8	100,000,000	1,000,000,000	51,700,999	517,009,990	Convertible bonds	—	—
2024/03	58.8	100,000,000	1,000,000,000	51,940,787	519,407,870	Convertible bonds	—	—
2024/4	58.8	100,000,000	1,000,000,000	52,850,634	528,506,340	Convertible bonds	—	—

Note 1: The Company's capital stock upon its establishment in November 2016 was NT\$20,000,000 which was fully paid in February 2017.

Note 2: The cash capital increase of NT\$55,000,000 was approved by Taiwan Stock Exchange Corporation letter, Tai-Zheng-Shang-Er Zi No. 10717036941, dated November 2, 2018.

Note 3: The capital increase of NT\$10,000,000 in cash was approved by the Financial Supervisory Commission in the letter, Jin-Guan-Zheng-Fa Zi No. 1100338195 dated April 20, 2021, effective April 19, 2021.

(II) List of Major Shareholders (top ten shareholders in terms of equity)

Shareholder's name	Shares	Shareholding (shares)	Shareholding ratio
Travel International Corp.		15,880,586	30.05%
Rapture Industry Limited		8,849,020	16.74%
Full Young Group Inc.		6,567,867	12.43%
Asia Dynamic Worldwide Corp.		2,060,271	3.90%
Leap Melody Worldwide Corp.		2,060,271	3.90%
Sinorise Corporation		1,638,920	3.10%
Brilliant Choice Investment Limited		1,306,200	2.47%
Smart Choice International Limited		1,306,200	2.47%
Superb Sheen Holdings Limited		1,306,200	2.47%
Max Power Global Inc.		824,108	1.56%

(III) Dividend Policy and Its Implementation

1. Dividend policy

According to Articles of Incorporation 14.4 to 14.8, dividend distribution policies are as follows:

- (1) [Article 14.4] Unless otherwise specified in the Companies Law of Cayman Islands or the Articles of Incorporation or by the rights attached to any shares, the Company may distribute dividends or make other distribution according to distribution proposals. Such appropriation motions, such as the appropriation of dividends or other appropriations in cash, shall be resolved by the Board with the attendance of more than two-thirds of the directors and a majority of the directors present; in the case of Articles 12.3 (a), 12.5 (in the case of the issuance of new shares as bonus shares), it shall be resolved by the shareholders' meeting. After the resolution of the Board has been passed for appropriation in cash, the Board shall report on such appropriation at the last shareholders' meeting.
- (2) [Article 14.5] For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, unless otherwise provided in the Law, the Applicable Public Company Rules or the Articles, upon the final settlement of the company's accounts, if there is "surplus profit" (as defined below), the company shall set aside between 1 to 10 per cent as remuneration to employees ("Employees' Remuneration") and the Remuneration may be distributed to employees of the company and its Subsidiaries, who meet certain qualifications determined by the Board. The Company may raise the amount of profits by not more than 3% of the profits as remuneration for directors (the "Directors' Remuneration"). The appropriation of Employees' Compensation and directors' Remuneration shall be decided by a resolution approved by a majority of the directors at a meeting attended by two-thirds or more of the total number of directors and submitted to the Shareholders' Meeting for reporting. However, when there is a cumulative loss to the Company, it shall be retained to fill the amount, and then contributed for Employees' Compensation and directors' Remuneration at the percentage mentioned above. The "surplus profit" referred to above means the net profit before tax. For the avoidance of doubt, such amount is before any payment of remuneration to employees and remuneration for the directors.
- (3) [Article 14.6] In determining the dividend policy of the Company, the Board of Directors understands that the Company's business is at a growth phase. In determining the amount, if any, of the dividend or other appropriation it recommends to shareholders for approval in any financial year, the Board:
 - A. the Company's earnings, overall development, financial planning, capital requirements, industry outlook and future prospects of the Company for the respective financial years may be taken into account to ensure the

protection of shareholders' rights and interests; and

B. except as provided for in Article 14.5 of the Articles of Incorporation, net profits for the current period shall include: (i) a provision for the payment of taxes for the relevant accounting year; (ii) the making up of losses; (iii) ten percent of the general reserve (the “statutory surplus reserve”) (unless the statutory surplus reserve has reached the paid-in capital of the Company); and (iv) the special surplus reserve required by the Board of Directors according to the rules of the public offering of the Company or the reserve as determined in Article 15.1 of the Articles of Incorporation.

(4) [Article 14.7] For so long as the shares are traded on the ESM or listed on the TPEX or the TWSE in the ROC, subject to compliance with the Law and after setting aside the amounts for Employees' Remunerations and Directors' Remuneration in accordance with Article 14.5 and such amounts as the Board deems fit in accordance with the dividend policy set out in Article 14.6, the Board shall recommend to Members for approval to distribute no less than 10 percent of the earnings generated from the immediately preceding financial year (exclusive of those accumulated from previous years) out of the distributable amount as dividend to the Members and the allocation will be made upon the passing of the resolution by the Members.

(5) [Article 14.8] Dividends to the Members and the Employees' Compensation may be distributed, at the discretion of the Board, by way of cash or by way of applying such sum in paying up in full unissued shares or a combination of both for allocation and distribution to employees or the Members, provided that, in the case of a distribution to Members, no less than 10 percent (10%) of the total amount of such Dividend shall be paid in cash.

2. The Board of Directors' distribution of quarterly dividends in current year is as follows:

2024	Date of approval	Release Date	Cash Dividends per Share (NTD) (Note 1)	Total Amount of Cash Dividends (NT\$) (Note 1)
Quarter 1	2024/5/6	None	0	0
Quarter 2	2024/8/15	None	0	0
Quarter 3	2024/11/8	None	0	0
Quarter 4	2025/3/6	2025/5/6	5.2	274,823,297

Note1: Distribution of cash dividends with capital reserve.

(IV) Impacts on the Company's business performance and earnings per share of issuance of bonus shares adopted at the most recent Shareholders' Meeting:

There are no proposed issuance of bonus shares this year.

(V) Employees' Compensation, Directors' and Supervisors' Remuneration (as the Company has established an Audit Committee, there is no Supervisor)

1. Percentage or range of Employees' Compensation, Director', and Supervisor' Remuneration as set forth in the Company's Articles of Incorporation

In accordance with Article 14.5 of the Company's Articles of Incorporation: Unless otherwise provided by the Cayman Islands Company Law, the regulations of public offering company or the Article, during the period when shares are registered on the ESM or listed on the TPEx, the stock exchange in the Republic of China, upon the final settlement of the Company's accounts, if there is "surplus profit" (as defined below), the Company shall set aside between one to ten percent as compensation to employees ("Employees' Compensation") and the Compensations may be distributed to employees of the Company and its Subsidiaries, who meet certain qualifications which are determined by the Company's Board of Directors. The Company may raise the amount of profits by not more than 3% of the profits as remuneration for directors (the "Directors' Remuneration"). The appropriation of Employees' Compensation and directors' Remuneration shall be decided by a resolution approved by a majority of the directors at a meeting attended by two-thirds or more of the total number of directors and submitted to the Shareholders' Meeting for reporting. However, when there is a cumulative loss to the Company, it shall be retained to fill the amount, and then contributed for Employees' Compensation and directors' Remuneration at the percentage mentioned above. The "surplus profit" referred to above means the net profit before tax. For the avoidance of doubt, such amount is before any payment of remuneration to employees and remuneration for the directors.

2. The basis for estimating the amount of employees, directors, and supervisors' remuneration, for calculating the number of shares to be distributed as employees' remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

For the year 2024, the estimated employee compensation is US\$ 290 thousand, and the estimated director compensation is 0, which are approximately 2.5% and 0% of the pre-tax net income, respectively. Material differences between such estimated amounts and the amounts proposed by the Board of Directors in the following year are adjusted for in the current year. If the actual amounts subsequently resolved after the issuance date of the consolidated financial statements differ from the proposed amounts, the differences are recorded in the year of shareholders' resolution as a change in accounting estimate.

3. Distribution of remuneration approved by the Board of Directors:

- (1) The amount of any Employees' Compensation distributed in cash or stocks and directors' and supervisors' remuneration:

On March 06, 2025, the Board of Directors of the Company approved of the distribution of US\$289,568 (NT\$9,509,413, converted at the exchange rate of the previous day of the Board of Directors) for Employees' Compensation and non payment of Directors' Remuneration, all of which was paid in cash, no difference from the annual amount of the recognized expenses.

- (2) The amount of employee compensation paid in stock dividends and the percentage of this amount to the net income after tax in the current individual or separate financial statements and the total employee compensation amount: Not applicable.

4. Actual distribution of employee, director and supervisor compensation from the previous year (including number of shares, amount and share price), the difference between the amount recognized as employee, director and supervisor compensation, the reasons for the difference, and how it was handled:

The actual amount of Employees' Compensation paid in 2023 was US\$192,781 and the actual amount of director compensation was \$0. There is no difference between the recognition of compensation to employees and directors.

(VI) Buyback by the Company of its shares: None

II. Issuance of Corporate Bonds:

(I) Corporate Bonds

Type of corporate bonds	The 1st Secured Corporate Convertible Bonds in the Republic of China	
Issuance date	May 13, 2021	
Par value	NT\$ 10 thousand	
Place of issuance and trading (Note 3)	Taipei Exchange	
Issuance price	Issued at 115.00% of par value	
Total	The total denomination of the shares issued was NT\$150 million only; The total amount raised was NT\$172,503,770.	
Interest rate	0%	
Term	3 years; maturity date (May 13, 2024)	
Corporate bonds guarantor	None	
Trustee	CTBC Bank Co., Ltd.	
Depository institution	CTBC Securities Co., Ltd.	
Certified attorney	Jheding International Law Firm	
CPA	Deloitte Taiwan	
Repayment method	Repayment will be made for the convertible corporate bonds held by bondholders upon maturity in cash by lump sum in the amount equaling to 101.51% of the denomination of the bonds (annual yield upon maturity is 0.5%).	
Outstanding principal	NT\$150,000 thousand	
Terms for Redemption or Early Settlement	Please refer to the issuance and conversion rules.	
Restrictions (Note 4)	None	
Name of credit rating agency, rating date, and corporate bonds' rating results	None	
Other rights attached	Amount of the ordinary shares, overseas depository receipts or other securities converted (exchanged or subscribed for) as of the publication date of the Annual Report	From the issuance date of May 13, 2021, to May 13, 2024, the convertible corporate bonds have been converted into 2,450,634 shares.
	Terms for Issuance and Conversion (conversion or subscription)	Please refer to bonds information section on MOPS for the issuance data of bonds.
Issuance and conversion, conversion or subscription methods, issuance conditions on possible dilution of equity and impact on existing shareholders' rights and interests		The Company's convertible corporate bonds have been redeemed upon maturity on May 13, 2024, and there is no impact as described in the aforementioned item.
Name of the entrusted custodian of the conversion		N/A

(II) Information on convertible corporate bonds

Type of corporate bonds		(13411) The 1st Secured Corporate Convertible Bonds in the Republic of China
Year		January 1,2024 to April 14, 2024(Note)
Market value of convertible corporate bonds	Highest	109
	Lowest	101.05
	Average	106.78
Conversion price		NT\$58.8
Issuance date and conversion price upon issuance		Issuance date: Thursday, May 13, 2021 Conversion price NT\$75.8
Method for fulfilling conversion obligations		Issuance of new shares

Note: Our company's convertible bonds will mature on May 13, 2024. In accordance with the book closure period for 2024 shareholders' meeting (from April 14, 2024 to June 12, 2024), the last day to register for conversion of the convertible bonds is April 14, 2024.

III. Issuance of Preferred Shares: N/A

IV. Issuance of Overseas Depository Receipts: N/A

V. Issuance of employee share subscription warrants and new restricted employee shares: N/A

VI. Status of New Share Issuance in Connection with Mergers and Acquisitions: N/A

VII. Implementation of the Company's Capital Allocation Plans:

The Company has no securities issuance or private placement plan that has not been completed or that has been completed in the most recent year but its benefits has not occurred yet, as of the publication date of the Annual Report.

