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Qualipoly Chemical Corp.

Annual Report 2024

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Qualipoly Chemical Corp.：http://www.qualipoly.com.tw

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1. Letter to Shareholders

Dear Shareholders,

Despite the lifting of COVID-19 restrictions on May 1, 2023, the Russo-Ukrainian War shows no signs of abating. Coupled with the United States' aggressive interest rate hikes to curb inflation, global economic momentum has been significantly dampened, with industries across the board struggling with inventory liquidation. Although signs of recovery began to emerge in the second half of the year, on October 7, 2023, Hamas launched missiles at Israeli, reigniting hostilities and exacerbating the Red Sea Crisis, further destabilizing the economy.

Entering 2024 with optimism, central banks worldwide began reducing interest rates, and the global economy began showing signs of gradual recovery. The Company also experienced positvie effects of this recovery, with performance in the first half of the year continuing the recovery momentum from the latter half of 2023. Notably, the European market benefited from major sporting events such as the Olympics and the UEFA European Championship, leading to impressive results. As a result, the Company achieved the target of quarter-on-quarter growth for the first half of the year. However, after these events concluded, market demand quickly tapered off. The U.S. market showed no significant improvement, and despite expectations of explosive demand from the Chinese market following the lifting of lockdowns, the impact was minimal. Instead, new suppliers from China emerged, aggressively cutting prices to capture market share. Moreover, due to the lingering effects of the Red Sea crisis, inventory levels remained high, pushing the Company back into an inventory liquidation cycle. This led to declines in both price and volume, with gross profit margins reaching near historic lows.

2025 will mark a year of significant transformation for the Company. In addition to the Annan Plant, which is expected to begin trial runs in the third quarter before moving into full-scale production, the Yongan Plant is actively working on key initiatives, including (1) the installation of large-scale reaction equipment for electronic chemical materialss, along with plans for subsequent capacity expansion; (2) the establishment of equipment to increase PSMA production capacity; and (3) the construction of automated warehouses to improve operational efficiency.

Addressing the transformation of the Yongan Plant, the Jiangmen Plant in China will receive technology transfers from our factory: (1) Promoting the application of UV curable resin to China's market, with an initial focus on coating resins and 3D printing resins. Key initiatives include: (1) expanding the application of UV-curable resins to the Mainland China market, with an initial focus on coating resins and resins for 3D printing; and (2) leveraging the benefits of being an ASEAN member, orders will be handled in Taiwan, with shipments being made from China.

Achieving a seamless transition at the Yongan Plant during this production line change is undoubtedly challenging. There will inevitably be some loss of production capacity, leading to supply gaps, which makes ensuring smooth operations the most pressing challenge for the upcoming year.

With Trump returning to power in 2025, it is expected that the global economy will face more policy changes and challenges, bringing both new stimuli and obstacles to the U.S. and the global economy. We hope that global economic growth can break free from the post-pandemic slowdown, that geopolitical tensions will ease, and that order will be restored. How eagerly we await this!

A summary of our performance in 2024 is as follows:

1.1 Results of implementing the business plan

1) Results of implementing the business plan

In 2024, the consolidated net operating income is NT$4,039,743 thousand, representing a year-over-year increase of 16.93%, and the operating net operating profit is NT$260,064 thousand, the net profit before tax is NT$289,921 thousand, the net profit after tax is NT$224,543 thousand, the profit per share after tax is NT$2.25.

2) Overview of the budget execution process

In 2024, the budgeted consolidated sales volume is 50,840 metric tons, and the actual consolidated sale volume is 47,254 metric tons, representing a budget achievement rate of 93%.

3) Financial revenue and expenditure and profitability analysis

Unit: NT$ millions

Items	2024	2023	Percent Change (%)
Operating income	4,039,743	3,454,793	16.93
Operating Costs	3,362,493	2,927,080	14.88
Operating profit	677,250	527,713	28.34
Operating Expenses	417,186	361,812	15.30
Net operating profit	260,064	165,901	56.76
Non-Operating Income and Expenses	29,857	46,949	(36.41)
Net profit before tax	289,921	212,850	36.21
Net Profit After Tax	224,543	167,026	34.44
Interest Coverage Ratio (times)	24.30	20.87	16.44
Return on Assets (%)	4.70	3.82	23.04
Return on Equity (%)	7.58	5.76	31.60
Ratio of Operating Income to Paid-up Capital (%)	26.00	16.59	56.72
Ratio of Pre-tax net Profit to Paid-up Capital (%)	28.99	21.28	36.23
Net Profit Ratio (%)	5.56	4.83	15.11
Earnings per Share (NT$)	2.25	1.67	34.73

4) Research and Development

Our R&D strategy not only continuously expand our existing product but also seek out forward-looking product development in other areas of resin application. Additionally, we aim to strategically position ourselves in the long-term technological developments of the industry. Among these, the focus of R&D is on reducing carbon materials related to net-zero carbon emissions and specialty resins for electronic industry applications:

A. In the existing product field, we focus on customer-oriented research and development of products that are highly functional, cost-effective, and easy to operate. This would be to enhance our customers' competitiveness and achieve mutual growth

B. In existing product areas, in line with the evolving updates to chemical regulations in various countries and advanced values such as net-zero carbon emissions, we are focusing on developing low-toxicity products, low-VOC emission products, and low-carbon emission products that meet customer and industry demands.

C. For high value-added strategic products, increase technical service personnel and expand the applicable scope and customer base in order to enhance product value and market application.

D. We will collaborate with relevant industry partners to develop electronic application products and accelerate the product transformation time.

E. We will implement the manufacturing process improvement plan to improve production efficiency and reduce waste emissions to fulfill our corporate social responsibility.

F. To address social concerns such as net-zero carbon emissions, we have established a task force to collect relevant information and present reports.

G. We will strengthen the talent, technology, resources, and management of quality assurance department and consolidate our handling of chemical regulations. This is to meet the increasing demand for high-value transformation and the increasingly stringent regulations of various countries.

1.2 Overview of Business Plan in 2025

1. Business objectives

1) We adhere to the fundamental principles of professionalism, integrity, and innovation, establish our values, and shape into enterprise culture. We also carry out the service attitude of quality first and customers foremost.

2) We will enhance our R&D capabilities and make good use of external R&D resources to increase our development capacity to produce cutting-edge and high-functioning products.

3) We will seek opportunities for “cross-industry cooperation and win-win market” to expand our market area, increase interdisciplinary capabilities, and actively drive transformational efforts.

4) We will transfer the production of conventional resins to our factories in China during the transformation process and make the most of these factories to reap the benefits of the ASEAN Plus Three Cooperation.

5) Accelerating the development of electronic chemical products and making significant advances into the semiconductor field.

2. Sales forecast and sales policy

The expected merged sales volume is approximately 55,970 metric tons, which is the most suitable estimate based on market conditions.

3. Production and Marketing Policies

(1) Production Policies

A. Implement lean management to improve productivity; eliminate waste and reduce production costs.

B. Strengthen the refinement of manufacturing process of the UV curable resin to improve productivity and enhance competitiveness.

C. The plant design will be modified to add a 5G materials production line, and the next phase of capacity expansion is being planned.

D. Continuously reviewing waste reduction and increasing the percentage of in-house recycling and reuse.

E. Use information management system, and increase the level of automation control to enhance process stability and enhance quality management to enhance the precision of quality.

F. Strengthen education and training, enhance human resource quality, promote a refined work culture; cultivate cross-functional staff and maximum the human resources.

G. Adhere to the spirit of ISO 9001 international quality certification, continuously improve and strive for excellence.

H. Implement the spirit of ISO 14001 and ISO 45001, actively push forward energy conservation policies, strictly abide by laws and regulations, reduce pollution, control risks, and build a safe, healthy, and friendly working places and production conditions.

(2) Sales Policies

A. Adhere to customer-oriented service, strengthen the connection and interaction with customers, maintain market sensitivity, innovate products that meet customer needs, and grow together with customers.

B. Replicate successful overseas sales cases and explore new foreign sales areas.

C. Face on the major trends of "environmental demands", "alternative energy", and "circular economy", we innovate "ESG products".

D. Strengthen the application of UV resin and explore new markets distinct from coating.

1.3 The Company's future Development Strategy, and the Effect of the External Competition, the Legal Environment, and the Overall Business Environment

1. In the future, the trend of paint regulations is towards products with low solvents, high solid ingredients, benzene free and styrene monomer free. Even the customers are demanding to low-carbon, environmental friendly and using recycle materials. Therefore, we will actively develop such products to gain a market advantage.
2. The Company's main product is UV curable resin, which meets the characteristics of energy-saving and environmental friendly concepts and has become mainstream. We need to take its advantages to continue developing more extensive applications and expanding continuously the company's business share to create profits.
3. The ratio of export has reached 75%. If Taiwan accelerates the signing of free trade agreements with major export destinations, it will enhance the company's competitiveness. To compensate for delays in signing trade agreements, we are actively transferring technology. Leveraging the advantages of our China's factories, we are marketing products in Southeast Asia through the "ASEAN+3" strategy.
4. Products exported to Europe (EU) must register REACH. The company's main UV curable resins have already completed the registration, which will be a threshold relative to other competitors.
5. We have registered K-REACH in response to market demand which is advantageous for sales promotion in Korea.

Sincerely yours,

Chairman Tsai, Yeou-Liang
General Manager Wang, Hai-Cheng

II. Corporate Governance Report

2.1 Directors, Supervisors, General Manager, Deputy General Manager, Senior manager, Departments and Branches Officer Information

2.1.1 Directors and Supervisors information (1)

Date: March.25, 2025 Unit: share, %

Job title	Nationality	Name	Gender Age	Date of appointment to position	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Chairman	R.O.C.	Tsai Yeou Liang	Male (81~90 years old)	Jun. 08, 2023	3	Nov. 20, 1978	3,858,633	3.86%	3,858,633	3.82%	1,000,530	0.99%	0	0.00%	Dept. of Chemistry, National Taiwan Normal University Deputy General manager in Etemal General Manager in Chinafrp	Chairman of the company Chairman of ChaoJian Investment Corporation Limited	No	No	No	
Director	R.O.C.	Gao Hong Rong	Male (70~80 years old)	Jun. 08, 2023	3	Feb. 26, 1982	940,728	0.94%	940,728	0.93%	79,138	0.08%	0	0.00%	National University of Tainan Operating Manager in Etemal Operating Manger of the company	No	No	No	No	
Director	R.O.C.	Wang Hai Cheng	Male (70~80 years old)	Jun. 08, 2023	3	Feb. 26, 1982	1,347,820	1.35%	1,347,820	1.33%	0	0.00%	0	0.00%	Dept. of Mechanical Engineering in National Taipei Institute of Technology Deputy General Manager of the company Production Manager of Chinafrp	General manager of the company	No	No	No	
Director	R.O.C.	Chiu Nu Chu	Female (70~80 years old)	Jun. 08, 2023	3	Jul. 1, 1991	1,476,300	1.48%	1,476,300	1.46%	76,234	0.08%	0	0.00%	MBA of National Su Yat-Sen University Dept. of Accountancy in National Cheng Kung University Deputy General Manager & Spokesperson of the company Financial Manager of Chinafrp	No	No	No	No	
Director	R.O.C.	ChaoJian Investment Corporation Limited	Not applicable	Jun. 08, 2023	3	Jun. 10, 2020	9,759,757	9.76%	12,530,757	12.40%	Not applicable	Not applicable	0	0.00%	Not applicable	Not applicable	NA	NA	NA	
		Rep.: Tsai Chih Hsiang	Male (41~50 years old)				38,024	0.04%	106,024	0.10%	3,000	0.00%	0	0.00%	PhD in Chemical Engineering in Iowa State University, USA Chairman Assistant of the company	Director of ChaoJian Investment Corporation Limited	No	No	No	
Director	R.O.C.	Hong Ren Investment Corporation Limited.	Not applicable	Jun. 08, 2023	3	Jun. 10, 2020	972,718	0.97%	972,718	0.96%	Not applicable	Not applicable	0	0.00%	Not applicable	Not applicable	NA	NA	NA	
		Rep.: Hsu Po Wei	Male (70~80 years old)				0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master in Chemical Engineering at USC, USA Chairman of Hua Nan Securities	No	No	No	No	
Independent Director	R.O.C.	Chung Feng Yuan	Male (41~50 years old)	Jun. 08, 2023	3	Jun. 10, 2020	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master in Dept Marketing at National Investor of Welldone Company General Manager of Wtenergy Chiayi University Manger in Dept. of direct invest at GAINS Investment Corp.	Person in charge of Pecunia Partners Investment Co., Ltd	No	No	No	
Independent Director	R.O.C	Huang Jin Song	Male (60~70 years old)	Jun. 08, 2023	3	Jun. 08, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master in Dept. of Finance, National SunYat-sen University Director of Pintung Branch, National Taxation Bureau of the Southern Area, Ministry of Finance	No	No	No	No	
Independent Director	R.O.C	He Hong En	Male (41~50 years old)	Jun. 08, 2023	3	Jun. 08, 2023	0	0.00%	0	0.00%	0	0.00%	0	0.00%	PhD in Dept. of Chemistry in Iowa State University, USA Dept. of Chemistry, National Taiwan University	Deputy General Manager /Supervisro of Catal Material Industrial Co., Ltd.	No	No	No	

Note: The shareholding ratio is calculated based on the total number of outstanding common shares of 101,059,159 as of March 31, 2025.

2.1.1.1 Major shareholders of the corporate shareholders

Mar.25, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
ChaoJian Investment Corporation Limited. Rep. Tsai Chih Hsiang	Tsai Yeou Liang (19.7%)、Wang Hai Cheng (12.5%)、Chiu Nu Chu (12.5%)、Tsai Kun Ta (10%)、Tsai I Chen (10%)、Tang Yu Sung (9.2%)、Chu Ching Yu (8.3%)、Tsai Chih Hsiang (7%)、Tsai Hsing Yun (6.7%)、Tsai Hsiao Hao (4.1%)
Hong Ren Investment Corporation Limited. Rep. Hsu Po Wei	Mao Tong Investment Corporation Limited (100%)

2.1.1.2 Major shareholders of the Company's major corporate shareholders

Mar.25, 2025

Name of corporate shareholder	Major shareholders of the corporate shareholder
Mao Tong Investment Corporation Limited	Hsu Yuan Chen (98%) Hsu Chen An Lan (2%)

2.1.2 Information of Directors and Supervisors (2)

Information on the Directors and Supervisors Independence

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Tsai Yeou Liang	More than 5-year work experience. Previously served as deputy general manager in Etemal and General Manager in Chinafrp. Currently serving as chairman in the company. No circumstances as defined in Article 30 of the Company Act.	(1) Not related as spouse or within second-degree of kinship with any other directors. (2) Not elected as a representative of government, legal entity, or its representative as defined in Article 27 of the Company Act.	No
Gao Hong Rong	More than 5-year work experience. Previously served as operating manager in Etemal. Currently serving as operating manager in the company. No circumstances as defined in Article 30 of the Company Act.	(1) Not an employee of this company or any of its affiliated enterprises. (2) Not related as spouse or within second-degree of kinship with any other directors. (3) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, one of the top five shareholders, or a representative appointed as a director or supervisor under Article 27, Paragraph 1 or 2 of the Company Act. (4) Not a director, supervisor, or employee of another company whose director, supervisor, or employee controls over half of the voting rights or board seats of this company. (5) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as the chairman, general manager, or equivalent position of this company, or is the spouse of such person. (6) Not a director, supervisor, or manager of a specific company or institution that has financial or business dealings with this company, or a shareholder holding more than 5% of the shares of such company or institution. (7) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years.	No

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Wang Hai Cheng	More than 5-year work experience. Previously served as deputy General Manager in the company and production manager in Chinafrp. Currently serving as General Manager in the company. No circumstances as defined in Article 30 of the Company Act.	(1) Not related as spouse or within second-degree of kinship with any other directors. (2) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, one of the top five shareholders, or a representative appointed as a director or supervisor under Article 27, Paragraph 1 or 2 of the Company Act. (3) Not a director, supervisor, or employee of another company whose director, supervisor, or employee controls over half of the voting rights or board seats of this company. (4) Not a director, supervisor, or manager of a specific company or institution that has financial or business dealings with this company, or a shareholder holding more than 5% of the shares of such company or institution. (5) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years.	No

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Chiu Nu Chu	More than 5-year work experience. Previously served as Financial Manager in Chinafrp and Financial Manager and Deputy general manager & spokesperson in the company. No circumstances as defined in Article 30 of the Company Act.	(1) Not an employee of this company or any of its affiliated enterprises. (2) Not related as spouse or within second-degree of kinship with any other directors. (3) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, one of the top five shareholders, or a representative appointed as a director or supervisor under Article 27, Paragraph 1 or 2 of the Company Act. (4) Not a director, supervisor, or employee of another company whose director, supervisor, or employee controls over half of the voting rights or board seats of this company. (5) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as the chairman, general manager, or equivalent position of this company, or is the spouse of such person. (6) Not a director, supervisor, or manager of a specific company or institution that has financial or business dealings with this company, or a shareholder holding more than 5% of the shares of such company or institution. (7) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years.	No
ChaoJian Investment Corporation Limited. Rep.: Tsai Chih Hsiang	More than 5-year work experience. Previously served as chairman assistant in the company. Currently served as Executive Deputy General Manager. No circumstances as defined in Article 30 of the Company Act.	(1) Not a director or supervisor of the Company or any of its affiliated enterprises. (2) Neither the individual nor their spouse, minor children, or natural person shareholders holding 1% or more of the total issued shares of the Company or among the top ten shareholders under another person's name. (3) Not related as spouse or within second-degree of kinship with any other directors (4) Not a director, supervisor, executive, or shareholder holding 5% or more of shares of any specific company or organization that has financial or business transactions with the Company. (5) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years.	No

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Hong Ren Investment Corporation Limited. Rep.: Hsu Po Wei	More than 5-year work experience. Previously served as Chairman, General Manager and CEO in Hua Nan Securities. No circumstances as defined in Article 30 of the Company Act.	(1) Not an employee of the Company or its related companies. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Neither the person nor their spouse, minor children, or any natural person shareholder holding more than 1% of the total issued shares of the Company or within the top ten shareholders. (4) Excluding the executives listed above (1) and the spouses, first-degree relatives within the second degree of kinship or third-degree relatives within the direct line of consanguinity of the personnel listed above (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, one of the top five shareholders, or a representative appointed as a director or supervisor under Article 27, Paragraph 1 or 2 of the Company Act. (6) Not a director, supervisor, or employee of another company whose director, supervisor, or employee controls over half of the voting rights or board seats of this company. (7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as the chairman, general manager, or equivalent position of this company, or is the spouse of such person. (8) Not a director, supervisor, or manager of a specific company or institution that has financial or business dealings with this company, or a shareholder holding more than 5% of the shares of such company or institution. (9) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years.	No
Chung Feng Yuan (Note)	More than 5-year work experience. Previously served as Manager at Dept. of direct investment in GAINS Investment Corp. Investor in Welldone Company and General Manager / Director in Wtenergy. Currently served as person in charge of Pecunia Partners Investment Co., Ltd. No circumstances as defined in Article 30 of the Company Act.	(1) Not an employee of the Company or its related companies. (2) Not a director or supervisor of the Company or any of its affiliated enterprises. (3) Neither the person nor their spouse, minor children, or any natural person shareholder holding more than 1% of the total issued shares of the Company or within the top ten shareholders. (4) Excluding the executives listed above (1) and the spouses, first-degree relatives within the second degree of kinship or third-degree relatives within the direct line of	No

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Huang Jin Song (Note)	More than 5-year work experience. Previously served as Former Director of National Taxation Bureau of the Southern Area, Ministry of Finance. No circumstances as defined in Article 30 of the Company Act.	consanguinity of the personnel listed above (2) and (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares of the company, one of the top five shareholders, or a representative appointed as a director or supervisor under Article 27, Paragraph 1 or 2 of the Company Act. (6) Not a director, supervisor, or employee of another company whose director, supervisor, or employee controls over half of the voting rights or board seats of this company. (7) Not a director, supervisor, or employee of another company or institution whose chairman, general manager, or equivalent position is the same person as the chairman, general manager, or equivalent position of this company, or is the spouse of such person. (8) Not a director, supervisor, or manager of a specific company or institution that has financial or business dealings with this company, or a shareholder holding more than 5% of the shares of such company or institution. (9) Not a professional, sole proprietorship, partnership, company or organization that provides business, legal, financial, accounting or other related services, or the owner, partner, director, supervisor, manager and their spouse, who has provided auditing or received remuneration from the company or its affiliated enterprises for such services within the past two years. (10) No government, legal person, or their representatives have been elected as specified in Article 27 of the Company Act.	No
He Hong En (Note)	More than 5-year work experience. Currently served as Vice General Manager/Supervisor of Catal Material Industrial Co., Ltd. No circumstances as defined in Article 30 of the Company Act.		No

Note : Chung Feng Yuan, Huang Jin Song& He Hong En are the members of the Independent Directors, Remuneration Committee, and Audit Committee of the company.

2.1.2.1 **Board Diversity and Independence**

(1) Board Diversity：

The company has established a policy for board diversity as outlined in the "Corporate Governance Best Practice Principles", including but not limited to the following two aspects：

A. Basic criteria and values: gender, age, nationality, and culture, etc.

B. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and experience, etc.

The current board of directors consists of 9 members, and the specific goals and achievements of the board's diversity policy are as follows：

A. Goals and achievements：

Goals	Achievements
The board of directors must include at least one female member	Yes
Directors who also serve as managers of the company should not exceed 1/3 of the total number of directors	Yes
There should not be more than 2 directors who have a spousal relationship or a relative within the second degree of kinship among them.	Yes
Independent directors may not serve for more than 3 terms	Yes

B. The implementation of the diversity of the board of directors are as follows：

Diversity / Name of directors	Nationality	Gender	Composition								Professional qualifications and experience							
			Employee Status	Age				Terms of Independent Director			Operational Judgment	Financial Accounting	Business Management	Crisis Management	Industry Knowledge	International Outlook	Leadership decision-making	Legal Matters
				40 ~ 50 Years old	51 ~ 60 Years old	61 ~ 70 Years old	Above 70 Years old	Less than3 years	3~9 years	Less than9 years								
Tsai Yeou Liang	R.O.C.	Male					V				V		V	V	V	V	V	
Wang Hai Cheng	R.O.C.	Male	V				V				V		V	V	V	V	V	
Chiu Nu Chu	R.O.C.	Female					V				V	V	V	V	V	V	V	
Gao Hong Rong	R.O.C.	Male					V				V		V	V	V	V	V	
ChaoJian Investment Corporation Limited Rep.：Tasi Chih Hsiang	R.O.C.	Male	V	V							V		V	V	V	V	V	
Hong Ren Investment Corporation Limited Re p.：Hsu PoWei	R.O.C.	Male					V				V	V	V	V	V	V	V	
Chung Feng Yuan	R.O.C.	Male		V				V			V	V	V	V	V	V	V	
Huang Jin Song	R.O.C.	Male				V		V			V	V	V	V	V	V	V	
He Hong En	R.O.C.	Male		V				V			V		V	V	V	V	V	

(2) Diversity of the board of directors:

The current board of directors consists of 9 members, including 1 female director and 3 independent directors. Two of the directors also hold executive positions. None of the directors have spouses or immediate relatives within the second degree of kinship, and none of the independent directors have served more than 9 consecutive years. All members of the board are native. The board composition is 33% independent directors (3 members), 22% employee directors (2 members), and 11% female directors. The age range of the board members is from 40 to 50 years old for 3 directors, from 60 to 70 years old for 1 director and 70 years old and above for 5 directors.

The professional backgrounds and skills of the directors cover areas such as financial accounting, chemical engineering, and business management, and they all possess leadership and decision-making abilities, as well as rich industry knowledge and experience. Information on the educational background, gender, and work experience of each director is available on page 4 of this annual report.

The independent directors of the current board of directors all comply with the regulations regarding independent directors set forth by the Financial Supervisory Commission's Securities and Futures Bureau, and there are no circumstances as stipulated in Article 26-3, paragraphs 3 and 4 of the Securities Trading Act between any of the directors or independent directors. The board of directors of the company is independent. Please refer to pages 6-11 of this annual report for information on the professional qualifications of the directors and the independence of the independent directors.

2.1.2.2General Manager, Deputy General Manager, Senior manager, Departments and Branches Officer Information

Date: March 25,2025

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
General manager	R.O.C	Wang Hai Cheng	Male	Nov.01, 2006	1,347,820	1.33%	0	0.00%	0	0.00%	Dept. of Mechanical Engineering in National Taipei Institute of Technology Operating Manger & General Manager of the company	No	No	No	No	
Deputy general manager	R.O.C	Tsai Chih Hsiang	Male	Mar.10, 2020	106,024	0.10%	3,000	0.00%	0	0.00%	PhD in Chemical Engineering in Iowa State University, USA Chairman Assistant of the company	Director of ChaoJian Investment Corporation Limited.	No	No	No	
Deputy general manager	R.O.C	Kuo Hung Chi	Male	Nov.09, 2022	3,303	0.00%	0	0.00%	0	0.00%	Dept. of Chemical Engineering, Tamkang University Consultant of the company	No	No	No	No	
Deputy general manager of North District	R.O.C	Chen Tai Chang	Male	Jan.01,2020	282,578	0.28%	0	0.00%	0	0.00%	Dept. of Chemistry Engineering in Chinese Culture University. Senior Manager of north district	No	No	No	No	
R&D Senior Manager	R.O.C	Chen Fu Lin	Male	Feb.01, 2024	66,000	0.07%	0	0.00%	0	0.00%	PhD in Dept. of Chemistry, NCKU Senior Manager of R&D dept. of the company	No	No	No	No	
Factory manager of Yongan Plant	R.O.C	Huang Seng Wen	Male	Jan.18, 2007	282,142	0.28%	4,531	0.00%	0	0.00%	Dept. of Chemistry Engineering in National Cheng Kung University. Production associate of the company	No	No	No	No	
Manager of Middle District	R.O.C	Wu Kuo Chen	Male	Sep.01, 2016	142,550	0.14%	7,380	0.01%	0	0.00%	Dept. of Tourism in Providence University. Deputy Manager of Middle District.	No	No	No	No	
Manager of South District	R.O.C	Su Shen Lung	Male	Aug.01, 2008	8,680	0.00%	0	0.00%	0	0.00%	Master of Chemistry in National Sun Yat-Sen University Deputy Manager of South District	No	No	No	No	
Manager of overseas dept.	R.O.C	Chao Yao Hsin	Male	Dec.26, 2017	58,000	0.06%	0	0.00%	0	0.00%	Dept. of International Business, National Taiwan University Deputy Manager of Overseas Dept.	No	No	No	No	
Deputy manager of material dept.	R.O.C	Wang Tzu Yuan	Female	Jul.26, 2020	601,912	0.60%	0	0.00%	0	0.00%	MBA from University of Birmingham, UK Purchase Officer of the company.	No	General Manager	Wang Hai Chen	Father & daughter	
Deputy manager of Admi. Dept	R.O.C	Huang Shu Min	Female	Aug.01,2021	46,744	0.05%	1,436	0.00%	0	0.00%	St. Dominic Catholic High School Senior Specialist of the Economic Committee of the company.	No	No	No	No	
Financial Senior Manager (CFO / Corporate Governance Officer)	R.O.C	Ho Yin Tang	Male	Aug.01,2016	94,000	0.09%	0	0.00%	0	0.00%	Master of Dept. of Accounting in National Chengchi University Deputy Manager in Deloitte Financial associate & Spokesperson of the company	No	No	No	No	
Account manager of IT Dept.	R.O.C	Li Jiong Ming	Male	Aug.26,1995	50,000	0.05%	0	0.00%	0	0.00%	Master of Chemistry Engineering in National Cheng Kung University. Account Manager of IT Dept. of the company.	No	No	No	No	
Account manager of audit office	R.O.C	Tsai Hsing Yun	Female	Feb.16,2007	173,000	0.17%	0	0.00%	0	0.00%	Dept. of Tourism Management in Shih Chien University Account Manager of Audit Office of the company	No	No	No	No	

Note: The shareholding ratio is calculated based on the total number of outstanding common shares of 101,059,159 as of March 31, 2025.

2.1.2.3 Chairman and the General Manager or equivalent positions (the highest executive) being the same person, spouses, or first-degree relatives should explain the reasons, rationality, necessity, and corresponding measures:

Not applicable.

2.2 Last Remuneration to Directors, Supervisors, General Manager, Deputy General Manager

2.2.1 Remuneration of the directors and independence directors

Date: Dec.31, 2024 Unit: NT$ thousand; %

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base remuneration (A)		Retirement pay and pension (B)		Director profit sharing remuneration (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		employee profit-sharing remuneration (G)						
																The Company		All consolidated entities				
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All consolidated entities	
Director	Tsai Yeou Liang	2,471	2,471	0	0	2,250	2,250	50	50	4,771 2.12%	4,771 2.12%	0	0	0	0	0	0	0	0	4,771 2.12%	4,771 2.12%	No
Director	Wang Hai Cheng	0	0	0	0	1,500	1,500	50	50	1,550 0.69%	1,550 0.69%	3,490	3,490	0	0	10	10	0	0	5,050 2.25%	5,050 2.25%	No
Director	Gao Hong Rong	366	366	0	0	750	750	50	50	1,166 0.52%	1,166 0.52%	0	0	0	0	0	0	0	0	1,166 0.52%	1,166 0.52%	No
Director	Chiu Nu Chu	0	0	0	0	750	750	35	35	785 0.35%	785 0.35%	0	0	0	0	0	0	0	0	785 0.35%	785 0.35%	No
Director	ChaoJian Investment Corporation Limited. Rep.: Tsai Chih Hsiang	0	0	0	0	1,500	1,500	50	50	1,550 0.69%	1,550 0.69%	0	0	0	0	0	0	0	0	1,550 0.69%	1,550 0.69%	No
Director	Hong Ren Investment Corporation Limited. Rep.: Hsu Po Wei	0	0	0	0	750	750	25	25	775 0.35%	775 0.35%	0	0	0	0	0	0	0	0	775 0.35%	775 0.35%	No
Independent Director	Chung Feng Yuan	600	600	0	0	0	0	48	48	648 0.29%	648 0.29%	0	0	0	0	0	0	0	0	648 0.29%	648 0.29%	No
Independent Director	Huang Jin Song	480	480	0	0	0	0	60	60	540 0.24%	540 0.24%	0	0	0	0	0	0	0	0	540 0.24%	540 0.24%	No
Independent Director	He Hong En	480	480	0	0	0	0	60	60	540 0.24%	540 0.24%	0	0	0	0	0	0	0	0	540 0.24%	540 0.24%	No

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): No

2.2.2 Remuneration of the General Manager & Deputy General Manager

Date: Dec.31, 2024 Unit：NT$ thousand；%

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing remuneration (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company		All Consolidated entities		The Company	All Consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General manager	Wang Hai Cheng	1,749	1,749	0	0	1,741	1,741	10	0	10	0	3,500 1.56%	3,500 1.56%	No
Deputy general manager	Tsai Chih Hsiang	1,526	1,526	87	87	1,728	1,728	10	0	10	0	3,351 1.49%	3,351 1.49%	No
Deputy general manager	Kuo Hung Chi	1,819	1,819	108	108	1,302	1,302	10	0	10	0	3,239 1.44%	3,239 1.44%	No
Deputy general manager of North Dist.	Chen Tai Chang	1,198	1,198	70	70	1,246	1,246	10	0	10	0	2,524 1.12%	2,524 1.12%	No

2.2.3 Compensation for the top five highest paid executives in the company

Date: Dec.31, 2024 Unit：NT$ thousand；%

Job title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing remuneration (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company		All Consolidated entities		All Consolidated entities	All Consolidated entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
General manager	Wang Hai Cheng	1,749	1,749	0	0	1,741	1,741	10	0	10	0	3,500 1.56%	3,500 1.56%	No
Deputy general manager	Tsai Chih Hsiang	1,526	1,526	87	87	1,728	1,728	10	0	10	0	3,351 1.49%	3,351 1.49%	No
Deputy general manager	Kuo Hung Chi	1,819	1,819	108	108	1,302	1,302	10	0	10	0	3,239 1.44%	3,239 1.44%	No
Factory manager of Yongan Plant	Huang Seng Wen	1,425	1,425	83	83	1,689	1,689	10	0	10	0	3,207 1.43%	3,207 1.43%	No
R&D Senior Manager	Chen Fu Lin	1,246	1,246	76	76	1,724	1,724	10	0	10	0	3,056 1.36%	3,056 1.36%	No

2.2.4 Remuneration of the Managers

2024unit: NT$ thousand

	Job title	Name	Amount in stock	Amount in cash	Total	As a % of net profit
Manager	General manager	Wang Hai Cheng	0	70	70	0.031
	Deputy general manager	Tsai Chih Hsiang				
	Deputy general manager	Kuo Hung Chi				
	Deputy general manager of North Dist.	Chen Tai Chang				
	R&D Senior Manager	Chen Fu Lin				
	Factory manager of Yongan Plant	Huang Seng Wen				
	Financial senior manager	Ho Yi Tang				

2.2.5 The analysis of total amount of remuneration paid to directors,general managers, and deputy general managers by the Company and by all companies included in the consolidated financial statements in the past two fiscal years as a percentage of the after-tax net income of the individual or separate financial reports, and explain the policies, standards, and combinations of remuneration, as well as the procedures for setting remuneration and the correlation between operational performance and future risks:

1) The analysis of total amount of remuneration paid to directors,general managers, and deputy general managers by the Company and by all companies included in the consolidated financial statements in the past two fiscal years as a percentage of the after-tax net income of the individual or separate financial reports.

Except for the company, no remuneration was paid to directors,general managers, and deputy general managers in the consolidated subsidiaries, therefore the following analysis only pertains to this company.

Unit: NT$ thousand & %

Position	2024		2023	
	The amount of remuneration	The ratio of after-tax profit	The amount of remuneration	The ratio of after-tax profit
Directors	12,325	5.49%	13,737	8.22%
General Managers & Deputy General Managers	12,664	5.64%	12,609	7.55%

2) Remuneration Policy, Standards, and Packages, the Procedure for Determining remuneration, and its linkage to operating performance and future risk exposure.:

1. According to the company's articles of incorporation, the remuneration of the company's directors is authorized by the board of directors, based on their level of involvement with the company, the value of their contributions, and the standard practices within the industry. If the company achieves a pre-tax profit in a given year, 1% to 1.5% of the profit should be allocated for employee compensation, to be distributed in the form of either stock or cash as determined by the board of directors. The company may also allocate up to 3% of the aforementioned profit for director remuneration, as decided by the board. The distribution of employee and director

remuneration should be reported to the shareholders' meeting.

2. Director remuneration includes a portion for directors who also serve as employees, covering both employee salaries and compensation for performing their duties, as well as director remuneration for profit distribution and attendance fees for board meetings. The portion for directors who also serve as employees and for performing duties, excluding year-end bonuses, is determined based on industry salary levels, scope of responsibilities, education and experience, job title, and individual performance, regardless of profits or losses. Individual performance evaluation items include financial indicators such as revenue and net profit achievement rates, research and development results, and corporate governance evaluation scores. Year-end bonuses are based on the company's annual profits and individual salary standards. Independent directors of the company receive only fixed remuneration and do not participate in the director remuneration for profit distribution. Other directors participate in the director remuneration for profit distribution as stipulated in the articles of incorporation, which is highly correlated with the company's annual profits. Attendance fees for board meetings are paid based on attendance.
3. The remuneration for the general manager and deputy general manager includes salary, bonuses, and employee compensation. The salary is determined based on industry salary levels, scope of responsibilities, education and experience, job title, and individual performance. Individual performance evaluation items include financial indicators such as revenue and net profit achievement rates, research and development results, and corporate governance evaluation scores. Bonuses are awarded based on the company's annual profits and individual salary standards. Employee compensation is distributed in accordance with the provisions of the company's articles of incorporation.
4. To motivate senior management, outstanding key professionals, and all employees to focus on long-term comprehensive performance and achieve sustainable operations, starting in 2023, the six major sustainable development strategies and goals will be linked to the short-term and long-term incentive compensation of the general manager and senior management.

   A. General manager: performance indicators - sustainability performance (2%), execution method (weight): green product innovation (2%), low-carbon manufacturing transformation (2%), occupational health and safety (2%), other (2%)
5. The Company has established a remuneration committee in accordance with regulatory requirements. In the past two fiscal years, remuneration for directors,general managers, and deputy general managers was determined by the remuneration committee based on industry standards, individual performance, company operational performance, and the correlation with future risks. The committee submitted their recommendations to the Board of Directors for discussion and approval.
6. The remuneration paid individually has undergone careful internal assessment and has been reviewed and approved by both the remuneration committee and the Board of Directors. The process ensures that no significant future risks will arise.