Chapter 4 Operational Highlights

I. Business Activities

(I) Business Activities

1. Scope of Business

The main business of the Group is the production and sales of PVC and PU leather. The current products are mainly classified into latex lather, tapes (including single-use and reusable tapes), soft leather, PU/TPU Leather, etc. and sold externally under the Fulin Brand. The sales markets and channels of the Group are divided into domestic and foreign markets and channels. In the domestic market, the products are mainly sold to local distributors and across Vietnam through the manufacturers, intermediaries, and retailers affiliated to local distributors. In the foreign markets, the products are mainly sold to international traders, and raw materials required by major brands and intermediaries in every country are supplied through international traders. The Group shares sales markets in the USA, Canada, Thailand, the Philippines, Malaysia, Cambodia, Myanmar, Ecuador, Sri Lanka, and Indonesia.

2. The Company's current products and their percentage to the total sales

Unit: NT\$ thousand

Main Products	Consolidated Net Operating Revenue of 2024	Proportion (%)
Latex leathers	1,806,337	64.78
Soft leather	405,324	14.53
Tape	339,507	12.17
PU/TPU	222,134	7.96
Others	15,700	0.56
Total	2,789,002	100.00

3. Current products of the Company

Type	Latex leathers	Tape	Soft leather	PU/TPU leather	Others
Main Products	Latex Leather for Furniture	Transparent Tape	Soft Leather for Furniture	PU hot melt adhesives	Laminated Fabric
	Latex Leather for Leather Handbags	Grainy Tape for Construction Materials	Soft Leather for Leather Handbags	Microfiber PU/TPU	
	Latex Leather for Balls	Tape for Electrical Systems	For the Cushions of Bicycles	Non-woven PU/TPU	
	Latex Leather for Automobile Cushions	General Tape		Woven PU/TPU High and low temperature PU TPUPU	

4. New products planned to be developed:

- (1) In collaboration with SOLTO, develop various products that align with the brand's future development trends: TPU transparent films, PU transfer printing.
- (2) POE material development.
- (3) Recycling genuine leather and other eco-friendly developments.

(II) Overview of the Industry

1. Current status and development of the industry

(1) Tape

There are currently four manufacturers in Vietnam. As the downstream processors failed to increase as expected, the competition has grown fierce. The main products demanded are raincoats, tapes, packaging materials, and furniture decorative materials. The local demands in Vietnam cannot satisfy the manufacturers, therefore, in addition to actively attracting customers in the local market, the Company focuses on the expansion of foreign sales markets and the operation of high-quality products as its major part for its business development.

(2) Latex Leather, Soft Leather

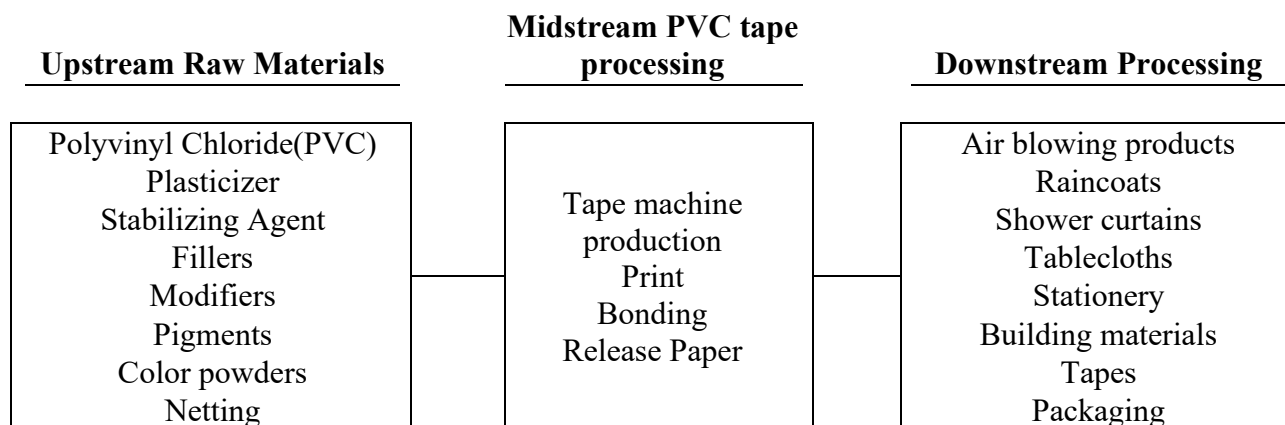
There are currently three manufacturers in Vietnam. The Company occupies more than 70% of the market. The main demands are materials for furniture, vehicles, leather handbags, balls, shoes, and ready-made clothes. At present, various famous brands (Japanese vehicles, COACH bags from the USA, branded shoes from many countries) are entering Vietnam. In addition, due to the future China-US tariff war, many processors using PVC latex leather are entering Vietnam, causing the market demand to increase. To strive for more business opportunities, the Company must strengthen cooperation with distributors, develop diversified products, and expand markets through network marketing to accelerate sales arrangement in foreign markets.

(3) Environmentally-friendly PU/TPU

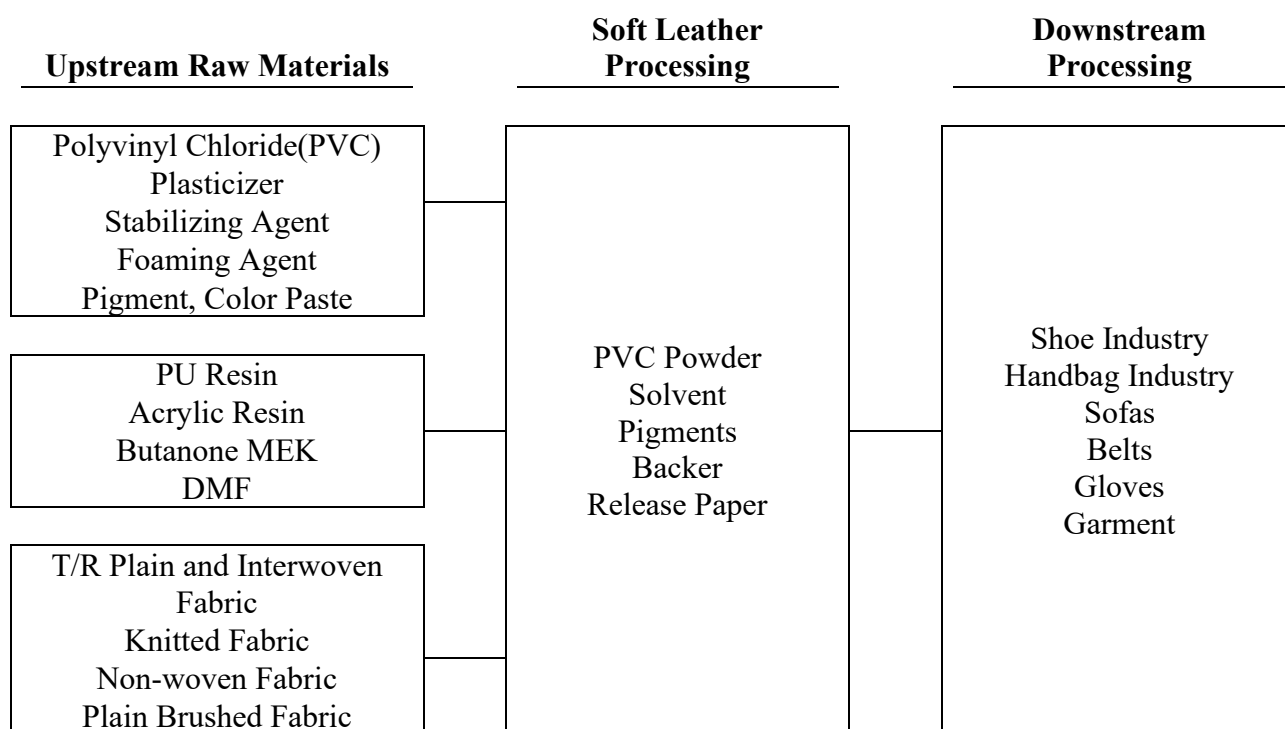
At present, there are two manufacturers in Vietnam, because another manufacturer can only produce PU products, mainly to meet the needs of footwear materials. With the winning edge of advanced machinery and equipment, the Company can produce not only PU products but also TPU products, which are widely used in furniture, automobile, and yacht. Our products have excellent quality, outstanding wear-resistance, meet the needs of product processing, and significantly contribute to the domestic and foreign market.