2.3 Corporate Governance Status

2.3.1 Operation of the Board of Directors

The number of board meetings held in the most recent fiscal year 2024 was 5.The attendance by the directors and supervisors was as follows:

Title	Name	No. of meetings attended in person B	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】	Remarks
Chairman	Tsai Yeou Liang	5	0	100%	.
Director	Gao,Hong Rong	5	0	100%	
Director	Wang Hai Cheng	5	0	100%	
Director	Chiu Nu Chu	5	0	100%	.
Director	ChaoJian Investment Corporation Limited. Rep.: Tsai Chih Hsiang	5	0	100%	
Director	Hong Ren Investment Corporation Limited Rep.: Hsu Po Wei	5	0	100%	
Independent Director	Chung Feng Yuan	5	0	100%	
Independent Director	Huang Jin Song	5	0	100%	
Independent Director	He Hong En	5	0	100%	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:
   (1) Any matter under Article 14-3 of the Securities and Exchange Act.
   (2) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution.: No
2. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted.：

Date	Content of the motion	Directors who abstained from voting, reasons for abstention, and their participation in the vote:
Mar.08, 2024	1. The remuneration to the directors and managerial officers for year 2023.	1. Chairman Tsai Yeou Liang abstained from the discussion and voting due to the potential conflict of interest in this case. Therefore, independent director Chung Feng Yuan was appointed as the acting chairman. 2. Director Wang Hai Cheng, Chiu Nu Chu, Gao Hong Rong, Rep. Tsai Chih Hsiang of ChaoJian Investment Corporation Limited., and Accounting director Ho Yin Tang abstained

		from the discussion and voting due to the potential conflict of interest in this case. 3. Except for the directors who abstained from the discussion and voting in accordance with the regulation, the remaining attending directors did not object and agreed to pass the resolution.
Nov.08, 2024	Proposal for the company's managerial year-end bonus	1. Chairman Tsai Yeou Liang, Director Wang Hai Cheng, and Tsai Chih Hsiang, the representative of ChaoJian Investment Corporation Limited, are the company's managers. These individuals abstained from the discussion and voting due to the potential conflict of interest in this case. Therefore, independent director Chung Feng Yuan was appointed as the acting chairman and preside over the discussion and voting. 2. Except for the directors who abstained from the discussion and voting in accordance with the regulation, the remaining attending directors did not object and agreed to pass the resolution.
	Proposal for appointment of members to the sustainability development committee	1.Director Wang Hai Cheng, independent director Chung Feng Yuan, Huang Jin Song, He Hong En abstained from the discussion and voting due to the potential conflict of interest in this case. 2.Except for the directors (including independent director) who abstained from the discussion and voting in accordance with the regulation, the remaining attending directors did not object and agreed to pass the resolution.

3.Evaluation cycle, period, scope, method and content of the board's self-evaluation：

(1)Annual self evaluation：

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content
Once per year	From Jan.01, 2024 to Dec.31, 2024 (the evaluation results were reported to the board of directors on March 7, 2025	the board of directors, individual board members, and functional committees (remuneration and audit committee)	the board of directors, individual board members, and functional committees (remuneration and audit committee) and board members	(1) The content of the board of directors' performance evaluation includes participation in the company's operations, improving the quality of the board's decision-making, the composition and structure of the board, the selection and continuing education of directors, and internal controls. (2) The content of individual director's performance evaluations includes understanding the company's goals and tasks, awareness of director responsibilities, participation in the company's operations, internal relationship management and communication, director professionalism and continuing education, and internal controls. (3) The content of the functional committee's performance evaluation includes understanding the

				company's goals and tasks, awareness of the functional committee's responsibilities, improving the quality of the functional committee's decision-making, the composition and selection of functional committee members, and internal controls.

(2) Appointment of an external organization for evaluation: In June 2024, the company commissioned the Taiwan Investor Relations Institute to complete an external performance evaluation of the board of directors, and the evaluation results were reported to the board of directors on November 8, 2024.

4. Evaluation of the goals and implementation of strengthening the functions of the board in the current and previous years (such as establishing an audit committee, enhancing information transparency, etc.):

（1）The Company established the "Board Performance Evaluation Method" in 2020 to implement corporate governance and enhance the efficiency of the board's operations.

（2）The Company established an Audit Committee in 2020, consisting of all independent directors to strengthen corporate governance and management.

（3）Since 2021, the Company has established a Remuneration Committee, which is responsible for formulating and periodically reviewing the remuneration of directors and managerial officers.

（4）Important decisions of the board and related corporate governance regulations have been uploaded to the Company's website to strengthen information disclosure by the board.

2.3.2 Operation of the Audit Committee

The attendance of independent directors was as follows:

Title	Name	No. of meetings attended in person B	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】	Remarks
Independent director (Convener)	Chung Feng Yuan	4	0	100%	.
Independent director	Huang Jin Song	4	0	100%	
Independent director	He Hong En	4	0	100%	

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

   (1) Any matter under Article 14-5 of the Securities and Exchange Act.

Meeting Date (Meeting session number)	Meeting content of the motion(s)	All independent director opinions and the company's responses to independent director opinions
Mar. 08, 2024 (3rd meeting of the 2nd session)	1. 2023 business report and financial statements 2. Proposal for 2023 profit distribution 3. Appointment of the accountant and the evaluation of their independence and qualifications, and determination of their remuneration. 4. Derivative trading report of the company 5. Internal audit report 6. The company's 2023 internal control system statement	All of the proposals were unanimously approved by all attending members of the Audit Committee, and were subsequently passed by the Board of Directors without any objection. None of the proposals were approved without prior endorsement by the Audit Committee, and all were supported by more than two-thirds of the Board of Directors.
May. 09, 2024 (4th meeting of the 2nd session)	1.Q1 2024 financial statements 2.Derivative trading report of the company 3.Proposal to amend certain provisions of the company's "Audit Committee Organizational Regulations." 4.Internal audit report 5.Proposal to amend the "Internal Control System - Procurement and Payment Cycle" regarding supplier management operations"	
Aug.08, 2024 (5th meeting of the 2nd session)	1.Q2 2024 financial statements 2.Derivative trading report of the company 3.Internal audit report	
Nov.08, 2024 (6th meeting of the 2nd session)	1.Q3 2024 financial statements 2.Proposal to amend the company's "Internal Control System" and "Internal Audit Implementation Regulations."	

	3.Internal audit report 4.Proposal for the 2025 audit plan	

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: No

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted.: No

3. Communication between independent directors, internal audit supervisors and CPAs (including significant matters, methods and results of communication regarding the company's financial and business conditions):

(1)The internal audit director of the Company regularly communicates the results of the audit report with the Audit Committees and presents an internal audit report at each quarterly meeting of the Audit Committee. In case of any special circumstances, the internal audit director also reports to the Audit Committees immediately. There were no such special circumstances in 2024. The communication between the Audit Committees and the internal audit director of the Company was good.

(2)The accountant reports the results of the audit or review of the financial statements for the quarter at each quarterly meeting of the Audit Committees, as well as other communication matters required by relevant laws and regulations. In case of any special circumstances, the accountant also reports to the Audit Committees immediately. There were no such special circumstances in 2024. The communication between the Audit Committees and the accountant was good.

(3)The communication between the independent directors and the internal audit director and accountant are as follows:

Meeting date	Communication with internal audit director	Communication with accountant
Mar.08, 2024	1.Review internal audit report 2.Review internal control system statement of 2023	Discuss the audit results of the individual and consolidated statements for year 2023
May.09, 2024	1.Review internal audit report 2.Discussion of the amendment of the supplier management operations	Discuss the review result of the 1st quarter financial statements for year 2024
Aug.08, 2024	1.Review internal audit report	Discuss the review result of the 2nd quarter financial statements for year 2024
Nov.08, 2024	1.Review internal audit report 2.Discussion of the amendment of "Sustainability Information Management Operating Procedures" &	1. Discuss the review result of the 3rd quarter financial statements for year 2024 2. Discuss the audit plan for year

	"Internal Audit Implementation Regulations." 3.Review 2025 internal audit plan	2024

4. Annual key point of work and operation status：

(1)Annual key point of work：

1. Regular communication with the internal audit supervisor on the results of the audit report based on the annual audit plan
2. Regularly review or audit results of each quarter's financial statements with accountant.
3. Review financial reports
4. Assess the effectiveness of the internal control system
5. Review and approve the appointment, discharge, remuneration and services provided by the accountants.
6. Evaluation of the independence and suitability of the accountants.
7. Deliberation on the management of assets, derivative products, fund lending, and endorsement guarantees and related transactions.
8. Compliance with regulations.

(2) Operation status of year 2024: All audit committee proposals were reviewed or approved by the audit committee, and the independent directors had no objections.

2.3.3 Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons Yes
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		Established Corporate Governance Best-Practice Principles and disclosed on the website.	V
2. Shareholding Structure and Shareholders' Rights				
(1) Does the Company have Internal Operation Procedures or handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		The company has set up a spokesperson and deputy spokesperson to handle shareholder suggestions or dispute	No
(2) Does the company know the entity of its major shareholders and the parties with ultimate control of the major shareholders	V		The company obtains a list of the main shareholders who actually control the company and the ultimate controllers of the main shareholders. Share-related matters are handled by a professional stock agency.	No
(3) Has the company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		In addition to developing various risk management, the company has also established operational procedures for business, operations, and financial transactions with related enterprises to implement the risk management between the company and related enterprises.	No
(4) Has the company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		The company has established the "Procedures for Handling Material Inside Information and Management of Insider Trading Regulations," which prohibits directors, managers, or employees from trading securities for profit using undisclosed material information in the market. The company conducts educational outreach on the "Procedures for Handling Material Inside Information and Management of Insider Trading Regulations," and related laws at least once a year for current directors, managers, and employees. During the fiscal year 2024, directors, managers, and employees participated in relevant training courses and educational programs on preventing insider trading (please refer to Note 1). On December 28, 2023, the meeting dates for the four 2024 board meetings and the closed periods before the announcement of each quarter's financial reports were notified to the directors and managers via email, to avoid any inadvertent violations of the regulations; On November 22, 2024, the meeting dates for the five 2025 board meetings and the closed periods before the announcement of each quarter's financial reports were notified to the directors and managers via email, to avoid any inadvertent violations of the regulations.	No
3. Composition and responsibilities of the board of directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		The Company has established a policy of board diversity in the "Corporate Governance Best Practice Principles," including but not limited to the following two aspects of standards： (1) Basic Conditions and Values: gender, age, nationality, and culture. (2) Professional Knowledge and Skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience. The current board of directors of the Company is composed of nine directors, and the specific management goals and achievements of the board's diversity policy are as follows: Management goals / Achievements: The board of directors shall include at least one female director — Achieved The number of directors who also serve as company executives shall not exceed one-third of the total number of directors — Achieved No more than two directors who are relatives within the second degree of kinship by marriage — Achieved The term of independent directors shall not exceed three terms — Achieved The members of the board of directors have a diverse background in industries, finance and accounting, and management. Please refer to page 10 of the annual report for more information.	No
(2) Has the Company voluntarily	V		The company established the Remuneration Committee and Audit	No

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	Yes
established other functional committees in addition to the remuneration committee and the audit committee?			Committee in November 2011 and June 2020 respectively to exercise their respective duties. The company may establish other functional committees in the future in accordance with legal requirements or practical needs.	
(3) Has the company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/remuneration for individual directors and their nomination and additional office terms?	V		On March 10, 2020, the Board of Directors approved the "Board of Directors Performance Evaluation Method". The board conducts internal performance evaluations at least once a year, including functional committees, and an external professional independent agency or expert team will conduct an evaluation at least once every three years. 1.Internal performance evaluation： Please refer to the relevant description in (1) Operation of the board of directors: 3. Evaluation Cycle and Period, Scope, Method, and Content of Self-Evaluation of the Board for the internal performance evaluation methods, scope, and content. The evaluation results were reported to the board on March 7, 2025, and served as a reference for the performance, remuneration and reappointment of the board and functional committees. The board, board members, and functional committees all operate effectively and meet the requirements of corporate governance. 2.External performance evaluation：In June 2024, the company appointed the Taiwan Investor Relations Institute to conduct an external board performance evaluation (from September 2023 to August 2024). The institute issued the board performance evaluation report on September 25, 2024. The company presented the relevant recommendations and planned actions to the board of directors on November 8, 2024, and disclosed the related information on the company’s website.	No
(4) Does the company regularly evaluate its accountant independence?	V		The Company refers to Article 47 of the Certified Public Accountant Act and Professional Ethics Bulletin No. 10 "Integrity, Objectivity, and Independence," as well as the Audit Quality Indicators (AQIs) to develop independence assessment items, and conducts regular assessments (at least once a year) of the independence and suitability of the accountants. The latest evaluation results were discussed and approved by the Audit Committee on March 07, 2025, and reported to the Board of Directors for resolution on the same date. All accountants meet the company's standards of independence and suitability (Note 3) and are qualified to serve as the company's accountants.	No

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	Yes
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		On Mar.9, 2022, it was resolved in the board meeting to appoint Mr. Ho Yin-Tang as the Corporate Governance Officer to be responsible for corporate governance-related matters as the highest executive officer with the assistance of the Finance Department. Mr. Ho has over three years of experience in financial management for publicly traded companies. The main responsibilities of the Corporate Governance Officer include coordinating with relevant departments to provide timely information needed for the board to carry out its duties, assisting the board in complying with laws and regulations, handling matters related to the board of directors and shareholders meetings, and implementing corporate governance. The business performance for the fiscal year 2024 is as follows: 1.During fiscal year 2024, the company held a total of 5 board meetings, 4 audit committee meetings, and 2 compensation committee meetings. Notices and meeting agenda were sent out at least 7 days prior to the meetings, and directors were reminded in advance to recuse themselves in case of conflicts of interest. Meeting minutes were sent out within 20 days after each meeting. 2.Regulations revised and approved by the board of directors and various functional committees in fiscal year 2024 include the "Audit Committee Organization Regulations," "Supplier Management Operations," "Rules of Procedure for Board for Directors Meetings," "Sustainable Development Committee Organization Regulations," "Sustainable Information Management Operations Guidelines," and "Internal Audit Implementation Rules." 3.Remind directors of their rights and obligations, provide legal information, and necessary business data to maintain smooth communication between directors and business executives, assisting directors in handling affairs. 4.Independent directors individually meet with the internal audit supervisor or accountant when necessary to understand the company's financial operations. They assist in arranging relevant meetings, with 4 meetings arranged in fiscal year 2024. 5.Provide bilingual information in real-time: Prepare the English and Chinese versions of the annual shareholder meeting report, meeting handbook, annual financial report, and significant information; and announce all relevant information ahead of the statutory deadline. 6.Handle pre-registration for shareholder meetings, prepare meeting notices, agendas, and minutes within the statutory deadlines, and assist in amending articles of association and director re-election matters. 7.Review the publication of significant information regarding important resolutions to ensure the legality and accuracy of the content, thereby safeguarding equal access to trading information for investors. 8.Provide information on training courses and assist in arranging continuous education for directors. All 9 directors attended a total of 24 hours of training in fiscal year 2024. 9.In fiscal year 2024, the total training hours for the governance supervisors were 12 hours (please refer to Note 2: Training Status of Directors and Governance Supervisor).	No
5. Has the company established channel for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		1. The company focuses on the issues and communication channels of stakeholders (Note 4) and has open communication channels with employees, customers, suppliers, investors, communities and other stakeholders, respecting and maintaining their legitimate rights and interests. 2. The company has set up a "Stakeholder area" on the website, and designated responsible personnel to provide appropriate responses to feedback and inquiries from investors, customers, suppliers, employees, and others. The website is https://www.qualipoly.com/zh-tw/.	No
6. Has the company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has appointed a professional stock agent, the Stock Agent Department of Entrust Securities Co., Ltd., to handle all stock-related affairs of the Company.	No
7. Information Disclosure				
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		The Company has a website (www.qualipoly.com.tw) that discloses financial and corporate governance information at all times. In addition, relevant information of the Company can be obtained by querying the Public Information Observation System.	No

Evaluation item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	Yes
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		The company has designated a person to be in charge of the disclosure of significant information and to timely input it into Taiwan Stock Exchange Market Observation Post System and the company's website. The spokesperson system has also been implemented in accordance with regulations, and the materials from corporate briefings are posted on the company's website.	No
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		The Company has announced the financial reports for the first, second, and third quarters, as well as monthly operating status in accordance with the regulations and before the specified deadline. For details, please refer to the website of the Taiwan Stock Exchange Market Observation Post System (https://mops.twse.com.tw/). In the future, the Company will plan to announce the annual financial report within two months after the end of the accounting year, based on the operational needs of the Company.	No
8. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		1. Employee rights: The company protects employee rights in accordance with the Labor Standards Act. 2. Employee care: The company provides related welfare systems and good education and training programs, and establishes communication channels with employees to appropriately respond to suggestions regarding the company's operations and employee benefits 3. Investor relations: The company fully discloses information to investors through Taiwan Stock Exchange Market Observation Post System and the company website to help them understand the company's operational status. The company also communicates with investors through shareholder meetings and spokesperson. 4. Supplier relations: The company regularly evaluates suppliers and maintains good relationships through effective communication. 5. Stakeholder rights: Stakeholders have the right to communicate and provide suggestions to the company to protect their legal interests. 6. Director training: Please refer to the explanation of director and corporate governance officer training in (Note 2) 7. Implementation of risk management policies and risk measurement standards: The company has established management regulations for important management indicators and implements them in accordance with the regulation. 8. Implementation of customer policies: The company maintains stable and good relationships with customers to create profits. The company has passed ISO 9001 certification and has a dedicated department that ensures the implementation of the company's customer policies through overall operations. 9. Liability insurance for directors and important employees: The cumulative limit of indemnity for each claim and during the insurance period is USD 3 million.	No

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.).

1. Improved: Strengthened information disclosure in annual reports and company websites
2. Not yet improved: For other items that have not yet been improved, the company will gradually review and improve them to implement the spirit of corporate governance.

Note 1: The training and education status regarding the prevention of insider trading for directors, managers, and employees during fiscal year 2023 are as follows:

Training Date	Topic of dissemination	The number of people	Training hours
Jan.08, 2024	Case sharing of listed company managers violating ethical corporate management policies	21	1
Jun.12, 2024	Case sharing of violations by listed companies	18	1

Note 2: The training and education status for directors and corporate governance officer:

Title	Name	Training Date	Organization	Course	Training hours
Director	Chiu Nu Chu	Jul.03, 2024	Taiwan Stock Exchange	Cathy sustainable finance and climate change summit	6
Independent director	Chung Feng Yuan	Jul.03, 2024	Taiwan Stock Exchange	Cathy sustainable finance and climate change summit	6
Independent director	Huang Jin Song	Jul.03, 2024	Taiwan Stock Exchange	Cathy sustainable finance and climate change summit	6
Independent director	He Hong En	Jul.03, 2024	Taiwan Stock Exchange	Cathy sustainable finance and climate change summit	6
Corporate Governance Office	He Yin Tang	Apr.17, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Seminar	3
		Jul.03, 2024	Taiwan Stock Exchange	Cathy sustainable finance and climate change summit	6
		Sep.30, 2024	Taiwan Academy of Banking and Finance	Corporate Governance Seminar	3

Note 3: Independence and Suitability Criteria for Accountant

1. Review of Independence Requirements (If "No" is checked for any item below, further investigation of specific facts should be conducted)					
Item	Review Content	Check			Remark
		Yes	No	N/A	
1	The accountant, their spouse, and underage children have no investment or financial interest in the company	✓			
2	The accountant, their spouse, and underage children have no financial borrowings from the company. However, if the creditor is a financial institution and the transaction is within the normal course of business, this does not apply.	✓			
3	The CPA has not issued any assurance reports on the design or implementation of financial information systems to ensure their effective operation.	✓			
4	The accountant or members of the audit service team have not served as directors, executives, or held positions significantly affecting audit matters for the company currently or in the past two years.	✓			
5	Non-audit services provided to the company have not directly influenced significant audit matters.	✓			
6	The accountant or members of the audit service team have not promoted or brokered the company's issuance of stocks or other securities.	✓			
7	Apart from legally permitted activities, the accountant or members of the audit service team have not represented the company in legal cases or other disputes with third parties.	✓			
8	The accountant or members of the audit service team do not have any spousal, direct blood relative, direct in-law, or second-degree relative relationship with individuals who hold significant positions as directors, executives, or in roles influencing audit matters for the company.	✓			
9	Within one year of leaving the CPAs, former joint accountants have not assumed positions of significance as directors, executives, or in roles influencing audit matters for the company.	✓			
10	The accountant or members of the audit service team have not received significant gifts or special favors from the company, directors, executives, or major shareholders.	✓			
11	The accountant is not currently employed by or regularly working for the client or the entity being audited, receiving a fixed salary, or serving as a director or supervisor.	✓			
12	The accountant has not provided audit services to the company continuously for 7 years.	✓			
2. Independence Operation Review (If "No" is checked for any item below, further investigation of specific facts should be conducted)					
1	Has the accountant avoided undertaking tasks when there is a direct or significant indirect conflict of interest with the commissioned matters that may affect their fairness and independence?	✓			
2	When providing opinions on the audit, review, verification, or special examination of financial statements, does the accountant maintain not only substantial independence but also formal independence?	✓			
3	Do members of the audit service team, other accounts, shareholders of CPAs, affiliated companies of CPAs, and affiliated firms also maintain independence from the company?	✓			
4	Does the accountant perform professional services with integrity and rigor?	✓			
5	Does the accountant maintain a fair and objective stance when performing professional services, and have they avoided allowing bias, conflicts of interest, or relationships to affect professional judgment?	✓			
6	The accountant has not allowed a lack of independence to compromise integrity and impartiality.	✓			
3. Suitability Review (If "No" is checked for any item below, further investigation of specific facts should be conducted)					
1	Does the senior auditor have sufficient auditing experience to perform audit work?	✓			
2	Do accountants and senior auditors receive adequate education and training each year to continuously acquire professional knowledge and skills?	✓			
3	Does the CPAs maintain a pool of senior human resources?	✓			
4	Does the CPAs have a sufficient number of professionals (such as evaluators) to support the audit team?	✓			
5	Are auditors free from excessive workloads?	✓			
6	Are audit team members adequately involved at each stage of the audit?	✓			
7	Are auditors investing sufficient time in performing the quality control review (EQCR) of audit engagements?	✓			
8	Does the CPAs have adequate quality control personnel to support the audit team?	✓			
9	The proportion of non-audit service fees does not affect independence.	✓			
10	The cumulative number of years auditing engagements in the CPAs' signing annual financial reports does not affect independence.	✓			
11	External inspection deficiencies and sanctions: Whether the CPAs' quality control and auditing engagements comply with relevant laws and standards.	✓			
12	Improvement letters from regulatory authorities: Whether the CPAs' quality control and auditing engagements comply with relevant laws and standards.	✓			
13	The CPAs' commitment to enhancing audit quality, including its innovation capability and planning	✓			
14	Whether the CPAs promptly notifies the board of directors (audit committee) of any significant issues and developments in risk management, corporate governance, financial accounting, and related risk controls?	✓			

Note 4：Stakeholder issues and communication channels

Stokeholder	Issues	Communication channel and frequency	Response method and communication performance
Shareholder/Investor	◎Operating performance and finance information ◎Owner’s Equity ◎Information disclosure ◎Regulatory compliance ◎Corporate Governance	◎Investor Relations Contact (Real-time) ◎Spokerperson and Deputy Spokerperson (Real-time) ◎Announcement Declaration Information and Material Events (Regular / Irregularly) ◎Public Information Observation and Disclosure of Information on Company Website (Regular / Irregularly) ◎Shareholders' Meeting and Annual Report (Annually) ◎Eearning Call (At least once a year) ◎Financial Report (Quarterly / Annually) ◎Mr. He’s email address (Spokesperson): face@qualipoly.com.tw	◎Regular disclosure of financial and business-related information on the MOPS and the company's website. ◎Irregular release of material information on the MOPS ◎Perticipated in 2 earning call in 2024
Customer	◎Product quality and service ◎Innovation and R&D ◎Regulatory compliance ◎Customer Protection and Communication ◎Information Security	◎Sales contact (Real-time) ◎Visiting, E-mail, phone calling (Irregular) ◎Technical support (Irregular) ◎Customer satisfaction survey (Annually) ◎Customer contact email: customer@qualipoly.com.tw	◎Sales or designated R&D persons obtain customer-related information through visiting, phone calling and regular email correspondence. ◎The R&D team provides professional support and solutions for product and technical issues. ◎Conduct customer satisfaction surveys regularly every year to ensure that customer needs are understood and properly addressed. It serves as an important basis for continuously improving our operational processes. ◎In 2024, there were no records of any customer complaints regarding information security or privacy violations.
Employee	◎Employee salary and welfare ◎Training and development ◎Labor relations ◎Workplace safety and health ◎Operation performance	◎Education and training (Irregular) ◎Communication meeting, E-mail, internal announcement (Irregular) ◎Symposium (Half-year) ◎Employee welfare committee（Quarterly） ◎Mr. Lin’s email address (dept. of administration): adm3@qualipoly.com.tw	◎Salary, welfare and education training-related information is notified to employees irregularly through announcements and emails. ◎Conduct general health check-ups for employees and specific health hazard checks annually. ◎Convene the Safety and Health Committee quarterly to review and improve various deficiencies.
Supplier/Contractor	◎Workplace safety and health ◎Supplier/contractor management and evaluation ◎Product Quality	◎Supplier/contractor assessment (Quarterly / Annually) ◎E-mail, phone communication, supplier visiting (Irregular) ◎Organizational meetings and negotiations ◎Ms. Lee’s email address (dept. of purchase): buyer@qualipoly.com.tw	◎Establish a supplier/contractor evaluation mechanism and conduct regular supplier assessments. ◎Emphasize the safety of contractors during operations on-site and implement the "Contractor Safety and Health Management Procedures" accordingly.
Government	◎Regulatory compliance◎Safety and health ◎Adiministration communication	◎Adiministration contact (Real-time) ◎Correspondence and telephone communication (Irregular) ◎Participation in seminars/promotional events/forums/workshops (Irregular) ◎Mr. He’s email address (Spokesperson): ytho@qualipoly.com.tw	◎Irregularly review the latest regulatory information and assess the company's compliance with regulations. If there are any discrepancies, propose improvement and revision ◎Participation in regulatory seminars and promotional events.
Community	◎Community engagement ◎Charitable activities	◎Visitin and phone communication (Irregular) ◎Project donations (Regular) ◎Mr. Lin’s email address (dept. of administration): adm3@qualipoly.com.tw	◎Implementing the concept of "harmonious neighbors" and participating in community events. ◎Annual donation of scholarships to Yung-An Junior High School and graduation awards to Wei Xin Elementary School.

2.3.4 Disclosure of composition and operation of remuneration committee：

1. In accordance with the regulations of the competent authority, the company's board of directors established the 1st remuneration committee and its organizational regulations on November 10, 2011. From the 4th term, the committee is composed of 3 independent directors appointed by the board of directors. The remuneration committee for the 5th term will be chaired by independent director Chung Feng Yuan, who continues to serve as the convener and chairperson of the meetings.
2. Information on Remuneration Committee Members

Mar.31, 2025

Capacity / Qualifications / Name		Professional qualification and experience	Independence analysis	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent director (Convener)	Chung Feng Yuan	Note	Note	0
Independent director	Huang Jin Song	Note	Note	0
Independent director	He Hong En	Note	Note	0

Note: For information of professional qualifications, experience, and independence of the remuneration committee member, please refer to the relevant content in Section (I) of the Directors and Supervisors Information on page 8.

2.Operation of the Remuneration Committee

(1) The Company’s remuneration committee has a total of 3 members.

(2) The term of the current members is from Jun. 08, 2023 to Jun. 07, 2026. The number of remuneration committee meetings held in the most recent fiscal year 2024 was:3(A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B/A)	Remarks
Committee (Convener)	Chung Feng Yuan	2	0	100%	
Committee	Huang Jin Song	2	0	100%	
Committee	He Hong En	2	0	100%	

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/remuneration approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons)：No

2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion.：No

3. Results of the remuneration committee and the company's handling for member's opinions：

Meeting Date	Content of motion	Results of the remuneration committee and the company's handling for member's opinions
Mar.08, 2024 (3rd of 5th remuneration committee)	1. Performance evaluation of the Board of Directors (including functional committees) for the year 2023 2. Employee and director remuneration distribution for the year 2023 3.Remuneration on directors and managerial officers for the year 2023 4.The company's remuneration on directors and managerial officers for the year 2024	The proposal was submitted to the board of directors for approval after being agreed upon by all attending committee members, and was subsequently approved by the board of directors.
Nov.08, 2024 (4th of 5th remuneration committee)	Review of year-end bonus for managerial officers	The proposal was submitted to the board of directors for approval after being agreed upon by all attending committee members, and was subsequently approved by the board of directors.

4. Responsibilities of the remuneration committee

According to the organizational regulations of the company's remuneration committee, the responsibilities of the remuneration committee are as follows, and the proposed recommendations are submitted to the board of directors for discussion:

(1) Regularly review these regulations and propose amendments

(2) Establish and regularly review the company's policies, systems, standards, and structure regarding the annual and long-term performance goals and remuneration for directors and managers .

(3) Regularly evaluate the performance goal achievements of the company's directors and managers, and determine the content and amount of their individual remuneration.

The remuneration committee shall exercise its rights in accordance with the following principles:

(1) Ensure that the company's compensation arrangements comply with relevant laws and regulations and are sufficient to attract outstanding talent.

(2) The performance evaluation and remuneration for directors and managers should be based on industry standards, considering factors such as the time invested, responsibilities undertaken, achievement of individual goals, performance in other positions, compensation provided to individuals in similar positions within the company in recent years, and the assessment of individual performance and the company's business performance and future risks based on the achievement of both short-term and long-term business objectives and the company's financial condition.

(3) The committee should not encourage directors and managers to engage in actions that exceed the company's risk tolerance in pursuit of remuneration.

(4) The proportion of short-term performance bonuses and the timing of certain variable remuneration payments for directors and senior managers should be determined based on the characteristics of the industry and the nature of the company's business.

(5) Committee members shall not participate in discussions or voting on decisions regarding their own remuneration.

2.3.5 Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		Governance structure of sustainable development： Previously, the company's various departments collectively promoted sustainable development, regularly discussing issues of concern to stakeholders each year and formulating response strategies. After being reviewed by senior management, these strategies were communicated and integrated across departments for effective implementation and oversight. In 2024, the board of directors resolved to establish a sustainable development committee, which serves as the company's highest-level decision-making center for sustainable development. The committee is composed of director Wang Hai Cheng and 3 independent directors, with director and general manager Wang Hai Cheng serving as the convener. Deputy general manager Tsai Chih Hsiang was appointed as the "Chief Sustainability Officer" and, together with several senior executives from various fields, will review the company's core operational capabilities and formulate medium- and long-term sustainable development plans. The sustainable development committee serves as an interdisciplinary communication platform for vertical integration and horizontal collaboration. Through regular meetings and task forces formed based on specific issues, the committee identifies sustainable development topics that are critical to the company's operations and of concern to stakeholders. It develops corresponding strategies and work guidelines, allocates budgets related to sustainable development for various organizations, plans and implements annual initiatives, and tracks the effectiveness of these implementations. This ensures that sustainable development strategies are fully integrated into the company’s daily operations. The chairman of the sustainable development committee reports annually to the board of directors on the outcomes of sustainable development efforts and future work plans. In 2025, it is planned to hold 2 meetings, the agenda including: (1) identifying sustainable issues that need attention and formulating corresponding action plans; (2) revising goals and policies related to sustainability issues; (3) overseeing the implementation of sustainable operations and evaluating the execution progress. The company's board of directors regularly listens to reports from the management team (including the ESG report) each year. The management team must propose the company’s strategies to the board, which must assess the likelihood of these strategies' success, regularly review the progress of the strategies, and, when necessary, urge the management team to make adjustments.	No
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		1. The disclosure shall cover the economic, environmental, and social performance of the operational with the risk assessment boundary mainly focusing on the company (including the Yongan plant in Kaohsiung. 2. The company references the Global Reporting Initiative (GRI) Standards, benchmarks set by peers, and industry-relevant issues highlighted by the Sustainability Accounting Standards Board (SASB) to conduct risk assessments and propose policies in response to related issues (Note).	No
3. Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	V		The company has implemented an environmental management system in accordance with the ISO 14001 international standard. We obtained ISO 14001 environmental management system certification in 2009, and obtained certification for the updated version, ISO 14001:2015 in 2018. Currently, the certificate is valid until Mar. 19th, 2027.	No
(2) Does the company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The company is actively strengthening pollution prevention, process improvement, environmental monitoring, resource management, waste reduction, and solvent recovery and reuse. We are also developing recycled material products and have obtained GRS and RCS certifications to achieve the goal of low energy consumption and low pollution	No

<table>
<tr><td></td><td></td><td></td><td>environment.</td><td></td></tr>
<tr><td>(3) Has the company evaluated the potential risks and opportunities posed by for its business now and in the future and adopted relevant measures to address them?</td><td>V</td><td></td><td>The company has formulated regulations for energy conservation, carbon reduction, and greenhouse gas reduction in response to the impact of climate change.</td><td>No</td></tr>
<tr><td>(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?</td><td>V</td><td></td><td>The company obtained ISO 14001 certification in 2009. Through this standard, we have strengthened the self-management and continuously improved the environmental performance, effectively and properly maintaining overall operations. In terms of pollution prevention, we have obtained various permits, including "Permit for Operating Fixed Pollution Sources," "Water Pollution Prevention Permit," "Business Waste Management Plan," and "Permit for the Operation of Toxic Chemicals," and we regularly inspect, maintain, report, and test according to regulations.
1. Statistical data and intensity of Greenhous gases of Yongan Plant in past two years:
Unit：ton CO2/year
<table>
<tr><td>Item</td><td>2023</td><td>2024</td></tr>
<tr><td>Scope 1(direct emissions)</td><td>8,145</td><td>8,242</td></tr>
<tr><td>Scope 2(Indirect emissions)</td><td>6,347</td><td>6,795</td></tr>
<tr><td>Scope 3(Other indirect emissions)</td><td>11</td><td>24</td></tr>
<tr><td>Total</td><td>14,503</td><td>15,061</td></tr>
</table>
2. Volume of water consumption of Yongan Plant in past two years：
<table>
<tr><td>Item</td><td>2023</td><td>2024</td></tr>
<tr><td>Sewage discharge</td><td>35,877 m^3</td><td>32,136m^3</td></tr>
<tr><td>Tap water usage</td><td>98,010 m^3</td><td>101,152 m^3</td></tr>
</table>
3. Waste of Yongan Plant in past two years：
General waste Unit of disposal: ton
<table>
<tr><td>Item</td><td>2023</td><td>2024</td><td>Disposal method</td></tr>
<tr><td>Waste</td><td>4,768</td><td>5,056</td><td>Incineration, burial, thermal, physical treatments</td></tr>
<tr><td>Waste steel drums</td><td>293</td><td>400</td><td>Recycle</td></tr>
<tr><td>Waste</td><td>5,061</td><td>5,456</td><td></td></tr>
</table>
Dangerous waste Unit of disposal: ton
<table>
<tr><td>Item</td><td>2023</td><td>2024</td><td>Disposal method</td></tr>
<tr><td>Waste</td><td>83</td><td>64</td><td>Incineration</td></tr>
<tr><td>Waste steel drums</td><td>245</td><td>249</td><td>Recycle</td></tr>
<tr><td>Waste</td><td>328</td><td>313</td><td></td></tr>
</table>
4. Emissions of air pollutants of Yongan Plant in past two years：
Unit: tons
<table>
<tr><td>Item</td><td>2023</td><td>2024</td></tr>
<tr><td>Nitrogen oxides(NOX)</td><td>7.4</td><td>6.5</td></tr>
<tr><td>Sulfur oxides(SOX)</td><td>0.76</td><td>0.86</td></tr>
<tr><td>Volatile organic pollutants (VOCS)</td><td>13.9</td><td>10.4</td></tr>
<tr><td>Particulate matter (Par)</td><td>0.26</td><td>0.25</td></tr>
</table>
The company no longer uses ozone-depleting substances(ODS)</td><td>No</td></tr>
<tr><td colspan="5">4. Social Issues</td></tr>
<tr><td>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</td><td>V</td><td></td><td>The company is committed to complying with the “Universal Declaration of Human Rights”, “The United Nations Global Compact”, the “United Nations Guiding Principles on Business and Human Rights”, all national labor laws and regulations, internationally recognized labor ethics, health, safety, and environmental standards, as well as other applicable international conventions and relevant regulations. The company is dedicated to continuously</td><td>No</td></tr>
</table>

			improving working conditions and employee welfare. All personnel, suppliers, and customers are expected to uphold sound human rights and ethical standards within the scope of their business activities.	
(2) Has the company established and implemented reasonable employee welfare measures (include salary/remuneration, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/remuneration?	V		1.The company refers to the salary levels of peers in the industry and the market to determine reasonable salary remuneration. Salaries are granted based on factors such as job level, individual education and experience, professional skills, seniority, ability, job performance, etc. We also provide a stable salary adjustment that does not involve gender differences. In addition, we review the operating performance every six months and issue employee operating performance bonuses based on the company's performance, sharing the results of operations with employees. According to the company's articles of association, if the company makes a profit for the year, 1% to 1.5% should be allocated for employee compensation. In 2024, the average percentage of female employees was 16%, and on management position female supervisors was 10%. 2.The company provides a comprehensive welfare system, such as paid leave, birthday bonuses, club activities, and work uniform. We have also established a staff welfare committee to provide all employees with various subsidies. For details on welfare, please refer to the "Labor-Management Relations" section on page 80 of this year's annual report.	No
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		1. The company has established a safe and healthy workplace environment based on the PDCA management framework under the ISO 45001:2018 Occupational Health and Safety Management System. 2. Implementation of employee safety and health: (1)Every year, we thoroughly implement health check requirements based on legal regulations, issue analysis reports on the results, and have specialized personnel (factory medical staff) track and control any abnormalities. Special operation personnel also undergo special health checks annually. We hire occupational medicine specialists to provide on-site medical consultation services every two months. We have installed AED automated external defibrillators in the guardhouse and within the factory premises, and regularly hold CPR and first aid training and awareness courses. (2)Every year, we convene an emergency response team for on-site drills in the factory to prevent accidental disasters and ensure the timely reaction in case of an accident to prevent or mitigate personnel injuries, property damage, production interruptions, and other impacts. We also control the impact of disasters and restore the situation after a disaster. (3)There were no occupational accidents in 2024. We continue to control and improve employee awareness to prevent future risks. (4) No fire accident in the company in 2024.	No
(4) Has the company established effective career development training programs for employees?	V		The company provides relevant internal and external professional education and training to enrich employees' skills.	No
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		1.The products are labeled in compliance with relevant laws and international standards. 2.The company has established a customer complaint procedure to address customer feedback promptly. Customers can also feedback and participate in the annual customer satisfaction survey through the company's website's inquiry mailbox or directly through the sales to ensure their rights and interests are protected. 3.The company has designated personnel to sort and archive any customer information involving customer privacy. Access to customer information requires appropriate approval and authorization. There were no complaints in 2024 regarding customer privacy breaches or loss of customer data, nor were there any incidents of counterfeiting, infringement, or other events.	No
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor	V		The company has established a "Supplier Management Procedure" that requires the company’s suppliers to comply with environmental and occupational safety requirements, in order to jointly create a safe environment and fulfill	No

rights, and what is the status of their implementation?			corporate social responsibility. If we find that a supplier violates the company's corporate social responsibility policy and has a significant impact on the environment and society, we will consider temporarily or permanently suspending business dealings with them.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The company follows the "Global Reporting Initiative (GRI) Standards: Core Option" and the "Operation Rules for Listed Companies to Compile and Declare Sustainability Reports" of the Taiwan Stock Exchange to prepare our sustainability report in compliance with relevant regulations. For year 2024 report, we commissioned Deloitte & Touche to provide a limited assurance report in accordance with the Taiwan Financial Assurance Foundation's Bulletin No. 1 "Assurance Engagements Other than Historical Financial Information."	No
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The company adheres to the self-established Sustainable Development Practices and there are no significant differences				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: Disclose the Sustainability Report on the company website and Taiwan Stock Exchange Market Observation Post System to help stakeholders understand the company's sustainable development operations.				