2. Relevance among Up-, Middle- and Downstream of the Industry

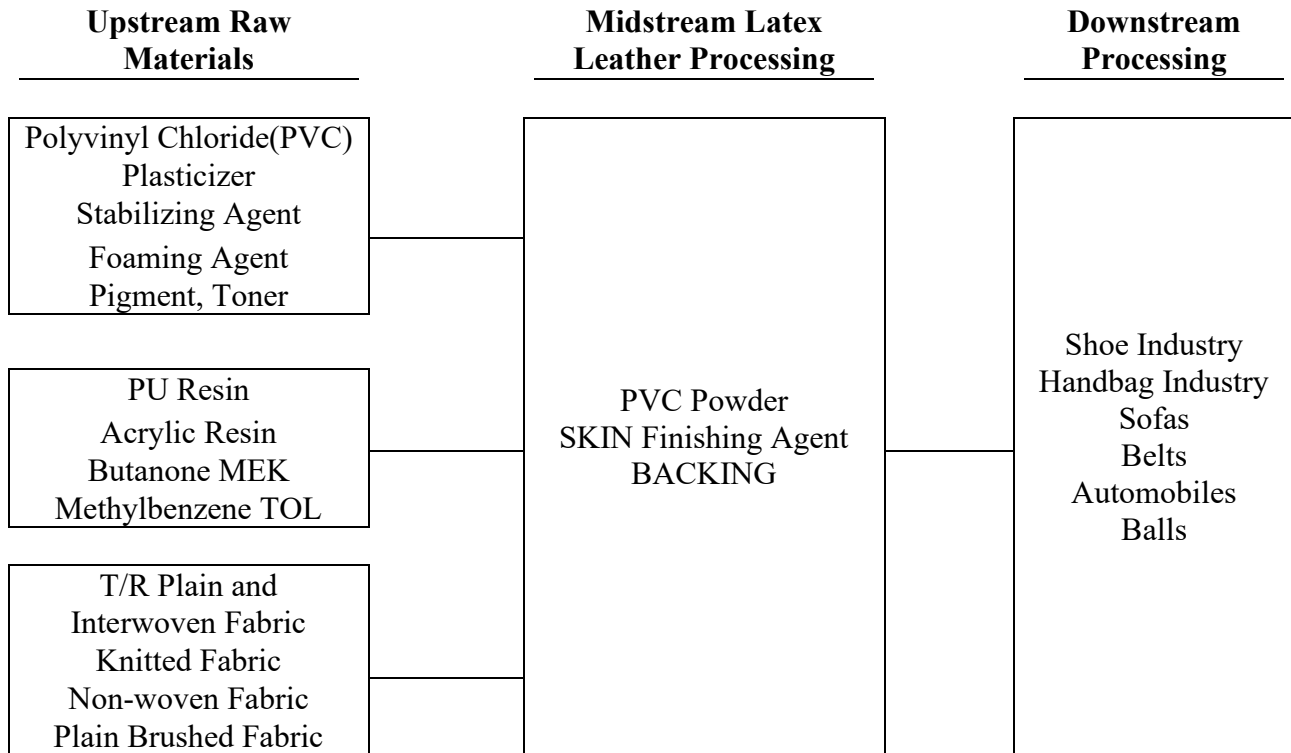
(1) PVC tape



(2) Soft Leather

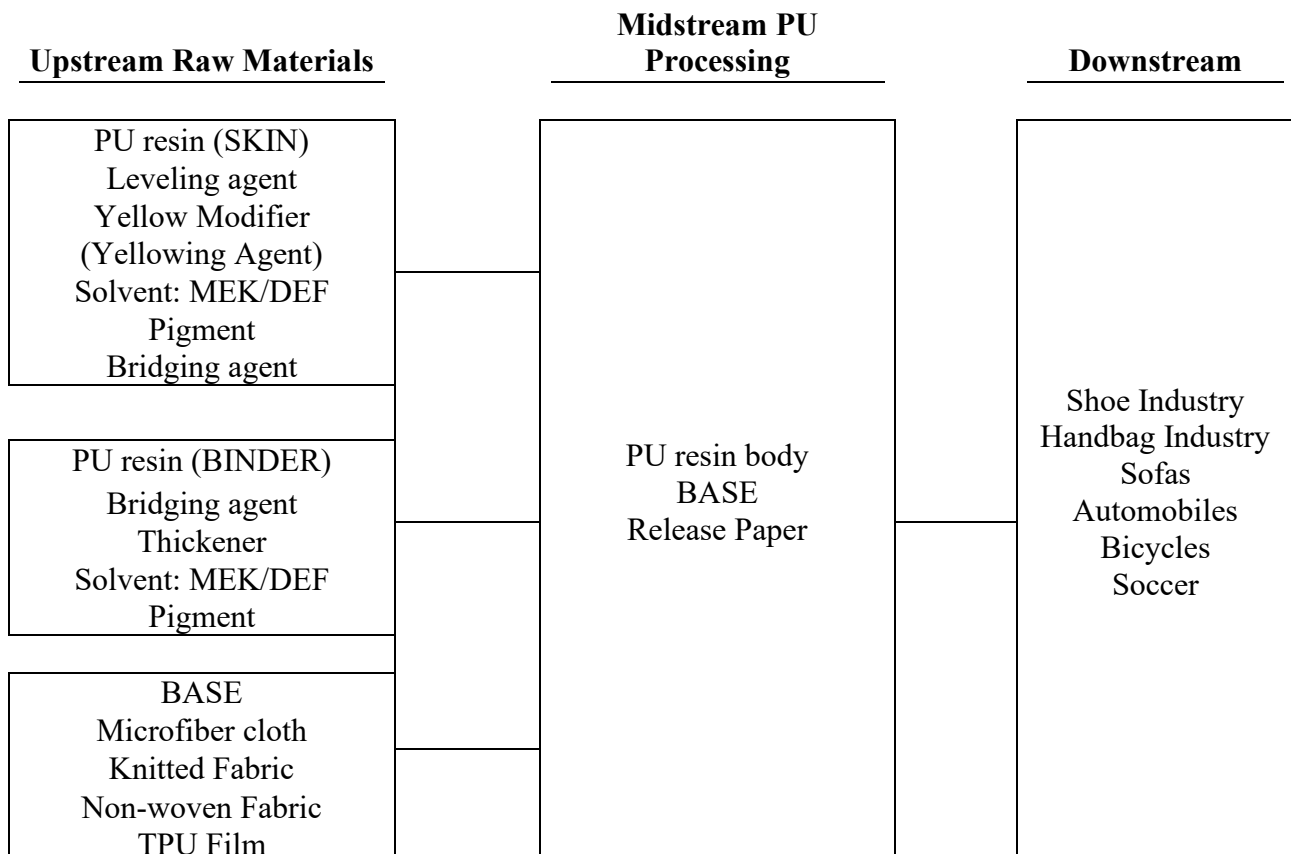


(3) Latex Leather

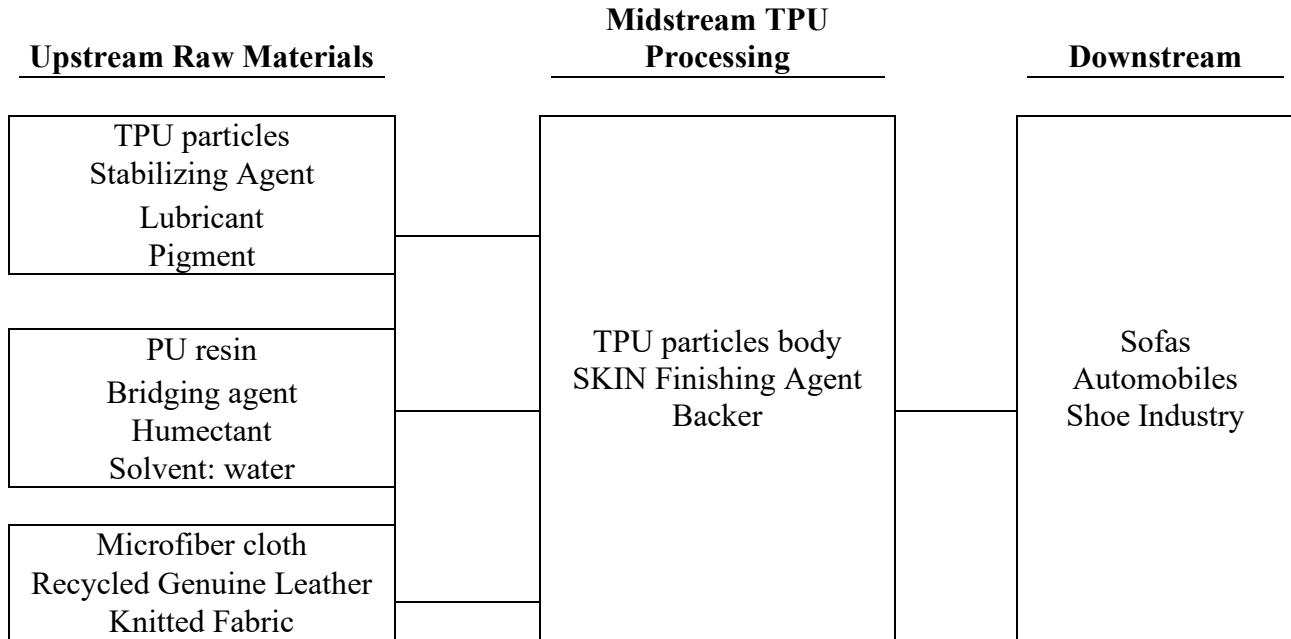


(4) PU/TPU leather

A. PU leather



B. TPU leather



3. Various development trends and competitive situation of products

(1) Various development trends of products

A. Tape

- Integration of development resources and collaboration with major brands to actively develop products with high additional value and strengthen competitive advantages.
- Development towards environmentally-friendly and multi-functional products, e.g. volume labels, construction materials, etc.
- Promotion of quality management and inspection to continuously improve product quality, productivity, and efficiency.

B. Latex Leather, Soft Leather

- Integration of development resources to actively develop products with high additional value and strengthen competitive advantages.
- Development towards environmentally-friendly and multi-functional products, e.g. automobile leathers, leatherette furniture, etc.
- Promotion of quality management and inspection to continuously improve product quality, productivity, and efficiency.

C. Aqueous PU and TPU

- a. Integration of development resources and targeting branded shoes to actively develop products with high added-value and strengthen competitive advantages.
- b. Continue to develop environmentally friendly and multi- functional products, such as furniture, cars, yachts and other products, ETC.

(2) Competition

A. Tape

The entry of foreign investment fails to achieve expectations, resulting in slow market growth. There are four manufacturers in Vietnam and the competition is fierce. The Company wins orders in the domestic market through such advantages as stable quality, short delivery term, and development of diversified new products.

B. Latex Leather, Soft Leather

The material demands of Japanese automobiles and American handbags are increasing. At the same time, shoe factories continue to expand or increase. The Company occupies more than 80% of the market and is currently taking measures against products imported from mainland China to prevent them from encroaching on the market.

(III) Overview of Technologies and R&D

1. Research and Development Expense in the Latest Year and as of the Day the Annual Report was Published and Printed

Unit: NT\$ thousand

Item	2024
R&D expenses	20,849

2. Future R&D Projects and Expected R&D Expenditure

The Company's research and development expenses for 2024 amounted to NT\$20,849 thousand, accounting for approximately 0.75% of operating revenues. In the future, in addition to continuously refining existing processes, enhancing the efficiency of production lines, accelerating the introduction and mass production of completed research and development results, and reducing costs, we will strive to cultivate professional talents and design high-strength products to enhance our competitiveness and expand our overall efficiency. It is expected that the ratio of future R&D expenses to operating revenues will be approximately 0.5% to 1%.

3. Technologies or Products Successfully Developed

The technologies successfully developed by the Company in the last five years are listed below:

Year	Main R&D achievements
2020	A. Develop imitation soft leather products with good hand feel and reasonable price. B. Cooperate with SOLTO to develop PU and PVC products to other brand bag manufacturers (MARCJACOBS, LACOSTE). C. Make cooperation in development of Microfiber TPU leather.
2021	A. Make cooperation with SOLTO in development of KATE SPADE and KENZO products. B. Make cooperation with brand owners in development and recycling of non-woven fabric PU sports shoes.
2022	Make cooperation with SOLTO customers in developing environmentally-friendly artificial leather and recycling and reusing artificial leather.
2023	A. Develop PVC claw-leather products. B. Develop PU and TPU claw-leather products for use in balls.
2024	A. Develop recycled genuine leather products for SOLTO B. Collaborate with customer Zhenfu to develop recycled microfiber and recycled genuine leather products, such as baseball/softball bats and gloves C. Develop football leather and boxing glove leather for customer Fengtai

(IV) Long-term and Short-term Business Development Plans

1. Overview of Short-term Plans

(1) Short-term Plans

- A. Strengthen integration and improve productivity.
- B. Maintain quality stability, meet customer needs and win orders.

(2) Long-term plans

- A. Improve technical level
 - a. Introduce technical PU teams, cooperate with brand customers to strengthen development and develop multi-purpose products to compete in the domestic market.
 - b. Strengthen PVC, improve management stability and quality, increase production capacity.

B. Develop niche products.

- a. Continuously collect market and client samples to support development.
- b. Enhancement of the brand effects of COACH and MK to attract orders from more large factories.
- c. Produce with different base materials using TPU, increasing customer sources.
- d. Find more partners and suppliers for raw materials cooperation to reduce costs and increase development benefits.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Main Regions for Sales (Provision) of Commodities (Services)

- (1) The Company mainly focused on the domestic market at the early stage, supplemented by sales in foreign markets. The proportions of domestic sales and foreign sales are gradually becoming identical in recent years.
- (2) Main sales regions in recent years are listed below:

Region	2023	2024
Vietnam	46.66%	43.16%
ASEAN (Note 1)	21.11%	10.86%
Asia (Note 2)	30.58%	43.16%
South America	0.21%	0.27%
America (Note 3)	0.95%	1.01%
Africa	0.25%	0.24%
Other Countries	0.24%	1.30%

Note 1: Other countries in ASEAN other than Vietnam.

Note 2: Excluding Vietnam and other countries in ASEAN.

Note 3: Excluding countries in South America.

2. Market Share

The average sales volume of manufacturers in Vietnam from 2021 to 2024 is compared is below:

Product Type	Fulin	FORMOSA INDUSTRY CORPORATION	LIGUAN	HUILING
Tape	30%	15%	19%	5%
Latex Leather, Soft Leather	70%	-	15%	-

3. Future Supply and Demand, Growth, and Competitive Niche

(1) Tape

Due to the US-China trade war, we should seize the opportunity to expand our customer base in the US market. Our company has advantages in securing orders, which will benefit our company's performance growth.

(2) Latex Leather, Soft Leather

Develop economical products, reduce costs to increase competitiveness, and compete for the low-price market. Our company is strengthening management to increase production and fully cooperate with customer delivery dates, striving to prevent the loss of large orders and continuously developing new products in line with customer and market demands to secure orders.