Note:

Based on the GRI assessment, the following risk management policies are formulated：

Issue	Risk assessment	Risk management policies
Corporate governance	Compliance with laws and regulations	Establish various internal management regulations, implement internal controls, and establish a whistleblower mechanism to ensure that the company's operations and employees comply with laws and regulations. Stay up-to-date with changes in laws and regulations, and send representatives to attend government-sponsored advocacy meetings, courses, etc. from time to time to ensure compliance with legal requirements.
	Strengthen director functions and implement director responsibilities	Provide information required for the directors to execute their duties irregularly and assist in arranging courses for directors to improve their skills.
	Stakeholder communication	Analyze important issues related to stakeholders every year, set up a stakeholder zone on the company's website, and have a dedicated person respond to ensure smooth communication channels for stakeholders.
Society	Workplace safety and health	Implement the ISO 14001 environmental management system and ISO 45001 occupational health and safety management system, establish an "Occupational Health and Safety Committee" to implement occupational health and safety management. Hold safety meetings regularly, review and improve various hazard prevention measures, and enhance employee safety awareness to reduce occupational accidents.
	Employee welfare and remuneration Human rights protection	Establish internal personnel regulations to clearly define the standards for employee appointment, promotion, treatment, benefits, etc.; establish an employee stock trust to enhance employee welfare and provide a comprehensive retirement plan. Set up complaint channels to maintain smooth communication between labor and management team, and promptly understand and handle any human rights violations.
Environment	Greenhouse gas and energy management	Conduct regular inventory checks on greenhouse gas emissions every year, hold the situation and execute reduction operations plans, and pay attention to the use of various energy resources, regularly evaluate and review and improve.
	Environmental pollution prevention and management.	Monitor the temperature and air volume of the operating equipment online; inspect the equipment components every quarter, and arrange personnel for random sampling in the factory from time to time to reduce the possibility of VOCs escaping into the atmosphere. Effectively implement equipment maintenance to ensure that all equipment can perform at its best, and implement pollution prevention.

2.3.6 Climate-related information for listed companies

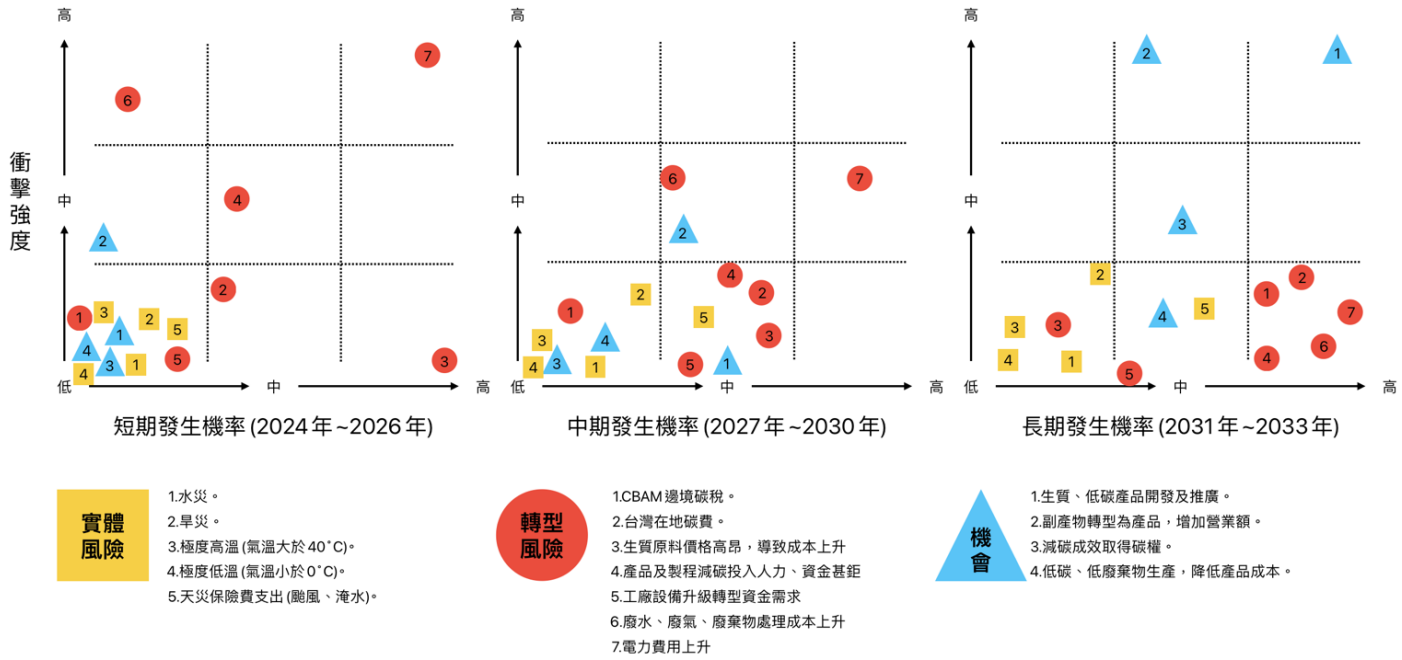
1. Implementation status of climate-related information

<table>
<tr><td>Item</td><td>Implementation Status</td></tr>
<tr><td>1. Delineate the supervision and governance by the Board of Directors and management on climate-related risks and opportunities</td><td>For corporate governance and sustainable operation, in July 2022, the company established a "Net Zero Carbon Working Group" under the Business Management Committee. The group is led by the Executive Deputy General Manager as the project leader, overseeing relevant departments such as operations, environmental health and safety, research and development, etc., to jointly deliberate on climate-related and net-zero carbon emission issues. The working group holds meetings quarterly to continuously update the latest trends and regulatory information, formulate work plans tailored to the company's operations, and ensure that relevant department heads execute tasks according to the work plan, thus ensuring that the company can seize opportunities and control risks related to climate change in its operations. At the end of each year, the working group compiles a Net Zero Carbon Emission report for submission to General Manager and Chairman for approval of the next year's work plan. The group also reports the annual achievements and subsequent work plans to the Board of Directors in the fourth quarter, thereby enhancing the effectiveness of supervision and governance.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the company's operations, strategies, and finances (short-term, medium-term, long-term).

3. Describe the financial impacts of extreme weather and transition actions.

4. 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 in the analysis.</td><td>The company has assessed the physical risk, transition risk, and opportunity posed by climate change on the enterprise and has taken measures to address climate-related issues, as below:
<table>
<tr><td></td><td>Risk Type</td><td>Potential Financial Impact</td><td>Response Strategies</td></tr>
<tr><td rowspan="3">Physical Risk</td><td>Flooding, droughts, frequent extreme temperatures, and unstable water and electricity supply</td><td>Production disruptions leading to financial losses and decreased revenue due to delayed deliveries</td><td rowspan="3">Assessing the risk of droughts/floods in the plant and devising and implementing risk mitigation measures.
Promoting water conservation in the plant, establishing comprehensive drainage systems, and implementing water monitoring mechanisms.
Establishing an energy-saving and carbon-reduction committee led by senior managers to lead greenhouse gas reduction efforts.</td></tr>
<tr><td>Rising temperatures</td><td>Increase of electricity consumption, production costs, and carbon emissions</td></tr>
<tr><td>Increase of natural disaster insurance cost</td><td>Increase of operating expenses</td></tr>
<tr><td rowspan="3">Transition Risk</td><td>Greenhouse gas emissions control and carbon trading systems such as carbon taxes and fees</td><td>Restricted capacity expansion and increase of operational costs</td><td rowspan="3">Participation in carbon trading markets and renewable energy project.
Continued implementation of greenhouse gas reduction, ongoing investment in R&D to develop energy-efficient products.
Increasing low-carbon production, announcing relevant information, and stabilizing the market.</td></tr>
<tr><td>Trends of net zero emissions</td><td>Increase of costs for installing and operating carbon reduction equipment</td></tr>
<tr><td>Impact on corporate reputation</td><td>Not able to meet stakeholder expectations leading to corporate reputation damage and resulting in market sales loss</td></tr>
<tr><td rowspan="3">Opportunity</td><td>Developing low-carbon products</td><td>Accumulating carbon credits needed for future emission offset.</td><td rowspan="3">Development and promotion of biomass and low-carbon products, continuous investment in R&D, and development of energy-saving products.
Collaborating with suppliers to build a green supply chain.</td></tr>
<tr><td>Enhancing product efficiency for customers</td><td>Entering emerging markets to meet customer demand for energy-saving products and increase revenue</td></tr>
<tr><td>Promoting low-carbon green production, transforming by-products into products.</td><td>Saving electricity, reducing costs, and increasing turnover</td></tr>
</table>
Matrix chart of climate-related risk and opportunity
1. The chart sets the short term as 2024-2026, the medium term as 2027-2030, and the long term as 2031-2033. It assesses the potential climate change risks and opportunities based on existing measures, scenario simulations, and the strength of issue relevance, determining the level of operational impact and occurrence probability for each issue.
2. The yellow squares represent physical risks; orange circles represent transition risks; blue triangles represent opportunities. On the scores and timelines of each issue, risk and opportunity response strategies are formulated within the risk and opportunity areas.
3. A. Through scenario simulations of extreme weather such as typhoons, floods, droughts, heavy rains, etc., the financial impacts on the company may include impaired production capacity, increase of manufacturing costs, increase of risk management costs, and reduced product demand. Overall, extreme weather has a negative impact on the financials of the manufacturing industry, necessitating strengthened risk management to mitigate losses caused by extreme weather.
B. According to the assessment of the risk matrix, transition and physical risks are associated with different risk scenarios and may result in short, medium, and long-term financial cost impacts.</td></tr>
</table>

<table>
<tr><td></td><td> 
</td></tr>
<tr><td>6. If there is a transformation plan to address climate-related risks, describe the contents of the plan, as well as the indicators and objectives used to identify and manage physical and transitional risks.</td><td>Given the ongoing issues surrounding climate change and the tightening of environmental regulations, the significant impact of international trade on operations and supply chains, as well as the need to address international carbon reduction goals and the trend of stricter environmental regulations, it is imperative to grasp the ways to respond. The company responds to initiatives related to climate-related financial disclosures, net-zero emissions, renewable energy, green chemistry, circular economy, and others to align with the “Climate Change Response Act” and integrate it into existing ISO 14001 environmental management system, incorporating it into daily operations. The company promotes various sustainable actions across all risk dimensions, including climate change, energy, water resources, waste, and air pollution prevention.
Particularly focus on the international trend towards net-zero emissions, the company is committed to promoting sustainable resource management strategies through process improvements in energy efficiency, pollution control, water recycling rates, and green chemistry technologies. These efforts aim to mitigate and adapt to climate change by reducing emissions at the source and implementing circular economy practices to maximize resource utilization efficiency. The company has already completed the recycling and reuse of organic solvent waste in internal processes, demonstrating the commitment to waste reduction and positioning the company in the vein of the circular economy industry. Additionally, the company is planning to apply for the Green Factory certification in the short to medium term, with a focus on clean production and green building initiatives to gradually transition towards a net-zero carbon footprint. This not only aligns with the trend of promoting the circular economy but also moves the company towards industrial greening and the establishment of green industries and environmental protection trends. Moreover, as the company faces potential significant impacts from extreme weather on production operations, enhancing our products' advantages in green chemical manufacturing and low-carbon transformation not only protects the environment but also enhances the corporate value.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, the basis for price setting should be explained.</td><td>Regarding carbon pricing-related issues, the company is still under discussion.</td></tr>
<tr><td>8. If climate-related goals are set, information should be provided on the activities covered, greenhouse gas emission scopes, planning schedule, annual progress towards achievement, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, the source and quantity of the offset carbon credits or the quantity of RECs exchanged should be explained.</td><td>The company's greenhouse gas emissions are below the regulatory threshold of 25,000 metric tons of CO2e per year, and the capitalization does not exceed NT$5 billion, which is the threshold for listed companies. However, the company has been reviewing greenhouse gas emissions within the facilities since 2011 and refered the 2006 IPCC Guidelines and GHG Protocol Calculation Tools to calculate emissions. And the company conducts an annual inventory using the "Industrial Greenhouse Gas Inventory Reduction Advocacy Handbook" published by the Industrial Development Administration, Ministry of Economic Affairs (formerly the Industrial Development Bureau). In recent years, we have followed the guidelines provided by the Environmental Protection Administration (formerly the Environmental Protection) on "Greenhouse Gas Emissions Reporting" and "Greenhouse Gas Inventory Registration Forms" for self-assessment. The company uses an operational control approach to conduct the greenhouse gas inventory, following a cycle of planning, execution, review, and countermeasures. Based on this, the company sets energy-saving and carbon reduction goals to further promote relevant management policies and measures. Since 2020, the company has gradually implemented ISO 14064-1 greenhouse gas inventory in all production processes. The company has been calculating carbon emissions generated by existing production lines and analyzing carbon emission hotspots, examining all changes in energy resources in the process, and identifying areas for recycling to reduce the carbon footprint per unit of product. Then the company proceed to adjust process and product combinations and accelerate transformation, focusing on process and technological innovation, and seeking low-carbon raw materials. Regarding greenhouse gas reduction, the company plans to evaluate the use of renewable energy generation equipment and consider purchasing green energy certificates in the future to accelerate the development and deployment of low-carbon chemical processes. By increasing transparency and providing products in a systematic and gradual manner, the company aims to reduce the carbon footprint of resin products and electronic chemical materials throughout the entire value supply chain, assisting customers in reducing their own product carbon footprint.

<table>
<tr><th>Year</th><th>Scope 1 (Direct emmisions)</th><th>Scope 2 (Indirect emmisions)</th><th>Total emmisions (scope 1+2)</th><th>Certifying agent</th><th>Explanation of certification status</th></tr>
<tr><td>2020</td><td>6,190</td><td>6,239</td><td>12,429</td><td>No</td><td>Completed individual company inventory in 2026</td></tr>
<tr><td>2021</td><td>11,066</td><td>7,170</td><td>18,236</td><td>No</td><td>Completed individual company inventory in 2026</td></tr>
<tr><td>2022</td><td>9,899</td><td>6,750</td><td>16,649</td><td>No</td><td>Completed individual company inventory in 2026</td></tr>
<tr><td>2023</td><td>8,145</td><td>6,347</td><td>14,492</td><td>No</td><td>Completed individual company inventory in 2026</td></tr>
<tr><td>2024</td><td>8,242</td><td>6,795</td><td>15,037</td><td>No</td><td>Completed individual company inventory in 2026</td></tr>
</table>
Emission unit：metric tons CO2e/year
Scope 1 refers to direct energy sources, and Scope 2 refers to indirect energy sources. The greenhouse gas emissions sources of the company include CO2, CH4, and N2O</td></tr>
</table>

Management by Objectives (MOB) and strategies

Primary management mechanism：ISO 14064-1 Greenhouse gas inventory management system

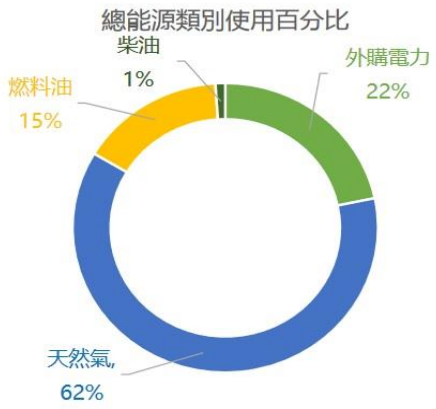
Strategy：Promotion of Internal Circular Economy, Waste Reduction, Low Carbon Manufacturing, and Enhancement of Energy Efficiency, gradually moving towards the goal of net zero carbon emissions.

In recent years, the company has actively implemented various energy management and energy-saving measures. As a result, greenhouse gas emissions have remained below the level of 2012 (the start of energy-saving programs). In 2022, the entire office area of the factory was fully equipped with energy-saving LED lighting, and process optimization reduced equipment operating time. In 2023, heavy oil burners were replaced with natural gas burners, and greenhouse gas reduction measures continued to be promoted.

According to the "Sustainable Energy Policy Framework" issued by the Executive Yuan, Taiwan's greenhouse gas reduction target is to return to the level of greenhouse gas emissions in 2005 by 2020, and to return to the level of emissions in 2000 by 2025. The energy sources used in the production process of the company vary, mainly including natural gas, fuel oil, and externally supplied electricity, steam, etc. The main categories of energy consumption are electricity used in product manufacturing, followed by natural gas, with no use of renewable energy or self-generated energy. (Additionally, due to the temporary suspension of steam suppliers, there was no purchased steam in 2022-2023.) The percentage of electricity in total energy consumption is approximately 22%.

Category of energy and quantities：

Category/Unit	2020	2021	2022	2023	2024
Natural gas (m3)	2,392,844	3,783,793	3,414,868	4,086,960	4,310,835
Fuel oil (KL)	165	896.2	770.62	5.9	0
Diesel (L)	67,000	66,000	58,800	64,000	75,000
Renewable energy	0	0	0	0	0
Self-generated energy	0	0	0	0	0
Purchased-electricity (KWH)	11,260,400	12,942,000	12,184,800	12,780,831	13,714,000
Purchased-steam (T)	15,981	0	0	0	0
Total (GJ)	179,850	221,969	200,334	197,011	208,912



Natural gas	8,700 kcal/m3
Fuel oil	9,600 kcal/L
Diesel	8,400 kcal/L
Electricity	860 kcal/KWH
Steam	658 kcal/kg
1 GJ	239,000 kcal

Energy Intensity

The company calculates energy intensity based on production volume. The energy consumption per ton of production from 2020 to 2024 is listed below:

Category/Unit	2020	2021	2022	2023	2024
Total energy consumption (GJ)	179,850	221,696	200,334	197,011	208,912
Capacity of production (T)	47,299	48,016	38,177	36,959	31,168
Energy intensity (GJ/T)	3.8	4.6	5.2	5.3	6.7

Due to the development of several high-value products and a decrease in industrial demand in 2023, the capacity of production decreased compared to previous years, resulting in increased energy consumption per ton. In the future, the company will continue to improve and enhance energy production efficiency to ensure the effective utilization of limited resources in daily operations. This includes measures such as replacing coal-fired boilers and discontinuing the use of fuel oil.

Water Resource Management

For the wastewater generated from daily operational activities, the company conducts wastewater discharge operations in accordance with legal regulations. Process wastewater and domestic sewage generated within the plant are treated first by the on-site wastewater treatment plant before being discharged to the industrial park wastewater treatment plant. The quality of discharged water meets the standards for wastewater discharge, and in recent years, there have been no incidents of exceeding the discharge standards or sewage leaks. In 2022, efforts were made to recycle water used in public facilities and processes. In 2023, plans include the recovery of steam condensate water, water conservation, and reduction of wastewater discharge. Additional measures for water recycling will be implemented to minimize the use of tap water as much as possible

Category/Unit	2020	2021	2022	2023	2024
Wastewater discharge volume (m^3)	42,922	43,527	38,669	35,877	32,136
Tap water intake volume (m^3)	77,116	104,656	109,944	98,010	101,152
Total recycled water volume (m^3) *note1	11,280	19,926	6,970	14,600	6,896
Water consumption (m^3) * Note2	34,194	61,129	71,275	62,133	69,016
Ratio of recycled water volume / total water usage	14.8%	19.00%	6.34.%	14.9%	6.82%

Note 1: The above data is self-measured. Note 2: Water consumption = Intake volume - Discharge volume

Waste and hazardous substance management

The production process consumes energy and generates waste, which needs to be properly managed to minimize negative impacts. To reduce waste generation, the company is committed to not only waste sorting and recycling but also improving the efficiency of resource utilization and waste reduction in various production processes. For example, by treating process waste liquid, the company has reduced waste output by 60%, thereby increasing productivity and reducing waste generation proportionally. Additionally, for different types of industrial waste, the company has established a "Waste Management Procedure." According to the "Process Flowchart," relevant information such as types and quantities of raw materials used in various processes, product output, and types and amounts of waste generated are documented and uploaded to the environmental management system. Furthermore, we fill out the "Industrial Waste Clearance Plan" and submit it to the Environmental Protection Department for review. Once approved, the company implements the plan accordingly, ensuring that environmental and local community impacts are minimized as much as possible throughout the process.

General Industrial Waste：Includes scrap iron, waste lubricating oil, waste resin, waste plastic, household garbage, as well as sludge generated during wastewater treatment processes. (Unit: Metric tons)

Waste Item	2020	2021	2022	2023	2024	Treatment Method
Waste	4,810	4,753	5,096	4,768	5,056	Incineration landfill
Scrap iron bucket	391	559	237	293	400	Recycling process
Total	5,201	5,312	5,333	5,061	5,456	

Hazardous Waste：Mainly consists of waste solvents containing acetone, toluene, and other components, which cannot be recycled or reused by our factory after process use. (Unit: Metric tons)

Waste Item	2020	2021	2022	2023	2024	Treatment Method
Waste Item	138	18	30	83	64	Incineration landfill
Waste	254	133	244	245	249	Recycling process
Scrap iron bucket	392	151	274	328	313	

9. Greenhouse gas inventory and assurance	At present, the company does not have a third-party certification entity conducting carbon inventory assurance. Currently the company conducts independent inventories and calculations in accordance with ISO 14064 standards and refer to regulations and rules of the Ministry of Environment. This practice is in compliance with the Financial Supervisory Commission's requirements and is ahead of schedule. The company plans to cooperate with international certification agencies starting from the year 2025 to obtain relevant certifications such as ISO 14064 and ISO 14067 for net zero carbon emissions.

Note: TCFD Disclosure Comparison Table

Recommendation	TCFD Recommended Disclosure	Corresponding Section of the Report / Company's Response Measures	Pages
Governance	●How the board of directors oversees climate-related issues ●How the management team evaluates and manages climate-related issue	◆Describe the board of directors and management's oversight and governance of climate-related risks and opportunities.	
Strategy	●The company identified the short-, medium-, and long-term climate-related risks and opportunities ●The impact of climate-related issues on the company's business model, strategy, and financial planning ●Scenario analysis (including scenarios of 2°C or more severe)	◆Describe how the identified climate risks and opportunities impact the business, strategy, and finances (short-term, medium-term, and long-term). ◆Describe the financial impact of extreme climate events and transition actions. ◆If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used. ◆Referencing the 2°C scenario published by the International Energy Agency (IEA), simulate and analyze the future impacts of climate change, and use this to set science-based greenhouse gas reduction targets (SBT) and estimate future carbon reductions as a reference for operational strategy adjustments.	
Risk Management	●Identification and assessment process of climate-related risks ●Management process for climate-related risks ●Explanation of how the identification and management of risks are integrated into the company's overall risk management system	◆Describe how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system. ◆After the "Net Zero Carbon Emissions Work Team" identifies key risks, it discusses corresponding countermeasures with various departments within the company. The related risk assessments are then reported to both the board of directors and the audit committee for oversight. The chairman of the audit committee regularly reports to the board based on the risk management and evaluation results. ◆Climate change is incorporated as a significant issue and key risk in the company's sustainable development strategy. Risk management plans are implemented across all facilities, with response measures planned for areas such as operations, product, and supply chain management.	
Metrics & Targets	●Assessment indicators and alignment with the company's strategy and risk management ●Disclosure of Scope 1, Scope 2, and Scope 3 greenhouse gas emissions and related risks (if applicable) ●Management goals and related performance	◆If climate-related targets have been set, the activities covered, greenhouse gas emission scopes, planned timelines, and annual progress toward achieving these goals should be explained. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these targets, the source and quantity of the carbon offset amount or the number of RECs should be specified.	

2. Recent Two-Year Greenhouse Gas Inventory and Assurance Status of the Company

(1) Greenhouse gas inventory information

Describe the emissions of greenhouse gases in the company over the past two years (in metric tons of CO2e), intensity (in metric tons of CO2e per million dollars), and the scope of data coverage.

	Year 2022	Year 2023	Year 2024
Emissions (metric tons CO2e)	16,649	14,492	15,037
Intensity (metric tons CO2e/ million dollars)	4.44	4.73	3.72

As the greenhouse gas emissions of the company are below the regulatory threshold of 25,000 metric tons CO2e/year equivalent, and the rated capital does not reach the level of a listed company with a capitalization of less than NT$5 billion, the current scope of greenhouse gas inventory covers the Yong An Plant in Kaohsiung.

(2) Greenhouse gas assurance information

Provide an explanation of the assurance status for the most recent two years up to the date of the annual report printing, including the scope of assurance, assurance provider, assurance standards, and assurance opinions.

The company plans to begin collaborating with third-party certification parties for carbon inventory assurance in 2025 and will gradually obtain relevant net-zero carbon certifications such as ISO 14064 and ISO 14067.

3. Greenhouse gas reduction target, strategy and specific action plan

Describe the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and the status of achieving reduction targets.

The baseline year for greenhouse gas reduction is set at 2022, with emissions totaling 16,649 metric tons CO2e. The target is to reduce this total by 10%. In 2023, the change from a "heavy oil burner" to a "natural gas burner" for steam boilers resulted in a reduction of 2,321 metric tons CO2e, approximately 13.9% of the total emissions.
In 2024, the materials department replaced a diesel forklift with an electric forklift, reducing 11.68 metric tons of CO2e, which is approximately 0.07% of the total emissions.

2.3.7 Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				No
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V V		1. The company established the "Code of Ethics" on May 18, 2012, and the most recent revision was approved by the Board of Directors on August 9, 2023. In addition to the policies and practices of ethical business conduct outlined in the aforementioned regulations, all 9 members of the board and 23 management persons have signed an integrity operation policy and code of ethical conduct declaration, with a signing rate of 100% to abide by the ethical business conduct policy, actively implementing the commitments of the business policy. The company also discloses the "Code of Ethics" on its website and on the MOPS	
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		2.The company has established a "Code of Ethics" that explicitly prohibits the acceptance of any gifts, special treatment, or other improper benefits directly or indirectly. Through the establishment of principles and systems, we effectively prevent the possibility of dishonest behavior and reduce risks. We also have a "Grievance System" to encourage both internal and external personnel to report any misconduct and ensure the legal rights of Grievance and related parties.	
(3) Does the company clearly set out the operating procedures behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?			3.Persons who violate ethical integrity will be subject to disciplinary measures according to the company's reward and punishment system. The company has established a " Grievance System," and the audit department is responsible for establishing internal and external reporting channels and handling procedures, reviewing and tracking the latest legal regulations at all times, to thoroughly implement. There were no reports of breaches of ethical business received in the fiscal year 2024.	
2. Ethical Management Practice				No
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		1. Before engaging in any business activities, the company conducts customer due diligence and supplier evaluations to avoid trading with dishonest companies.	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V V		2.The company's Financial Department is responsible for formulating and supervising the implementation of corporate integrity management policies and prevention programs. They report to the board of directors annually, and the integrity management execution for the year 2024 was reported on November 8, 2024. The execution status has been disclosed on the company's website.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		3. Regarding the conflict of interest, employees can report to their immediate department supervisor or directly to their unit supervisor.	
(4) Does the company have effective accounting and i nternal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		4.The company has established effective accounting and internal control systems, and the internal audit unit regularly checks the compliance with the aforementioned systems.	
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?			5.The company promotes and educates employees on the company's integrity management philosophy and regulations through department meetings, seminars, and other means of communication.	
3. Implementation of Complaint Procedures				No
(1) Has the company established specific whistle-blowing	V		1.The company provides channels and regulations	

Evaluation item	Implementation Status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers? (2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V V		for making relevant statements, and designates appropriate personnel to handle reported cases. 2. All documents and information related to the reported cases are treated as confidential by the company, and those involved in the handling process are responsible for maintaining complete confidentiality. 3.The company is responsible for keeping the identity of Grievance confidential and will not take any disciplinary action against them for reporting.	
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		"Code of Conduct for Business Integrity" is disclosed on the website.	No
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: No				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): 1. The company adheres to the business philosophy of "integrity, professionalism, and sustainable management," and strictly comply with relevant laws and regulations such as the Company Act, Securities and Exchange Act, and Commercial Accounting Act to fulfill the basic premise of operating with integrity. 2.The company has established the "Procedure for Handling Important Internal Information" to clearly state that our directors, supervisors, managers, and employees are prohibited from inquiring or collecting non-work-related undisclosed internal information from individuals who have knowledge of important internal information of the company. They are also prohibited from disclosing any undisclosed internal information that they become aware of through their work to others who are not authorized to know.				

2.3.8 Other information of the Company's corporate governance operations: please refer on www.qualipoly.com.tw or www.mops.tse.com.tw

2.3.9 The implementation status of the internal control system.

1. Statement of internal control

Qualpoly Chemical Corp.
Statement of Internal Control System

Date：Mar.07, 2025

The company hereby declare the following based on the results of our self-evaluation of the internal control system established for year 2024:

1. The company acknowledges that it is the responsibility of the board of directors and management to establish, implement, and maintain the internal control system, and the company has established this system. The purpose is to provide reasonable assurance for achieving the goals of operational effectiveness and efficiency (including profitability, performance, and asset security), reliable reporting, timely, transparent, and compliance with relevant regulations and laws.
2. The internal control system has inherent limitations and no matter how well designed, can only provide reasonable assurance for achieving the above three goals. Moreover, the effectiveness of the internal control system may change due to changes in the environment and circumstances. However, the company's internal control system has a mechanism for self-monitoring and corrective action is taken once a deficiency is identified.
3. The company evaluates the effectiveness of the internal control system based on the judgment items specified in the "Guidelines for Publicly Listed Companies to Establish Internal Control Systems" (hereinafter referred to as the "Guidelines"). The judgment items adopted in the "Guidelines" divide the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control procedures, 4. Information and communication and 5. Monitoring activities. Each component also includes several items. Please refer to the provisions of the "Guidelines" for the above items.
4. The company has adopted the above judgment items for the internal control system and evaluated the effectiveness of the design and implementation of the internal control system.
5. Based on the evaluation results in the previous item, the company believes that the internal control system (including the supervision and management of subsidiaries) as of December 31, 2024, for understanding the degree of achieving operational effectiveness and efficiency goals, reporting is reliable, timely, transparent, and compliance with relevant regulations and laws, the design and implementation of the internal control system are effective and can reasonably ensure the achievement of the above goals.
6. The statement will become the main content of the company's annual report and public disclosure statement, and will be made public. If the disclosed content contains false or concealed illegal matters, it will involve legal responsibilities such as Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The statement was approved by the company's board of directors on March 7, 2025. Among the 9 directors in attendance, 0 opposed, and the rest agreed to the content of this statement.

Qualipoly Chemical Corp.

Chairman：Tsai Yeou Liang

General manager：Wang Hai Chen

2. Commissioned accountants review the internal control system. No report should be disclosed.

2.3.11 Important resolutions made by the shareholders' meeting and the Board of Directors during the current and previous fiscal year up to the date of the annual report printing.

1. Resolutions and Implementation Status of Resolutions in Shareholders' Meeting

Date	Resolutions Matters	Implementation Status of Resolutions
May.29, 2024 (Regular meeting)	1.Approve the business report and financial statements of the Company for the year 2023c	1.Relevant documents have been submitted to the competent authority for inspection and public disclosure in accordance with relevant laws and regulations such as the Company Act.
	2. Approve the profit distribution of the Company for the year 2023	2.The cash dividend of NT$1.0 per share has been distributed as proposed. The cash dividend was paid on July 11, 2024.
	3.Amendment of certain provisions of the “Articles of Incorporation”.	3.Passed the resolution of 2024 annual shareholders’ meeting and the change was registered on Jun.18, 2024 (licensed no. 11330098550) and it was announced on MOPS and the company’s website.

2. Important Resolutions of the Board of Directors

Session	Date	Important Resolutions	Results
The 4th meeting of the 18th board of directors	Jan.18, 2024	The company's budget for the year 2024	All directors present unanimously passed the resolutions
The 5th meeting of the 18th board of directors	Mar.08, 2024	1. 2023 Employee Remuneration and Director Remuneration Proposal 2. Disbursement of the Director and Managerial Remuneration for the fiscal year 2023 3. 2023 Annual Business Report and Financial Statements 4. Profit Distribution for the year 2023 5. Appointment of singing accountants and Assessment of their Independence and Competence, and Proposal of their Remuneration 6. Proposal for the 2024 Annual Shareholders' Meeting, Shareholders' Proposal Rights, and Director Nomination, among other matters 7. 2023 Internal Control System Statement 8. 2024 Bank Credit Loan Limit 9. Proposal for the company's R&D department leadership change	1. All directors present unanimously passed the resolutions 2.All directors present unanimously passed the resolutions 3. All directors present unanimously passed the resolutions 4. All directors present unanimously passed the resolutions & distribute cash dividend NT$1.0 5. All directors present unanimously passed the resolutions 6. All directors present unanimously passed the resolutions; Schedule to hold shareholder's meeting on May.29, 2024, and the period for accepting proposals is from March.22 to April.01, 2024. 7. All directors present unanimously passed the resolutions 8. All directors present unanimously passed the resolutions 9. All directors present unanimously passed the resolutions
The 6th meeting of the 18th board of directors	May.09, 2024	1. Financial statements for the1st quarter of 2024 2.Amendment of certain articles of supplier management operations in the company's "Internal Control System - Procurement and Payment Cycle." 3.Amendment of certain articles in the company's "Audit Committee Regulation." 4.Amendment of certain articles in the company's "Board of Directors Meeting Rules."	1. All directors present unanimously passed the resolutions. 2. All directors present unanimously passed the resolutions. 3. All directors present unanimously passed the resolutions. 4. All directors present unanimously passed the resolutions.
The 7th meeting of the 18th board of directors	Aug. 8, 2024	1.Financial statements for the 2nd quarter of 2024 2.Proposal for adding Bank Credit Loan Limit 3.The company's 2023 Sustainability Report.	1. All directors present unanimously passed the resolutions. 2. All directors present unanimously passed the resolutions. 3. All directors present unanimously passed the resolutions.
The 8th meeting of the 18th	Nov.08, 2024	1. Financial statements for the 3rd quarter of 2023 2. Proposal for discussion of the company's	1. All directors present unanimously passed the resolutions. 2. All directors present unanimously

Session	Date	Important Resolutions	Results
board of directors		managerial year-end bonus. 3. Proposal to establish a Sustainability Development Committee under the board of directors and to stipulate the company's "Sustainability Development Committee Regulation." 4. Appointment of members to the Sustainability Development Committee. 5. Amendment of the company's "Internal Control System" and "Internal Audit Implementation Guidelines." 6. Proposal for 2025 audit plan.	passed the resolutions. 3. All directors present unanimously passed the resolutions. 4. All directors present unanimously passed the resolutions 5. All directors present unanimously passed the resolutions 6. All directors present unanimously passed the resolutions
The 9th meeting of the 18th board of directors	Jan.21, 2025	1. The company's budget for the year 2025 2. Amendment of certain articles in the company's "Employee Stock Warrants Issuance and Subscription Guidelines for year 2021." 3. Execution of the conversion of the employee stock warrants issued by the company in 2021 into common shares. 4. Proposal for the 2025 Annual Shareholders' Meeting, Shareholders' Proposal Rights, and Director Nomination, among other matters	1. All directors present unanimously passed the resolutions 2. All directors present unanimously passed the resolutions. 3. All directors present unanimously passed the resolutions. 4. All directors present unanimously passed the resolutions.
The 10th meeting of the 18th board of directors	Mar.07, 2025	1. Proposal for the Employee and Director Compensation for the Fiscal Year 2024. 2. Disbursement of Director and Managerial compensation for the Fiscal Year 2024. 3. Business Report and Financial Statements for the Fiscal Year 2024 4. Profit distribution for the Fiscal Year 2024. 5. In response to the internal organizational adjustments at PwC Taiwan, the company proposes to change its accountants. 6. Appointment of accountants and evaluation of their Independence and Qualifications, along with the Determination of their compensation. 7. Definition of the company's grass-root employees. 8. Amendment of certain articles in the company's "Articles of Incorporation." 9. Declaration of the Company's Internal Control System for the Fiscal Year 2024. 10. Credit Loan Quota from Banks for the Fiscal Year 2025.	1. All directors present unanimously passed the resolutions 2. All directors present unanimously passed the resolutions 3. All directors present unanimously passed the resolutions 4. All directors present unanimously passed the resolutions, distribution of Cash Dividends NT$1.4 per share. 5. All directors present unanimously passed the resolutions 6. All directors present unanimously passed the resolutions 7. All directors present unanimously passed the resolutions 8. All directors present unanimously passed the resolutions 9. All directors present unanimously passed the resolutions 10. All directors present unanimously passed the resolutions

2.3.12 In the recent year and up to the date of printing this annual report, there were no records or written statements from directors or supervisors expressing disagreement with important resolutions passed by the Board of Directors.

2.4 Information on the professional fees of the CPAs

Company	Accounts' name	Audit period	Audit fee	Non-audit fee	Total Amount	Remark
PwC Taiwan	Tien Chung Yu	Jan.-Dec., 2024	3,000	789	3,789	Non-audit fee includes 1. Fiscal and tax advances expense: NT$200,000 2. Transfer Pricing Compliance: NT$190,000 3. The public expense for a sustainability report: NT$300,000 4. Welcome Back Investment Application for Taiwanese Entrepreneurs Completion of Review of NT$27,000. 5. Foreign Company Service Public Fee of NT$26,000. 6. Subsidiary audit travel fee of NT$26,000. 7. Correction of undistributed earnings for substantial investment public fee of NT$20,000.
	Yeh Fang Ting	Jan.-Dec., 2024				

2.4.1 No decrease in audit fees for the current year compared to the previous year when changing accounting firms.

2.4.2 No decrease of 10% or more in audit fees compared to the previous year.

2. 5 Information on replacement of certified public accountant: None

2.6 Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise: None.

2.7 Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

2.7.1 Changes in the shareholding of directors, supervisors, managers, and major shareholders.

Unit: shares

Job title	Name	2024		Till to Mar.25, 2025	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Chairman	Tsai Yeou Liang	0	0	0	0
Director	Gao Hong Rong	0	0	0	0
Director and General manager	Wang Hai Cheng	0	0	0	0
Director	Chiu Nu Chu	0	0	0	0
Director	ChaoJian Investment Corporation Limited	0	0	0	0
	Rep：Tsai Chih Hsiang	0	0	0	0
Director	Hong Ren Investment Corporation Limited	0	0	0	0
	Rep：Hsu Po Wei	0	0	0	0
Independent director	Chung Feng Yuan	0	0	0	0
Independent director	Huang Jin Song	0	0	0	0
Independent director	He Hong En	0	0	0	0
Deputy general manager Rep. of corporate director	Tsai Chih Hsiang	0	0	0	0
Deputy General Manager	Guo Hong Ji	0	0	0	0
Deputy General Manager of Sales Dept.	Chen Tai Chang	0	0	(32,000)	0
R&D Senior Manager	Chen Fu Lin	30,000	0	0	0
Factory Manager of Yongan Plant	Huang Seng Wen	0	0	0	0
Senior manager of financial Dept.	Ho Yin Tang	0	0	(16,000)	0

2.7.2 Share Trading Information: None

2.7.3 Share pledge Information: None

2.8 Relationship information of the Company's 10 largest shareholders

Mar.25, 2025

Name	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	%	Shares	%	Shares	%	Shares	%	
ChaoJian Investment Corporation Limited	12,530,757	12.40%	Not applicable	Not applicable	Not applicable	Not applicable	Tsai Yeou Liang	Chairman of ChaoJian Investment Corporation Limited	
Rep ： Tsai Yiou Liang	3,858,633	3.82%	1,000,530	0.99%	0	0.00%	Tsai I Chen	1st Class	
Tsai Yiou Liang	3,858,633	3.82%	1,000,530	0.99%	0	0.00%	ChaoJian Investment Corporation Limited	Chairman	
							Tsai I Chen	1st Class	
Tsai I Chen	2,819,242	2.79%	0	0.00%	0	0.00%	Tsai Yeou Liang	1st Class	
Wu Lai Cheng	2,350,000	2.33%	90,000	0.09%	0	0.00%	No	No	
Yongyou Investment Co., Ltd	1,854,833	1.84%	Not applicable	Not applicable	Not applicable	Not applicable	No	No	
Rep：Huang Yi Hsin	0	0.00%	0	0.00%	0	0.00%	No	No	
Yen Pi Chuan	1,731,383	1.71%	0	0.00%	0	0.00%	No	No	
He Guang Investment Co., Ltd	1,480,482	1.47%	Not applicable	Not applicable	Not applicable	Not applicable	No	No	
Rep：Hsu Yuan Chen	1,211	0.00%	0	0.00%	0	0.00%	No	No	
Chiu Nu Chu	1,476,300	1.46%	76,234	0.06%	0	0.00%	No	No	
Rong Hao Investment Co., Ltd	1,386,728	1.37%	Not applicable	Not applicable	Not applicable	Not applicable	No	No	
Rep ： Tsai Ming Tsung	0	0.00%	0	0.00%	0	0.00%	No	No	
Wang Hai Cheng	1,347,820	1.33%	0	0.00%	0	0.00%	No	No	

Note: The shareholding ratio is calculated based on the total number of outstanding common shares of 101,059,159 as of March 31, 2025.

2.9 The 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.

Mar.31, 2025Unit: share, %

Re-invested businesses	The Company's investment		Directors, Supervisors, Managers directly or indirectly investment controlled by the Company		Total shareholding	
	Shareholding	Shareholding%	Shareholding	Shareholding%	Shareholding	Shareholding%
Qualipoly International Inc.	8,730,000	100	0	0	8,730,000	100
Chao Chien International Inc.	2,169,000	100	0	0	2,169,000	100
Chaoyang International Inc.	0	0	9,805,738	100	9,805,738	100
Qualipoly Technology (Guang Dong) Corp.	0	0	No shareholding as it is a limited company	100	No shareholding as it is a limited company	100
Qualipoly Technology (Kun Shan) Corp.	0	0	No shareholding as it is a limited company	100	No shareholding as it is a limited company	100
Qualipoly Technology (Shang Hai) Corp.	0	0	No shareholding as it is a limited company	100	No shareholding as it is a limited company	100
Dongguan Cho You New Material Co., Ltd	0	0	No shareholding as it is a limited company	100	No shareholding as it is a limited company	100

IV. Capital Overview

3.1 Capital and Shares

3.1.1 Source of Share Capital

1. Type of stock

Mar.31, 2025

Type of stock	Authorized Capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered Common Stock	101,059,159 Shares	18,940,841 shares	120,000,000 shares	Listed stocks

Note: The common stock includes the shares issued from the exercise of employee stock warrants, totals 748,000 shares, and the capital amendment registration has not yet been completed.

2. Sources of Capital

Mar.31, 2025 Unit：NT$; shares

Month year	Issued prices	Authorized Capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
Feb, 2025	31.4	120,000,000	1,200,000,000	100,311,159	1,003,111,590	Employee stock warrant conversion NT$3,020,000	No	License No. 11430012510 granted on Feb.14, 2025
Aug, 2018	10	120,000,000	1,200,000,000	100,009,159	1,000,091,590	capital increase out of earnings NT$ 47,623,410	No	License No. 10701095770 granted on August 3, 2018
Apr. 2016	30	96,000,000	960,000,000	95,246,818	952,468,180	capital increase out of earnings NT$ 70,000,000	No	License No. 10201039510 granted on Apr.13, 2016

3. Information on the Consolidated Declaration System：No.

3.1.2 List of Major Shareholders

Mar.25, 2025 Unit：Shares；%

Shares / Name of major shareholders	Shareholding (shares)	Shareholding (%)
ChaoJian Investment Corporation Limited	12,530,757	12.40%
Tsai Yeou Liang	3,858,633	3.82%
Tsai I Chen	2,819,242	2.79%
Wu Lai Cheng	2,350,000	2.33%
Yongyou Investment Co., Ltd	1,854,833	1.84%
Yen Pi Chuan	1,731,383	1.74%
He Guang Investment Co., Ltd	1,480,482	1.46%
Chiu Nu Chu	1,476,300	1.46%
Rong Hao Investment Co., Ltd	1,386,728	1.37%
Wang Hai Cheng	1,347,820	1.33%

3.1.3 Dividend Policy and Implementation Status

1. Dividend Policy

If the Company makes a profit before tax in the year, 1% to 1.5% shall be allocated for employee remuneration, which will be distributed in stock or cash based on the decision of the Board of Directors. No more than 3% of the profit shall be allocated for director remuneration. The remuneration for employee and directors shall be reported to the shareholders' meeting.

However, when the Company has accumulated losses, it should reserve the amount to make up the losses first, and then allocate employee remuneration and director remuneration according to the above ratio.

If the Company has profits in its annual financial year, it shall pay taxes in accordance with the law, make up for accumulated losses, then allocate 10% as legal reserve. However, if the legal reserve has reached the Company's paid-in capital, it may not be allocated anymore. The remaining amount shall be allocated special reserve according to the laws and regulations or distributed together with accumulated unappropriated earnings. The Board of Directors shall propose a profit distribution plan for the remaining amount and submit the bonus dividend determined by shareholders' meeting.

The dividend policy is formulated based on the consideration of the industry environment, financial planning and the sustainable and stable development of the Company, as well as ensuring the maximum shareholders' equity. The policy is proposed as follows:

(1) Conditions and timing for distributing dividends:

Currently, the Company is stable and in order to support the growth of the business, the dividend distribution is based on satisfaction of future operational development. After considering a sound financial structure, stable dividends, and reasonable returns for shareholders, the Board of Directors will propose a retained earnings plan in accordance with the Company's articles. The plan will be distributed after approval of the shareholders' meeting and authorities.

(2) Distribution ratio of cash dividends and stock dividends:

Shareholder dividends are distributed through cash dividends and stock dividends. The proportion of cash dividends is more than 20% of the total shareholder dividends. However, if the cash dividend per share is less than NT$0.5 (inclusive), it may be distributed in the form of stock dividends instead.

The actual distribution ratio will be determined by the Board of Directors based on the Company's financial situation and capital budget.

(3) The Company authorizes the Board of Directors to distribute dividends, capital surplus, or legal reserve surplus in whole or in part by means of cash payment subject to the passing of a resolution by at least 2/3 the directors present and a majority of the attending directors, and to report to the shareholders' meeting.

2. The implementation is follows:

The board of directors meeting passes on Mar.07, 2025 to issue cash dividend of NT$1.4 per common stock, amounting to NT$141,103,423

3.1.4 The proposed bonus stock distribution will not have any impact on the Company's business performance or earnings per share.

3.1.5 Employee’s and director’s remuneration

1.Percentage or range of employee and director remuneration by company's articles:

As company's articles of Incorporation, if the Company makes a profit before tax in the year, 1% to 1.5% shall be allocated for employee remuneration, which will be distributed in stock or cash by decision of the Board of Directors. The Board of Directors may also decide to allocate up to 3% of the profit as director remuneration. The remuneration to employee and director should be reported to the shareholders’ meeting.

2.Basis for estimating the amount of employee and director remuneration, basis for employee remuneration distributed in stocks, and accounting treatment for any differences between the estimated amount and the actual distribution amount:

(1) Employee remuneration is estimated to be 1% to 1.5%.

(2) Director remuneration is not more than 3%

(3) If there is any difference between the actual distribution and the estimation, it will be treated as an estimate change and adjusted in the next fiscal year's income statement.

3. The approved remuneration distribution by the Board of Directors:

(1) The amount of employee and director remuneration distributed in cash or stocks. If there is any difference between the estimated and the actual amount, the difference, reason, and solution should be disclosed

The remuneration to employee and director was approved by the Board of Directors on March 7, 2025

a.Employeeremuneration：NT$3,750,000

b.Remuneration to director：NT$7,500,000

c. There is no difference between the number of shares distributed for employee remuneration and remuneration to director and the estimated amount.

(2) The proportion of employee remuneration distributed in stocks and its ratio to the after-tax net profit of the individual or separate financial statements and the total amount of employee remuneration: As the Company adopts cash dividends, this is not applicable.

4.Actual distribution of employee and director remuneration in the previous year (including the number of shares, amount and share price) and any differences from the recognized employee and director remuneration should be explained the difference amount, reason, and solution:

(1) Employee and director remuneration distribution are approved by the Board of Directors on March 8, 2024:

a. Employee remuneration: NT$2,812,000.

b. Director remuneration: NT$5,625,000.

(2) No difference between the distribution and estimated amount of employee director remuneration.

3.1.6 Buyback of Treasury Stock: None

3.2 Corporate Bonds: None

3.3 Preferred Shares: None

3.4 Overseas Depositary Receipts: None

3.5 Employee Stock Options

Mar.31, 2025

Type of employee share subscription warrants	The 1st of employee share subscription warrants
Effective registration date and total number of units	Dec. 24, 2021 3,000 units (3,000,000 shares)
Issue (handling) date	Dec.21, 2022
Number of units issued	3,000 units (3,000,000 shares)
Number of units still available for issuance	0 share
Ratio of the number of issued subscribable shares to the total number of issued shares	3.0%
Duration	4 years
Exercise method	Issue new shares
Vesting period and percentage (%)	Expires 2 years 100%
Number of shares subscribed through exercise of warrants	1,050,000 share
Amount of the shares subscribed through exercise of the warrants (NT$)	NT$ 32,970,000
Number of unexercised shares	1,890,000 shares
Subscription price per share of the unexercised shares	31.4
Ratio of the number of unexercised shares to the total number of issued shares (%)	1,87019%
The effect on shareholders' equity	The company's stock option holders may exercise their stock options certificates according to the schedule specified in the regulations only after two years from the issuance of the employee stock option. The number of shares subscribed to shall not exceed 3% of the total issued shares and shall not have any material impact on the shareholders' equity.

Note: Cumulative expired subscription quantity (shares): 60,000 shares

3.6 Status of Employee Restricted Stock: None

3.7 Top ten managers who obtained employee stock options certificates and their respective subscription quantities

	Title	Name	Number of shares subscribable from exercise of warrants granted	Ratio of the Number of shares subscribable from exercise of warrants granted to the total number of issued shares	Exercised				Unexercised			
					Number of shares	Exercise price	Total exercise price	Ratio of the number of exercised shares to the total number of issued shares	Number of shares	Exercise price	Total exercise price	Ratio of the number of unexercised shares to the total number of issued shares
Manager	Deputy General Manger	Tsai Chih Hsiang	680,000	0.67%	30,000	31.4	942,000	0.03%	650,000	31.4	20,410,000	0.64%
	Deputy General Manager of District	Chen Tai Chang										
	Financial Senior Manager	He Yin Tang										
	R&D Senior Manager	Chen Fu Lin										
	Factory manager	Huang Seng Wen										
Employee	Manager of District	Wu Kuo Chen	1,200,000	1.19%	402,000	31.4	12,622,800	0.40%	798,000	31.4	25,057,200	0.79%
	Manager	Chao Yao Hsin										
	Manager	Huang Xin Sheng										
	Project manager	Tang Yu Songe										
	Senior Manager	Liu Yi You										
	Sales Manager	Chang Yan Xiang										
	Manager	Luo Jian Xun										
	Manager	Ma Cheng Zhi										
	R&D Manager	Wang Xiu Fan										
	Deputy Manager	Wang Ci Yuan										
	Manager	Chen Yi Ming										
	Deputy Manager	Guo Bai Qing										

3.8 Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares:

3.9 Financing Plans and Implementation

The Company has no outstanding issued securities or has been completed but the profit has not yet been realized within the past 3 years.

IV. Operational Highlights

4.1 Business Activities

4.1.1 Scope of Business

1. Major Business:
   a. Manufacturing, processing, and sales of various industrial synthetic resins and other related chemical materials.
   b. Import and export of various industrial synthetic resins.
   c. Buying/selling and import/export of various raw materials for artificial resins.

2. Ratio of Business

Ratio of major products in 2024

Description	single %	Consolidated %
UV Curable Resins	64	59
Unsaturated polyester resins	20	19
Coating resins	6	12
Electronic Chemical Materials	7	7
Others	3	3
Total	100	100

3.Current major products:
   a.UV curable monomers and oligomers
   b.High-speed computing 5G material resins
   c.Photoresist material resins
   d.Unsaturated polyester resins
   e.Coating resins
   f.PSMA resins (Polystyrene-Maleic Anhydride resin)
   g.Silver conductive ink

4. Planned scope of development
   a.Environmental recycled polyester polyol
   b.Bio-based vinyl resins
   c.Bio-based unsaturated polyester resins
   d.PSMA related application resins
   e.3D printing UV curable dental materials
   f.High-speed computing related materials
   g.Water-based motor insulation materials
   h.Low energy consumption, high reaction UV curable materials
   i.Resins for display related applications

4.1.2 Industry Overview

4.1.2.1. Industry Status

Synthetic resin is an artificially synthesized polymer that is one of the most widely produced, the largest output, and the most widely used products in the petrochemical industry. It has widely applied from high-precision industries such as semiconductors, display materials, and medical materials to daily necessities such as paints, building materials, buttons, and so on. Taiwan’s petrochemical industry is well-developed, and major petrochemical products such as monomers, solvents, industrial chemicals, and specialty chemicals can be produced. Easy to get raw material domestically and competitive prices create a favorable environment for the development of the synthetic resin industry.

In the past few decades, due to cost and market, numbers of Taiwan’s mid- to downstream industries have moved to China and Southeast Asia which results that synthetic resin industry produced synthetic resin is mainly exported and the domestic market in Taiwan continues to shrink. It wasn’t until recent years, with the US-China trade war and changes in the regional economic landscape, there are signs of a rebound in domestic market demand.

In recent years, the global supply chain has undergone significant changes since the epidemic. Taiwan’s chemical product export has performed well due epidemic was controlled well in Taiwan and complete upstream raw material production lines domestically. However, in the post-epidemic era, the global economy has undergone dramatic changes, not only ongoing war between Russia and Ukraine but also the Middle East, situated at a crucial juncture between Asia and Europe, has also outbreak of conflicts between Israel and Palestine. The conflict has now escalated to include tensions between Israel and Iran, further intensifying the overall situation in the Middle East. The highly anticipated U.S. presidential election will also come to a close at the end of this year, with President Trump, representing the Republican Party, winning by a large margin. Both the House of Representatives and the Senate will also be controlled by the Republican Party. During the election campaign, President Trump consistently signaled his intention to adjust the United States' global strategy and adopt a policy framework based on "America First." This has caused economies around the world to stay on high alert, closely monitoring potential policy shifts from the new U.S. government. Amid many uncertainties, the globalized economic model is facing significant challenges, with a shift toward regional economic models and localized production in short supply chains. If the Trump administration indeed implements tariff protectionist policies, it is likely that other economies will follow suit, potentially creating a major variable for global economic conditions in 2025.

Our main product, UV curable materials, has a clear growth trend in market demand due whole world focus on environmental protection, green energy, energy saving and carbon reduction. In the past, the supply chain was mainly concentrated in China and the Asia-Pacific region. However, with the uncertainty by the US-China trade war and China's industrial policies, the supply chain reshuffling has become apparent. We are in the "non-China supply chain" which gives us a significant advantage in exporting to Europe and the United States. Furthermore, the company has cultivated the European and American markets for many years. Both QualiCure™ brand and product quality have earned the trust of customers. In comparison, we still maintain certain advantages over the Chinese supply chain.On the other hand, the performance of traditional resin products has been lackluster due to the impact of the global economy and regional

economic models. Additionally, with competitors engaging in localized production and benefiting from tariff advantages such as RCEP and CPTPP, the business performance in industrial resins is expected to continue facing challenges.

The products and industry transformation that the company has been continuously investing in in recent years are gradually being converted into business performance. PSMA resin is a specialized resin that holds an important position in application markets such as CCL, auxiliary precursor, dispersants, and plastic additives. It is a high-margin product independently developed by the company in recent years, and small-scale shipments have already begun this year, receiving positive market feedback. Based on this foundation, the company will continue to invest in expanding production capacity, with plans to complete the installation of new capacity by the end of 2025. In the future, this project is expected to gradually become one of the company's main profit contributors. In terms of electronic chemical materials, the company continues to collaborate with leading specialized Japanese manufacturers on multiple projects. Among these, the high-speed computing resin (HC material) developed in recent years has completed the pilot test phase and customer certification this year. The first set of mass production equipment will be put into production in the second quarter of 2025. The company will officially enter the high-end CCL material supply chain and ride the wave of the electronics industry's high-speed computing sector.

In the first half of 2024, market conditions continued the upward trend of the second half of 2023. After the inventory de-stocking was completed across all levels, a gradual positive demand growth trend emerged. However, this growth was unfortunately impacted in the second half of the year by the sluggish market in China and the expansion of manufacturing capacity leading to price dumping. By the end of the third quarter, the market entered a contraction phase. In the past two years, several new UV curable monomer suppliers have emerged in China. Given the poor domestic market conditions, these new capacities have been aggressively exported to the international market, leading to significant downward pressure on UV curable monomer prices. While the sales proportion of general monomer products is not high, the overall sales performance has still been impacted to some extent. In the short term, it is expected that the industry will struggle to return to normal, but with the company continuously enhancing the value of its product portfolio and the planned new capacity from the Annan plant in the second half of 2025, new processes and efficient production plans should gradually improve the gross margin of UV curable materials to a reasonable level. Overall, for 2025, the company holds a cautiously optimistic outlook for its overall business performance. With the new capacity coming online at the Annan plant, along with developments in electronic chemical materials and PSMA, the overall business is expected to show gradual improvement in the second half of the year.

(1) Unsaturated polyester resins

Unsaturated polyester resin is one of the main raw materials for basic industries, and is mainly used in composite materials (FRP, SMC, BMC), injection molding, artificial marble, buttons, and coatings. The market demand is closely related to the overall economic development. In recent years, the economic development of Southeast Asia and Central Asia has driven the market demand of such resins.

Due it is not easy to store unsaturated polyester resin, this type of resin is more

regionalized and has advantages in production management for local or regional manufacturers. Therefore, in recent years, there have been many new production capacities in Southeast Asian to cope with the increasing market demand. In addition, since general unsaturated polyester resin has a large market volume, its profitability performance is usually highly correlated with the main raw material market. In recent years, China has been aggressively expanding its petrochemical material capacity, which has severely impacted the supply and demand balance in the chemical industry. In the face of a highly competitive market environment, many large chemical plants have started to pursue vertical integration and develop downstream products. This has also led to a general oversupply in the downstream market, resulting in intense price competition.

The company has been deeply cultivating the market in this product category for a long time. Currently, we focus on the Asia-Pacific region (APAC). In addition to the Southeast Asian market, Australia and Japan are also the main export markets. We have first-class competitive strength in terms of product quality, technics, brand reputation, and customer service

(2) UV Curable Materials

As the name suggests, UV curable materials have the characteristic of curing and forming when exposed to UV light, therefore are regarded as one of the green energy-saving materials. In recent years, due to the rise of environmental awareness in the world, each country has increasingly strict regulations on VOC emissions, and the development of UV-curing materials in various applications has grown year by year. In addition, more and more manufacturers invest in the development of new materials, the market has significant progress in terms of cost and application.

These types of materials have 5 major application markets: various printing inks, wood coatings, industrial coatings, and electronic materials. According to a market report by Markets and Markets in 2017, the total market demand in that year was approximately 600,000 tons/year, with an annual growth rate of about 7.4% (CAGR, 2017–2022). It is generally believed that the market was significantly impacted during the pandemic, with overall demand showing signs of contraction. However, after the pandemic ended in 2023, the overall UV curable market began to recover its previous growth trend. By 2024, demand is expected to have returned to pre-pandemic levels, and the market will continue to grow in the future, driven by global focus on environmental sustainability, green energy, energy conservation, and carbon reduction. The Asia-Pacific market (including China) has the largest share and the highest growth, followed by Europe and the Americas.

On the supply side, Japanese and European manufacturers have developed early in this field and are important benchmarks for this industry. Japanese manufactures mainly supply the high-end industrial coatings and electronic materials and European manufacturers dominate the ink and wood coatings markets. Korean and Chinese manufacturers have been catching up in recent years and have gradually occupied a position in major markets.

We have more than 20 years of experience in developing UV curable materials, and has gained recognition from customers worldwide in terms of technics and quality service. Currently, we market our products under the brand of Qualicure^{TM} brand over 40 countries around the world, with an average market share in major markets around the world (APAC, EMEA, America), and have the foundation for long-term

development.

Due to the continuous growth of UV curable materials, we launched a new factory last year and established a new production base for UV curable materials in Tainan Technology Industrial Park. We will introduce the latest production technology and equipment and expect effectively improving production efficiency. The new Tainan factory is expected to start production in the middle of 2025, and the total production capacity of UV curable materials will increase to 50,000 tons in the future.

(3) Coatings and other industrial resins

There are various types of traditional solvent-based coating resins, including alkyd resins, polyester resins, acrylic resins, epoxy resins, and amino resins. The applications range from low-end self-drying wall paint and wood paint, to mid-range industrial metal and plastic coating, to high-end automotive paint and anti-corrosion paint, it has significant market value in total. According to a professional market research report by Marketsand Markets, the global value of coating resins is expected to reach USD 38 billion by 2020, with a compound annual growth rate (CAGR) of 5.61% from 2015 to 2020.

The low and middle end paint resins are one of the basic materials in the civilian industry, with a large quantity but low technics. Profits are greatly affected by fluctuations in raw material costs, so the market supply and demand are mainly regional. In recent years, many new production capacities have been added in China, Southeast Asia, the Middle East, and India, leading to intense market competition. High-end coatings prioritize its characteristics, with better profits but are difficult to integrate into customer’s existing supply chains. The testing period of product is also longer, hence the companies with brand awareness and abundant resources are relatively more advantageous

We have primarily focused on producing low and mid-end coatings and resins, and has a significant market share and brand recognition in Southeast Asia and Australia. Recently, our R&D gradually focus on producing high-end industrial coatings and environmentally-friendly resins, aiming to enhance the overall commercial value of our product portfolio.

(4) Electronic Chemical Materials

Electronic chemical materials refer to the chemical materials required for use in electronic-related products including a wide range of materials, from basic printed circuit boards requiring circuit substrates, resins, inks, photoresists, etchants, and so on, to intermediate-level display materials such as various types of film coatings, RGB photoresists, liquid crystal modules, PI film-related chemicals, and so on, to high-end semiconductor materials requiring various specialty chemicals, cleaning solutions, polishing fluids, packaging resins, and more. The applicability is quite extensive. According to a market report issued by Research Nester in 2022, the global market value of specialty chemicals for semiconductors (excluding display materials) was estimated to reach nearly $60 billion in that year, with a compound annual growth rate of 6.8% over the next decade.

Taiwan holds a critical position in the semiconductor industry. Over the past few decades, through government planning and the efforts of various related enterprises, it has developed a complete industry chain. In recent years, especially in the field of advanced semiconductor manufacturing processes, Taiwan's technology has been leading the world, making it a shining example. Particularly

since 2022, with the booming development of the IoT industry, high-speed computing, and AI technology, it can be expected that the compound annual growth rate of this industry will continue to rise.

Compared to Taiwan's leading position in the electronics industry worldwide, the related electronic chemical materials are still in the early stages. Currently, the main supply sources still come from chemical giants in Japan and the United States. In recent years, companies in Taiwan such as Chang Chun Group, LCY CHEMICAL CORP., and San Fu Chemical Co., Ltd., Shiny Chemical Industrial Co., Ltd., Everlight Chemical Industrial Corporation,and Daxin Materials Corp. have progressively ventured into mid-to-high-end electronic materials applications. The main reason is that in the application of the electronics industry, there are high requirements for various specifications of chemicals, and there are also high demands for supply chain management systems. This poses a significant challenge to Taiwan's chemical industry, which has traditionally focused on consumer goods

Feeling the trends in Taiwan's electronics industry, the company set the goal of product transformation in early 2011. The company actively collaborated with major Japanese electronic chemical materials manufacturers to OEM produce key resins in display materials and used this opportunity to establish production lines and inspection technologies that meet industry standards. After years of collaboration and effort, the projects and production volumes have gradually increased, and the company has become one of the most important overseas partners of this Japanese giant. Currently, in addition to the key resins for display materials, which have already matured in mass production and continue to grow, the most promising project in the future is the resin for high-speed computing applications. This resin is primarily used in high-end CCL materials, featuring extremely low Dk/ Df values, making it suitable for various high-frequency applications.

4.1.2.2 Trend of future development

(1) Unsaturated polyester resins

a. Overall market demand is expected to continue growing. The industrialization and economic development in emerging countries in Southeast Asia will drive the increasing demand for unsaturated polyester resin. US-China trade war and the shift of global manufacturing centers will boost the demand for unsaturated polyester resin in emerging markets.
b. The demand of high-performance and high value-added unsaturated polyester resins will grow rapidly. The demand of high-performance FRP composite materials and high-end applications, such as the lightweight construction for light rail transit, ships and vehicles, wind power blades, etc., has driven the development of unsaturated polyester resins towards low viscosity, low exothermic peak, high strength, high fatigue resistance, and high flame retardancy. The lightweight construction also drives the development of low-density, injection-grade SMC/BMC resins. In addition, high-performance unsaturated polyester resins will be chosen for non-excavation tank repair, double-walled underground oil storage tanks, ground gas storage stations, offshore oil drilling platforms, container panels, high-speed law enforcement boats, patrol boats, fishing boats, offshore wind power, and desalination of seawater, etc.

c. The demand for environmentally friendly resins will gradually increase. Low VOC emissions have gradually become a universal standard, and environmentally friendly unsaturated polyester resins with low or no styrene (SM) emissions can match with general resins now. If the cost can be gradually improved in the future, it will contribute to the overall development of related industries.

d.Recyclable thermoplastic composite materials are also a key focus of the industry's ongoing attention. With the trend toward net-zero carbon emissions, an increasing of composite materials are beginning to use recyclable plastics as their raw materials. Recyclable thermoplastic composite materials have already appeared on the market, and it is anticipated that they will significantly enhance the value of composite material applications.

(2) UV curable materials

a. Energy saving and net-zero carbon emissions are global issues of concern, and the application of UV curable materials will continue increasing, gradually replacing the market of solvent-based materials. The evolution of water-based UV and dual curable materials has timely addressed the technical bottlenecks of UV light curable materials in specific applications. With the continuous expansion of their applications, it is expected that the annual growth rate will also increase accordingly.

b. On the technological side, more and more new types of monomers and resins are being introduced to the market, which enhances the performance and cost optimization of UV curable materials and promote rapid development of the industry.

c. In recent years, new chemical regulations such as REACH、TSCA enacted by each country have affected the use of UV curable monomers in formulations, especially for specialty monomers. In the future, industry development will focus on less restricted high polymers. At the same time, these newly established regulations will also restrict the use of photoinitiators, prompting clients to make changes in their formulations, thereby driving the development of new monomers and resins.

d. The demand from European and American customers for net-zero carbon emissions continues to increase, driving the demand for bio-based and low-carbon materials. At the same time, the requirements for managing carbon emissions across the supply chain will also gradually rise.

E. With the booming development of the electronics industry, the demand for UV curable materials such as photoresist, dry film, and photomask, will also increase.

(3) Coating and other industrial resins

a. The market development of traditional solvent-based coatings will continue to grow in emerging countries along with economic growth, but in other countries, it is gradually being replaced by water borne resins and UV curable materials in response to environmental pressures.

b. The localization/domestication of the low & mid end market will be accelerated, and the development of imported manufacturers will be significantly compressed as the improved quality and technology of local manufacturers.

c. Due the trade conflict between China and the United States, emerging countries have gained many benefits from orders and factory transfers. The demand for

mid & high-end resin products will also rapidly increase.

d. High solid & low viscosity, low free formaldehyde, and low free monomer environmentally friendly coating resins will gradually become mainstream products in the market.

e. PSMA resin features high Tg, high functionality, and easy to modify. Its unique pectination structure also gives it surfactant properties, making it highly distinctive in many specialty chemical applications. In addition to its mature applications in existing markets, modified PSMA resins have the potential to continually expand market demand and enhance product value.

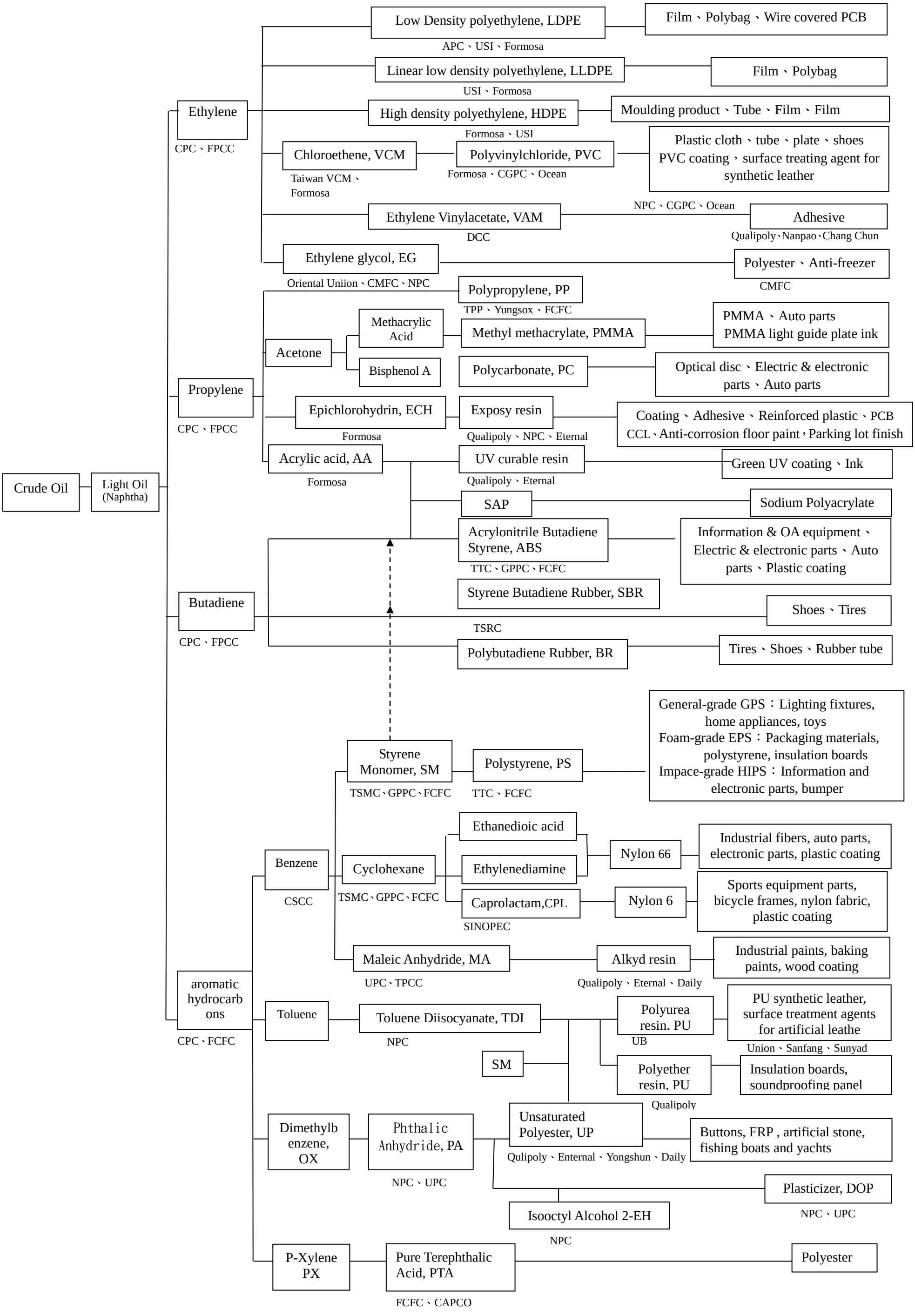
(4) Electronic Chemical Materials

a. TFT-LCD panels are still the mainstream choice in the industry due to their excellent cost-effectiveness. Even with new type like Micro-LED or QLED panels, they still require the display materials supplied by the company. Therefore, it is expected that this sector will continue to grow in the coming years.