(3) PU/TPU

The demand for quality in the Vietnamese market is increasing day by day, and there has been a trend towards the development of high-end eco-friendly products. Our environmentally friendly product, microfiber/TPU, has the characteristics of scratch resistance and good hydrolysis resistance. It is suitable for many kinds of products: yachts, car seats, car steering wheels, sofas, etc. and for developing PU coated low temperature film products to meet the orders of brand sports shoes.

4. Favorable Factors and Unfavorable Factors for Development Prospects and Countermeasures

(1) Favorable Factors

- A. Long engagement in Vietnam and the Southeast Asian market, able to seize opportunities. Public praise of quality.
- B. Professional teams in place to build advanced plant management. Rich experience and maturity in production technologies, research and development ability, and construction of marketing channels.
- C. Supply chain achieving the level of large plants; recognized delivery term; diversified products not only satisfying the demands of different consumers but also realizing high profit and complexity.
- D. High market share and gross margin of niche products.

(2) Unfavorable Factors

- A. Continuous expansion of the productivity of artificial leathers in mainland China, improvement of technical level and product quality and exemption from tariffs on export to Vietnam pose a competitive threat to the Company.

B. Response

- a. Implement stricter management and control on the products of the same type imported from mainland China; improve quality stability and provide after-sales services actively.
- b. Develop products with high additional value; strive for high quality; improve product and service quality; avoid generation of price-cutting market.

(II) Usage and Manufacturing Processes for Main Products

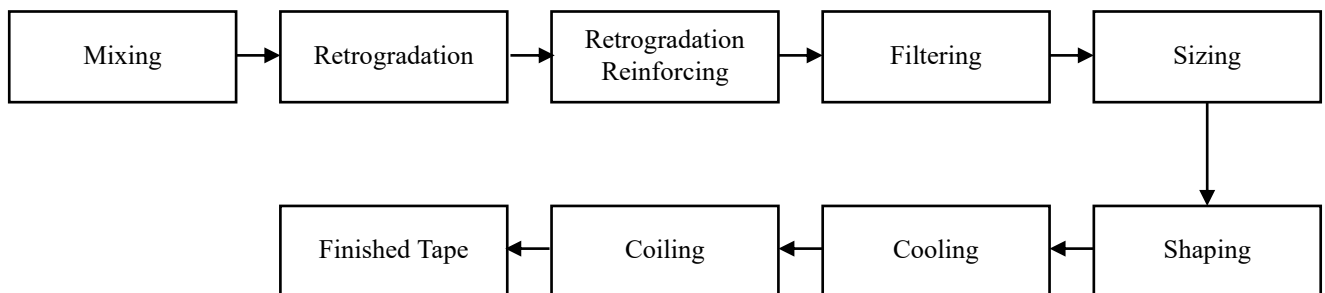
1. Major Purposes of Main Products

Type	Main Products	Purpose
Latex leathers	Latex Leather for Furniture	1. Used for general sofas and imitation cloth sofas. 2. Resistant to bleaching water and alcohol and for advanced sofas.
	Latex Leather for Leather Handbags	1. For general leather handbags. 2. Certified by COACH to be used for production of branded leather handbags.
	Latex Leather for Balls	1. For general balls. 2. Compliant with the physical property requirements of balls of WILSON competitions.
	Latex Leather for Automobile Cushions	1. For seat cushions of general automobiles. 2. Compliant with the physical property requirements of the cushions of branded automobiles, e.g. TOYOTA.
Tape	Transparent Tape	Thickness range from 0.05mm to 0.80mm; compliant with the requirements of general transparent products, super transparent products, and bags for talcum powder.
	Grainy Tape for Construction Materials	Compliant with customer quality requirements, e.g. printing of imitation wood grains, high-temperature adhesion, no deformation of printed patterns, vacuum forming, used for table surfaces.
	Tape for Electrical Systems	Compliant with electrical specifications and for general electrical works, insulation, and resistance to voltage.
	General Tape	For multiple purposes, e.g. raincoats, curtains, stationary, printing products, etc.
Soft leather	Soft Leather for Furniture	Processing satisfying customer requirements available to furniture and sofa requiring hand feeling of leather.
	Soft Leather for Leather Handbags	1. For general leather handbags. 2. Certified by COACH to be used for production of branded leather handbags.
	For the Cushions of Bicycles	Compliant with green product requirements of Active International, may be sold to Europe and USA by customers.
PU/TPU leather	PU hot melt adhesives	It can be used for brand sneakers.
	Microfiber PU/TPU	It has a good scratch resistance, and can be used as shoe materials and can be used for sports shoes, vehicle and furniture.
	Non-woven	Non-woven fabric may be recycled and then used in sports

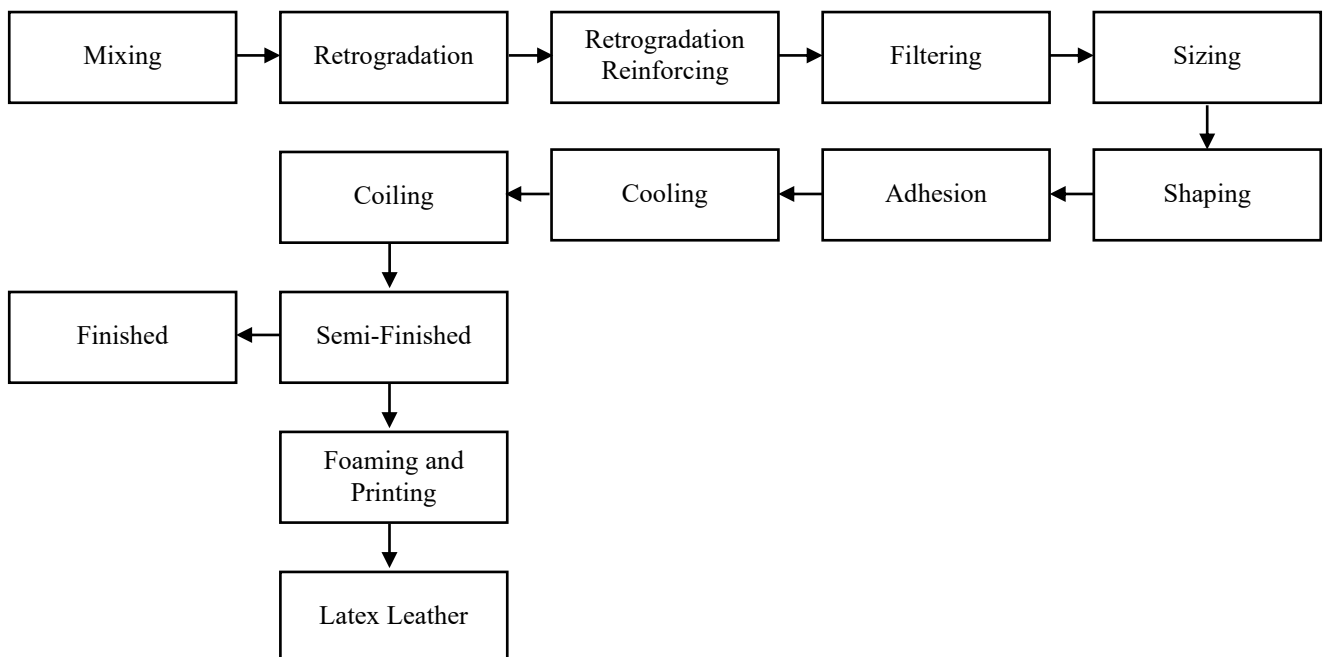
Type	Main Products	Purpose
	PU/TPU	products.
	Woven PU/TPU	It has a good scratch resistance, and can be used as shoe materials and can be used for sports shoes, vehicle and furniture.
	High and low temperature PU	It can be used for brand sneakers.
	PU/TPU	Can be used for bags, cars, and furniture.
Others	Other mesh products are used for shading, car covers, and other purposes.	

2. Production Processes of Main Products

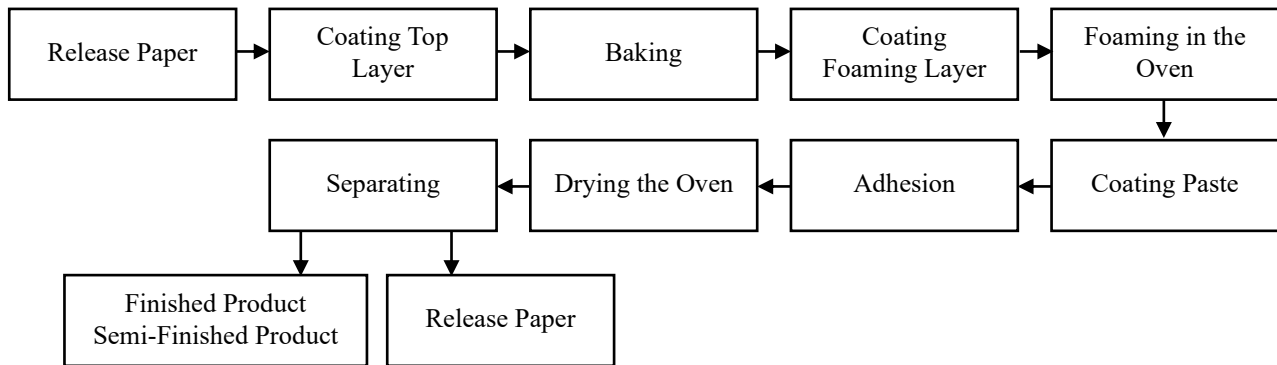
(1) Tape



(2) Rubber and Latex Leather

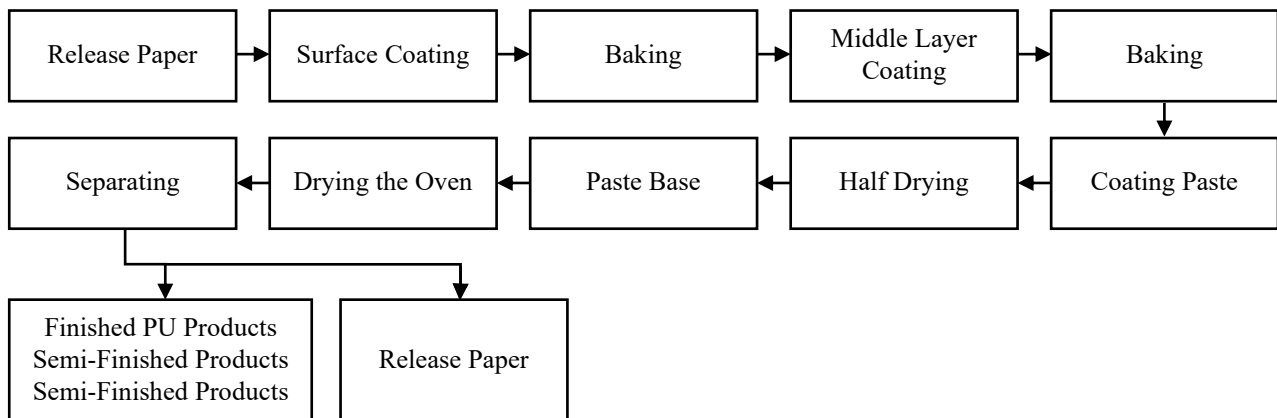


(3) Soft Leather

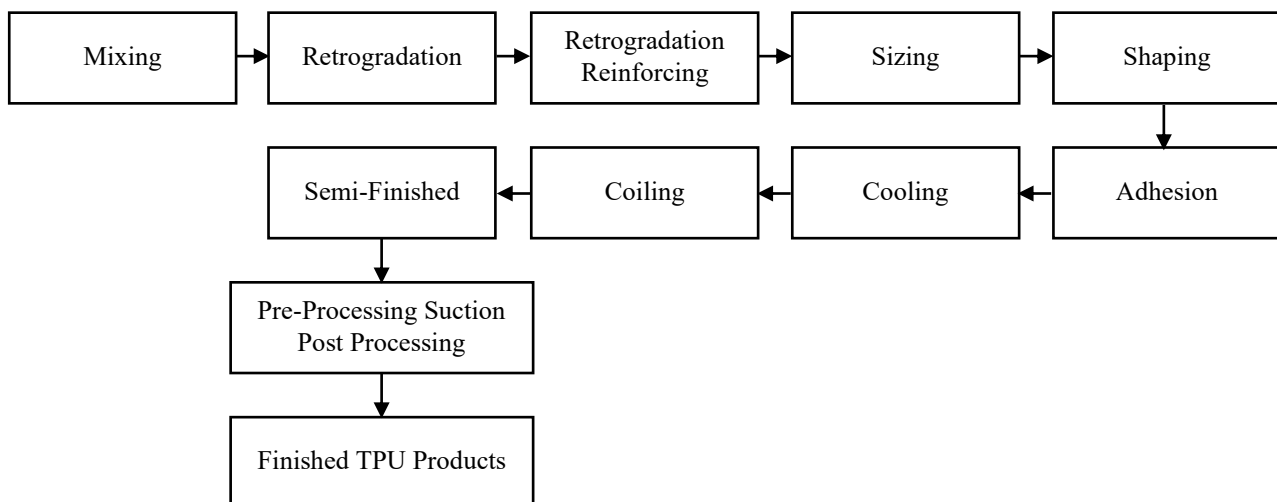


(4) PU/TPU leather

-PU leather



-TPU leather



(III) Supply Situation of Major Raw Materials

Major Raw Materials	Place of Manufacture	Manufacturer	Supplier	Supply Situation
PVC	Taiwan	Formosa Plastics	Minland Plastics	Good
	Taiwan	Ocean Plastics, China General Plastics	MARUBENI	
Plasticizer	Malaysia	Lian Chen	Lian Chen	Good
	Taiwan	South Asia	Minland Plastics	
	Vietnam	LG	LG	
Emulsion Powder	Taiwan	Formosa Plastics	Minland Plastics	Good
	Thailand	Vinythai	Vinythai	
Treating Agent	Taiwan	Home Sun, C.C. Shin, G Sun	Home Sun, C.C. Shin, G Sun	Good
	Vietnam	ILSAM	ILSAM	
Printing Ink	Vietnam	PRESSMII, HMK	PRESSMII, HMK	Good
Pigment	Taiwan	TKC, Jiu H Lih	TKC, Jiu H Lih	Good

(IV) Names of Customers With 10% or More Purchases or Sales in the Past Two Years and the Reason for the Increase or Decrease

1. Suppliers With 10% or More Purchases in the Either of the Past Two Years

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with Issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with Issuer
1	SOLTO	201,546	14	None	SOLTO	322,833	16	None
2.	Minland Plastics	141,877	10	—	Minland Plastics	259,346	13	None
—	Others	1107544	76	None	Others	1,407,413	71	None
—	Total	1,450,967	100		Total	1,989,592	100	

Reasons for changes in supplier data:

- (1) SOLTO company is also a customer of our company. We purchase transfer printing molds, which are an exclusive product, from SOLTO company. Due to an increase in sales to this customer in 2024, our purchases have also increased.
- (2) Minglu Plastics Company is the main supplier of PVC raw materials. Due to the advantage in price competition, our purchases from this company have increased.

2. Customers With 10% or More Sales in the Either of the Past Two Years:

Unit: NT\$ thousand

Item	2023				2024			
	Name	Amount	Ratio of sales amount to annual net sales (%)	Relationship with Issuer	Name	Amount	Ratio of sales amount to annual net sales (%)	Relationship with Issuer
1	SOLTO	722,380	29	None	SOLTO	1,025,131	37	None
—	Others	1,793,669	71	None	Others	1,763,871	63	None
—	Total	2,516,049	100		Total	2,789,002	100	

Reasons for changes in sales customer data: It is not applicable because there is no change.

III. Information on employees in the last two years and as of the published date of the annual report

Unit: persons

Year		2023	2024	2025 Q1
Quantity Employee	Direct Employee	390	547	541
	Indirect Employee	641	512	511
	Total	1,031	1,059	1,052
Average Age		41	42	42
Average years of service		10.5	11.06	11.07
Shareholding Educational Backgrounds	PhD	0	0	0
	Master	6	4	4
	Junior College	236	265	253
	Below Senior High School	789	790	785

IV. Disbursements for Environmental Protection

Disbursements for environmental protection: any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspections, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and corresponding measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

Penalized Company	Fulin Plastic Industry Joint Stock Company (Hai Phong Site of Vietnam Subsidiary))
The cause of the incident is as follows	
Violating regulatory provisions and regulatory content	- Article 11, Paragraph 5 of Decree No. 71/2019/NĐ-CP, Penalties for Administrative Violations Against Regulations on Chemicals and Industrial Explosive Materials: Chemical safety training subjects should include company managers. - Item (b), Article 21, Paragraph 1 of Decree No. 71/2019/NĐ-CP, Penalties for Administrative Violations Against Regulations on Chemicals and Industrial Explosive Materials: Content of declaration documents for some toxic chemicals in 2024 was not completed. - Item (b), Article 24, Paragraph 1 of Decree No. 71/2019/NĐ-CP, Penalties for Administrative Violations Against Regulations on Chemicals and Industrial Explosive Materials: Some imported chemicals did not have safety labels in Vietnamese as required by regulations. - Item (c), Article 27, Paragraph 1 of Decree No. 71/2019/NĐ-CP, Penalties for Administrative Violations Against Regulations on Chemicals and Industrial Explosive Materials, and as amended and supplemented by Article 1, Paragraph 14 of Decree No. 17/2022/NĐ-CP: Failed to promptly submit chemical accident prevention and response measure documents to the provincial Department of Industry and Trade. - Item (c), Article 14, Paragraph 1 of Decree No. 71/2019/NĐ-CP, Penalties for Administrative Violations Against Regulations on Chemicals and Industrial Explosive Materials: Some dangerous chemical containers did not have warning labels in Vietnamese.
Date and reference number of penalty	2024/6/3 06/QĐ-XPVPHC
Penalty Content	35,400,000 Vietnamese Dong (approximately NT\$46,000 based on exchange rate as of 12/31)
corresponding measures Biện pháp khắc phục	Convened a meeting with relevant department supervisors and managers, requiring all departments to regularly update related regulations and strictly comply with all requirements of the Chemical Law to prevent similar errors from occurring again

V. Labor Relations:

- (I) The Company's employee benefits, continuing education, training, retirement systems and the implementation status, agreements between employees and employer, and protections over employees' rights and interests

1. Employee benefit policy

The Company is committed to building a worry-free working environment, improving various systems, and providing abundant and comprehensive benefits so that employees and their families can enjoy a comfortable and pleasant life and receive care from the Company.

(1) Salary System

The Company adopts a fair and competitive salary system to attract talents and motivate employees. The salary of employees depends on their personal and group performance and the operational performance of the Company. In addition, the Company uses different salary combinations and year-end bonuses to share profits with and reward the hard work of employees.

(2) Sound and Thoughtful Benefit System

- A. Purchase of necessary labor insurance in accordance with the local regulations.
- B. Issuance of gifts for festivals.
- C. Provision of nourishment during pregnancy, child allowance, birth allowance, marriage allowance, and funeral allowance.
- D. Sound pension system for employees.
- E. Annual Health Check.
- F. Domestic and international traveling once a year.

2. Continuing Education and Training

In order to promote the knowledge and working skills of the employees, improve work quality and performance, and support the utilization and development of human resources so as to realize sustainable and excellent operation, the Company has established a training system. As for current employee's educational training items are as follows:

- (1) Education and Training for New Employees: To make sure new employees correctly understand the operation philosophy, core value, mission, and vision of the Company and build centripetal force and a sense of belonging.
- (2) Internal and External Education and Training for Existing Employees: The purpose is to provide existing employees with the necessary specialized knowledge and skills for performing their duties or to improve the quality of employees. Various teaching and training sessions are held. The 2024 courses are as follows:

Content	Hours of the courses	Quantity	expense
New employee training	32	248	382,180 thousand Vietnamese Dong and NT\$1,104 thousand
Safety education training	730	4,501	
Regular professional training and Soft skills course	187	1,268	

3. Retirement System and its Implementation Status

- (1) The Company's offices in Taiwan have been depositing 6% of the monthly salary of each employee governed by the provisions regarding pension in the Labor Pension Act to his/her pension account in accordance with the Labor Standards Act. In 2024, the Company provided NT\$386 thousand under the Labor Pension Act.
- (2) The Company's offices in Vietnam have been maintaining social insurance and medical insurance for employees in accordance with the local regulations. The social insurance includes pension which may be claimed by employees from the social security bureau after reaching the statutory age of retirement.

4. The status of labor-management agreements and measures for preserving employees' rights and interests

The Company handles employer-employee agreements in accordance with relevant decrees. In addition, the Company has attached importance to employee interests. In order to strengthen a harmonious employer-employee relationship and consolidate the centripetal force, the Company has communicated with employees in an honest and active manner and endeavored to realize human-based management. In addition to the smooth complaint channel and timely responses offered, employees may also submit opinions via email at any time. The employer-employee agreements are currently implemented well.

5. Protective measures for work environment and employees' personal safety:

- (1) Establishing labor safety and labor safety and health rules.
- (2) There are special units for environmental protection and safety, as well as resident nurses and emergency first aid personnel.
- (3) Engaged in toxic, specific chemical operations, dangerous machinery and equipment, such as personnel must be trained with a certificate of competence, and in accordance with the provisions of the arrangements for retraining.
- (4) Establish maintenance rules for each equipment in the factory and set weekly to annual maintenance in accordance with the maintenance rules for each equipment to ensure the safety of the equipment.
- (5) All fire extinguishers in the Company are inspected twice a month and the fire hose box is inspected once a month, and fire drills are held at least once a year. Safety rules and danger signs are set up beside the production operation machines and in the factory.
- (6) Safety rules and danger signs are set up beside the production operation machines and in the factory.

- (7) Annual health check and special health check for employees.
- (II) List any losses suffered by the Company in the most recent 2 fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and corresponding measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: no such situation.

VI. Cyber security management

- (I) Management framework against information security risks:

The Company's manager of information office holds the position of Information Security Manager. The manager of information office and 1 commissioner are responsible for evaluating information security risk mechanism to improve the effectiveness and real-time nature of the management on information security, so as to ensure the security of information environment, computer hosts, use of network, and access to system.

- (II) Information security policies:

1. Formulate norms for the security of system: Formulate information security management rules for the Company to standardize personnel's operation.
2. Offers information security training to improve staff's awareness of information security.

- (III) Specific management schemes for, and resources invested in the management on, information security:

1. Improve the setting of installed network firewall and anti-virus software, implement EDR systems(endpoint inspection and response) and test them every half a year. In addition, daily virus inspection is set in each computer.
2. Make regular backup for the data in ERP system: Set virtual and physical machine by using NAS system, and integrate software by using Active Backup for Business every day to make backup in Nas Synology storage device.
3. Advocate, to staff every year, prohibition on transmission of personal information by using E-mail, and prohibit linking to unknown websites.
4. Establish security controls and appropriate management measures for computer server rooms and important areas, such as access card record registration, automatic notification issuance, and comprehensive surveillance with no blind spots.

5. SOC (Security Operation Center) establishment

- Monitoring and detection: Establish comprehensive network management system and dashboard system
- Analysis and investigation: Compare and filter information through log collection platform
- Incident response: Automated process handling to achieve proactive notification and establish work orders to track incident handling progress

(IV) Any losses suffered due to significant information security incidents in the most recent year and as of the publication date of the Annual Report, their possible impacts, and corresponding measures, but if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be specified: None.