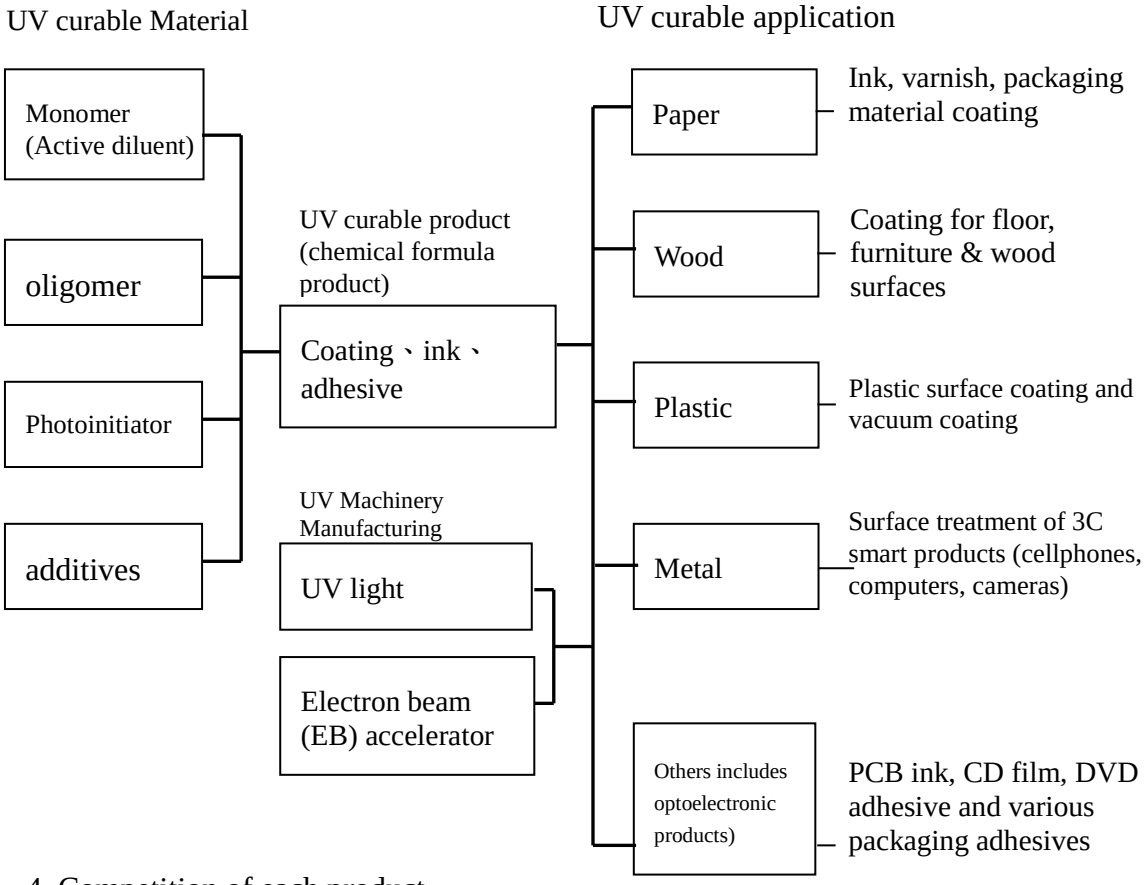
b. With the ongoing rapid development of the IoT industry, Applications for high-speed transmission will grow significantly, and with the rise of the AI industry starting in 2024, there will be a greater demand for high-throughput, high-speed information transmission in hardware. mmWave frequencies in the high-frequency range offer significant advantages for high-speed transmission, such as sufficient bandwidth, miniaturized antennas and devices, and higher antenna gains. As the frequency range of circuit designs reaches the high-frequency mmWave stage, controlling circuit losses becomes crucial, so the required materials must have low dielectric constant (low Dk) and low dielectric loss (low Df) characteristics. The high-frequency resins produced in collaboration with leading specialized Japanese manufacturers have significant growth potential and will become a key development project for the company's medium- to long-term business growth.

4.1.2.3 The relationship between upstream, midstream, and downstream of industry

(1) Synthetic resin products are a midstream industry in the petrochemical industry. The upstream is petroleum refining, natural gas processing, and raw material chemical industry and the downstream is the processing and manufacturing industry. The following diagram shows the relationship between upstream, midstream, and downstream.


Crude Oil
Light Oil (Naphtha)
Ethylene
CPC、FPCC
Low Density polyethylene, LDPE
APC、USI、Formosa
Film、Polybag、Wire covered PCB
Linear low density polyethylene, LLDPE
USI、Formosa
Film、Polybag
High density polyethylene, HDPE
Formosa、USI
Moulding product、Tube、Film、Film
Chloroethene, VCM
Taiwan VCM、Formosa
Polyvinylchloride, PVC
Formosa、CGPC、Ocean
Plastic cloth、tube、plate、shoes
PVC coating，surface treating agent for synthetic leather
Ethylene Vinylacetate, VAM
DCC
NPC、CGPC、Ocean
Adhesive
Qualipoly、Nanpao、Chang Chun
Ethylene glycol, EG
Oriental Uniion、CMFC、NPC
Polyester、Anti-freezer
CMFC
Propylene
CPC、FPCC
Polypropylene, PP
TPP、Yungsox、FCFC
Acetone
Methacrylic Acid
Methyl methacrylate, PMMA
PMMA、Auto parts
PMMA light guide plate ink
Bisphenol A
Polycarbonate, PC
Optical disc、Electric & electronic parts、Auto parts
Epichlorohydrin, ECH
Formosa
Exposy resin
Qualipoly、NPC、Eternal
Coating、Adhesive、Reinforced plastic、PCB CCL、Anti-corrosion floor paint，Parking lot finish
Acrylic acid, AA
Formosa
UV curable resin
Qualipoly、Eternal
Green UV coating、Ink
SAP
Sodium Polyacrylate
Acrylonitrile Butadiene Styrene, ABS
TTC、GPPC、FCFC
Information & OA equipment、Electric & electronic parts、Auto parts、Plastic coating
Butadiene
CPC、FPCC
Styrene Butadiene Rubber, SBR
TSRC
Shoes、Tires
Polybutadiene Rubber, BR
Tires、Shoes、Rubber tube
Styrene Monomer, SM
TSMC、GPPC、FCFC
Polystyrene, PS
TTC、FCFC
General-grade GPS：Lighting fixtures, home appliances, toys
Foam-grade EPS：Packaging materials, polystyrene, insulation boards
Impace-grade HIPS：Information and electronic parts, bumper
Benzene
CSCC
Cyclohexane
TSMC、GPPC、FCFC
Ethanedioic acid
Ethylenediamine
Caprolactam,CPL
SINOPEC
Nylon 66
Nylon 6
Industrial fibers, auto parts, electronic parts, plastic coating
Sports equipment parts, bicycle frames, nylon fabric, plastic coating
Maleic Anhydride, MA
UPC、TPCC
Alkyd resin
Qualipoly、Eternal、Daily
Industrial paints, baking paints, wood coating
aromatic hydrocarbons
CPC、FCFC
Toluene
Toluene Diisocyanate, TDI
NPC
Polyurea resin, PU
UB
PU synthetic leather, surface treatment agents for artificial leathe
Union、Sanfang、Sunyad
SM
Polyether resin, PU
Qualipoly
Insulation boards, soundproofing panel
Dimethylbenzene, OX
Phthalic Anhydride, PA
NPC、UPC
Unsaturated Polyester, UP
Qulipoly、Enternal、Yongshun、Daily
Buttons, FRP , artificial stone, fishing boats and yachts
Plasticizer, DOP
NPC、UPC
Isooctyl Alcohol 2-EH
NPC
P-Xylene PX
Pure Terephthalic Acid, PTA
FCFC、CAPCO
Polyester

(2) The UV curable industry can be divided into four major units, which are interdependent and independent, so called "value chain".



4. Competition of each product

We have had 40 years of experience in polymer chemicals, and have been marketing internationally for over 30 years. We have continuously introduced new technologies from Europe and the United States, devoted to research and development of new products, and strengthened the training of our workforce. Therefore, we have always held a significant position in the competitive industry. Although our competitors also produce synthetic resins, there is some overlap, and each manufacturer has its own strengths and develops in different areas. Therefore, our main products are also quite different, as shown in the table below:

Company	Main Products
Qualipoly Chemical Corp.	UV curable material, unsaturated polyester resin, coating resin, High-speed computing 5G material resins, Photoresist material resins, PSMA resins (Polystyrene-Maleic Anhydride resin), Silver conductive ink
Daily Polymer Corp.	Coating resin, alkyd resin, textile resin, unsaturated polyester resin, liquid crystal materials.
Young Shun Chemical Co., Ltd	Unsaturated polyester resin, polyester polyol resin, FRP products.
Etemal Chemical Co., Ltd	General resin, coating resin, unsaturated polyester resin, photoresist materials and vacuum laminating machine equipment, copper clad laminates, UV curable materials, epoxy resin packaging materials, liquid packaging materials.

4.1.3 Technics and R&D Overview

The R&D expenses and the successful developed technics or products up to the date of printing of the latest annual report.

Unit: NT$ thousand

R&D expense		Successful developed technics or product
2024	Mar.31, 2025	
55,103	11,615	a. Electronic PSMA resin b. RCS certified eco-friendly recycled FRP resin c. Corrosion-resistant flooring vinyl resin d. 5G material cross-linking resin e. Water-based motor insulation varnish f. 3D printing of water-washable dental materials g. Flexible display panel resin

4.1.4 Short-term and long-term sales development plan

1. Short-term sales development plan

(1) Increase the production and sales of UV curable materials, expand the use of special products in the electronics industry, and develop a series of products for ink, inkjet, metal can coat, glass coating and 3D printing.

(2) Develop and promote Vinyl Ester Resins for use in construction and yachts and transportation.

(3) Promote foreign BMC and SMC resins and low shrinkage agents.

(4) Promote PSMA resins, expand production line and capacity and develop a complete range of products to meet market demand.

(5) Develop and promote water borne resins for road use.

(6) Enhance collaboration with well-known foreign optoelectronic chemical manufacturers and expand the capacity for production and sales of 5G electronic materials.

2. Long-term sales development plan

(1) Develop other high value synthetic resins, electrochemical resins, and special UV curable materials.

(2) Develop potential products related to the "energy industry" and look for cross-industry cooperation to increase efficiency.

(3) Expand overseas production and sales channels, look for technics and production cooperation and continue to enhance international reputation.

(4) Actively develop resins and coatings related to " concept of environmental protection and carbon reduction " to meet the overall market demand trend.

(5) Actively look for opportunities for technology transfer or contract manufacturing related to optoelectronic and semiconductor products in the field of electronic chemical resins.

4.2 Market and Sales Overview

4.2.1 Market Analysis

1. Main sales areas

Unit: NT$ thousand

Sales area	2023		2024	
	Amount	%	Amount	%
Taiwan	928,873	27	1,012,282	25
China	808,857	23	951,177	24
Others	1,717,063	50	2,076,284	51
Total	3,454,793	100	4,039,743	100

2.Main competitors and market shares

Main Products	Competitors	Market shares
UV curable materials	Etemal、Allnex、Sartomer、Miwon	2%
Unsaturated polyester resin	Etemal、Nuplex、YongShun、Daily-Polymer	1%
High-speed computing 5G resin	Note	Note
Photoresist resin	Note	Note

Note: This is for contract manufacturing, so it is not applicable.

3. Market future supply-demand situation and growth potential

(1) Due to product characteristics, unsaturated polyester resin belongs to a regional industry. Therefore, with the rapid evolution of industrialization and economic development in emerging countries, the new production capacity is mainly located in these regions. However, the development and application of such products are already mature, the existing suppliers expand the most of the new production capacity, and the local factories invest a few capacities. Due to the low technical barriers in product technology, it tends to follow economies of scale to develop. This means that a certain production scale is needed to achieve economic benefits, otherwise, it may fall into a downward spiral of declining prices and volumes. In the Southeast Asian market where the company has focused in the past, recent years have seen increased competition not only from local manufacturers but also from manufacturers in China and South Korea. With the advantages of the Regional Comprehensive Economic Partnership (RCEP), there has been significant competitive pressure. Since the outbreak of the pandemic, demand in the Southeast Asian market has been greatly affected and has yet to fully recover, leading to a severe imbalance between supply and demand and significant price impacts. On the other hand, the markets in Japan and Australia are relatively stable. Despite the bottoming out of raw material prices, the company still has certain niches to continue developing these markets.

(2) Here have been some noticeable changes in the supply of UV light curable materials following the pandemic. To adapt to regional economic and short-chain supply, major producers in Europe and USA have gradually planned to increase production capacity in Europe and USA in recent years, supplying local markets locally rather than relying on imports. Korean suppliers, leveraging the advantages of free trade agreements (FTAs) to avoid tariffs, have actively entered major markets and expanded production capacity to reduce costs through economies of scale. In the past two years, many new manufacturers have suddenly entered the market in China. Some of these are upstream suppliers who, due to oversupply in the raw materials market, have shifted towards developing downstream products. Many other new manufacturers have been established with the support of local government subsidies. Overall, in recent years, there have been significant fluctuations in the supply of light curable materials, In the past two years, the total supply has increased significantly, and the overall market demand is still in the post-pandemic recovery phase, not yet returning to the previous rapid annual growth. The supply-demand imbalance is expected to persist for some time. After the Annan new plant begins operations in middle of 2025, a price war driven by capacity digestion is expected within the next 2 to 3 years. However, with the demand trend continuing to rise, coupled with the optimization of the company’s product portfolio and the manufacturing advantages of the new plant's capacity, the industry development of UV curable materials remains a positive upward trend in the medium to long term.

(3) The market supply situation of coatings and other industrial resins is similar to unsaturated polyester resins. Mainly emerging market suppliers are increasing production to meet local growth demands. The supply of low & mid-range products also

tends to be regional, and local manufacturers have relative advantages. Therefore, in terms of supply, it will be influenced by the new production capacity in Southeast Asian countries in the short term. However, due to the increasing demand towards water-based and UV light curable materials, the supply side is tending towards stability in the long term.

(4)Electronic chemical materials differ greatly from traditional resins and UV curable materials in terms of business operations. The focus of the products is on their characteristics rather than price, so typically, only a few certified suppliers dominate the market. Unlike traditional resins, however, electronic chemical materials evolve more quickly, with new-generation products often significantly replacing older ones. As a result, there is much greater investment in R&D. With the rapid development of the semiconductor industry, it can be expected that the market demand for electronic chemical materials will also increase rapidly, making it an essential field for the company's medium to long-term product transformation.

4. Niche Market Competition

(1) Our main products have obtained multiple international certifications and meet with the special quality requirements of our customers. Unsaturated polyester resins have been certified for marine use by both Lloyd's Register and DNV in Norway, and our PIR insulation rigid polymeric resin has been tested and approved by the Aerospace center of Industrial Technology Research Institute. The unsaturated resin QL7241 (8275FA) has also obtained UL certification for use in underground oil tanks in the United States. Our UV curable materials have registered in REACH and most of our products have been approved and used by major downstream customers. The newly developed PSMA resin and electronic chemical materials have also gradually obtained certifications from downstream manufacturers and are being progressively incorporated into mass production.

(2) Several plants established experience, advanced manufacturing process, and high production efficiency.

Since establishment, we have several experience in plant established due to relocation and reinvestment. Our production equipment has been continuously improved, including automatic heating systems, distributed control systems, and data management systems. With high automation and superior quality control, we have achieved high production efficiency.

(3) Extensive experience in wastewater recycling as waste solvent recovery, cost savings by well waste reduction.

Energy conservation and waste reduction are global trends, and we continuously R&D new recycling processes. We aim to recover usable materials and solvents from wastewater and used solvents to achieve waste reduction targets; moreover, it could save costs and creating profits.

(4) Continue to invest in R&D resources, focusing on the development of core technologies to enhance product competitiveness.

We have established technical cooperation with internationally renowned synthetic resin manufacturers, such as NESTE, Ashland, SOAB, Beckers and others to introduce advanced European and American technologies. Establish a foundation for collaboration between the R&D and other research units. In recent years, the R&D department has continued to strengthen its software and hardware capabilities, not only hiring a large number of doctoral-level talents, but also collaborating with a leading Japanese electronic materials manufacturer to develop electronic material resins. Moreover, in recent years, collaboration with a startup company in USA has accelerated the development of electronic ink products, facilitating the company's product transformation.

(5) Abundant marketing resources

Our sales areas are in northern, central, and southern Taiwan, as well as Guangdong Province in China, with several sales personnel in each area to provide nearby customer service. In addition, we have long-term cooperative dealers in Australia, Malaysia, Singapore, Thailand, Vietnam, India, Indonesia, Hong Kong, Europe, and the United States to assist with marketing. Therefore, we have diversified markets, excellent marketing capabilities of our sales, and a wide range of sales channels.

(6) Developing green products to meet with environmental demand

We have a wide product line, which is less affected by individual industry downturns. It includes green products such as UV curable materials and their derivatives to meet with the demand for environmentally friendly products. In recent years, we have been actively investing in the development of environmentally friendly polyester polyols and bio-based polyester resins, which conform to market trends.

(7) Established a new production line for the latest generation of UV curable, equipped with advanced and state-of-the-art production technology. The new equipment is highly efficient and cost-effective in producing UV curable materials.

5.Development vision

(1) Favorable factors:

a. The product line is complete and has a wide range of applications. In response to market changes and new applications, we can quickly respond and enter the market.

b.We have a strong R&D team, and in recent years, we also has established an R&D center to build high-value transformation capabilities. In addition to improving existing products, we also have the ability to independently develop new products to meet with customer needs in the future.

c. We have highly automatic production line, excellent production process technology, and excellent cost control capabilities.

d. Most of the main raw materials are supplied locally, with competitive costs and low inventory pressure.

e. We have developed a global business which helps to diversify risks. We also have established cooperative relationships with world-renowned companies, working closely together on multiple projects.

(2) Unfavorable factors：

a. Taiwan has not participated in any international trade agreements (such as TPP, ASEAN+1) which put Taiwan in disadvantage compared to its main competitors in terms of exporting and overseas sales.

b. The production capacity of local industries in emerging countries can affect market trends.

c. Environmental regulations in Taiwan are becoming increasingly strict and related costs are increasing year by year which affects production costs.

d. Protectionism and regional economic are emerging, high shipping costs are unfavorable to exporting and overseas sales.

e. In the European and American markets, high-value specialty products are mainly promoted through distributors, making it more difficult to penetrate these markets.

f. Continuously deepening the development of electronic chemical materials requires a solid foundation in R&D, significantly increasing the demand for high-quality talent. In Taiwan, the demand for high-level human resources is heavily influenced by the booming electronics industry, leading to severe crowding out effects.

(3) Potential opportunities and corresponding strategies:

a. Cooperation with global manufactures to develop new products and achieve the goal of high value-added transformation.

b. Continuously invest in R&D, venture into the green materials and electronic materials industries, enhance product value and achieve sustainable management

goals.

c. Develop a circular economy and improve production processes to achieve energy-saving and waste reduction goals.

d. Make good use of financial advantages and develop new products, markets, and production bases through inorganic growth in the appropriate time.

4.2.2 Import use and manufacturing process of main products

1. Import use of main products:

(1) Unsaturated polyester resin:

Used in general FRP products, surfboards, storage tanks, yachts, fishing boats, buttons, casting art, artificial marble, entertainment equipment, light panels, furniture coatings, finishing paint, primers, fillers, and adhesive shells.

(2) UV curable materials:

Various ultraviolet curing paint and monomers and oligomers of ultraviolet curing paint for paper varnishing, wood, ink, electronic materials, adhesives, and coatings for 3C and home appliances.

(3) Paint resins:

Used in colored paint, quick-drying paint, cement paint, wood coatings and industrial paint for coating, automobiles, home appliances, and color-coated steel plates.

(4) PU resins:

Used in imitation woods, flat panels, color-coated steel plates, insulation, freezing panels, insulation materials, and fillers.

(5) Casting resin:

Used in sand molds for casting various metals.

(6) Resins for acrylic paint:

Used in high-performance paint, 2K PU Application and paper varnishing.

(7) Electronic Chemical Materials:

Used in liquid crystal alignment films, wafer polishing slurries, TFT-LCD display materials, high-frequency substrates for communication, automotive interior components, and household appliance accessories.

2. The production process of the main products: unsaturated polyester resins and paint resins are both condensation polymer, diluted with different solvents according to their uses. The commonality of production equipment is higher. UV curable materials undergo chemical reactions and physical actions using different equipment and the commonality of production equipment is low.

4.2.3 Supply of main material:

Main material	Supplier	Availability
Acrylic Acid (AA)	YuanJen、BASF	Good
Styrene Monomer (SM)	GPPC、YuanJen	Good
Phthalic Anhydride (PA)	NPC、UPC	Good
Dipentaerythritol (DI-PENTA)	LCY Chemical Corp.	Good
Maleic Anhydride (MA)	YuanJen、NPC	Good
PEG pentaerythrityl ether	Sino-Japan、Oriental	Good
Propylene Glycol (PG)	LYONDELLBASELL	Good
MAA (Methacrylic Acid)	YuanJen	Good
Epoxy resin	Chang Chun	Good
Polyethylene-polypropylene glycol	Sino-Japan、Oriental	Good

4.2.4 Main suppliers & customers with last 2 years

1. Main suppliers

Information of main suppliers with last 2 years

Unit: NT$ thousand

	2023				2024				As of last quarter of 2025			
Item	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer
1	YuanJen	298,214	13.69	None	YuanJen	323,366	10.42	No	Yuan Jen	65,666	8.46	No
2	JSR Micro Taiwan	209,485	9.62	None	JSR Micro Taiwan	215,321	6.94	No	JSR Corporation	53,562	6.90	No
3	NPC	163,993	7.53	None	NPC	166,680	5.37	No	JSR Micro Taiwan	53,312	6.87	No
	Others	1,505,879	69.16	None	Other	2,399,322	77.27	No	Other	603,786	77.77	No
	Net purchase	2,177,571	100.00	None	Net purchase	3,104,689	100.00	No	Net purchase	776,326	100.00	No

Reason for Changes: Some of the suppliers' rankings have changed due to the mutual substitution of the resin suppliers.

2. Main customers：

Information of main customers with last 2 years

Unit: NT$ thousand

	2023				2024				As of last quarter of 2025			
Item	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer	Supplier	Amount	Ratio of purchasing〔%〕	Relationship with issuer
1	Group A	634,073	18.35	None	Group A	935,229	23.15	None	Group A	175,164	19.11	No
	Others	2,841,631	81.65	None	Others	3,104,514	76.85	None	Others	741,575	80.89	No
	Net sales	3,454,793	100.00	None	Net sales	4,039,743	100.00	None	Net sales	916,739	100.00	No

4.3 Employee Information for the Past Two Years and as of the Publication of the Annual Report

Unit: person

Year		As of Mar.31, 2025	2024	2023
Number of employees	Direct labor	187	180	139
	Indirect labor	266	277	265
	Total	453	457	404
Averaged Age		44	43	44
Averaged job tenure		12.4	12.3	13.4
Employee's education	Master or PhD	41	43	40
	College	310	310	257
	Junior high school	77	77	79
	Under junior high school	25	27	28

4.4 Environmental Expenditure Information

4.4.1 The total losses (remuneration) and disposal suffered due to environmental pollution, as of the date of printing the latest annual and reports:

1. The equipment component inspection exceeded the specified standards, violating Article 20, Paragraph 1 of the Air Pollution Control Act, and a fine of NT$300,000 was impose
2. The exhaust from the measurement tank was not connected to the atmospheric pipeline, violating Article 24, Paragraph 2 of the Air Pollution Control Act, and a fine of NT$100,000 was imposed.

4.4.2 Future countermeasures and estimation of possible expenses and remuneration

1. Future countermeasures:
   a. Participating in environmental protection seminars and meetings from time to time, and fully cooperating with various environmental protection plans proposed by environmental protection agencies to absorb new knowledge and skills and improve the efficiency of environmental protection work.
   b. Collecting the latest regulation through the internet or environmental gazette at any time to understand and comply with current and future regulatory requirements.
   c. Strengthening the environmental knowledge and on-the-job training of employees to ensure that all operations in the factory comply with legal requirements.
   d. Continuously improving the pre-treatment of existing pollution prevention and control equipment and achieving reducing 5% of pollutant emissions within 3 years under the total pollution control regulation.
   e. Regularly inspect by professional environmental agencies to ensure the normal operation of equipment.
   f. Investigating and getting the sources and quantities of various wastes in the factory and proposing waste reduction policies to reduce waste generation. In accordance with the factory renovation, re-planning the waste storage area in the factory to solve the problem of insufficient waste storage area in the factory.
   g. Having a specially assigned person to regularly review relevant laws and regulations, check whether there are any non-compliance issues in the factory, and improve them.
2. Estimation of possible expenses and remuneration
   a. Estimated environmental expenditure for the next 3 years: NT$ 270 million.
   b. No estimated amount for related remuneration.
   c. Complete the investment of NT$ 3 million for the registration of the first stage

standard of chemical substances.

d. Estimated investment of NT$ 5 million for re-planning the waste storage area in the factory.

4.4.3 Others

RoHS disclosure:

Currently, we already comply with RoHS compliance, and main products have met the RoHS directive implemented since July 1, 2006. In the future, we will continuously pay attention to RoHS regulations and the development of the European Union to meet with the legal regulations and customer demands.

4.5 Labor Relations

4.5.1 Employee welfare measures, education, training, retirement system, and the implementation of agreements and measures to protect employee rights between labor and management.

1.Empolyee benefits measures

(1) Employees participate in labor insurance, national health insurance, the new labor pension system, group accident insurance for employees and their dependents, and cancer insurance.

(2) The company reviews operational performance in each half year and awards operational performance bonuses to all employees based on this performance.

(3) The company issues fixed one month bonuses to employees based on operational profits and year-end bonuses based on individual performance assessments after taxes, donations, dividends, and reserves are paid according to the settlement of profits.

(4) The company awards Mid-Autumn Festival and Dragon Boat Festival bonuses based on operational conditions and the employee's date of hire each year.

(5) A employee benefit committee is established in accordance with the law to allocate welfare funds, sign contracts with designated stores, subsidize employee associations, provide annual employee and dependent travel, hospitalization, and wedding/funeral subsidies, birthday gifts, and other measures to organize multiple employee exchange activities to increase employee cohesion.

(6) Employee training subsidies, employee children's scholarships, employee funeral mutual aid funds, work uniforms, childcare subsidies, breastfeeding rooms, reserved parking spaces for pregnant colleagues, and the installation of safety handrails in restrooms.

(7) To promote employee food safety and hygiene, the company establishes an employee cafeteria and a group meal committee, and provides meal subsidies to encourage employees to dine in the factory. The aim is to control balanced nutrition and the safety requirements of ingredients. In addition, the company provides employees with fruit after meals once a week to ensure that they can eat healthily and with peace of mind.

(8) To comply with legal regulations, each foreign employee must have more than 3.66 square meters of living space. The company purchases dormitories for foreign employees near the factory to provide them with a quality living environment and safe accommodation, allowing them to work with full concentration and peace of mind.

(9) Subscribing to relevant professional books, newspapers, and magazines to increase employee knowledge and update their self-knowledge and application.

(10) Employee uniforms (winter/summer), winter coats, work shoes, work hats, and

related work protective equipment.

(11) Every half-year, the company allocates departmental funds based on the number of employees in each department to meet the needs of various departmental activities or inter-departmental friendship to promote mutual assistance among employees. The company also organizes the Mid-Autumn Festival and year-end banquet for all employees.

(12) Regular health check-ups are provided for all employees, and factory nurses are employed according to the law. Doctors are also available on-site to address any abnormal health issues among colleagues, which are included in the management and tracking to facilitate improvements. Multiple AED (automated external defibrillator) and oxygen cylinders are also provided in various locations.

(13) Establishing an employee stock trust to strengthen employee loyalty to the company and enhance employee benefits, providing employees with a more comprehensive retirement plan.

2. Human resource (education and training)

"Talent" has always been the company's most important asset and concern. Creating a learning and innovative work environment is our continuous goal. Therefore, we provide employees with tailored education and training courses to assist them in improving their professional skills and self-growth. We also emphasize the development potential of talents in the future. Based on the company's strategy, we plan and promote education and training courses and learning analysis for five major learning objectives to enhance employee skills and cultivate high-quality talents with professional work skills, diversified knowledge, and innovative concepts, thereby achieving the company's operational performance goals.

(1)New employee training：

a. Assist new employees in quickly understanding the work environment and integrating into the company culture, as well as explaining relevant policies and norms.

b. Assist employees in establishing the correct attitude towards work and team consensus, as well as understanding the operations of various departments.

(2)Professional training：

a. Assist employees in developing their professional skills and meeting regulatory requirements, solidifying their own professional abilities and achieving the internal transfer of technical experience.

b. Assist employees in quickly operating independently and following standard procedures to meet the requirements of work quality.

(3)Certification system training："All-staff participation" is the policy for the operation of the company's quality system ISO-9001 and environmental health and safety system ISO14001/OHSAS18001. Therefore, audit personnel and new employees are regularly arranged for learning and explanation to improve the efficiency of various systems.

(4)Safety and health training：Strengthen various plant safety and health training, firefighting, emergency response training, and chemical hazard education and guidance in accordance with regulations. Occupational accidents are usually caused by insufficient employee training and awareness of chemical hazards.

(5)Self-development training：

a. Provide training courses for individual employees based on their performance, strengths and weaknesses, department and organizational status, and future goals to assist employees in achieving their goals.

b. Assist employees in developing language, professional skills, and second specialties in order to enhance their self-awareness and skill advancement.

3.Retirement System

The company has established the employee retirement pension system in accordance with the "Labor Standards Act" and the "Labor Pension Act". In addition, the "Labor Retirement Reserve Fund Supervisory Committee" has been established in compliance with the law, and an adequate amount is allocated based on the actuarial report each year. The calculation standard for retirement pension is based on relevant regulations for all eligible retirees to ensure that the allocation and payment of retirement pension comply with legal requirements.

(1) Conditions and Procedures for Employee Retirement

A. Employees may apply for retirement under the following conditions：

a. Those with over 15 years of service and aged 55 or above.

b. Those with over 25 years of service.

c. Those with over 10 years of service and aged 60 or above.

B The company shall not compel retirement for employees unless they meet one of the following conditions：

a. Aged 65 above.

b. Mentally incapacitated or physically disabled to perform job duties.

c. Retiring employees should fill out a Resignation (Retirement) Application, which must be approved and verified.

d. Employees subject to compulsory retirement according to these regulations must be reported and approved by their respective units before notifying them to proceed with retirement procedures.

(2) Retirement Pension Contribution Rate and Status

A.Since July 1, 2005, in accordance with the implementation of the Labor Pension Act, employees previously subject to the regulations, if they choose to apply the new system's years of service or employees who join after the implementation of the new system, their years of service are subject to a defined contribution scheme. The retirement pension is contributed by the company at a rate of six percent of monthly salary, deposited into the individual account of the Labor Insurance Bureau's retirement pension. Additionally, the company’s subsidiaries located in China contribute to the pension insurance according to local government regulations.

B.According to the Labor Standards Act, the years of service of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent years of service of employees who choose to continue applying the Labor Standards Act after the implementation of the Labor Pension Act, are included in the calculation of years of service for retirement conditions under that law. Currently, only one person still retains years of service before the implementation of the Labor Pension Act on July 1, 2005. The labor retirement reserve fund deposited with Bank of Taiwan by the company is sufficient, and therefore no further contributions will be made. Starting from 2024, the company will contribute 2% of the total monthly salary of mid-level foreign workers to the trust account at Bank of Taiwan. As of December 31, 2024, the accumulated amount of the labor retirement reserve fund is NT$927,000.

4. Labor-Management Agreement and Employee Rights Protection

Adhering to the concept of "harmony between labor and management, creating win-win situations", we strengthen communication between labor and management. This is the foundation for rallying employee morale and consensus, and working together to grow and strengthen the company. Therefore, we continue to actively strengthen communication internally and through various communication platforms and methods, we promptly and accurately convey the company's operational situation and direction,

understand and provide feedback on grassroots suggestions and improvement directions, meet employee needs, and improve overall operational efficiency.

(1) The chairman personally holds an employee forum once per half year to create a transparent workplace and collect input from employees at all levels. Suggestions and ideas are transformed into driving forces for the advancement of the workplace.

(2) Each department holds regular quarterly or monthly meetings where managers can directly deliver company performance, set departmental goals, and negotiate improvements. Colleagues can also use this channel to provide feedback or suggestions, achieving two-way communication.

(3) The chairman personally holds monthly departmental management meetings to develop, coordinate, and deliver the company's business, management, marketing, and other operations and directions.

(4) A suggestion box is provided for employees to provide written feedback, proposals, or report any grievances, which will then be investigated and addressed by the relevant unit.

(5) The company establishes "Employee Work Rules" in accordance with the Labor Standards Act, which are available for employees to review on the company's intranet. Any amendments or revisions are communicated to colleagues via email or posted notices, ensuring that they are up to date with the latest company policies and management standards.

(6) To ensure that employees' families are aware of the company's commitment to workplace safety, an "Employee and Family Occupational Safety Agreement" is signed before employment, with the goal of achieving a win-win-win situation for families, employees, and the company in terms of workplace safety.

(7)According with the "Personal Information Protection Act" regulations are established for the collection (personnel-related information, health examination data, etc.), processing and use of personal information to prevent human rights violations. Strengthened promotion to ensure that colleagues understand the importance of ethical standards, avoid violating company regulations during work-related operations, and provide relevant consultation channels to ensure that colleagues' and the company's rights are maximally protected.

(8) Measures and channels of Sexual Harassment Prevention are established to protect employees from the harm of work-related sexual harassment.

5.5.2 The recent annual and year-to-date reports state that there have been no losses due to labor disputes and disclose the estimated amounts and corresponding measures that may occur in the future. This is because the company has a good labor-management relationship and employees have a high level of loyalty to the company, thus there have been no losses due to labor disputes .

4.6 Cyber Security Management：

4.6.1 Description of the framework for cyber security risks, cyber security policies, specific management plans, and resources invested in cyber security management.（

1. Purpose and scope of cyber security

Target：including employees, customers, suppliers, and operational-related information hardware and software equipment.

Scope：To ensure the cyber security of the company, relevant regulations and systems have been established and incorporated into the management operation system to protect the privacy and cyber security of employees, suppliers, and customers during business negotiations.

2. Risk Framework of cyber security

(1) Appoint a chief cyber security officer, security personnel, and the IT department to plan, monitor, and implement the information security system and with cooperation from various business-related departments to ensure the effectiveness of the company's cyber security management operation.

(2) Responsible for developing cyber security management policies, regularly reviewing and revising, and reporting to the board of directors regularly.

3. The goal of cyber security

(1) To ensure the continuous operation of the company's business and the company provides stable use of the information services.

(2) To ensure the confidentiality, integrity, and availability of the information assets stored by the company and protect the privacy of personnel data.

(3) To prevent destruction and leakage of confidential information and establish a sustainable information business operation plan to comply with relevant laws and regulations, preventing improper and illegal use.

4. Control measures of cyber security

(1) Establish a regular inventory of information assets and implement various control measures.

(2) Irregularly conduct cyber security propaganda operations.

(3) Important information systems or equipment should have appropriate backup or monitoring mechanisms established and regularly practiced to maintain their availability.

(4) UTM firewall protection and control for inappropriate use when going online, outsource mail server hosting to enhance cyber security defense against email attacks, the server network segment is separated form other business equipment, personal computers should install antivirus software and regularly update virus codes to prevent external network attacks from penetrating and unauthorized software use is prohibited.

(5) Employee accounts must be approved and authorized. Passwords and permissions should be properly safeguarded and used responsibly, with regular updates.Accounts of employees who have left the company should be disabled immediately.

(6) Establish standard procedures for cyber security incidents to handle them in time and avoid spreading the damage.

(7) All employees should comply with legal requirements and cyber security requirements. Supervisors should supervise the implementation of the security system and strengthen employees' awareness of cyber security and legal concept.

4.6.2 The losses, potential impact, and response measures suffered due to significant cyber security incidents during the latest fiscal year and up to the date of printing of this annual report are listed below. If unable to make a reasonable estimate, it should be stated that such cannot be reasonably estimated: No

4.7 Important Contracts

Contract Type	Interested Person	Star & due date of contract	Content	Restriction
Supply & sales	Grand Pacific Petrochemical Corporation	Jan.01, 2023 ~ Dec.31, 2025	The monthly supply of styrene shall be supplied full quantity of delivery. In case of reduction in delivery or quantity, it shall be subject to the agreement stipulated in the contract.	Calculate the unit price according to the pricing formula.
Long-term loan	Bank of Taiwan	Sep.09, 2021 ~ Sep.09, 2041	Secured loan	None
		Nov.01, 2021 ~ Nov.01, 2026	Secured loan	None
		Aug.31, 2022 ~ Nov.01, 2041	Secured loan	None
	CTBC Bank Co., Ltd	Mar.23, 2022 ~ Mar.15, 2029	Unsecured loan	None
		Aug.23, 2022 ~ Aug.15, 2029	Unsecured loan	None
		Aug.23, 2024 ~ Aug.15, 2029	Unsecured loan	None
		Nov.06, 2024 ~ Aug.15, 2029	Unsecured loan	None
	E. Sun Commercial Bank, Ltd	Apr.18, 2022 ~ Apr.15, 2029	Unsecured loan	None
	Yuanta Commercial Bank Co., Ltd.	Nov.15, 2024 ~ Nov.15, 2026	Unsecured loan	None
	Cathay United Bank	Mar.23, 2022 ~ Feb.08, 2029	Unsecured loan	None
		Aug.30, 2023 ~ Feb.08, 2029	Unsecured loan	None
		Jul.30, 2024 ~ Jul.30, 2032	Unsecured loan	None

V. Review and Analysis of Financial Status and Business Results and Risk Issues

5.1 Financial Status

Unit: NT$ thousand

Item \ Year	2024	2023	Increase or decrease	
			Amount	%
Current assets	2,306,995	2,063,196	243,799	11.8
Fixed assets	1,483,599	1,516,205	(32,606)	(2.2)
Intangible assets	78,827	74,672	4,155	5.6
Other assets	1,467,742	993,466	474,276	47.7
Total assets	5,337,163	4,647,539	689,624	14.8
Current liabilities	989,039	813,090	175,949	21.6
Long-term liabilities	1,255,195	893,935	361,260	40.4
Other liabilities	54,755	51,587	3,168	6.1
Total liabilities	2,298,989	1,758,612	540,377	30.7
Capital	1,009,575	1,000,092	9,483	0.9
Capital reserve	429,316	420,051	9,265	2.2
Retained earnings	1,605,006	1,480,700	124,306	8.4
Other interests	(5,723)	(11,916)	6,193	52.0
Treasury stock	-	-	-	-
Total owner's equity	3,038,174	2,888,927	149,247	5.2

5.1.1 Analysis of change exceeding 20% proportion:

1. Increase on other assets: primarily due to the payment for related construction fees and equipment purchases for the new Annan plant, resulting in an increase in prepaid equipment costs.
2. Increase in current liabilities, long-term liabilities, and total liabilities：Primarily due to the funding requirements for stocking up based on end-user demand and the construction of new plants, leading to an increase in both short-term and long-term borrowings.
3. Increase in other equity: primarily due to exchange rate fluctuations, which resulted in recognition of the exchange difference from translating the financial statements of overseas operations, as well as adjustments to the fair value of financial assets.