VII. Important Contracts

Nature of Contract	Party	Start/End Dates of Contract	Main Contents	Restrictions
Land lease contract	Leaser: Government of Vietnam Lessee: Fulin Plastic Industry Joint Stock Company	1997.7.12-2037.7.12	1. The lease term shall be 40 years. 2. The unit rent shall be US\$0.529 per year per square meter. 3. The rent shall be adjusted every five years subject to 15% of the previous rent. 4. The Company shall not have any right to purchase the land at a preferential price upon termination of the lease term.	None
Land lease contract	Lessor: Administration in AMATA Lessee: Fulin Plastic Industry Joint Stock Company	2003.1.13-2037.7.12	1. The unit rent shall be USD24 per year per square meter. 2. Total rent USD1,447,087.20.	None

Chapter 5 Review and Analysis on the Company's Financial Position and Financial Performance, and Risk Management

I. Financial Position

Unit: NT\$ thousand

Item \ Year	2024	2023	Changes	
			Amount	Variable ratio(%)
Current assets	1,874,487	1,435,100	439,387	31
Property, plant and equipment	570,934	589,201	(18,267)	(3)
Other assets	74,243	77,096	(2,853)	(4)
Total assets	2,519,664	2,101,397	418,267	20
Current liabilities	1,038,151	757,644	280,507	37
Non-current liabilities	34,042	40,295	(6,253)	(16)
Total liabilities	1,072,193	797,939	274,254	34
Share capital	528,506	516,772	11,734	2
Capital surplus	308,743	298,434	10,309	3
Retained earnings	885,699	784,061	101,638	13
Other interest	(275,477)	(295,809)	20,332	(7)
Total shareholder equity	1,447,471	1,303,458	144,013	11
Description of items with material change: (where the change exceeds 20% and the amount of change exceeds NT\$10 million)				
1. Increase in current assets, mainly due to the increase in accounts receivable and other financial assets				
2. Increase in current liabilities and total liabilities, mainly due to the increase in short-term loans and accounts payable.				

II. Financial Performance

(I) Main reasons for significant changes in operating results for the most recent two years:

Unit: NT\$ thousand

Item \ Year	2024	2023	Changes	
			Amount	Variable ratio(%)
Net operating revenue	2,789,002	2,516,049	272,953	11
Operating costs	2,199,538	1,981,268	218,270	11
Gross operating profit	589,464	534,781	54,683	10
Operating expenses	256,835	242,392	14,443	6
Net operating profit	332,629	292,389	40,240	14
Non-operating income and expenses	29,971	1,136	28,835	2538
Net profit before tax	362,600	293,525	69,075	24
income tax expense	80,086	63,335	16,751	26
Current profit (after tax)	282,514	230,190	52,324	23
Description of items with material change: (where the change exceeds 20% and the amount of change exceeds NT\$10 million)				
1. Non-operating income and expenses, mainly due to the significant rise in USD exchange rate in 2024, resulting in increased foreign currency exchange gains, and interest expenses relatively decreased as long-term loans had been repaid in 2023.				

(II) The expected sales and its basis, and possible impacts on the Company's future financial operations and response plans for the upcoming year: The Company establishes the annual budget based on the global synthetic leather market environment, anticipated customer orders, and production capacity planning:

The Company establishes the annual budget based on the global synthetic leather market environment, anticipated customer orders, and production capacity planning. In addition to maintaining a stable and long-term cooperative relationship with our customers, we continue to boost revenue by regularly developing innovative products, seeking new customers and emerging markets.

On the other hand, the Company will improve its understanding of the changing price of primary raw materials and adjust the raw materials inventory accordingly, to meet production needs. The Company will also procure more raw materials at a lower price to reduce price fluctuation pressure. At the same time, by upgrading process technology and production services, and producing highly customized products to establish a close relationship with customers to ensure stable and robust growth of the future business.

III. Cash flow

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

Unit: NT\$ thousand

Item \ Year	2024	2023	Changes	
			Amount	Variable ratio(%)
Business activity	312,317	587,601	(275,284)	(47)
Investing activities	(166,592)	(178,498)	11,906	(9)
Financing activities	(82,841)	(479,333)	396,492	(83)
Analysis of changes:				
Cash flow from operating activities: Mainly due to a decrease in accounts receivable and accounts payable this year.				
Cash flow from investing activities: Mainly due to an increase in purchase of immovable property factories, equipments and other financial assets this year.				
Cash flow from financing activities: Mainly due to an increase in short-term borrowings and paying of dividend this year.				

(II) Improvement plan for insufficient liquidity: no insufficient liquidity.

(III) Analysis on cash liquidity for the coming year:

Unit: NT\$ thousand

Opening cash balance	Estimated net cash flow from operating activities of the period	Expected annual cash outflow	Surplus (insufficient) amount of estimated cash	Remedial measures for projected cash deficit	
				Investment plan	Financial plan
311,620	359,165	274,376	396,409	—	—

1. Analysis on changes in cash flow

- (1) The net cash inflow from operating activities is due to the estimated sales volume, projected net profit for 2024, and changes in other operating assets and liabilities.
- (2) The net cash outflow from investing and financing activities is due to the payment of cash dividends.

2. Remedial measures for expected cash shortage: Not applicable.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

The Company has not had any material capital expenditure in the most recent fiscal year.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for Coming Year

(I) Recent Policy on Equity Transfer Investments:

The directors of the investing company are established in accordance with local laws and regulations and are appointed by the parent company. In addition, the Company regularly obtains financial statements, operational reports and financial statements audited by CPAs from the invested companies for the analysis of the operations and profitability. The Company's internal auditing unit shall also conduct regular audits of the subsidiaries, as well as formulating relevant auditing plans and submitting audit reports to track the flaws and improvement of the internal control systems.

(II) The main reasons for the profits/losses generated in the Company's reinvestment, the plan for improving investment profitability, and investment plans in the coming years :

Unit: NT\$ thousand

Name of reinvestment	Profit or loss from reinvestment	Description	Improvement plan
Fulin Plastic Industry Joint Stock Company	264,628	Operations are in good condition	None

(III) Investment plans for the coming year: None

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report:

(I) Impact of interest rates and exchange rate fluctuations, as well as inflation on the Company's profit and loss, as well as future corresponding measures

1. Impact of interest rates fluctuations on the Company's profit and loss, as well as future corresponding measures

Unit: NT\$ thousand

Item		2023	2024
Interest Revenue	Amount	10,029	11,292
	Ratio to the net operating revenue	0.40%	0.40%
	Ratio to the net profit before tax	3.42%	3.11%
Interest expense	Amount	25,189	18,294
	Ratio to the net operating revenue	1.00%	0.66%
	Ratio to the net profit before tax	8.58%	5.0%

The proportion of interest income and interest expense in net operating revenue and net profit before tax of the Group in 2024 is not significant, so the impact of change in the interest rate on the Group's profit and loss is limited.

In addition to the mid to long-term capital for material capital expenditures, the Group's capital for daily operation is mainly its equity fund and short-term bank borrowings. The cash position is sufficient, and the operation is not relying on debt. Therefore, the interest rate change has no significant impact on the Group. However, in the future, in the event of significant fluctuation in the market interest rate and demand in improving capital, the Group will pay closer attention to the change in the interest rate and adopt a fixed or floating interest rate borrowing to avoid the risk of interest rate fluctuation. Besides, the Group shall also consider using other financing tools in the capital market to raise funds, to reduce the reliance on financial institutions through equity funds.

2. Impact of interest rates fluctuations on the Company's profit and loss, as well as future corresponding measures

The operating entity of the Group is located in Vietnam, its main transaction currencies for daily operations are Vietnamese Dong and the US Dollar. In 2024, the Company's net exchange gain or loss was NT\$33,720 thousand, accounting for 1.21% of net revenue and 9.30% of net income before income tax, respectively, which was not significant, indicating that the changes in exchange rates have not yet posed a significant impact on the overall revenue of the Group. However, to address potential foreign exchange risks and mitigate the impact of exchange rate fluctuations on profit and loss, the Finance & Accounting Department may take the following corresponding measures:

- (1) Financial personnel maintain an appropriate net foreign exchange position based on their judgment of future exchange rate trends, thereby reducing the impact of exchange rate fluctuations on the Group's profitability.
- (2) Maintain close contact with major correspondent banks, constantly monitor changes in the foreign exchange market, and provide relevant managers with sufficient information on exchange rate trends. In the event of unexpected changes in payment/receipt currencies, timely adjustments can be made immediately.

3. Impact of inflation on the Company's profit and loss, as well as future corresponding measures

The Group pays close attention to the fluctuation of the market price of raw materials and products at all times and makes a comprehensive schedule timing for the raw materials receiving. Maintain excellent relationships with customers and suppliers, flexibly adjust purchasing and sales strategy and product structure. Also, we will actively develop diversified markets to spread risks. Therefore, the Group should be able to cope with the impact of the macroeconomic changes in inflation

or deflation in the future. So far, the Group has not had any significant impact on its operations and profits caused by inflation.

- (II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and corresponding measures to be taken in the future

1. The Company does not engage in high-risk, high-leverage investments.
2. Lending of funds by the Company to others:

Funding loan recipient	Funding loan limit	Actual expenses	Limit of loan permitted to a single entity	Total funding loan amount
Fulin Plastic Industry Joint Stock Company	NT\$98,430 thousand US\$3,000 thousand	NT\$98,430 thousand US\$3,000 thousand	NT\$144,747 thousand	NT\$578.988 thousand

The recipients of the Company's funds lending to others are the Company's subsidiaries. The purpose of fund lending is for working capital turnover. The financial and business conditions are normal, and the lending follows the relevant regulations of the Financial Supervisory Commission and the Company's "Endorsement Guarantee Operating Procedures".

3. The Company did not offer endorsement or guarantee for others in 2024.
4. The Company's derivative financial product transactions in 2024 was conducted in accordance with the "Procedures for Acquisition or Disposal of Assets". There was no derivative financial product transactions in the first quarter of 2025.

- (III) Future R&D Projects and Expected R&D Expenditure:

The Company's research and development expenses for 2024 amounted to NT\$20,849 thousand, accounting for approximately 0.75% of operating revenues. In the future, in addition to continuously refining existing processes, enhancing the efficiency of production lines, accelerating the introduction and mass production of completed research and development results, and reducing costs, we will strive to cultivate professional talents and design high-strength products to enhance our competitiveness and expand our overall efficiency. It is expected that the ratio of future R&D expenses to operating revenues will be approximately 0.5% to 1%.

- (IV) The impact of major domestic and international policy and legal changes on the Company's financial operations and corresponding measures

The Company is registered in the Cayman Islands, has a branch office in Taiwan, and its main operations are located in Vietnam. The Group executes various businesses in accordance with the relevant laws and regulations of the country where it is located. As of the date of publication of this public statement, important domestic and foreign policy and legal changes do not have a significant impact on the Company's financial performance. In the future, the management of the Company will pay attention to the development trend of policies and changes in laws of the local country, consult relevant experts if necessary, and take appropriate corresponding measures to satisfy the needs of the Company's operation.

(V) Impacts of changes in technologies (including information security risks) and industrial culture on the Company's finance and business, and corresponding measures

The products produced by the Group are mature and widely used in the market, thus, the impact of the industry cycle and environment is not obvious. In addition to catering to market preferences and flexible planning for market strategies, the Company continuously invests human resources in the improvement of product quality and processes, and it closely cooperates with customers to understand the latest trend in the market. The Company pays attention to any changes in the demands for relevant technologies and products in the industry to improve its market competitiveness and maintain its position in the industry. In addition, the Company's computer system may be paralyzed and its business and financial secrets may be stolen if the Company is illegally intruded by any third party on the Internet due to the rapid development of technologies and frequent network attacks. As for production process, the Company has no automated system since it belongs to traditional industry, so there is little risk of paralyzing its production process. In view of this, the Company has improved firewalls and anti-virus software to prevent hackers or computer viruses. In addition, it regularly makes backups for the data in hosts. In case of any intrusion, it may restore the data by using backup data, and it promotes information security to employees.