5.1.2 No any significant impact should be explained.

5.2 Financial Performance

5.2.1 Operating Performance Analysis

Unit: NT$ thousand

	2024	2023	Increase or decrease	Increase or decrease
	Total	Total	Amount	Ratio (%)
Net operating revenue	4,039,743	3,454,793	584,950	16.9
Operating costs	(3,362,493)	(2,927,080)	(435,413)	(14.9)
Operating margin	677,250	527,713	149,537	28.3
Operating expense	(417,186)	(361,812)	(55,374)	(15.3)
Operating profit	260,064	165,901	94,163	56.8
Non-operating income and expenses	29,857	46,949	(17,092)	(36.4)
Net profit before tax	289,921	212,850	77,071	36.2
Income tax paid	(65,378)	(45,824)	(19,554)	(42.7)
Net profit	224,543	167,026	57,517	34.4
Other comprehensive income, net of tax	5,965	(3,447)	9,412	273.0
Total comprehensive income	230,508	163,579	66,929	40.9

Analysis of change exceeding 20% proportion:

1. Increase in gross profit and operating profit:mainly due to an overall improvement in sales performance compared to the previous year, as well as a recovery in gross margin.
2. Decrease in non-operating income and expenses:mainly due to a reduction in overseas investment dividends and sample income received during the year.
3. Increase in pre-tax/net profit for the period:mainly due to increased overall sales compared to the previous year.
4. Increase in income tax:mainly due to increased profitability in the current year.
5. Increase in other comprehensive income (net): mainly due to greater exchange rate fluctuations of the US dollar during the year, which resulted in an increased exchange difference from translating the financial statements of overseas operations, as well as the recognition of unrealized valuation losses on financial assets.
6. Increase in total other comprehensive income: please refer to the explanations in above points 3 and 5.

5.2.2 Expected sales quantity for the next year and along with corresponding plans which may be potentially impact on the Company's financial business:

The total expected sales quantity in 2025 is 55,970 metric tons, which is the best estimation based on market conditions.

5.3 Cash flow

5.3.1 Liquidity Analysis with last 2 years

Year / Item	2024	2023	Increase or decrease（%）
Cash flow ratio (%)	1.77	25.84	(93)
Cash flow adequacy ratio（%）	46.33	71.32	(35)
Cash reinvestment ratio（%）	(2.10)	0.53	(496)

Analysis of change exceeding 20% proportion:

(1) Decrease in cash flow ratio：mainly due to an increase in inventory and payments for goods, which led to a decrease in cash inflows from operating activities.

（2）Decrease in cash flow adequacy ratio：mainly due to a reduction in cash inflows from operating activities and the ongoing construction of new plants and expansion of production line, which has resulted in increased capital expenditures.

(3) Decrease in cash reinvestment ratio：mainly due to a significant decrease in cash inflows from operating activities, which resulted in an inability to fully cover cash dividends.

5.3.2 Insufficient liquidity improved plan: No applicable

5.3.3 Cash Liquidity Analysis Next Year

1

Cash equivalents at the beginning of year	Net cash inflow from operating activities for the full year	Net cash outflow from investment activities throughout the year	Net cash inflow from financing activities throughout the year	Cash surplus (Deficit)	Leverage of Cash Deficit	
					Investment Plan	Financial Plan
$237,414	$171,014	($1,116,862)	$978,851	$ 270,417	None	None

1. Analysis of cash flow changes:

(1)Net cash inflow from operating activities: mainly due to the profit in 2025 and changes in other operating assets and liabilities.

(2) Net cash outflow from investing activities: mainly due to the need for operations, including the construction of new factories in the Tainan Science Park and the establishment of new electronic chemical material production lines. Related project payments will be made according to the progress, and the purchase of fixed assets is also expected.

(3) Net cash inflow from financing activities: mainly due to the expected borrowing for the construction and new production lines, as well as the payment of dividends.

2. Leverage of cash deficit: No applicable

5.4 Impact of Major Capital Expenditure in the Past Year on the Financial Status

5.4.1 The use of major capital expenditure in the past year:

Unit: NT$ thousand

Item	Actual or expected sources of capital	Expected completion date	Total amount of capital	Actual or expected use of capital				
				2022	2023	2024	2025	2026
Production equipment (PSMA resin)	Long-term loan & own funds	2025	150,000	-	-	51,300	98,700	-
Production equipment (HC material resin)	Long-term loan & own funds	2025	100,000	-	-	-	100,000	-
Automated storage equipment and storage tank (North Plant)	Long-term loan & own funds	2026	150,000	-	-	7,688	97,312	45,000
Factory equipment, storage tank, retention pond, outdoor engineering` (Annan Plant)	Long-term loan & own funds	2025	713,700	125,098	220,892	154,180	213,530	-
Production equipment (Annan Plant)	Long-term loan & own funds	2025	758,520	35,883	113,283	186,886	422,468	-
Automated storage equipment (Annan Plant)	Long-term loan & own funds	2025	133,918	37,058	2,237	4,769	99,392	-
Environmental & fire equipment (Annan Plant)	Long-term loan & own funds	2025	328,000	49,253	85,259	58,870	136,451	-

5.4.2 Expected benefits

1. In response to the total amount control of pollution emissions in Kaohsiung City, install low-nitrogen oxide gas boilers and improve boiler combustion efficiency to reduce pollutants and greenhouse gas emissions.
2. Continuously install fire-fighting equipment and improve chemical storage facilities to enhance operational safety in the factory.
3. Reuse of waste in the factory to create a circular economy.

5.5 Re-investment Policy in the Past Year, the Main Reason for Its Profit or Loss, the Improvement Plan and Investment Plan in the Next Year

5.5.1 The main reasons of profits or losses for the recent year's reinvestment policy

We have established overseas holding companies QII, CCII, and CII respectively to reinvest in China and then indirectly reinvested in Qualipoly Technology (Guang Dong) Corp., Qualipoly Technology (Kun Shan) Corp., Dongguan Chao you New Material Co., Ltd, Qualipoly Technology (Shang Hai) Corp., Shanghai Chaojian Chemical Co., Ltd、Tianjin Qualipoly Chemical Corp.、Yabang Group Zhangzhou Yabang Chemical Co., Ltd and Zhangazhou New solar Corp.

Subsidiaries Qualipoly Technology (Guang Dong) Corp. , Qualipoly Technology (Kun Shan) , and Dongguan Chao you New Material Co., Ltd. have been profitable mainly due to their development of new markets and the sales of high-value-added products. However, Qualipoly Technology (Shang Hai) Corp. incurred losses due to lower-than-expected sales in the Chinese market. Overall, the company recognized

investment income of NT$31,531,000 in 2024 for using equity method.

As for the financial assets under other comprehensive income - non-current, including Zhangazhou New solar Corp, Yabang Group Zhangzhou Yabang Chemical Co., Ltd, and Tianjin Qualipoly Chemical Corp., except for Zhangazhou New solar Corp, which made stable profits, both Yabang Group Zhangzhou Yabang Chemical Co., Ltd, and Tianjin Qualipoly Chemical Corp. are expected to cease operations, and related impairment losses have already been recognized on the books.

Additionally, investment in the US-based Electroninks Inc. to venture into the international mid-range electronic materials sector is classified as non-current financial assets through other comprehensive income. The company will initiate product manufacturing cooperation.

5.5.2 Improvement:

Future strategies include continued market development and increasing sales through product line transitions to improve the losses incurred by Qualipoly Technology (Shang Hai) Corp..

5.5.3 Investment plans for the next year: None

5.6 Analysis and Assessment of Risk Issues in the Past Year and as of the Date of Publication of the Annual Report

5.6.1 The impact of recent changes in interest rates, exchange rates, and inflation on the profits and losses, as well as future response:

Interest rate changes: In the consolidated financial statements for 2024, the interest expenses were NT$12,441,000, accounting for 0.31% of revenue which indicates that interest expenses have little impact on operations. In the future, we will shorten the period for accounts receivable, effectively control inventory, reduce capital demands, decrease borrowing balances and actively look for the sources of low-interest loans to effectively control interest expenses.

Exchange Rate Fluctuations: The proportion of exports has been increasing year by year, and exports are mainly quoted in US dollars and some in euros. Therefore, exchange rate fluctuations would impact on revenue and profit at a certain extent. In order to respond to the risk of exchange rate, we mainly adopt natural hedges and prudent principles to operates forward foreign exchange hedging transactions or foreign currency financing to reduce the impact of exchange rate fluctuation on the profits.

Inflation: We are a professional synthetic materials manufacturer. The main products include UV curing materials, unsaturated polyester resins, electronic chemical materials, and coating resins. The main raw materials are styrene (SM), phthalic anhydride (PA), and glycolic acid (GAA), all of which are part of the chemical raw material industry and are also affected by macroeconomic such as global economic fluctuations and petroleum price fluctuations. As the raw material costs account for about 85% of the production costs, the related costs rising and operations would be affected by significant fluctuations in the prices of raw materials. We are always aware of changes in raw material prices and improve production processes and research alternativity to be able to use lower-cost raw materials and strengthen cost transfer to reduce the pressure of cost increases and minimize the impact of raw material price fluctuations.

5.6.2 The main reasons and corresponding measures for profits or losses of the high-risk, high-leverage investment, lending, endorsements and guarantees and derivatives carried out in the recent fiscal year

1.We don’t engage in high-risk or high-leverage investments or lend money to others. Instead, we carefully select high-performing stocks and funds for short-term investment and do not focus on short-term operations, so we can generally make a profit. As for derivatives, we conduct moderate currency hedges after natural hedges.

2.The company did not lend funds to others or provide endorsements/guarantees in 2024.

5.6.3 Future R&D plans and estimation of R&D expenses

1. R&D plans with the last year:
   (1) Environmental recycled polyester polyol
   (2) Bio-based vinyl resins
   (3) Bio-based unsaturated polyester resins
   (4) PSMA related application resins
   (5) 3D printing UV curable dental materials
   (6) High-speed computing related materials
   (7) Water-based motor insulation materials
   (8) Low energy consumption, high reaction UV curable materials
   (9) Resins for display related applications

2.The current progress of the above R&D plans: resin synthesis and physical property testing

3.Expected to be completed in the second half of 2025, with an estimated additional R&D cost of NT$60,000,000.

4. The main reasons of the success of future R&D are:
   (1) The prescriptive period of R&D plans will meet customer needs
   (2) Training technical service personnel helps accelerate the resolution of customer issues.
   (3) Continuously cooperate with external research units will facilitate the development of cutting-edge products
   (4) Lower costs compared to imported products as an incentive

5.6.4 The impact and measures to cope with recent important policy and legal changes domestically and abroad on the Company's financial business:

We have consulted and get evaluation recommendations from relevant professional legal and accounting parties and planned corresponding measures to comply with policy and legal changes in order to reduce the impact on the financial status.

5.6.5 Impact and corresponding measures of Technological and Industrial Changes (Including Cyber security Risks) on Financial Status:

We mainly rely on self-research and development for product development. Technological changes can enhance the development of R&D professional technique and improve product quality. By continuously developing new products with technological functions, we strive to achieve our financial status growth.

5.6.6 Impact and corresponding measures of crisis management of Corporate Image Changes:

Implementing enterprise’s philosophy of integrity, professionalism, and sustainable operation. We aim to ensuring stable business growth, reasonable profits for shareholders, fair treatment for employees, and establishing a corporate image of providing a high-quality living environment.

5.6.7 Expected benefits, potential risks, and corresponding measures of merger and acquisition: we don’t have any plan for merger and acquisition.

5.6.8 Expected benefits, potential risks, and response measures of expanding the factory：

In order to meet the demand of operational development, the Company discussed and approved the purchase of land in the Tainan Science and Technology Industrial Park on May 11, 2021, and the construction plan was approved by the board of directors on March 9, 2022. The plant will be used for future expansion of UV curable materials production. The funding has been obtained through medium and long-term loans of bank, and the shortfall will be addressed using the Company's own funds. The main purpose of this expansion is to meet the existing and future demands of customers, which is beneficial to the Company's future performance growth.

5.6.9 Risks and corresponding measures faced in Centralizing Purchases or Sales:

Our company's suppliers for purchasing are not single-source suppliers in the market and our customers are not concentrated on a few major customers. Therefore, the risks faced in centralizing purchases or sales are relatively low.

5.6.10 Impact, risks, and corresponding measures of major transfers or changes in share ownership by directors, supervisors, or large shareholders holding more than 10% of the Company's shares: no situation of a large transfer or change in company’s shares.

5.6.11 Impact, risks and corresponding measures of changes of management rights:

The directors, supervisors, or large shareholders holding more than 10% of the Company's shares have stable equity, any changes in their ownership are unlikely to have a significant impact or risk on the Company.

5.6.12 The final adjudicated or pending contentious or non-contentious business or administrative disputes of the directors, supervisors, general manager, substantial responsible person, major shareholders holding over 10% of the shares, the results may have a significant impact on shareholder equity or securities prices should be disclosed: None

5.6.13 Other important risks and corresponding measures: None

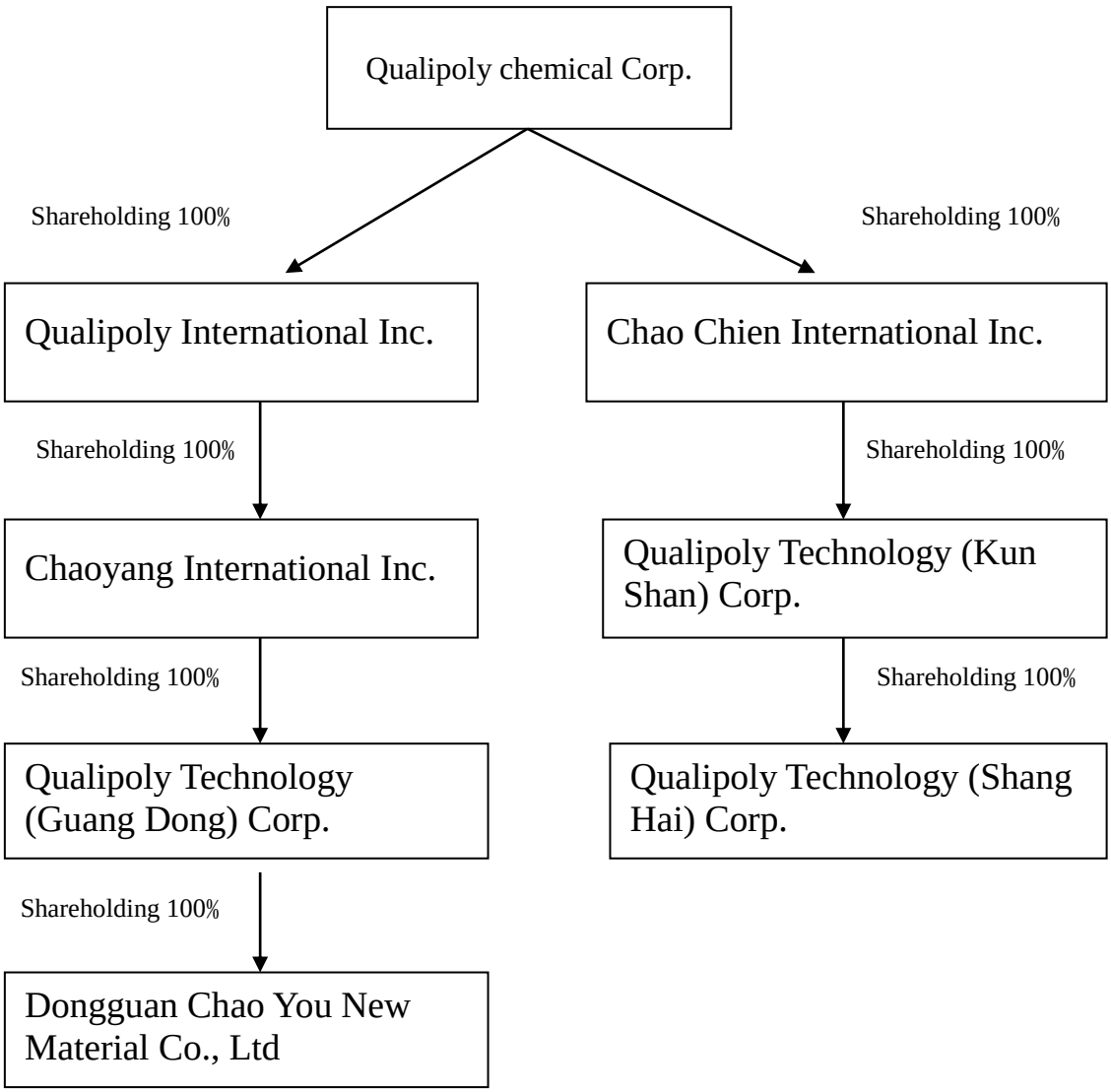
5.7 Other important matters: None

VI. Special Notes

6.1 Information about the Company's Affiliates

6.1.1 Consolidated business report about the Company's affiliates

1. Organizational chart about company's affiliates



2. Information about the Company's affiliates

Unit: NT$ thousand

Company	Date of establishment	Address	Paid-in Capital	Major business or production
Qualipoly International Inc.	2001.06.19	Offshore Chambers, P.O. Box 217, Apia, Samoa	US $ 8,730	General investment and international trading business
Chao Chien International Inc.	2003.09.05	TrustNet Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	US $ 2,169	General investment and international trading business
Chaoyang International Inc.	2006.08.22	Portcullis TrustNet Chambers, P.O. Box 1225, Apia, Samoa	US $ 9,806	General investment and international trading business
Qualipoly Technology (Guang Dong) Corp.	2001.07.25	No.18&20, Huanzhen Rd., Longbang Industrial Development Zone, Duran Town, Jiangmen City, Guangdong Province, China	US $ 6,500	Manufacturing and sales of unsaturated polyester resin, alkyd resin, and amino resin.
Qualipoly Technology (Kun Shan) Corp.	2015.06.09	Room 804, No.8, Lane 231, Greenland Avenue, Huaqiao Town, Kunshan City, Jiangsu Province, China	US $ 2,500	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.
Qualipoly Technology (Shang Hai) Corp.	2018.05.15	Suite A37, Floor 4, No. 2278-5, Zhaozhong Highway, Zhonggu Town, Qingpu District, Shanghai, China	CNY$3,000	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.
Dongguan Chao you New Material Co., Ltd	2018.07.26	No. 1110, Floor 11, Lianhe Building, Dongcheng South Rd., Dongguan City, China	CNY$3,500	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.

(1) Presumptive controlled and subsidiary relationships under Article 369-3 of the Company Act: Not applicable.

(2) Industries covered by the business operations of all related enterprises. (If there are mutual relations between the business operations of each related enterprise, the division of operation should be explained.)

Company	Major business & production	Business relationship with the Company
Qualipoly International Inc.	General investment and international trading business	Overseas holding companies invested by the Company.
Chao Chien International Inc.	General investment and international trading business	Overseas holding companies invested by the Company.
Chaoyang International Inc.	General investment and international trading business	Overseas holding companies invested by the Company.
Qualipoly Technology (Guang Dong) Corp.	Manufacturing and sales of unsaturated polyester resin, alkyd resin, and amino resin.	The company provides technical and administrative support.
Qualipoly Technology (Kun Shan) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.	The company provides sales business and administrative support.
Qualipoly Technology (Shang Hai) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.	The company provides sales business and administrative support.
Dongguan Chao you New Material Co., Ltd	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins, and coating resins.	The company provides sales business and administrative support.

3. The shareholding and investment of directors, supervisors, and general managers of each related company in the enterprise.

（1）The shareholding and investment of directors, supervisors, and general managers of each related company in the enterprise：

Unit: dollars, shares

Company	Position	Name or presentative	Shareholding	
			Shares	%
Qualipoly International Inc.	Director	Qualipoly chemical Corp.：Tsai Yu Liang	8,730,000	100%
Chao Chien International Inc.	Director	Qualipoly chemical Corp.：Tsai Yu Liang	2,169,000	100%
Chaoyang International Inc.	Director	Qualipoly International Inc.：Tsai Yu Liang	9,805,738	100%
Qualipoly Technology (Guang Dong) Corp.	Director	Chaoyang International Inc.：Tsai Ching Yuan	US $ 6,500,000	100%
Qualipoly Technology (Kun Shan) Corp.	Director	Chao Chien International Inc.：Tsai Yu Liang	US $ 2,500,000	100%
Qualipoly Technology (Shang Hai) Corp.	Director	Qualipoly Technology (Kun Shan) Corp.：Su Hsin Lung	CNY$3,000,000	100%
Dongguan Chao you New Material Co., Ltd	Director	Qualipoly Technology (Guang Dong) Corp.：Tsai Ching Yuan	CNY$3,500,000	100%

（2）Operation profile about the Company's affiliates

Unit: NT$ thousand

Company	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating gains (losses)	Net gains (losses)	Earnings per share
Qualipoly International Inc.	US 8,730	348,518	781	347,737	0	(61)	7,231	0.83
Chao Chien International Inc.	US 2,169	270,787	14,906	255,881	0	(24)	24,459	11.28
Chaoyang International Inc.	US 9,806	331,312	0	331,312	0	0	8,154	0.83
Qualipoly Technology (Guang Dong) Corp.	US 6,500	361,607	30,305	331,302	377,267	(3,076)	7,987	註
Qualipoly Technology (Kun Shan) Corp.	US 2,500	190,824	29,204	161,620	270,687	31,541	21,953	註
Qualipoly Technology (Shang Hai) Corp.	CNY3,000	5,725	(636)	6,361	2,063	(1,730)	(1,721)	註
Dongguan Chao you New Material Co., Ltd	CNY3,500	52,160	10,745	41,415	91,920	14,438	10,825	註

Note：As a limited company, it is not applicable.

6.1.2 Consolidated financial statements about the Company's affiliates: please refer Appendix .

6.1.3 Report about the Company's affiliates: None

6.2 Private Securities in the Past Year and as of the Date of Publication of the Annual Report: None.

6.3 Other Necessary Supplementary Notes: None

6.4 Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Law: None

VII. Other Disclosure

7.1 The Evaluation Criteria and Basis for the Provision Method of Asset and Liability Accounts

(1) Foreign currency translation

Items included in the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Group's functional and the Company's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other gains and losses.'

B. Translation of foreign operations

(a) The financial performance and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(2) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realized within twelve months from the balance sheet date;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(3) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(4) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. Dividends income are recognized in consolidated comprehensive income statements when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(5) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
   The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue in the consolidated statement of comprehensive income when the right to receive

payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(6) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(7) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost transfer is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. If the cost exceeds net realizable value, valuation loss is accrued and recognized in operating costs. If the net realizable value reverses, valuation is eliminated within the credit balance and is recognized as deduction of operating costs.

(8) Impairment of financial assets

For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(10) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of

the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Buildings:	
Main buliding	17 ～ 55 years
Accessory equipments	2 ～ 15 years
Machinery	2 ～ 20 years
Transportation equipment	2 ～ 15 years
Office equipment	3 ～ 15 years
Other equipment	2 ～ 25 years

(11) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, and less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability; and
   (b) Any lease payments made at or before the commencement date.
   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(12) Intangible assets

A. Licences
   Licences are recognized at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Goodwill
   Goodwill arises in a business combination accounted for by applying the acquisition method.

(13) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed.

The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill will not be reversed in subsequent years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(14) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(15) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(16) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(17) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(18) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value

of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(19) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. When the Group issues employee stock options to employees, the grant date is the date the Board of Directors approves and confirms the purchase price and the number of employee stock options to employees.

(20) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(21) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(22) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(23) Revenue recognition

A. Sales of goods

(a) Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue is recognized based on the contract price net of sales discount. Sales discounts and allowances are granted to customers due to consumer complaint, recognition of contract price deviation and contract prepayment. The Group's revenue is recognized upon delivery of goods for domestic sales and upon shipment of goods for export sales, it is highly likely that there will be no significant reversal of sales in the future. The estimation is subject to an assessment at each reporting date. A credit item to accounts receivable is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually paid in cash or through the issuance of a letter of credit before delivery and have an average credit term of 90 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(24) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

7.2 Risk Management Organization and Responsible Unit

Major risk assessment	Department of sponsor	Risk review and control department
Change in interest rates, exchange rates and inflation	Financial Dept.	Senior manager
High-risk, high-leverage investments, lending funds to others, derivative financial products, financial investments	Financial Dept.	Senior manager
Future research plans and expected R&D expenses	R&D Division	General Manager
Domestic and international important policies and legal changes	Operating Committee、Financial Dept.、Administration Dept.	General Manager
Technological and industry changes	Sales & Marketing Dept.、R&D Division	General Manager
Enterprise image changes	Operating Committee	General Manager
Expansion of plant	Production Dept.	General Manager
Concentration of purchases & sales	Sales & Marketing Dept.、Purchasing Division	General Manager
Particulars about Changes in Shareholding and Equity Pledge of Directors, Supervisors and Shareholders Holding More Than 10% of the Company's Shares	Financial Dept.、Stock Dept.	Senior manager
Changes in management control	Financial Dept.	Senior manager

7.3 Other Necessary Supplementary Notes

In order to establish a sound system for internal significant information processing and disclosing, and to avoid improper data breach, as well as to ensure consistency and accuracy in the Company's external information disclosure, we have established procedures for handling significant internal information. These procedures have been approved by the Board of Directors and made public to all employees, and has been disclosed on the Company's website (http://chinese.qualipoly.com.tw/)

Appendix

2024 Consolidated Financial Statements----------1
2024 Parent Company Only Financial Statement----------76

QUALIPOLY CHEMICAL CORP.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2024, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare consolidated financial statements of affiliates.

Hereby declare,

QUALIPOLY CHEMICAL CORP.

March 7, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Qualipoly Chemical Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Qualipoly Chemical Corp. and subsidiaries (the "Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(10) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation and Note 6(4) for details of inventories and allowance for valuation loss. As of December 31, 2024, the carrying amount of inventories and allowance for inventory valuation losses were NT$1,104,003 thousand and NT$78,919 thousand, respectively.

The Group is primarily engaged in the manufacture and sales of UV curable materials, unsaturated polyester resins (UP resins) and synthetic resin with various usages, etc. The valuation of these inventories is subject to market demand in different channels, changes in technology and other factors. Thus, there is a risk of inventory valuation losses or obsolescence. The Group's inventories are measured at the lower of cost and net realizable value. For inventories that are over a certain age and individually identified as obsolete, the net realizable value is evaluated based on the inventory clearance and historical data of discounts.

As the provision of allowance for inventory valuation losses involves management's subjective judgements and a high degree of estimation uncertainty and considering that the carrying amounts of inventories and allowance for valuation losses are material to the consolidated financial statements, we considered the valuation of allowance for inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures to recognize allowance for inventory valuation losses.
2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of the procedures used to identify and control obsolete inventories.
3. Verified the correctness of inventory aging report to ascertain whether the information reflected in the aging report is consistent with the Group's policies.
4. Tested the report used in the inventory valuation and assessed the adequacy of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Qualipoly Chemical Corp. as of and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC

Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with

them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Tien, Chung-Yu

Independent Accountants

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan
Republic of China
March 7, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 237,414	4	$ 211,308	4
1110	Financial assets at fair value through profit or loss - current	6(2)	2,990	-	7,010	-
1150	Notes receivable, net	6(3)	98,035	2	121,727	3
1170	Accounts receivable, net	6(3)	840,472	16	771,582	16
1200	Other receivables	6(6)	10,564	-	27,817	1
1220	Current tax assets	6(26)	3,808	-	-	-
130X	Inventory	5(2) and 6(4)	1,025,084	19	833,505	18
1410	Prepayments		81,692	2	84,320	2
1479	Other current assets		6,936	-	5,927	-
11XX	**Total current assets**		2,306,995	43	2,063,196	44
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	124,810	2	131,884	3
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	41,077	1	56,840	1
1600	Property, plant and equipment	6(6) and 8	1,483,599	28	1,516,205	33
1755	Right-of-use assets	6(7)	19,819	-	21,126	-
1780	Intangible assets	6(8)(9)	78,827	2	74,672	2
1840	Deferred income tax assets	6(26)	31,924	1	35,317	1
1915	Prepayments for equipment	6(6)	1,186,560	22	683,226	15
1920	Guarantee deposits paid	6(6)	58,810	1	58,589	1
1975	Net defined benefit asset, non-current	6(14)	-	-	185	-
1990	Other non-current assets		4,742	-	6,299	-
15XX	**Total non-current assets**		3,030,168	57	2,584,343	56
1XXX	**Total assets**		$ 5,337,163	100	$ 4,647,539	100

(Continued)

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10) and 8	$ 197,853	4	$ 121,621	3
2110	Short-term notes and bills payable	6(11)	3,421	-	470	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	359	-	-	-
2150	Notes payable		103,633	2	138,316	3
2170	Accounts payable		208,189	4	268,445	6
2200	Other payables	6(12)	165,163	3	129,696	3
2230	Current income tax liabilities	6(26)	36,597	-	60,966	1
2280	Lease liabilities - current	6(7)	712	-	704	-
2320	Long-term liabilities, current portion	6(13) and 8	259,174	5	80,000	2
2399	Other current liabilities	6(19)	13,938	-	12,872	-
21XX	**Total current liabilities**		989,039	18	813,090	18
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	1,255,195	24	893,935	19
2570	Deferred income tax liabilities	6(26)	54,676	1	50,875	1
2580	Lease liabilities - non-current	6(7)	-	-	712	-
2640	Accrued pension liabilities	6(14)	79	-	-	-
25XX	**Total non-current liabilities**		1,309,950	25	945,522	20
2XXX	**Total Liabilities**		2,298,989	43	1,758,612	38
	Equity attributable to owners of parent					
	Share capital	6(15)				
3110	Common stock		1,000,092	19	1,000,092	22
3140	Advance receipts for share capital		9,483	-	-	-
3200	Capital surplus	6(16)(17)	429,316	8	420,051	8
	Retained earnings	6(18)				
3310	Legal reserve		429,431	8	412,729	9
3320	Special reserve		11,916	-	8,476	-
3350	Unappropriated retained earnings		1,163,659	22	1,059,495	23
3400	Other equity interest	6(5)	(5,723)	-	(11,916)	-
3XXX	**Total equity**		3,038,174	57	2,888,927	62
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
3X2X	**Total liabilities and equity**		$ 5,337,163	100	$ 4,647,539	100

The accompanying notes are an integral part of these consolidated financial statements.

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19)	$ 4,039,743	100	$ 3,454,793	100
5000	Operating costs	6(4)(7)(8)(14)(24)(25) and 7	(3,362,493)	(83)	(2,927,080)	(85)
5900	Operating margin		677,250	17	527,713	15
	Operating expenses	6(7)(8)(14)(16)(24)(25), 7 and 12				
6100	Selling expenses		(233,797)	(6)	(198,960)	(6)
6200	General and administrative expenses		(129,159)	(3)	(118,953)	(3)
6300	Research and development expenses		(55,103)	(2)	(50,169)	(1)
6450	Excepted credit gains		873	-	6,270	-
6000	Total operating expenses		(417,186)	(11)	(361,812)	(10)
6900	Operating profit		260,064	6	165,901	5
	Non-operating income and expenses					
7100	Interest income	6(20)	1,518	-	2,498	-
7010	Other income	6(21)	28,875	1	54,438	1
7020	Other gains and losses	6(2)(22)	11,905	-	724	-
7050	Finance costs	6(6)(7)(23)	(12,441)	-	(10,711)	-
7000	Total non-operating income and expenses		29,857	1	46,949	1
7900	**Profit before income tax**		289,921	7	212,850	6
7950	Income tax expense	6(26)	(65,378)	(1)	(45,824)	(1)
8200	**Profit for the period**		$ 224,543	6	$ 167,026	5
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial loss on defined benefit plan	6(14)	($ 285)	-	($ 9)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(5)	(15,763)	(1)	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	57	-	2	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		27,445	1	(4,300)	-
8399	Income tax relating to the components of other comprehensive income	6(26)	(5,489)	-	860	-
8300	**Other comprehensive income (loss) for the period**		$ 5,965	-	($ 3,447)	-
8500	**Total comprehensive income for the period**		$ 230,508	6	$ 163,579	5
	Profit attributable to:					
8610	Owners of the parent		$ 224,543	6	$ 167,026	5
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 230,508	6	$ 163,579	5
	Earnings per shares (in dollars)	6(27)				
9750	Basic		$	2.25	$	1.67
9850	Diluted		$	2.23	$	1.67

The accompanying notes are an integral part of these consolidated financial statements.

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
		Capital		Capital Reserves			Retained Earnings			Other Equity Interest		
	Notes	Share capital - common stock	Advance receipts for share capital	Additional paid-in capital	Treasury stock transactions	Employee stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income	Total equity
For the year ended December 31, 2023												
Balance at January 1, 2023		$ 1,000,092	$ -	$ 386,806	$ 23,371	$ 294	$ 381,218	$ 35,942	$ 1,086,538	($ 8,476)	$ -	$ 2,905,785
Profit for the year		-	-	-	-	-	-	-	167,026	-	-	167,026
Other comprehensive loss for the year		-	-	-	-	-	-	-	(7)	(3,440)	-	(3,447)
Total comprehensive income		-	-	-	-	-	-	-	167,019	(3,440)	-	163,579
Distribution of 2022 earnings:												
Legal reserve		-	-	-	-	-	31,511	-	(31,511)	-	-	-
Special reserve	6(18)	-	-	-	-	-	-	(27,466)	27,466	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(190,017)	-	-	(190,017)
Compensation cost recognized in employee stock options	6(16)(25)	-	-	-	-	9,580	-	-	-	-	-	9,580
Balance at December 31, 2023		$ 1,000,092	$ -	$ 386,806	$ 23,371	$ 9,874	$ 412,729	$ 8,476	$ 1,059,495	($ 11,916)	$ -	$ 2,888,927
For the year ended December 31, 2024												
Balance at January 1, 2024		$ 1,000,092	$ -	$ 386,806	$ 23,371	$ 9,874	$ 412,729	$ 8,476	$ 1,059,495	($ 11,916)	$ -	$ 2,888,927
Profit for the period		-	-	-	-	-	-	-	224,543	-	-	224,543
Other comprehensive (loss) income for the year	6(5)	-	-	-	-	-	-	-	(228)	21,956	(15,763)	5,965
Total comprehensive income		-	-	-	-	-	-	-	224,315	21,956	(15,763)	230,508
Distribution of 2023 earnings:												
Legal reserve		-	-	-	-	-	16,702	-	(16,702)	-	-	-
Special reserve	6(18)	-	-	-	-	-	-	3,440	(3,440)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(100,009)	-	-	(100,009)
Compensation cost recognized in employee stock options	6(16)(25)	-	-	-	-	9,265	-	-	-	-	-	9,265
Proceeds from employee stock options exercised	6(15)	-	9,483	-	-	-	-	-	-	-	-	9,483
Balance at December 31, 2024		$ 1,000,092	$ 9,483	$ 386,806	$ 23,371	$ 19,139	$ 429,431	$ 11,916	$ 1,163,659	$ 10,040	($ 15,763)	$ 3,038,174

The accompanying notes are an integral part of these consolidated financial statements.

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 289,921	$ 212,850
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets at fair value through profit or loss	6(2)(22)	20,058	(2,283)
Expected credit gain	12	(873)	(6,270)
Provision (reversal of allowance) for inventory market price decline	6(4)	7,779	(18,510)
Depreciation	6(6)(7)(24)	67,779	64,063
Loss (gain) on disposal of property, plant and equipment	6(22)	261	(118)
Amortization	6(8)(24)	705	1,708
Prepayments for equipment transferred to expense		213	266
Interest income	6(20)	(1,518)	(2,498)
Dividend income	6(21)	(19,540)	(32,845)
Exchange loss (gain)	6(29)	578	(717)
Finance costs	6(23)	12,441	10,711
Compensation cost recognized in employee stock options	6(16)(25)	9,265	9,580
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		-	12,785
Notes receivable		23,692	(11,576)
Accounts receivable		(68,203)	(142,491)
Other receivables		4,619	(6,294)
Inventories		(200,280)	223,676
Prepayments		2,628	(37,355)
Other current assets		(1,009)	1,228
Net defined benefits assets and liabilities - non-current		(21)	(3)
Changes in operating liabilities			
Notes payable		(34,683)	32,089
Accounts payable		(60,256)	104,624
Other payables		34,691	(118,240)
Other current liabilities		1,066	1,136
Cash inflow generated from operations		89,313	295,516
Interest received		1,518	2,498
Dividends received	6(28)	31,274	25,590
Interest paid		(11,665)	(10,462)
Income tax paid		(92,949)	(103,055)
Net cash flows from operating activities		17,491	210,087

(Continued)

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	6(6)	($ 1,806)	$ -
Proceeds from disposal of property, plant and equipment		102	1,664
Acquisition of intangible assets	6(8)	-	(3,025)
Increase in prepayments for equipment		(516,693)	(455,162)
Interest paid for prepayments for equipment	6(6)(23)	(16,022)	(6,834)
Increase in guarantee deposits paid		(221)	(986)
Decrease in other non-current assets		1,557	1,155
Net cash flows used in investing activities		(533,083)	(463,188)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	75,654	9,724
Increase (decrease) in short-term notes and bills payable	6(29)	2,951	(566)
Payments for lease liabilities	6(29)	(704)	(696)
Increase in long-term borrowings	6(29)	939,077	416,297
Decrease in long-term borrowings	6(29)	(398,643)	(270,000)
Proceeds from employee stock options exercised	6(15)	9,483	-
Payments for cash dividends	6(18)	(100,009)	(190,017)
Net cash flows from (used in) financing activities		527,809	(35,258)
Effect of foreign exchange		13,889	(3,531)
Net increase (decrease) in cash and cash equivalents		26,106	(291,890)
Cash and cash equivalents at beginning of year	6(1)	211,308	503,198
Cash and cash equivalents at end of year	6(1)	$ 237,414	$ 211,308

The accompanying notes are an integral part of these consolidated financial statements.