Therefore, there is no significant impact of changes in technologies (including information security risks) on the Company's finance and business as of the publication date of the Annual Report.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Corresponding Measures

The Group sticks to the general principle of good faith, honesty, and steady business management. Since the establishment of the Company, it has been actively strengthening internal management, improving quality and efficiency, continuously introducing talents, consolidating the strength of the management team, paying back operating results to the shareholders and the public, and performing its due social responsibilities. As of the date of publication of this Annual Report, the Company has been faced with no crisis arising from changes in corporate image.

(VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Corresponding Measures: None.

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Corresponding Measures

As of the date of this report, the Company has no plans to expand its plants. In the future, if there are any related plans, the Company will carefully evaluate and consider the benefit of plant expansion to ensure the interests of shareholders.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Corresponding Measures

In the current fiscal year up to the date of publication of the Annual Report, the Company has no such condition of consolidation of sales or purchasing operations.

(X) Impacts and risks arising from transfer of significant equity or change in Directors, Supervisors, or major shareholders with over 10% shareholding, and corresponding measures: None.

(XI) Impact, Risks and Corresponding Measures for Changes in Operational Control

The legal shareholding ratio of all directors of the Company complies with the provisions of laws and regulations. The management class is committed to improving the Company's operating performance and maximizing shareholders' equity, so it has a positive impact on Company's management rights and operations.

(XII) In case of any litigious or non-litigious matters, any significant judged or pending litigious, non-litigious or administrative dispute related to the Company and its directors, supervisors, general managers, actual person-in-charge, major shareholders with over 10% shareholding and affiliated companies shall be specified. In case of any possible significant impacts of their results on shareholders' interests or the price of securities, the fact of the dispute, amount of the object, litigation commencement date, major parties involved therein, and its handling status as of the publication date of the Annual Report shall be specified: None.

(XIII) Other major risks and corresponding measures: None

VII. Other Important Matters: None

Chapter 6 Special Disclosure

I. Information on Affiliates

(I) Consolidated Business Report

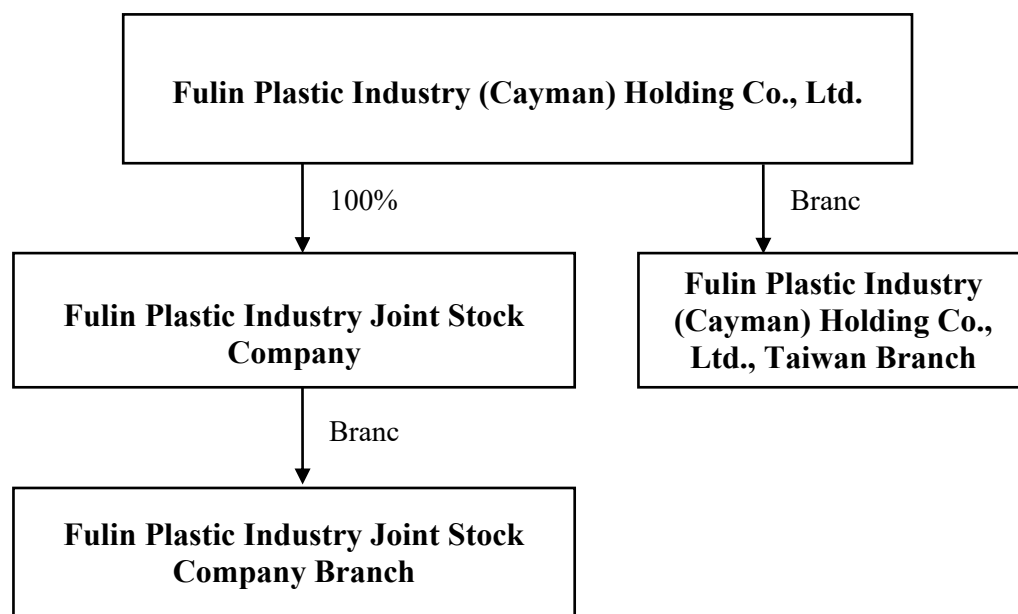
1. Operational overview of affiliates

(1) Organizational chart of affiliates:

Fulin Plastic Industry Joint Stock Company (hereinafter referred to as the “Vietnam Subsidiary”) was incorporated under the investment license issued by the Ministry of Planning and Investment of Vietnam on July 12, 1997 as a 100% Taiwan-funded enterprise and engaging in the production and sales of various PVC artificial leather materials. Vietnam Subsidiary is located in Haiphong city in north Vietnam which is 100 km away from the capital, Hanoi. Upon its establishment, after a series of land building, plant construction, employee enrollment, and equipment installation, the first set of equipment passed the trial operation and entered mass production successfully put in January 1999. With the support and trust from customers, the Vietnam Subsidiary further invested in the AMATA Industrial Park in Dong Nai in December 2003 and established Fulin Plastic Industry Joint Stock Company Branch to expand its portfolio and satisfy the market and customer demands. The tapes, rubber leathers, and latex leathers produced by the Vietnam Subsidiary are multi-functional and can be used by tertiary processors for furniture, leather handbags and suitcases, shoes, and raincoats. Considering that a good market reputation has been accumulated over the years and that tertiary processors of PVC have successively entered Vietnam as Vietnam is experiencing a stable society and an increasingly growing economy and the government is actively entering into trade agreements with other countries, the market demand is expected to increase gradually in the future.

Fulin Plastic Industry (Cayman) Holding Co., Ltd. (hereinafter referred to as the “Company”, or the “Group” collectively with all subsidiaries) was incorporated in the Cayman Islands on November 30, 2016 as the parent holding company and also the applicant for IPO in Taiwan. On February 14, 2017, the Company registered and set up the Taiwan Branch in Kaohsiung as the operation site in Taiwan. On March 31, 2017, the Company acquired 100% of the stock rights in Fulin Plastic Industry Joint Stock Company Branch through the issuance of new shares and stock exchange, which has established a complete group structure.

Group Structure



(2) Basic information of affiliates

December 31, 2024

Unit: VND million/US\$ thousand

Name of enterprise	Date of incorporation	Address	Paid-in capital	Primary business
Fulin Plastic Industry Joint Stock Company	1997.7.12	Km9, Pham Van Dong Street, Hai Thanh Ward, Durong Kinh, Haiphong	455,515 (25,400)	Production and sales of latex leather, tape, and soft leather.

(3) Companies presumed to have a relationship of control and subordination according to Article 369-3 of the Company Act: None.

(4) Information of Directors, Supervisors, and Managerial Officers of the Associated Enterprises

December 31, 2024

Name of enterprise	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Fulin Plastic Industry Joint Stock Company	Chairman	Fulin Plastic Industry (Cayman) Holding Co., Ltd. Representative: Wang, Yuan-Lin	45,551,528	99.999996%
	Director	Tu Shih, Ching-Tsui	-	-
	Director	Wang Tzu-Yen	-	-
	Independent Director	Tsai, Hsien-Tang	-	-

2. Operational Overview of Affiliates

December 31, 2024

Unit: NT\$ thousand, except for paid-up capital in VND million, and earnings per share in VND

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit or Loss (after Tax)	Earnings per share (after-tax)
Fulin Plastic Industry Joint Stock Company	455,515	2,282,403	1,206,641	1,075,762	2,789,002	329,995	264,628	4,526

(II) Consolidated Financial Statements of Associated Enterprises: please refer to Market Observation Post System-2024 Financial Reports- Consolidated Financial Statements and Independent Auditors' Report For the Years Ended December 31, 2024 and 2023. The Consolidated Financial Statements and Independent Auditors Report is available at: https://doc.twse.com.tw/server-java/t57sb01?step=1&colorchg=1&co_id=1341&year=113&seamon=&mtype=A&

(III) Relation Report: None

II. Private Placement of Securities during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

III. Other Supplementary Information: Please refer to Chapter 5, Review and Analysis on the Company's Financial Position and Financial Performance, and Risk Management..(P.95)

IV. Any Event that Results in Substantial Impact on the Shareholders' Equity or Prices of the Company's Securities that Have Occurred in the Most

Recent Fiscal Year and Up to the Publication Date of the Annual Report:

None

V. Major Deviation from the Domestic Protective Provisions for Shareholders' Interests:

The Company has amended the Articles of Incorporation in accordance with the important matters regarding protection of shareholders' equity as specified in the Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas- Registered Companies announced by Taiwan Stock Exchange Corporation at the latest. However, some matters were not applicable under the laws of the Cayman Islands, therefore they are not specified in the Articles of Association. Please refer to the following table for details (The Company has included the amendments specified in the Checklist for Matters Related to Shareholders' Equity Protection of Foreign Issuers or Overseas- Registered Companies in 2024 in the agenda for its annual Shareholders' Meeting of current year regarding amendment to the Articles of Association, so as to submit them for approval by the Shareholders' Meeting):

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
1. Company's physical shareholders' meeting shall be held within the territory of the Republic of China. If the company holds a physical shareholders' meeting outside the territory of the Republic of China, it shall report to the securities exchange for approval within two days after the resolution of the board of directors or after the shareholders obtain the permission to convene the meeting from the regulatory authority. 2. Shareholders continuing to hold more than 3% of the total issued shares for more than one year may submit a written request stating the proposed matters and reasons to the Board of Directors for convening an extraordinary shareholders' meeting. If the Board of Directors fails to send a notice of an extraordinary Shareholders' Meeting within 15 days after the request is made, the shareholders may convene the extraordinary Shareholders' Meeting with the regulatory authority's permission.	1. The Companies Law of Cayman Island does not regulate the convening of shareholders' general meetings, so Article 19.6 of the Article of Incorporation has not stated that the application of a general meeting convened by shareholders shall be submitted to the regulatory authority. 2. In addition, if the shareholders convene their own shareholders' meeting outside the Republic of China, Article 19.6 of the Company's Articles of Incorporation only stipulates that the TPEX or the TWSE (as the case may be) shall be reported for approval in advance, rather than "report to the TPEX for approval within two days after the shareholder obtains the permission from the competent authority to convene" as required by the checklist of shareholders' rights and interests protection, as the shareholders are not required to obtain permission of the regulatory authority of the Cayman Islands to convene an interim meeting. This part shall have no material impact on the shareholders' rights and interests of the Republic of China.
1. If the Company holds a Shareholders' Meeting, it shall list electronic method as one of the channels for exercising voting rights. 2. A company whose shareholders may exercise their voting power in writing or by way of electronic transmission in a Shareholders' Meeting shall describe in the shareholders' meeting notice the method of exercising their voting power. A shareholder exercising voting rights by correspondence or electronic means shall be regarded as having personally attended the meeting. However, the shareholder shall be regarded as having forfeited voting	In relation to shareholder exercising voting rights in writing or by electronic means, the Companies Law of Cayman Islands made no mention whether a shareholder, who exercises his/her voting rights in writing or by electronic means, could be deemed to have attended the meeting in person. Moreover, the attorney in Cayman Islands has not found any relevant cases. In order to make other arrangements, article 25.4 of the Company's Articles of Incorporation stipulates that "when a shareholder exercises his/her voting right at the shareholders' meeting by written voting or electronic means in accordance with the above provisions, it shall be deemed that the chairman of the meeting is entrusted as his/her proxy to exercise his/her voting right at the shareholders'