QUALIPOLY CHEMICAL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) Qualipoly Chemical Corp. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C) in November 1978. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the manufacture and sales UV curable materials, unsaturated polyester resins (UP resins) and synthetic resin with various usages, etc. For the subsidiaries' scope of business, refer to Note 4(3), 'Basis of consolidation'.

(2) The shares of the Company had been traded on the Taipei Exchange since December 2001 and listed on the Taiwan Stock Exchange since August 2012.

2. The Date of Authorization for Issuance of the Consolidated Financial Statements and Procedures for Authorization

These consolidated financial statements were authorized for issuance by the Board of Directors on March 7, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21,'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Account ing Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
   (a) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss.
   (b) Financial assets at fair value through other comprehensive income.
   (c) Defined benefit assets (liabilities) recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty'.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:
   (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
   (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
   (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the noncontrolling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

Name of investors	Name of subsidiaries	Business activities	Ownership (%) December 31, 2024	Ownership (%) December 31, 2023
Qualipoly Chemical Corp.	Qualipoly International Inc.	General investment and international trading business	100.00	100.00
Qualipoly Chemical Corp.	Chao Chien International Inc.	General investment and international trading business	100.00	100.00
Qualipoly International Inc.	Chaoyang International Inc.	General investment and international trading business	100.00	100.00
Chao Chien International Inc.	Qualipoly Technology (Kunshan) Corp.	Sale of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resins	100.00	100.00
Chaoyang International Inc.	Qualipoly Technology (Guangdong) Corp.	Manufacture and sale of unsaturated polyester resin, alkyd resin, and aminoalkyd resin	100.00	100.00
Qualipoly Technology (Kunshan) Corp.	Qualipoly Technology (Shanghai) Corp.	Sale of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resins	100.00	100.00
Qualipoly Technology (Guangdong) Corp.	Dongguan Chao You New Material Co., Ltd	Sale of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resins	100.00	100.00

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: Not applicable.

(4) Foreign currency translation

Items included in the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Group's functional and the Company's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other gains and losses.'

B. Translation of foreign operations

(a) The financial performance and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
   (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (b) Assets held mainly for trading purposes;
   (c) Assets that are expected to be realized within twelve months from the balance sheet date;
   (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
   (a) Liabilities that are expected to be settled within the normal operating cycle;
   (b) Liabilities arising mainly from trading activities;
   (c) Liabilities that are to be settled within twelve months from the balance sheet date;
   (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(6) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. Dividends income are recognized in consolidated comprehensive income statements when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue in the consolidated statement of comprehensive income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost transfer is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. If the cost exceeds net realizable value, valuation loss is accrued and recognized in operating costs. If the net realizable value reverses, valuation is eliminated within the credit balance and is recognized as deduction of operating costs.

(11) Impairment of financial assets

For financial assets at amortized cost, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Buildings:	
Main buliding	17 ～ 55 years
Accessory equipments	2 ～ 15 years
Machinery	2 ～ 20 years
Transportation equipment	2 ～ 15 years
Office equipment	3 ～ 15 years
Other equipment	2 ～ 25 years

(14) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, and less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the interest method and

recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability; and
   (b) Any lease payments made at or before the commencement date.
   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(15) Intangible assets

A. Licences
   Licences are recognized at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

B. Goodwill
   Goodwill arises in a business combination accounted for by applying the acquisition method.

(16) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill will not be reversed in subsequent years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(17) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption

value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The

rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. When the Group issues employee stock options to employees, the grant date is the date the Board of Directors approves and confirms the purchase price and the number of employee stock options to employees.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

(a) Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue is recognized based on the contract price net of sales discount. Sales discounts and allowances are granted to customers due to consumer complaint, recognition of contract price deviation and contract prepayment. The Group's revenue is recognized upon delivery of goods for domestic sales and upon shipment of goods for export sales, it is highly likely that there will be no significant reversal of sales in the future. The estimation is subject to an assessment at each reporting date. A credit item to accounts receivable is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually paid in cash or through the issuance of a letter of credit before delivery and have an average credit term of 90 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Valuation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Because of the effects from market demand in different channels, changes in technology and other factors, the Group assesses the amounts of normal consumption, obsolescence or without market value, and wrote off the inventory cost to net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the valuation.

B. As of December 31, 2024, the carrying amount of inventories was $1,025,084.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash:		
Cash on hand and revolving funds	$ 569	$ 488
Checking accounts and demand deposits	224,802	210,820
	225,371	211,308
Cash equivalents:		
Time deposits	12,043	-
	$ 237,414	$ 211,308

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2024 and 2023, the Group had no cash and cash equivalents pledged to others as collateral.

(2) Financial assets and liabilities at fair value through profit or loss

Assets	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 8,976	$ 8,976
Forward foreign exchange contracts	-	360
	8,976	9,336
Valuation adjustment	(5,986)	(2,326)
	$ 2,990	$ 7,010
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Unlisted stocks	$ 84,121	$ 78,784
Valuation adjustment	40,689	53,100
	$ 124,810	$ 131,884
Liabilities		
Current items:		
Financial liabilities held for trading		
Forward foreign exchange contracts	$ 359	$ -

A. The Group recognized net (losses) gains on financial assets at fair value through profit or loss amounting to ($20,058) and $2,283 (listed as 'Other gains and losses') for the years ended December 31, 2024 and 2023, respectively.

B. The Group entered into contracts relating to derivative financial assets and liabilities which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2024	
Derivative financial liabilities	Contract amount (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 1,400	11.2024～3.2025

	December 31, 2023	
Derivative financial assets	Contract amount (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 500	12.2023～2.2024

The Group entered into forward foreign exchange contracts, to hedge exchange risks arising from exchange rate changes in operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. As of December 31, 2024 and 2023, the Group has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Notes and accounts receivable, net

	December 31, 2024	December 31, 2023
Notes receivable	$ 98,035	$ 121,727
Accounts receivable	$ 861,146	$ 797,443
Less: Allowance for uncollectible accounts	(20,674)	(25,861)
	$ 840,472	$ 771,582

A. The aging analysis of notes receivable and accounts receivable is as follows:

	December 31, 2024	December 31, 2023
Notes receivable:		
Within the credit period	$ 98,035	$ 121,727
Accounts receivable:		
Within the credit period	$ 774,298	$ 736,242
Overdue 1 to 30 days	78,263	43,523
Overdue 31 to 90 days	3,651	6,112
Overdue 91 to 150 days	1,021	3,369
Overdue over 151 days	3,913	8,197
	$ 861,146	$ 797,443

The above aging analysis was based on past due date.

B. As of December 31, 2024 and 2023, notes and accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables from contracts with customers amounted to $765,103.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

D. As of December 31, 2024 and 2023, the Group had no notes and accounts receivable pledged to others as collateral.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2), ‘Financial instruments’.

(4) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 441,983	($ 23,472)	$ 418,511
Supplies	24,018	(427)	23,591
Work in progress	95,237	(9,980)	85,257
Finished goods	542,765	(45,040)	497,725
	$ 1,104,003	($ 78,919)	$ 1,025,084

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 369,804	($ 22,033)	$ 347,771
Supplies	18,131	(303)	17,828
Work in progress	86,076	(9,602)	76,474
Finished goods	429,712	(38,280)	391,432
	$ 903,723	($ 70,218)	$ 833,505

The cost of inventories recognized as expense for the period:

	For the years ended December 31,	
	2024	2023
Cost of goods sold	$ 3,353,494	$ 2,953,580
Loss on scrapped inventories	6,097	2,071
Provision (reversal of allowance) for inventory market price decline (Note)	7,779	(18,510)
Gain on physical inventories	(4,582)	(9,019)
Sales from sales of scraps	(295)	(1,042)
	$ 3,362,493	$ 2,927,080

(Note) For the year ended December 31, 2023, the Group reversed a previous inventory write-down as a result of subsequent sales and scraps of certain inventories which were previously provided with allowance.

(5) Financial assets at fair value through other comprehensive income – non-current

Assets	December 31, 2024	December 31, 2023
Equity instruments:		
Unlisted stocks	$ 56,840	$ 56,840
Valuation adjustment	(15,763)	-
	$ 41,077	$ 56,840

A. On March 9, 2022, the Group invested $56,840 in Electroninks, Inc. The purpose of the investment was to enter the field of international intermediate-level electronic materials, thereby enhancing the opportunity of transformation of the Group's high value added products and upgrading the Group's image and value.

B. The Group has elected to classify the investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of December 31, 2024 and 2023, the fair value of these investments were $41,077 and $56,840, respectively.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2024	2023
Fair value change recognised in other comprehensive income (Listed as'Other equity interest')	($ 15,763)	$ -

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was the carrying amount.

E. As of December 31, 2024 and 2023, the Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(6) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2024							
Cost	$ 954,398	$ 407,751	$ 869,707	$ 96,715	$ 6,391	$ 225,218	$ 2,560,180
Accumulated depreciation	-	(182,744)	(613,639)	(67,392)	(4,291)	(175,909)	(1,043,975)
	$ 954,398	$ 225,007	$ 256,068	$ 29,323	$ 2,100	$ 49,309	$ 1,516,205
For the year ended December 31, 2024							
At January 1	$ 954,398	$ 225,007	$ 256,068	$ 29,323	$ 2,100	$ 49,309	$ 1,516,205
Additions	-	-	-	461	-	1,345	1,806
Transferred (Note)	468	8,142	13,805	3,243	98	4,312	30,068
Depreciation	-	(14,828)	(37,280)	(5,770)	(460)	(7,377)	(65,715)
Disposal - cost	-	-	(1,784)	(759)	-	(300)	(2,843)
- accumulated depreciation	-	-	1,451	730	-	299	2,480
Net exchange differences	-	772	472	34	-	320	1,598
At December 31	$ 954,866	$ 219,093	$ 232,732	$ 27,262	$ 1,738	$ 47,908	$ 1,483,599
December 31, 2024							
Cost	$ 954,866	$ 418,798	$ 885,843	$ 99,875	$ 6,489	$ 233,545	$ 2,599,416
Accumulated depreciation	-	(199,705)	(653,111)	(72,613)	(4,751)	(185,637)	(1,115,817)
	$ 954,866	$ 219,093	$ 232,732	$ 27,262	$ 1,738	$ 47,908	$ 1,483,599

(Note) Transfers from "Other receivables" $900 and "Prepayments for equipment" $29,168, respectively.

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2023							
Cost	$ 954,398	$ 395,840	$ 855,394	$ 91,382	$ 5,826	$ 217,014	$ 2,519,854
Accumulated depreciation	-	(169,518)	(580,224)	(62,039)	(3,849)	(171,433)	(987,063)
	$ 954,398	$ 226,322	$ 275,170	$ 29,343	$ 1,977	$ 45,581	$ 1,532,791
For the year ended December 31, 2023							
At January 1	$ 954,398	$ 226,322	$ 275,170	$ 29,343	$ 1,977	$ 45,581	$ 1,532,791
Transfers from prepayments for equipment	-	13,498	17,039	5,450	565	12,327	48,879
Depreciation	-	(14,367)	(35,844)	(5,452)	(442)	(6,915)	(63,020)
Disposal - cost	-	-	(479)	-	-	(2,506)	(2,985)
- accumulated depreciation	-	-	443	-	-	996	1,439
Net exchange differences	-	(446)	(261)	(18)	-	(174)	(899)
At December 31	$ 954,398	$ 225,007	$ 256,068	$ 29,323	$ 2,100	$ 49,309	$ 1,516,205
December 31, 2023							
Cost	$ 954,398	$ 407,751	$ 869,707	$ 96,715	$ 6,391	$ 225,218	$ 2,560,180
Accumulated depreciation	-	(182,744)	(613,639)	(67,392)	(4,291)	(175,909)	(1,043,975)
	$ 954,398	$ 225,007	$ 256,068	$ 29,323	$ 2,100	$ 49,309	$ 1,516,205

A. As of December 31, 2024 and 2023, the Group's property, plant and equipment were most for own use, with a small portion for rental purpose.

B. Amount of borrowing costs capitalized as part of prepayments for equipment and the range of the interest rates for such capitalization are as follows:

	For the years ended December 31,	
	2024	2023
Amount capitalized	$ 16,022	$ 6,834
Interest rate	1.69%～1.95%	1.00%～1.80%

C. To satisfy the requirement of the Company's operating development in the future, in June 2021, the Company was approved by the Industrial Development Bureau to apply for the purchase of the land on No. 862-7 in Tainan Technology Industrial Park. The area was 27,846.45 square meters, at a price of $20,600 (in dollars) per square meter, and the total price of the land was $573,637. The payment and transfer had been completed. Additionally, in accordance with regulations, relative to the construction of the plant, the Group had to pay guarantee to Industrial Development Bureau in the amount of $57,392 (listed as 'Guarantee deposits paid'), which will be returned without interest after the construction is completed.

D. As of December 31, 2024 and 2023, information relating to Group's property, plant and equipment pledged to others as collateral is provided in Note 8, 'Pledged Assets'.

(7) Leasing arrangements－lessee

A. Starting from 2002 to 2008, the Group entered into a use right contract for land located in Jiangmen City, Guangdong Province, China in the amount of $29,775 (RMB 6,766 thousand), with a lease term of 47.2 to 50 years. All rentals had been paid on the contract signing date. Of the total amount, RMB 2,249 thousand, the Group had not received the certificate of use right of national land as of December 31, 2024. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. The Company leases assets including buildings. Rental contracts are typically made for period from February 1, 2021 to January 31, 2026. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose special covenants.

C. Short-term leases with a lease term of 12 months or less are comprised of vacant land, parking space, warehouse. Low-value assets are comprised of multifunction printers.

D. The carrying amount of right-of-use assets and the depreciation are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Land	$ 19,123	$ 19,734
Buildings	696	1,392
	$ 19,819	$ 21,126

	For the years ended December 31,	
	2024	2023
	Depreciation	Depreciation
Land	$ 1,368	$ 347
Buildings	696	696
	$ 2,064	$ 1,043

E. Information on profit or loss in relation to lease contracts is as follows:

	For the years ended December 31,	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 16	$ 24
Expense on short-term lease contracts	3,393	3,053
Expense on leases of low-value assets	684	649

F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were $4,797 and $4,422, respectively.

(8) Intangible assets

	For the year ended December 31, 2024		
	Goodwill	Others	Total
At January 1			
Cost	$ 71,755	$ 35,643	$ 107,398
Accumulated amortization	-	(32,726)	(32,726)
	$ 71,755	$ 2,917	$ 74,672
At January 1	$ 71,755	$ 2,917	$ 74,672
Amortization	-	(705)	(705)
Net exchange differences	4,860	-	4,860
At December 31	$ 76,615	$ 2,212	$ 78,827
At December 31			
Cost	$ 76,615	$ 35,643	$ 112,258
Accumulated amortization	-	(33,431)	(33,431)
	$ 76,615	$ 2,212	$ 78,827

	For the year ended December 31, 2023		
	Goodwill	Others	Total
At January 1			
Cost	$ 71,766	$ 32,618	$ 104,384
Accumulated amortization	-	(31,018)	(31,018)
	$ 71,766	$ 1,600	$ 73,366
At January 1	$ 71,766	$ 1,600	$ 73,366
Additions－acquired separately	-	3,025	3,025
Amortization	-	(1,708)	(1,708)
Net exchange differences	(11)	-	(11)
At December 31	$ 71,755	$ 2,917	$ 74,672
At December 31			
Cost	$ 71,755	$ 35,643	$ 107,398
Accumulated amortization	-	(32,726)	(32,726)
	$ 71,755	$ 2,917	$ 74,672

A. No interest was capitalized for the years ended December 31, 2024 and 2023.

B. Details of amortization expense on intangible assets are as follows:

	For the years ended December 31,	
	2024	2023
Operating costs	$ 195	$ 65
Selling expenses	315	1,578
General and administrative expenses	195	65
	$ 705	$ 1,708

C. The Group's goodwill was generated as a result of the acquisition of equity interest in Qualipoly Technology (Guangdong) Corp. in 2006. The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amounts, so goodwill was not impaired. Goodwill is allocated as follows to the cash-generating units identified according to operating segment:

	December 31, 2024	December 31, 2023
Qualipoly Technology (Guangdong) Corp.	$ 76,615	$ 71,755

D. For the details about valuation of impairment of intangible assets - goodwill, refer to Note 6(9).

E. As of December 31, 2024 and 2023, the Group had no intangible assets pledged to others as collateral.

(9) Impairment of non-financial assets

A. For the years ended December 31, 2024 and 2023, no impairment loss was recognized by the Group.

B. The Group tests annually for impairment the recoverable amount of goodwill. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets in the future of cash generating units. The cash flows of financial budget were prepared based on the estimates of the growth of annual revenue, gross profit and capital expenditures. Management determined budgeted gross margin and growth rate based on past performance and their expectations of market development. The discount rate applied reflects the risks specific to the related operating segments and the current market assessments of the time value of money. For the years ended December 31, 2024 and 2023, the related discount rates were 9.00% and 8.51%, respectively.

(10) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Unsecured bank borrowings	$ 85,182	1.83%～5.58%	None
Secured bank borrowings	112,671	1.82%	Land and buildings
	$ 197,853		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	$ 71,621	1.65%～6.28%	None
Secured bank borrowings	50,000	1.65%	Land and buildings
	$ 121,621		

For more information on interest expenses recognized in profit or loss by the Group for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(11) Short-term notes and bills payable

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Acceptance payable	$ 3,421	—	None

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Acceptance payable	$ 470	—	None

A. Acceptance payables were accepted by Mega International Commercial Bank and other financial institutions who guaranteed to pay the cash amount to the bearer without any conditions at specific dates.

B. For more information on interest expenses recognized in profit or loss by the Group for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(12) Other payables

	December 31, 2024	December 31, 2023
Payroll and bonus payable	$ 91,189	$ 70,321
Environmental expenses payable	21,597	4,924
Remuneration for directors payable	7,500	5,625
Export expenses payable	7,305	6,935
Employees' compensation payable	3,750	2,812
Others	33,822	39,079
	$ 165,163	$ 129,696

(13) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	2021.9.9～2041.11.1	1.89%	Land and buildings	$ 912,017
Unsecured borrowings	2022.3.23～2032.7.30	1.38%～1.80%	None	602,352
				1,514,369
Less: Current portion				(259,174)
				$ 1,255,195

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured borrowings	2021.9.9～2041.11.1	1.76%	Land and buildings	$ 603,580
Unsecured borrowings	2022.3.23～2029.8.15	1.25%～1.65%	None	370,355
				973,935
Less: Current portion				(80,000)
				$ 893,935

For more information on interest expenses recognized in profit or loss by the Group for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(14) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act of R.O.C, covering all regular employees' service years prior to the enforcement of the Labor Pension Act of R.O.C on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months

prior to retirement. The Company contributes monthly an amount equal to 7.70% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The Company's total contributions to the defined pension benefit deposited with Bank of Taiwan had reached the amount which the company can suspend appropriation of contributions, in accordance with "Regulations for the Allocation and Management of the Workers' Retirement Reserve Funds of R.O.C". On July 30, 2020, through the approval of the labor pension reserve supervision committee, starting from August 1, 2020 to July 31, 2024, the Company can suspend its contributions to the labor pension reserve fund. On August 7, 2020, August 4, 2021, July 21, 2022 and August 2, 2023, the suspension has been approved by the Kaohsiung City Labor Affairs Bureau. The information in relation to the defined benefit pension plan of the Company was as follows:

(a) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	($ 1,006)	($ 640)
Fair value of plan assets	927	825
Net defined benefit assets and liabilities	($ 79)	$ 185

(b) Movements in net defined benefit assets and liabilities are as follows:

	For the year ended December 31, 2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets and liabilities
At January 1	($ 640)	$ 825	$ 185
Interest (expense) income	(9)	12	3
	(649)	837	188
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	72	72
Change in financial assumptions	39	-	39
Experience adjustments	(396)	-	(396)
	(357)	72	(285)
Pension fund contribution	-	18	18
At December 31	($ 1,006)	$ 927	($ 79)

	For the year ended December 31, 2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
At January 1	($ 617)	$ 808	$ 191
Interest (expense) income	(9)	12	3
	(626)	820	194
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5	5
Change in financial assumptions	(9)	-	(9)
Experience adjustments	(5)	-	(5)
	(14)	5	(9)
At December 31	($ 640)	$ 825	$ 185

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings are less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2024	2023
Discount rate	1.625%	1.375%
Future salary increase rate	3.00%	3.00%

Future mortality rate was estimated both based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 37)	$ 39	$ 38	($ 36)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 19)	$ 20	$ 19	($ 19)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to $35.

(f) As of December 31, 2024, the weighted average duration of the retirement plan is 22 years. The analysis of timing of the future pension payment was as follows:

Within next 1 year	$ 90
Next 2～5 years	60
Next Over 5 years	68
	$ 218

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The subsidiaries, Qualipoly Technology (Kunshan) Corp., Qualipoly Technology (Guangdong) Corp., Qualipoly Technology (Shanghai) Corp. and Dongguan Chao You New Material Co., Ltd., have defined contribution plans. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentages of employees' monthly salaries and wages. The contribution percentages for the years ended December 31, 2024 and

2023 were both 13%～19%. Other than the monthly contributions, the subsidiaries have no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023 were $13,217 and $12,812, respectively.

(15) Share capital and advance receipts for share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	For the years ended December 31,	
	2024	2023
Beginning and ending balance	100,009	100,009

B. The stock option certificates of 302 units were exercised by the employees of the Company in December 2024, the proceeds from the subscription were $9,483 (listed as "Advance receipts for share capital"), until December 31, 2024, the registration of changes has not been completed.

C. As of December 31, 2024, the Company's authorized capital was $1,200,000, and the paid-in capital was $1,000,092, consisting of 100,009 thousand shares of ordinary stock with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(16) Share-based payment

Employee stock options:

A. On December 21, 2022, the Company issued compensatory stock option plan of 3,000 units, and the exercise price was $34 (in dollars) per unit, which was set based on the closing price of the Company's ordinary share on the day of issuance. Employees can subscribe for 1,000 ordinary shares per unit of the options. If there is an increase in the Company's issued ordinary shares after the issuance of stock options, the exercise price is adjusted according to a specific formula, except for the increase caused by the conversion into ordinary shares from various securities with conversion options or stock options issued by the Company or the issuance of new shares due to employees' compensation. The life of the options is 4 years. After 2 years from the date of grant, employees may exercise the options in accordance with terms of employee stock options. For the years ended December 31, 2024 and 2023, the Company's compensation cost due to employee stock options amounted to $9,265 and $9,580, respectively.

B. Details of the share-based payment arrangements are as follows:

	For the year ended December 31, 2024	
Share option	Quantity (units in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,940	$ 32.40
Options exercised (Note)	(302)	31.40
Options outstanding at December 31	2,638	31.40
Options exercisable at December 31	2,638	31.40

Share option	For the year ended December 31, 2023 Quantity (units in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	3,000	$ 34.00
Options forfeited	(40)	-
Options abandoned	(20)	-
Options outstanding at December 31	2,940	32.20
Options exercisable at December 31	-	-

(Note) Refer to Note 6(15) for "share capital and advance receipts for share capital".

C. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Grant date	December 21, 2022
Dividend yield	0%
Expected price volatility	25.94%
Risk-free interest rate	1.10%
Expected duration	3 years
Fair value in dollars (per share)	$ 6.51(in dollars)

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. In accordance with the R.O.C. Company Act, the Company shall set aside 10% of current year's profit after taxes as legal reserve, until the legal reserve equals to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The residual amount will be provisioned as or reversed from special reserve in accordance with

regulations. The remainder, if any, to be appropriated shall be proposed by the Board of Directors and resolved by the stockholders at the stockholder's meeting. When distributing earnings, the Company takes into consideration the industrial environment, financial plans, sustainable operations, stable development and shareholders' interest as follows:

The Company is in the stable growth stage. To support the requirement of business growth, the Company's dividends distribution is no lower than 50% of current year's earnings. The Company distributes shareholders' dividends in the form of cash or stock, of which cash dividends shall comprise at least 20% of the total dividends distributed. However, if the cash dividend per share is less than $0.5 (in dollars), it can be distributed as stock dividends.

The actual appropriation ratio and form of distribution shall be set by the Board of Directors based on the Company's financial situation and capital budget.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. The special surplus reserve (reversed) appropriated in 2024 and 2023 amounted to $3,440 and ($27,466), respectively. As of December 31, 2024, the outstanding balance of the above special surplus reserve was $11,916.

D. On May 29, 2024 and June 8, 2023, the shareholders during their meeting resolved the distribution of cash dividends from 2023 and 2022 earnings in the amounts of $100,009 ($1.0 (in dollars) per share) and $190,017 ($1.9 (in dollars) per share), respectively. On March 7, 2025, the Board of Directors resolved the distribution of cash dividends of $141,103 ($1.4 (in dollars) per share) from 2024 earnings.

(19) Operating revenue

A. The Group derives revenue from contracts with customers which are recognized at a point in time. Revenue is divided into the following major product lines:

	For the year ended December 31, 2024			
	Qualipoly Chemical Corp.	Qualipoly Technology (Guangdong) Corp.	Others	Total
Synthetic resin	$ 3,206,746	$ 365,938	$ 358,930	$ 3,931,614
Others	100,920	4,092	3,117	108,129
	$ 3,307,666	$ 370,030	$ 362,047	$ 4,039,743

	For the year ended December 31, 2023			
	Qualipoly Chemical Corp.	Qualipoly Technology (Guangdong) Corp.	Others	Total
Synthetic resin	$ 2,709,384	$ 340,936	$ 298,529	$ 3,348,849
Others	102,683	2,292	969	105,944
	$ 2,812,067	$ 343,228	$ 299,498	$ 3,454,793

B. The Group has recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities - current (listed as 'Other current liabilities')	$ 5,850	$ 4,615	$ 3,656

Revenue recognized that was included in the contract liabilities at the beginning of the year were $3,279 and $2,643 for the years ended December 2024 and 2023, respectively.

(20) Interest income

	For the years ended December 31,	
	2024	2023
Bank deposits	$ 1,518	$ 2,498

(21) Other income

	For the years ended December 31,	
	2024	2023
Dividend income	$ 19,540	$ 32,845
Rental income	4,255	2,940
Sample income	4,245	10,020
Other income	835	8,633
	$ 28,875	$ 54,438

(22) Other gains and losses

	For the years ended December 31,	
	2024	2023
(Losses) gains on financial assets at fair value through profit or loss	($ 20,058)	$ 2,283
Net foreign exchange gains (losses)	33,011	(1,599)
(Losses) gains on disposal of property, plant and equipment	(261)	118
Other losses	(787)	(78)
	$ 11,905	$ 724

(23) Finance costs

	For the years ended December 31,	
	2024	2023
Interest expense:		
Bank borrowings	$ 28,447	$ 17,521
Lease liabilities	16	24
	28,463	17,545
Less: Capitalization of qualifying assets	(16,022)	(6,834)
	$ 12,441	$ 10,711

(24) Expenses by nature

	For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 208,012	$ 196,776	$ 404,788
Depreciation	54,964	12,815	67,779
Amortization	195	510	705
	$ 263,171	$ 210,101	$ 473,272

	For the year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 177,393	$ 171,864	$ 349,257
Depreciation	51,815	12,248	64,063
Amortization	65	1,643	1,708
	$ 229,273	$ 185,755	$ 415,028

(25) Employee benefit expense

	For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 176,748	$ 160,318	$ 337,066
Employees' compensation	-	9,265	9,265
Labour and health insurance fees	15,285	11,185	26,470
Pension costs	6,758	6,456	13,214
Other personnel expenses	9,221	9,552	18,773
	$ 208,012	$ 196,776	$ 404,788

	For the year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 148,563	$ 135,975	$ 284,538
Employees' compensation	-	9,580	9,580
Labour and health insurance fees	14,552	11,149	25,701
Pension costs	6,598	6,211	12,809
Other personnel expenses	7,680	8,949	16,629
	$ 177,393	$ 171,864	$ 349,257

A. Under the Company's Articles of Incorporation, employees' compensation and directors' remuneration shall be distributed at a ratio of not lower that 1% but not more than 1.5% of current year's earnings, and not more than 3% of current year's earnings, respectively. However, if the Company has an accumulated deficit, the earnings shall be reserved to cover the deficit.

B. For the years ended December 31, 2024 and 2023, employees' compensation were accrued at $3,750 and $2,812, respectively; while directors' remuneration were accrued at $7,500 and $5,625, respectively. The aforementioned amounts were recognized in salary expenses. The expense recognized was accrued based on the profit of current year as prescribed by Company's Articles of Incorporation. Employees' compensation and directors' remuneration for 2023 as resolved by the Board of directors were $2,812 and $5,625, respectively, which were the same with the amounts recognized in the financial statements for the year ended December 31, 2023. On March 7, 2025, the employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were $3,750 and $7,500, respectively, and the employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 66,397	$ 64,391
Tax on undistributed surplus earnings	2,343	6,053
Prior year income tax over estimation	(5,124)	(7,155)
Total current income tax	63,616	63,289
Deferred tax:		
Origination and reversal of temporary differences	1,762	(17,465)
Income tax expense	$ 65,378	$ 45,824

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2024	2023
Remeasurements of defined benefit obligations	($ 57)	($ 2)
Currency translation differences	5,489	(860)
	$ 5,432	($ 862)

(c) Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate (Note)	$ 67,990	$ 42,531
Effects from items disallowed by tax regulation	169	4,395
Tax on undistributed surplus earnings	2,343	6,053
Prior year income tax over estimation	(5,124)	(7,155)
Income tax expense	$ 65,378	$ 45,824

(Note) The basis for computing the income tax is the rates applicable in the respective countries where the Group's entities operate.

B. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for bad debts	$ 2,949	($ 206)	$ -	$ 2,743
Loss on inventories from market decline	9,240	1,868	-	11,108
Loss on unrealized evaluation of financial liabilities	-	72	-	72
Pensions	12,811	-	57	12,868
Book tax difference in the timing of revenue recognition	2,014	913	-	2,927
Unrealized exchange loss	2,611	(2,611)	-	-
Currency translation differences	2,864	-	(2,864)	-
Others	2,828	(622)	-	2,206
	$ 35,317	($ 586)	($ 2,807)	$ 31,924

	For the year ended December 31, 2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 37,909)	($ 297)	$ -	($ 38,206)
Pensions	(12,894)	(4)	-	(12,898)
Gain on unrealized evaluation of financial assets	(72)	72	-	-
Unrealized exchange gain	-	(947)	-	(947)
Currency translation differences	-	-	(2,625)	(2,625)
	($ 50,875)	($ 1,176)	($ 2,625)	($ 54,676)
	($ 15,558)	($ 1,762)	($ 5,432)	($ 22,752)

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for bad debts	$ 4,596	($ 1,647)	$ -	$ 2,949
Loss on inventories from market decline	14,820	(5,580)	-	9,240
Pensions	12,809	-	2	12,811
Book tax difference in the timing of revenue recognition	-	2,014	-	2,014
Unrealized exchange loss	-	2,611	-	2,611
Currency translation differences	2,004	-	860	2,864
Others	4,140	(1,312)	-	2,828
	$ 38,369	($ 3,914)	$ 862	$ 35,317

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax liabilities				
Temporary differences:				
Investment income	($ 57,876)	$ 19,967	$ -	($ 37,909)
Pensions	(12,894)	-	-	(12,894)
Book tax difference in the timing of revenue recognition	(1,009)	1,009	-	-
Gain on unrealized evaluation of financial assets	-	(72)	-	(72)
Unrealized exchange gain	(475)	475	-	-
	($ 72,254)	$ 21,379	$ -	($ 50,875)
	($ 33,885)	$ 17,465	$ 862	($ 15,558)

C. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority. As of March 7, 2025, the Company was not involved in any administration lawsuit.

(27) Earnings per share

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 224,543	100,009	$ 2.25
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 224,543	100,009	
Assumed conversion of all dilutive potential ordinary shares			
Employee stock options	-	786	
Employees' compensation	-	96	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 224,543	100,891	$ 2.23

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 167,026	100,009	$ 1.67
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 167,026	100,009	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	107	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 167,026	100,116	$ 1.67

The Company's employee stock options had an anti-dilutive effect for the year ended December 31, 2023, so they were not included in the calculation of diluted earnings per share.

(28) Supplemental cash flow information

1. Operating activities with partial cash receipts:

	For the years ended December 31,	
	2024	2023
Dividends income	$ 19,540	$ 32,845
Add: Beginning balance of other receivables	11,734	4,479
Less: Ending balance of other receivables	-	(11,734)
Cash dividends received	$ 31,274	$ 25,590

2. Operating and investing activities with no cash flow effects:

	For the years ended December 31,	
	2024	2023
(a) Write-offs of allowance for uncollectible accounts	$ 4,500	$ -
(b) Other receivables transferred to property, plant and equipment	$ 900	$ -
(c) Prepayments for equipment transferred to other receivables	$ -	$ 2,528
(d) Prepayments for equipment transferred to property, plant and equipment	$ 29,168	$ 48,879

(29) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Total
At January 1, 2024	$ 121,621	$ 470	$ 1,416	$ 973,935	$ 1,097,442
Changes in cash flow from financing activities	75,654	2,951	(704)	540,434	618,335
Changes in other non-cash items	578	-	-	-	578
At December 31, 2024	$ 197,853	$ 3,421	$ 712	$ 1,514,369	$ 1,716,355

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Total
At January 1, 2023	$ 112,614	$ 1,036	$ 2,112	$ 827,638	$ 943,400
Changes in cash flow from financing activities	9,724	(566)	(696)	146,297	154,759
Changes in other non-cash items	(717)	-	-	-	(717)
At December 31, 2023	$ 121,621	$ 470	$ 1,416	$ 973,935	$ 1,097,442

7. Related Party Transactions

Key management compensation:

	For the years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 35,093	$ 31,666
Post-employment benefits	606	548
	$ 35,699	$ 32,214

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

Pledged asset item	December 31, 2024	December 31, 2023	Purpose
Land (Note)	$ 750,705	$ 750,705	Short-term borrowings, long-term borrowings and borrowing facilities
Buildings, net (Note)	42,156	44,485	Short-term borrowings, long-term borrowings and borrowing facilities
Other equipment, net (Note)	2,824	3,594	Facilities of long-term borrowings
	$ 795,685	$ 798,784	

(Note) Listed as 'Property, plant and equipment'.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2024 and 2023, the Group's other significant contingent liabilities and unrecognized contract commitments were as follows:

(1) The outstanding letters of credit issued but not negotiated were $42,463 and $83,074, respectively.

(2) Capital expenditures contracted but not yet incurred are as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 794,509	$ 505,656

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 127,800	$ 138,894
Financial assets at fair value through other comprehensive income	$ 41,077	$ 56,840
Financial assets at amortized cost		
Cash and cash equivalents	$ 237,414	$ 211,308
Notes receivable	98,035	121,727
Accounts receivable	840,472	771,582
Other receivables	10,564	27,817
Guarantee deposits paid	58,810	58,589
	$ 1,245,295	$ 1,191,023
Financial liabilities		
Financial liabilities held for trading	$ 359	$ -
Financial liabilities at amortized cost		
Short-term borrowings	$ 197,853	$ 121,621
Short-term notes and bills payable	3,421	470
Notes payable	103,633	138,316
Accounts payable	208,189	268,445
Other payables	165,163	129,696
Long-term borrowings (including current portion)	1,514,369	973,935
	$ 2,192,628	$ 1,632,483
Lease liabilities	$ 712	$ 1,416

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimize any adverse effect on the financial performance of the Group, derivative instruments are used to hedge based on situation.

(b) Risk management is carried out by the Group's treasury department under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such

as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Group used in various currency, primarily with respect to the USD, AUD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Group has certain sales and purchases denominated in USD and other foreign currencies. Exchange rates would affect the transaction price in the market. When commercial transactions occur in the future, recognized assets or liabilities do not price at the functional foreign currency of the entity, the exchange risk will occur.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Group's foreign operations are considered strategic investments; thus, no hedging for the purpose is conducted.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD and the subsidiaries' functional currencies: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 13,124	32.785	$ 430,270
RMB:NTD	7,000	4.478	31,346
AUD:NTD	2,135	20.39	43,533
GBP:NTD	341	41.19	14,046
JPY:NTD	47,697	0.2099	10,012
Non-monetary items			
RMB:USD	26,412	0.1370	124,810
Financial liabilities			
Monetary items			
USD:NTD	1,703	32.785	55,833

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 13,331	30.705	$ 409,328
AUD:NTD	1,810	20.98	37,974
RMB:NTD	7,480	4.327	32,366
GBP:NTD	346	39.15	13,546
Non-monetary items			
RMB:USD	29,637	0.1408	131,884
Financial liabilities			
Monetary items			
USD:NTD	1,281	30.705	39,333

v. The sensitivity analysis of foreign exchange risk is mainly focused on the foreign currency items at the end of financial reporting date. If the exchange rate of NTD to all foreign currency had decreased/increased by 1% with all other variables remaining constant, the profit or loss for the years ended December 31, 2024 and 2023 would have increased/decreased by $3,787 and $3,631, respectively.

vi. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to $33,011 and ($1,599), respectively.

Price risk

i. The Group is exposed to the price risk of equity securities because of investments held by the Group and classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on the consolidated balance sheet. To manage the price risk arising from equity securities, the Group strictly evaluates investment activities and pre-sets a “stop loss”, so the Group does not expect material price risk.

ii. The sensitivity analysis of price risk of equity securities is calculated from fair value changes at the end of balance sheet date. If the price of these equity securities had increased/decreased by 1% with all other variables remaining constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by $1,278 and $1,385, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other comprehensive income would have increased/decreased by $411 and $568, respectively as a result of other comprehensive income on equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased/increased by $228 and $140, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

iii. In line with the credit risk management policies, if the contract payments were past due within 90 days, the proceeds are within normal collection period. However, the defaults occur past due over 90 days.

iv. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix to estimate the expected credit loss. The Group used the forecastability to adjust historical and timely information to assess the default possibility of receivables.

Movements in relation to the Group applying the modified approach to provide loss allowance for receivables are as follows:

	Individual A		
	Expected loss rate	Total book value	Loss allowance
December 31, 2024			
Within the credit period	0.21%	$ 73,533	$ 153
Overdue 1 to 30 days	2.34%	3,244	76
Overdue 31 to 60 days	5.63%	871	49
Overdue 61 to 90 days	29.93%	598	179
Overdue 91 to 150 days	73.11%	357	261
Overdue over 151 days	58.75%	771	453
		$ 79,374	$ 1,171

	Group A		
	Expected loss rate	Total book value	Loss allowance
December 31, 2024			
Within the credit period	0.92%	$ 798,800	$ 7,372
Overdue 1 to 30 days	8.70%	75,019	6,525
Overdue 31 to 60 days	69.30%	531	368
Overdue 61 to 90 days	86.74%	1,651	1,432
Overdue 91 to 150 days	100%	664	664
Overdue over 151 days	100%	3,142	3,142
		$ 879,807	$ 19,503

	Individual A		
	Expected loss rate	Total book value	Loss allowance
December 31, 2023			
Within the credit period	0.32%	$ 69,588	$ 220
Overdue 1 to 30 days	3.44%	4,355	150
Overdue 31 to 60 days	17.52%	1,490	261
Overdue 61 to 90 days	33.33%	66	22
Overdue 91 to 150 days	100%	293	293
Overdue over 151 days	100%	327	327
		$ 76,119	$ 1,273

	Group A		
	Expected loss rate	Total book value	Loss allowance
December 31, 2023			
Within the credit period	1.00%	$ 788,381	$ 7,884
Overdue 1 to 30 days	8.11%	39,168	3,175
Overdue 31 to 60 days	56.69%	4,556	2,583
Overdue 91 to 150 days	100%	3,076	3,076
Overdue over 151 days	100%	7,870	7,870
		$ 843,051	$ 24,588

v. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	December 31, 2024	December 31, 2023
At January 1	$ 25,861	$ 32,230
Expected credit gains	(873)	(6,270)
Write-offs of uncollectible receivables	(4,500)	-
Effect of foreign exchange	186	(99)
At December 31	$ 20,674	$ 25,861

(c) Liquidity risk

i. The Group's treasury department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities and ensure the Group has sufficient financial flexibility.

ii. Surplus cash held by the operating entities exceeded the requirement of working capital management. The Group's treasury department aggregately invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2024	December 31, 2023
Floating rate		
Expiring within one year	$ 1,005,877	$ 890,900
Expiring over one year	821,692	1,113,166
Fixed rate		
Expiring within one year	17,912	17,308
	$ 1,845,481	$ 2,021,374

The facilities expiring within one year are annual facilities subject to review at various dates during the next year. The other facilities are for the Group's operating capital.

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 199,078	$ -	$ -	$ -
Short-term notes and bills payable	3,421	-	-	-
Notes payable	103,633	-	-	-
Accounts payable	208,189	-	-	-
Other payables	165,163	-	-	-
Lease liabilities-current	720	-	-	-
Long-term borrowings (including current portion)	282,817	220,601	483,567	680,991
Derivative finacial liabilities:				
Forward forigen exchange contracts	359	-	-	-

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 122,266	$ -	$ -	$ -
Short-term notes and bills payable	470	-	-	-
Notes payable	138,316	-	-	-
Accounts payable	268,445	-	-	-
Other payables	129,696	-	-	-
Lease liabilities (including current and non-current)	720	720	-	-
Long-term borrowings (including current portion)	94,856	120,412	389,096	476,241

v. The Group does not expect the maturity date to end early nor the actual cash flow to be significantly materially different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investments in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level3: Unobservable inputs for the asset or liability. The Group's investments in equity instruments without active market is included in Level 3.

B. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings (including current portion)) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 2,990	$ -	$ 124,810	$ 127,800
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 41,077	$ 41,077
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 359	$ -	$ 359

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 360	$ -	$ 360
Equity securities	6,650	-	131,884	138,534
	$ 6,650	$ 360	$ 131,884	$ 138,894
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 56,840	$ 56,840

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used closing price as their fair values (that is, Level 1).

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk, etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary to reasonably represent the fair value of financial and non-financial instruments at consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2, nor transfer into or out from Level 3.

E. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	For the years ended December 31,	
	2024	2023
At January 1	$ 188,724	$ 189,079
Losses recognized in profit or loss	(15,679)	(338)
Losses recognized in other comprehensive income	(15,763)	-
Net exchange differences	8,605	(17)
At December 31	$ 165,887	$ 188,724

F. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted stocks	$ 165,887	Market comparable companies	Price to book value ratio multipliers	1.05～6.92	The higher the multipliers, the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Unlisted stocks	$ 196,468	Net assets value	Not applicable	Not applicable	The higher the net asset value, the higher the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book value ratio multipliers	±10%	$ 388	($ 388)	$ 4,108	($ 4,108)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Not applicable	—	Not applicable		Not applicable	

13. Supplementary Disclosures

According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2024.

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Group's paid-in capital or more: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 2.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2), ‘Financial assets and liabilities at fair value through profit or loss’.

J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Refer to table 7.

14. Segment Information

(1) General information

The management of the Group has identified the operating segments based on information provided to the Group's chief operating decision-maker in order to make strategic decisions. The Group's organization basis of identification and measurement of segment information had no significant changes in this period.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on a measure of profit or loss before taxes. The accounting policies of operating segments were consistent with the summary of significant accounting policies as described in the Note 4.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the year ended December 31, 2024			
	Qualipoly Chemical Corp.	Qualipoly Technology (Guangdong) Corp.	Others	Total
Segment revenue	$ 3,648,323	$ 377,267	$ 364,463	$ 4,390,053
Inter-segment revenue	(340,657)	(7,237)	(2,416)	(350,310)
Revenue from external customers	3,307,666	370,030	362,047	4,039,743
Interest income	1,194	221	103	1,518
Finance costs	12,426	15	-	12,441
Segment profit (loss) before income tax	276,751	7,987	36,714	321,452
Segment assets	4,650,137	243,578	443,448	5,337,163
Segment liabilities	2,249,232	19,753	30,004	2,298,989

	For the year ended December 31, 2023			
	Qualipoly Chemical Corp.	Qualipoly Technology (Guangdong) Corp.	Others	Total
Segment revenue	$ 3,063,708	$ 346,823	$ 306,517	$ 3,717,048
Inter-segment revenue	(251,641)	(3,595)	(7,019)	(262,255)
Revenue from external customers	2,812,067	343,228	299,498	3,454,793
Interest income	1,414	544	540	2,498
Finance costs	10,248	162	301	10,711
Segment profit (loss) before income tax	207,537	(2,976)	32,609	237,170
Segment assets	3,979,392	242,266	425,881	4,647,539
Segment liabilities	1,698,552	27,197	32,863	1,758,612

(4) Reconciliation information about segment income (loss), assets and liabilities

A. Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the consolidated statement of comprehensive income. The total amount of segment revenue and consolidated operating revenue and a reconciliation of reportable segment income or loss before tax were provided as follows:

	For the years ended December 31,	
	2024	2023
Revenue from reportable segments	$ 4,025,590	$ 3,410,531
Revenue from other operating segments	364,463	306,517
Inter-segment revenue	(350,310)	(262,255)
Operating revenue	$ 4,039,743	$ 3,454,793

	For the years ended December 31,	
	2024	2023
Reportable segment income before tax	$ 284,738	$ 204,561
Other segment income before tax	36,714	32,609
Inter-segment loss	(31,531)	(24,320)
Profit before income tax	$ 289,921	$ 212,850

B. The amounts provided to the chief operating decision maker with respect to total assets and total liabilities are measured in a manner consistent with that of the Group's consolidated financial statements, thus, there was no need for reconciliation.

(5) Information on product and service

Revenue from external customers is mainly from the production and sales of UV curable materials, unsaturated polyester resins (UP resins) and synthetic resin with various usages, etc. Details of revenue for the years ended December 31, 2024 and 2023 are as follows:

	For the years ended December 31,	
	2024	2023
Synthetic resin	$ 3,931,614	$ 3,348,849
Others	108,129	105,944
Operating revenue	$ 4,039,743	$ 3,454,793

(6) Geographical information

Geographical information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	For the years ended December 31,			
	2024		2023	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Taiwan	$ 1,012,282	$ 2,633,759	$ 928,873	$ 2,163,678
Asia	1,549,281	139,788	1,403,543	138,035
Europe	860,811	-	551,133	-
North America	274,048	-	256,315	-
South America	100,647	-	70,090	-
Others	242,674	-	244,839	-
	$ 4,039,743	$ 2,773,547	$ 3,454,793	$ 2,301,713

(Note 1) The revenue is classified by the country where the customer is located.

(Note 2) Non-current assets exclude financial assets at fair value through profit or loss - non-current, financial assets at fair value through other comprehensive income - non-current, deferred income tax assets and guarantee deposits paid.

(7) Information on major customers

The major customer which accounted for more than 10% of the Group's consolidated operating revenues for the years ended December 31, 2024 and 2023 is as follows:

	For the years ended December 31,			
	2024		2023	
	Revenue	Department	Revenue	Department
Group A	$ 935,229	Taiwan	$ 634,073	Taiwan

Qualipoly Chemical Corp. and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024				
				No. of shares (in thousands of units or shares)	Book value	Ownership	Fair value	Footnote
Qualipoly Chemical Corp.	Stocks:							
	Nan Ya Plastics Corp.	—	Financial assets at fair value through profit or loss - current	100	$ 2,990	0.001%	$ 2,990	—
	ELECTRONINKS INCORPORATED	—	Financial assets at fair value through other comprehensive income - non-current	1,044	41,077	2.47%	41,077	—
Qualipoly International Inc.	Stocks:							
	Tianjin Yabang Chemical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	15,915	19.00%	15,915	—
Chao Chien International Inc.	Stocks:							
	Zhangzhou Yabang Chemical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	61,624	19.00%	61,624	—
	Zhangzhou Newsolar Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	47,271	9.09%	47,271	—

Qualipoly Chemical Corp. and Subsidiaries

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Qualipoly Chemical Corp.	Qualipoly Technology (Kun Shan) Corp.	Subsidiaries	(Sales)	($ 231,396)	(6%)	Collect in 120 days after monthly billings	$ -	(Note 2)	$ 10,375	1%	—

(Note 1) As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required.

(Note 2) Collected in 90 days after monthly billings.

Qualipoly Chemical Corp. and Subsidiaries

Significant inter-company transactions during the reporting period

For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction			
				Items	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Qualipoly Chemical Corp.	Qualipoly Technology (Kunshan) Corp.	1	Sales	$ 231,396	Collect in 120 days after monthly billings	6%
				Accounts receivable	10,375	—	—
		Qualipoly Technology (Guangdong) Corp.	1	Sales	43,540	Collect in 90 days after monthly billings	1%
				Accounts receivable	10,528	—	—
		Dongguan Chao You New Material Co., Ltd.	1	Sales	63,909	Collect in 120 days after monthly billings	2%
				Accounts receivable	14,467	—	—

(Note 1) As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amountiong to more than $10,000 are disclosed.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is “0”.

(2) The subsidiaries are numbered in order starting from “1”.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on for the period to consolidated total operating revenue for income statement accounts.

(Note 5) Foreign currencies are translated into New Taiwan Dollars with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785; RMB:NTD 1:4.478.

Qualipoly Chemical Corp. and Subsidiaries

Information on investees

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized for the year ended December 31, 2024	Footnote
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Book value			
Qualipoly Chemical Corp.	Qualipoly International Inc.	Samoa	General investment and international trading business	$ 286,213	$ 286,213	8,730,000	100.00	$ 347,737	$ 7,231	$ 7,123	Subsidiary
Qualipoly Chemical Corp.	Chao Chien International Inc.	Samoa	General investment and international trading business	71,111	71,111	2,169,000	100.00	255,881	24,459	24,408	Subsidiary
Qualipoly International Inc.	Chaoyang International Inc.	Samoa	General investment and international trading business	321,481	321,481	9,805,738	100.00	331,312	8,154	-	Subsidiary (Note 1)

(Note 1) According to the related regulations, it is not required to disclose income (loss) recognized in current period.

(Note 2) Foreign currencies are translated into New Taiwan Dollars at with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785.

Qualipoly Chemical Corp. and Subsidiaries

Information on investments in Mainland China - basic information

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China at January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investments in Mainland China at December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qualipoly Technology (Kunshan) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	$ 81,963	(Note 1)	$ 81,963	$ -	$ -	$ 81,963	$ 21,953	100.00	$ 21,953	$ 161,620	$ -	(Note 4)
Qualipoly Technology (Guangdong) Corp.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	213,103	(Note 2)	308,875	-	-	308,875	7,987	100.00	7,987	331,302	125,649	(Note 4)
Qualipoly Technology (Shanghai) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	13,470	(Note 1)	-	-	-	-	(1,721)	100.00	(1,721)	6,361	-	(Note 4)
Dongguan Chao You New Material Co., Ltd.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	15,715	(Note 2)	-	-	-	-	10,825	100.00	10,825	41,415	-	(Note 4)
Tianjin Yabang Chemical Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	89,802	(Note 3)	15,048	-	-	15,048	-	19.00	-	15,915	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China at January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investments in Mainland China at December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Zhangzhou Yabang Chemical Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	$ 174,928	(Note 1)	$ 21,802	$ -	$ -	$ 21,802	$ -	19.00	$ -	$ 61,624	$ 218,731	-
Zhangzhou Newsolar Technology Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	493,911	(Note 1)	47,271	-	-	47,271	-	9.09	-	47,271	4,315	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
Qualipoly Chemical Corp.	$ 474,959	$ 490,535	$ 1,822,904

(Note 1) Through an existing company (Chao Chien International Inc.) located in the third area, invest in the investee in Mainland China.

(Note 2) Formerly held by the Qualipoly International Inc., which was established in the third area, however, because of the adjustment of investment structure from September 2006, the Company reinvested in the investee in Mainland China by investing and establishing Chaoyang International Inc. in the third area through Qualipoly International Inc.

(Note 3) Through investing in an existing company (Qualipoly International Inc.) located in the third area, invest in the investee in Mainland China.

(Note 4) The Company recognized income (loss) based on the audited financial statements.

(Note 5) The ceiling amount was 60% of the parent Company only net worth or consolidated net worth (whichever is higher).

(Note 6) Foreign currencies are translated into New Taiwan Dollars at with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785.

Qualipoly Chemical Corp. and Subsidiaries
Information on investments in Mainland China - significant transactions, either directly or indirectly through a third area
For the year ended December 31, 2024

Table 6

Expressed in thousands of NTD

	Sales (purchases)		Property transactions		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals	Financing					
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2024	%	Balance at December 31, 2024	Purpose	Maximum balance for the year ended December 31, 2024	Balance at December 31, 2024	Interest rate	Interest for the year ended December 31, 2024	Others
Qualipoly Technology (Kunshan) Corp.	$ 231,396	6%	$ -	-	$ 10,375	1%	$ -	-	$ -	$ -	-	$ -	$ -
Qualipoly Technology (Guangdong) Corp.	43,540	1%	-	-	10,528	1%	-	-	-	-	-	-	-
Dongguan Chao You New Material Co., Ltd.	63,909	2%	-	-	14,467	2%	-	-	-	-	-	-	-

Qualipoly Chemical Corp. and Subsidiaries

Information on major shareholders

December 31, 2024

Table 7

Unit: shares

Name of major shareholders	Shares		Footnote
	Number of shares held	Ownership (%)	
Chao Chien Investment Inc.	12,530,757	12.49%	—

(Note) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Qualipoly Chemical Corp.

Opinion

We have audited the accompanying parent company only balance sheets of Qualipoly Chemical Corp. (the "Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do

not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Valuation of inventories

Description

Refer to Note 4(9) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation and Note 6(4) for details of inventories and allowance for valuation loss. As of December 31, 2024, the carrying amount of inventories and allowance for inventory valuation losses were NT$888,713 thousand and NT$55,539 thousand, respectively.

The Company is primarily engaged in the manufacture and sales of UV curable materials, unsaturated polyester resins (UP resins) and synthetic resin with various usages, etc. The valuation of these inventories is subject to market demand in different channels, changes in technology and other factors. Thus, there is a risk of inventory valuation losses or obsolescence. The Company's inventories are measured at the lower of cost and net realizable value. For inventories that are over a certain age and individually identified as obsolete, the net realizable value is evaluated based on the inventory clearance and historical data of discounts.

As the provision of allowance for inventory valuation losses involves management's subjective judgements and a high degree of estimation uncertainty and considering that the carrying amounts of inventories and allowance for valuation losses are material to the parent company only financial statements, we considered the valuation of allowance for inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the policy and procedures to recognize allowance for inventory valuation losses.
2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of the procedures used to identify and control obsolete inventories.

3. Verified the correctness of inventory aging report to ascertain whether the information reflected in the aging report is consistent with the Company's policies.
4. Tested the report used in the inventory valuation and assessed the adequacy of allowance for inventory valuation losses.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Tien, Chung-Yu

Independent Accountants

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan

Republic of China

March 7, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 175,588	3	$ 163,493	4
1110	Financial assets at fair value through profit or loss - current	6(2)	2,990	-	7,010	-
1150	Notes receivable, net	6(3)	67,260	1	65,925	1
1170	Accounts receivable, net	6(3)	712,800	14	657,331	14
1180	Accounts receivable - related parties	6(3) and 7	35,370	1	34,205	1
1200	Other receivables	6(7)	10,373	-	15,897	-
1220	Current tax assets	6(26)	3,808	-	-	-
130X	Inventory	5(2) and 6(4)	833,174	16	678,740	15
1410	Prepayments		73,915	1	75,860	2
1479	Other current assets		6,116	-	5,309	-
11XX	**Total current assets**		1,921,394	36	1,703,770	37
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(5)	41,077	1	56,840	1
1550	Investments accounted for under equity method	6(6)	603,618	11	570,519	13
1600	Property, plant and equipment	6(7) and 8	1,443,379	27	1,474,557	32
1755	Right-of-use assets	6(8)	696	-	1,392	-
1780	Intangible assets	6(9)	2,212	-	2,917	-
1840	Deferred income tax assets	6(26)	31,907	1	35,140	1
1915	Prepayments for business facilities	6(7)	1,186,316	23	683,226	15
1920	Guarantee deposits paid	6(7)	57,712	1	57,532	1
1975	Net defined benefit asset, non-current	6(14)	-	-	185	-
1990	Other non-current assets		1,156	-	1,401	-
15XX	**Total non-current assets**		3,368,073	64	2,883,709	63
1XXX	**Total assets**		$ 5,289,467	100	$ 4,587,479	100

(Continued)

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(10) and 8	$ 197,853	4	$ 121,621	3
2110	Short-term notes and bills payable	6(11)	3,421	-	470	-
2120	Financial liabilities at fair value through profit or loss - current	6(2)	359	-	-	-
2150	Notes payable		103,633	2	138,316	3
2170	Accounts payable	7	202,823	4	242,888	5
2200	Other payables	6(12)	154,517	3	119,000	3
2230	Current income tax liabilities	6(26)	27,237	-	57,927	1
2280	Lease liabilities - current	6(8)	712	-	704	-
2320	Long-term liabilities, current portion	6(13) and 8	259,174	5	80,000	2
2399	Other current liabilities	6(19)	7,301	-	6,795	-
21XX	**Total current liabilities**		957,030	18	767,721	17
	Non-current liabilities					
2540	Long-term borrowings	6(13) and 8	1,255,195	24	893,935	19
2570	Deferred income tax liabilities	6(26)	38,989	1	36,184	1
2580	Lease liabilities - non-current	6(8)	-	-	712	-
2640	Accrued pension liabilities	6(14)	79	-	-	-
25XX	**Total non-current liabilities**		1,294,263	25	930,831	20
2XXX	**Total Liabilities**		2,251,293	43	1,698,552	37
	Equity					
	Share capital	6(15)				
3110	Common stock		1,000,092	19	1,000,092	22
3140	Advance receipts for share capital		9,483	-	-	-
3200	Capital surplus	6(16)(17)	429,316	8	420,051	9
	Retained earnings	6(18)				
3310	Legal reserve		429,431	8	412,729	9
3320	Special reserve		11,916	-	8,476	-
3350	Unappropriated retained earnings		1,163,659	22	1,059,495	23
3400	Other equity interest	6(5)	(5,723)	-	(11,916)	-
3XXX	**Total equity**		3,038,174	57	2,888,927	63
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
3X2X	**Total liabilities and equity**		$ 5,289,467	100	$ 4,587,479	100

The accompanying notes are an integral part of these parent company only financial statements.

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2024		2023	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(19) and 7	$ 3,648,323	100	$ 3,063,708	100
5000	Operating costs	6(4)(8)(9)(14)(24)(25) and 7	(3,082,750)	(84)	(2,604,495)	(85)
5900	Operating margin		565,573	16	459,213	15
5910	Unrealized profit from sales	6(6)	(360)	-	(3,540)	-
5920	Realized profit from sales	6(6)	3,540	-	9,052	-
5950	Net operating margin		568,753	16	464,725	15
	Operating expenses	6(8)(9)(14)(16)(24)(25), 7 and 12				
6100	Selling expenses		(193,284)	(5)	(162,660)	(5)
6200	General & administrative expenses		(102,420)	(3)	(94,092)	(3)
6300	Research and development expenses		(55,103)	(2)	(50,169)	(1)
6450	Excepted credit gains		1,030	-	7,260	-
6000	Total operating expenses		(349,777)	(10)	(299,661)	(9)
6900	Operating profit		218,976	6	165,064	6
	Non-operating income and expenses					
7100	Interest income	6(20)	1,194	-	1,414	-
7010	Other income	6(21)	9,306	-	21,467	1
7020	Other gains and losses	6(2)(22)	28,170	1	5,520	-
7050	Finance costs	6(7)(8)(23)	(12,426)	-	(10,248)	(1)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method, net	6(6)	31,531	1	24,320	1
7000	Total non-operating income and expenses		57,775	2	42,473	1
7900	**Profit before income tax**		276,751	8	207,537	7
7950	Income tax expense	6(26)	(52,208)	(2)	(40,511)	(2)
8200	**Profit for the year**		$ 224,543	6	$ 167,026	5
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial loss on defined benefit plan	6(14)	($ 285)	-	($ 9)	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(5)	(15,763)	(1)	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	57	-	2	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(6)	27,445	1	(4,300)	-
8399	Income tax relating to the components of other comprehensive income	6(26)	(5,489)	-	860	-
8300	**Other comprehensive income (loss) for the year**		$ 5,965	-	($ 3,447)	-
8500	**Total comprehensive income for the year**		$ 230,508	6	$ 163,579	5
	Earnings per share (in dollars)	6(27)				
9750	Basic		$	2.25	$	1.67
9850	Diluted		$	2.23	$	1.67

The accompanying notes are an integral part of these parent company only financial statements.

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Capital		Capital Reserves			Retained Earnings			Other Equity Interest		
	Notes	Share capital - common stock	Advance receipts for share capital	Additional paid-in capital	Treasury stock transactions	Employee stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised losses from financial assets measured at fair value through other comprehensive income	Total
For the year ended December 31, 2023												
Balance at January 1, 2023		$1,000,092	$ -	$ 386,806	$ 23,371	$ 294	$ 381,218	$ 35,942	$1,086,538	($ 8,476)	$ -	$2,905,785
Profit for the year		-	-	-	-	-	-	-	167,026	-	-	167,026
Other comprehensive loss for the year		-	-	-	-	-	-	-	(7)	(3,440)	-	(3,447)
Total comprehensive income		-	-	-	-	-	-	-	167,019	(3,440)	-	163,579
Distribution of 2022 earnings:												
Legal reserve		-	-	-	-	-	31,511	-	(31,511)	-	-	-
Special reserve	6(18)	-	-	-	-	-	-	(27,466)	27,466	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(190,017)	-	-	(190,017)
Compensation cost recognized in employee stock options	6(16)(25)	-	-	-	-	9,580	-	-	-	-	-	9,580
Balance at December 31, 2023		$1,000,092	$ -	$ 386,806	$ 23,371	$ 9,874	$ 412,729	$ 8,476	$1,059,495	($ 11,916)	$ -	$2,888,927
For the year ended December 31, 2024												
Balance at January 1, 2024		$1,000,092	$ -	$ 386,806	$ 23,371	$ 9,874	$ 412,729	$ 8,476	$1,059,495	($ 11,916)	$ -	$2,888,927
Profit for the year		-	-	-	-	-	-	-	224,543	-	-	224,543
Other comprehensive loss for the year	6(5)	-	-	-	-	-	-	-	(228)	21,956	(15,763)	5,965
Total comprehensive income		-	-	-	-	-	-	-	224,315	21,956	(15,763)	230,508
Distribution of 2023 earnings:												
Legal reserve		-	-	-	-	-	16,702	-	(16,702)	-	-	-
Special reserve	6(18)	-	-	-	-	-	-	3,440	(3,440)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	-	(100,009)	-	-	(100,009)
Compensation cost recognized in employee stock options	6(16)(25)	-	-	-	-	9,265	-	-	-	-	-	9,265
Proceeds from employee stock options exercised	6(15)	-	9,483	-	-	-	-	-	-	-	-	9,483
Balance at December 31, 2024		$1,000,092	$ 9,483	$ 386,806	$ 23,371	$ 19,139	$ 429,431	$ 11,916	$1,163,659	$ 10,040	($ 15,763)	$3,038,174

The accompanying notes are an integral part of these parent company only financial statements.

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 276,751	$ 207,537
Adjustments			
Adjustments to reconcile profit (loss)			
Loss (gain) on financial assets and liabilities at fair value through profit or loss	6(2)(22)	4,379	(2,621)
Expected credit gain	12	(1,030)	(7,260)
Provision (reversal of allowance) for inventory market price decline	6(4)	9,340	(27,902)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(6)	(31,531)	(24,320)
Depreciation	6(7)(8)(24)	61,608	58,991
Loss (gain) on disposal of property, plant and equipment	6(22)	265	(118)
Amortization	6(9)(24)	705	1,708
Prepayments for equipment transferred to expense		213	266
Unrealized profit from sales	6(6)	360	3,540
Realized profit from sales	6(6)	(3,540)	(9,052)
Interest income	6(20)	(1,194)	(1,414)
Dividend income	6(21)	(70)	(300)
Exchange loss (gain)	6(29)	578	(717)
Finance costs	6(23)	12,426	10,248
Compensation cost recognized in employee stock options	6(16)(25)	9,265	9,580
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		-	12,785
Notes receivable		(1,335)	(306)
Accounts receivable		(54,439)	(148,137)
Accounts receivable - related parties		(1,165)	6,821
Other receivables		4,624	(6,656)
Inventories		(163,774)	197,280
Prepayments		1,945	(29,976)
Other current assets		(807)	(1,868)
Net defined benefit asset and liability - non-current		(21)	(3)
Changes in operating liabilities			
Notes payable		(34,683)	32,089
Accounts payable		(40,065)	97,200
Other payables		34,741	(116,023)
Other current liabilities		506	2,256
Cash inflow generated from operations		84,052	263,628
Interest received		1,194	1,414
Dividends received		29,127	112,810
Interest paid		(11,650)	(9,999)
Income tax paid		(86,100)	(95,457)
Net cash flows from operating activities		16,623	272,396

(Continued)

QUALIPOLY CHEMICAL CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2024	2023
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		$ 69	$ 1,664
Acquisition of intangible assets	6(9)	-	(3,025)
Increase in prepayments for equipment		(516,449)	(455,162)
Interest paid for prepayments for equipment	6(7)(23)	(16,022)	(6,834)
Increase in guarantee deposits paid		(180)	-
Decrease in other non-current assets		245	219
Net cash flows used in investing activities		(532,337)	(463,138)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	75,654	26,498
Increase (decrease) in short-term notes and bills	6(29)	2,951	(566)
Payments for lease liabilities	6(29)	(704)	(696)
Increase in long-term borrowings	6(29)	939,077	416,297
Decrease in long-term borrowings	6(29)	(398,643)	(270,000)
Proceeds from employee stock options exercised	6(15)	9,483	-
Payments for cash dividends	6(18)	(100,009)	(190,017)
Net cash flows from (used in) financing activities		527,809	(18,484)
Net increase (decrease) in cash and cash equivalents		12,095	(209,226)
Cash and cash equivalents at beginning of year	6(1)	163,493	372,719
Cash and cash equivalents at end of year	6(1)	$ 175,588	$ 163,493

The accompanying notes are an integral part of these parent company only financial statements.

QUALIPOLY CHEMICAL CORP.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and organization

(1) Qualipoly Chemical Corp. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Law and other related laws in November 1978. The Company is primarily engaged in the manufacture and sales of UV curable materials, unsaturated polyester resins (UP resins) and synthetic resin with various usages, etc.

(2) The shares of the Company have been traded on the Taipei Exchange since December 2001 and listed on the Taiwan Stock Exchange since August 2012.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 7, 2025.

3. Application of new Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:.

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial

condition and financial performance based on the Company's assessment

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial Instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18 replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Net defined benefit assets (liabilities) based on the net amount of pension fund assets less

present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5, 'Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty'.

(3) Foreign currency translation

Items included in the Company's parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'Other gains and losses'.

B. Translation of foreign operations

(a) The financial performance and financial position of all the company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

(5) Cash and cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. Dividends income are recognized in parent company only comprehensive income statements when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue in the parent company only statement of comprehensive income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost transfer is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. If the cost exceeds net realizable value, valuation loss is accrued and recognized in operating costs. If the net realizable value reverses, valuation is eliminated within the credit balance and is recognized as deduction of operating costs.

(10) Impairment of financial assets

For financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration

all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Investments accounted for under equity method/subsidiaries

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted to be consistent with the Company's accounting policies.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses in proportion to its ownership.

D. Pursuant to the Rules "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss in the parent company only financial statements shall equal to amount attributable to owners of the parent in the consolidated financial statements. Owner's equity in the parent company only financial statements shall equity attributable to owners of the parent in the consolidated financial statements.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Buildings:	
Main Buildings	17 ~ 55 years
Accessory equipments	2 ~ 15 years
Machinery	2 ~ 20 years
Transportation equipment	2 ~ 15 years
Office equipment	3 ~ 15 years
Other equipment	2 ~ 25 years

(14) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, and less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(15) Intangible assets

Licences is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 5 years.

(16) Impairment of non-financial assets

A. The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill will not be reversed in subsequent years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(17) Borrowings

A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading unless they are designated as hedges.

B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(20) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. When the Company issues employee stock options to employees, the grant date is the date the Board of Directors approved and confirmed the purchase price and the number of employee stock options to employees.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(26) Revenue recognition

A. Sales of goods

(a) Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue is recognized based on the contract price, net of sales discount. Sales discounts and allowances are granted to customers due to consumer complaint, recognition of contract price deviation and contract prepayment. The Company's revenue is recognized upon

delivery of goods for domestic sales and upon shipment of goods for export sales, it is highly likely that there will be no significant reversal of sales in the future, and were updated on every balance sheet date. A credit item to accounts receivable is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. Sales are usually paid in cash or through the issuance of a letter of credit before delivery and have an average credit term of 90 days. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

(c) A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognizes the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Valuation of inventories

A. As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Because of the effects from market demand in different channels, changes in technology and other factors, the Company assesses the amounts of normal consumption, obsolescence or without market value, and wrote off the inventory cost to net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the valuation.

B. As of December 31, 2024, the carrying amount of inventories was $833,174.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash:		
Cash on hand and revolving funds	$ 417	$ 423
Checking accounts and demand deposits	163,128	163,070
	163,545	163,493
Cash equivalents:		
Time deposits	12,043	-
	$ 175,588	$ 163,493

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2024 and 2023, the Company had no cash and cash equivalents pledged to others as collateral.

(2) Financial assets and liabilities at fair value through profit or loss

Assets	December 31, 2024	December 31, 2023
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 8,976	$ 8,976
Forward foreign exchange contracts	-	360
	8,976	9,336
Valuation adjustment	(5,986)	(2,326)
	$ 2,990	$ 7,010

Liabilities	December 31, 2024	December 31, 2023
Current items:		
Financial liabilities held for trading		
Forward foreign exchange contracts	$ 359	$ -

A. The Company recognized net (losses) gains amounting to ($4,379) and $2,621 (listed as 'Other gains and losses') on financial assets at fair value through profit or loss for the years ended December 31, 2024 and 2023, respectively.

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2024	
Derivative financial liabilities	Contract amount (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 1,400	11.2024～3.2025

	December 31, 2023	
Derivative financial assets	Contract amount (in thousands)	Contract period
Current items:		
Forward foreign exchange contracts	USD 500	12.2023～2.2024

The Company entered into forward foreign exchange contracts, to hedge exchange risks arising from exchange rate changes in operating activities. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. As of December 31, 2024 and 2023, the Company has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Notes and accounts receivable, net

	December 31, 2024	December 31, 2023
Notes receivable	$ 67,260	$ 65,925
Accounts receivable	$ 728,485	$ 678,395
Less: Allowance for uncollectible accounts	(15,685)	(21,064)
	$ 712,800	$ 657,331

A. The ageing analysis of notes receivable and accounts receivable (including related parties) is as follows:

	December 31, 2024	December 31, 2023
Notes receivable:		
Within the credit period	$ 67,260	$ 65,925
Accounts receivable:		
Within the credit period	$ 690,910	$ 663,649
Overdue 1 to 30 days	68,914	35,898
Overdue 31 to 90 days	1,027	2,528
Overdue 91 to 150 days	-	2,977
Overdue over 151 days	3,004	7,548
	$ 763,855	$ 712,600

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, notes and accounts receivable were all from contracts with customers. As of January 1, 2023, the balance of receivables (including related parties) from contracts with customers amounted to $636,903.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

D. As of December 31, 2024 and 2023, the Company had no notes and accounts receivable pledged to others as collateral.

E. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(4) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 413,105	($ 21,985)	$ 391,120
Supplies	23,094	(410)	22,684
Work in progress	92,974	(9,978)	82,996
Finished goods	359,540	(23,166)	336,374
	$ 888,713	($ 55,539)	$ 833,174

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 335,074	($ 21,365)	$ 313,709
Supplies	17,441	(290)	17,151
Work in progress	83,248	(9,601)	73,647
Finished goods	289,176	(14,943)	274,233
	$ 724,939	($ 46,199)	$ 678,740

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2024	2023
Cost of goods sold	$ 3,072,190	$ 2,640,387
Loss on scrapped inventories	6,097	2,071
Provision (reversal of allowance) for inventory market price decline (Note)	9,340	(27,902)
Gain on physical inventories	(4,582)	(9,019)
Sales from sales of scraps	(295)	(1,042)
	$ 3,082,750	$ 2,604,495

(Note) For the year ended December 31, 2023, the Company reversed a previous inventory write-down as a result of subsequent sales and scraps of certain inventories which were previously provided with allowance.

(5) Financial assets at fair value through other comprehensive income - non-current

Assets	December 31, 2024	December 31, 2023
Equity instruments:		
Unlisted stocks	56,840	56,840
Valuation adjustment	(15,763)	-
	$ 41,077	$ 56,840

A. On March 9, 2022, the Company invested $56,840 in Electroninks, Inc. The purpose of the investment was to enter the field of international intermediate-level electronic materials, thereby enhancing the opportunity of transformation of the Company's high value added products and upgrading the Company's image and value.

B. The Company has elected to classify the investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. As of December 31, 2024 and 2023, the fair value of these investments were $41,077 and $56,840, respectively.

C. Amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the years ended December 31,	
	2024	2023
Fair value change recognised in other comprehensive income (Listed as'Other equity interests')	($ 15,763)	$ -

D. As of December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was the carrying amount.

E. As of December 31, 2024 and 2023, the Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(6) Investments accounted for under equity method

	For the years ended December 31,	
	2024	2023
At January 1	$ 570,519	$ 657,497
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	31,531	24,320
Unrealized profit from sales, net	(360)	(3,540)
Realized profit from sales, net	3,540	9,052
Cash dividends from investments accounted for under equity method	(29,057)	(112,510)
Other equity - Exchange differences on translation of foreign financial statements	27,445	(4,300)
At December 31	$ 603,618	$ 570,519

	December 31, 2024	December 31, 2023
Subsidiaries	$ 603,618	$ 570,519

A. Information relating to subsidiaries, refer to Note 4(3), 'Basis of consolidation' on the consolidated financial report.

B. As of December 31, 2024 and 2023, the Company had no investments accounted for under equity method pledged to others as collateral.

(7) Property, plant and equipment

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2024							
Cost	$ 954,398	$ 332,898	$ 763,661	$ 91,195	$ 6,391	$ 148,943	$ 2,297,486
Accumulated depreciation	-	(128,375)	(519,852)	(62,717)	(4,291)	(107,694)	(822,929)
	$ 954,398	$ 204,523	$ 243,809	$ 28,478	$ 2,100	$ 41,249	$ 1,474,557
For the year ended December 31, 2024							
At January 1	$ 954,398	$ 204,523	$ 243,809	$ 28,478	$ 2,100	$ 41,249	$ 1,474,557
Transfer (Note)	468	8,142	13,805	3,243	98	4,312	30,068
Depreciation	-	(11,383)	(36,696)	(5,598)	(460)	(6,775)	(60,912)
Disposals - cost	-	-	(1,784)	(470)	-	(300)	(2,554)
- accumulated depreciation	