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
rights for extraordinary motions or amendments to the original motion.	meeting in accordance with the direction of the written or electronic documents. The chairman of the shareholders' meeting as proxy shall not have the power to exercise the voting rights of such shareholders with respect to any matters not referred to or indicated in the written or electronic document and/or any amendment to resolution(s) proposed at the said shareholders' meeting. For the purpose of clarification, such Members voting in such manner shall be deemed to have waived their voting rights with respect to any extemporary matters or amendment to resolution(s) proposed at the shareholders meeting. In addition, Article 26.3 of the Company's Articles of Incorporation stipulates that such a voting right which the chairperson of the Shareholders' Meeting has on behalf of the shareholder shall not be subject to the provision that the number of voting power represented shall not exceed 3% of the voting rights of the total shares issued.
For the following motions that relate to key rights of the shareholders, the motion may be adopted by a majority vote at a shareholders' meeting, wherein the meeting is attended by shareholders representing two-thirds or more of the total number of its outstanding shares. In the event the total number of shares represented by the shareholders present at a shareholders' meeting of the Company is less than the percentage of the total shareholdings required in the preceding paragraph, the resolution may be adopted by at least two-thirds of the voting rights exercised by the shareholders present at the shareholders' meeting who represent a majority of the outstanding shares of the Company: 1. To form, change or terminate contracts related to the leasing of the entire operation, commissioning others to	1. Regarding the resolution methods at shareholders' meetings, in addition to ordinary resolutions and supermajority resolutions under our country's laws, Article 1.1 of the company's Articles of Incorporation also provides for a "special resolution" as defined under the Cayman Islands Company Law. This refers to a resolution passed at a shareholders' meeting of the company by shareholders present in person or by proxy, or in the case of corporate or non-natural person shareholders, by their duly authorized representatives, with approval of at least two-thirds of the voting rights held by the shareholders present after counting the voting rights entitled to each shareholder. 2. According to the provisions of the Companies Law of Cayman Islands, the following items shall be adopted by a Special Resolution:

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
manage, or forming of a long term joint management with others; Transfer the whole or principal part of the business or property; To accept the whole business or property given by others, which causes a significant influence over the operations of the Company 2. Amending the Articles of Incorporation 3. Where amendments to the Articles of Association will damage the rights of shareholders holding preferred shares, a resolution of the preferred shareholders' meeting must be convened 4. New shares issuance shall be used to allocate the whole or part of share dividends or bonuses 5. Resolutions for corporate dissolution, merger, or demerger 6. Conversion of shares	(1) Amendment to the Articles of Association: According to the Companies Law of Cayman Islands, the change of Articles of Incorporation shall be based on the Special Resolution of the Law. Therefore, Article 12.1 of the Articles of Association does not determine the threshold and changed into the supermajority resolution in accordance with the requirements in Checklist of Shareholders Right Protection. In addition, in accordance with Article 13 of the Articles of Incorporation, if any modification or change to the Articles of Association may affect any type of preferred rights, the relevant amendments or changes shall be passed by special resolution and shall be convened separately by the shareholders of the damaged shares. The Shareholders' Meeting was approved by a special resolution. (2) Dissolution: In accordance with the Companies Law of Cayman Island, if the Company cannot pay their debts, it may be wound up and go into liquidation voluntarily. The resolutions of dissolution shall be made at the shareholders' meeting. The dissolution shall be made by a special resolution in accordance with the Companies Law of Cayman Island. Article 12.4 of the Company's Articles of Incorporation states determines the threshold for the resolution of the Company to be voluntarily liquidated and dissolved due to the inability to settle its debts at maturity, and has not been changed into the items of super majority resolution according to the provisions in the Checklist of

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
	Shareholders Right Protection Items. (3) Merger: Due to the mandatory voting requirements under the Cayman Islands Companies Act for conducting a "merger" as defined under the Cayman Islands law, Article 12.3(b) of the Company's Articles of Incorporation stipulates that a "merger (except for a merger and/or consolidation as defined under the Cayman Islands Companies Act which only requires a special resolution)" shall be approved by a supermajority resolution. The aforementioned difference from the checklist for the protection of shareholders' rights is that, while the important matters requiring a supermajority resolution are specified in the checklist, the Company's Articles of Incorporation separately stipulates them as matters requiring either a supermajority resolution or a special resolution. As such differences arise from the requirements under the Cayman Islands law, and the Company's Articles of Incorporation has separately listed the matters requiring a supermajority resolution under the checklist as matters requiring either a supermajority resolution or a special resolution, the impact on shareholders' rights regarding this aspect should be limited.
1. Shareholders who have continuously held more than 1% of the total issued shares of the company for over six months may request in writing that the Audit Committee file a lawsuit against the directors on behalf of the company, with the Taipei District Court as the court of first instance. 2. If the Audit Committee does not file a lawsuit within 30 days after the shareholder's request, the shareholder may	Article 48.3 of the Company's Articles of Incorporation stipulates: "To the extent permitted by the laws of the Cayman Islands, any shareholder(s) holding one percent or more of the total number of the issued shares of the Company for a period of six consecutive months or more may request in writing that the Audit Committee authorize the independent directors to file a lawsuit individually or jointly on behalf of the Company against the directors, and may designate the Taipei District Court as the court of first

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
file a lawsuit on behalf of the company, with the Taipei District Court as the court of first instance.	instance. If, within 30 days after the submission of the request, the Audit Committee does not authorize or the independent directors authorized by the Audit Committee does not file a lawsuit, such shareholder(s) may, to the extent permitted by the laws of the Cayman Islands, file a lawsuit on behalf of the Company against the directors, and may designate the Taipei District Court as the court of jurisdiction.” The provisions in the Articles of Incorporation differ slightly from the column on the left regarding the Audit Committee directly initiating litigation for the company. This is actually because it is practically impossible for the Audit Committee itself to initiate litigation; instead, it must be done by one independent director or jointly representing the company. Therefore, the wording in the Articles of Incorporation, while meeting the requirements in the left column, more specifically regulates the procedural text on how to operate and execute related matters. In spirit, it remains consistent with the regulations in the left column. However, a Cayman Islands lawyer has provided the following reminders regarding the above provision under the laws of the Cayman Islands: The Cayman Islands Companies Law does not have specific provisions that allow minority shareholders to bring derivative actions against directors in the Cayman Islands courts. The company’s Articles of Incorporation are not a contract between shareholders and directors, but an agreement between shareholders and the company. Therefore, even if the Articles of Incorporation allow minority shareholders to bring derivative actions against directors, Cayman Islands lawyers believe that such provisions would not bind the directors. However, under common law, all shareholders (including minority shareholders), regardless of their shareholding ratio or holding period, have the right to bring

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
	derivative actions (including lawsuits against directors). Once a shareholder initiates a lawsuit, the Cayman Islands court will have full discretion to determine whether the shareholder can proceed with the lawsuit. In other words, even if the Articles of Incorporation stipulate that minority shareholders (or shareholders with the required shareholding ratio or holding period) can represent the company in filing a lawsuit against directors, the court will ultimately decide whether the lawsuit can proceed. According to relevant judgments made by the Grand Court of the Cayman Islands, when considering whether to approve the continuation of a derivative action, the Cayman Islands court applies the criterion of whether it believes and accepts that the plaintiff's claim on behalf of the company appears to have substance, that the alleged wrongdoing was committed by those controlling the company, and that such controllers can prevent the company from bringing an action against them. The Cayman Islands court will decide on a case-by-case basis based on the facts (although the court may refer to the provisions of the Articles of Incorporation, this is not a determining factor). Under Cayman Islands law, the board of directors should make decisions on behalf of the company as a whole (rather than individual directors). Therefore, directors should, in accordance with the provisions of the articles of association, pass a board resolution to authorize any one director to represent the company in filing a lawsuit against other directors. The Cayman Islands Companies Law does not explicitly grant shareholders the right to request directors to convene a Board of Directors to resolve specific matters. However, the Cayman Islands Companies Law does not prohibit companies from including provisions related to

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
	the procedures of Board of Directors (including provisions on convening Board of Directors) in the Articles of Incorporation. The directors of a company should faithfully execute business operations and exercise due care as good administrators. If any violation causes damage to the company, they shall be liable for compensation.
1. If such conduct is carried out for themselves or others, the shareholders' meeting may resolve to treat the profits derived from such conduct as the company's profits. 2. If the directors of a company violate any laws in the execution of the company's business operations, causing damage to others, they shall be jointly and severally liable with the company for compensation to such others. 3. In carrying out their duties, the managerial officers of the company shall bear the same liability for damages as the directors of the company.	Article 48.4 of the Company's Articles of Incorporation has stipulated that "Without prejudice to and in violation of the general duties and responsibilities that the Company's directors owe to the Company and its shareholders under the principles and laws of the Cayman Islands common law, in the course of conducting the Company's business operations, the directors shall faithfully execute their duties and exercise the care of a good administrator. If they violate this and cause damage to the Company, they shall be liable for compensation to the maximum extent permitted by law. Where a director has made any profit for the benefit of himself or any third party as a result of any breach of his fiduciary duties, the Company shall, if so resolved by the shareholders by way of an Ordinary Resolution, take all such actions and steps as may be appropriate and to the maximum extent legally permissible to seek to recover such profit from such director. Where a director has, in the course of conducting the Company's business, violated any laws or regulations that causes the Company to become liable for any compensation or damages to any person, such Director shall become jointly and severally liable for such compensation or damages with the Company and if any reason such Director is not made jointly and severally liable with the Company, such Director shall indemnify the Company for any loss incurred or suffered by the Company caused by a breach of duties by such Director. Managerial officers shall have the same liability for damages

Important Matters Related to Protection of Shareholders' Equity	The Company's Articles of Incorporation and Reason of Deviation
	as the Company's directors in performing their duties for the Company."However, a Cayman Islands lawyer has provided the following reminders regarding the above provisions under Cayman Islands laws: Under Cayman Islands law, generally, managerial officers or supervisors do not owe the same duties to the company or shareholders as the company's directors. However, if managerial officers or supervisors are authorized to act on behalf of senior management, they will have the same duties as the company's directors. To avoid any doubt, Cayman Islands companies generally provide for the responsibilities and duties that managerial officers or supervisors owe to the company and shareholders in their service contracts. Similarly, since the Articles of Incorporation are an agreement between the shareholders and the company, managerial officers or supervisors are not parties to the Articles of Incorporation. Therefore, any claims for damages for breach of duty by managerial officers or supervisors should be governed by the service contracts. As for Cayman Islands law, since the Articles of Incorporation are an agreement between the shareholders and the company, directors (in their capacity as directors of the company) are not parties to the Articles of Incorporation. Cayman Islands lawyers believe that the Articles of Incorporation do not bind the directors. If the company wishes to give the relevant provisions contractual effect on the directors, Cayman Islands lawyers believe that the relevant rights should be incorporated into the contracts with individual directors, such as service contracts.

Appendix 1

Fulin Plastic Industry (Cayman) Holding Co., Ltd. Approval of issuance of the Company's Statement on Internal Control

Date: March 06, 2025

The Company's 2024 Internal Control System according to the result of self assessment, is as following statement:

1. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Board of Directors and managerial officers of the Company, and the Company has established such a system. Its purpose is to provide reasonable assurance regarding the achievement of objectives in terms of operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency of reporting, and compliance with applicable regulations and laws.
2. The internal control system has its inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance regarding the achievement of the three objectives mentioned above. Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism; once deficiencies are identified, the Company takes corrective actions immediately.
3. The Company evaluates the effectiveness of the design and implementation of its internal control system based on the judgment criteria for internal control system effectiveness specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment criteria for internal control systems adopted in the "Regulations" divide the internal control system into five components according to the process of management control: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communication, and 5. Monitoring activities. Each component further includes several items. For these items, please refer to the provisions of the "Regulations".
4. The Company has adopted the aforementioned judgment criteria for internal control systems to evaluate the effectiveness of the design and implementation of its internal control system.
5. Based on the evaluation results in the preceding paragraph, the Company believes that as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), including the design and implementation of internal control systems related to understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness, and transparency of reporting, and compliance with relevant regulations and laws, is effective and can reasonably ensure the achievement of the aforementioned objectives.
6. This statement will become a major component of the Company's annual report and prospectus, and will be disclosed to the public. If any of the disclosed content contains falsehoods, concealments, or other illegalities, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act. 7. This statement was approved by the Board of Directors of the Company on March 6, 2025. Among the 6 directors in attendance, 0 expressed objections, and the rest agreed with the content of this statement, which is hereby declared.

Fulin Plastic Industry (Cayman) Holding Co., Ltd.

Chairman: Wang, Yuan-Lin

General Manager: Wang, Yuan-Lin

Fulin Plastic Industry (Cayman) Holding Co., Ltd.

Chairman: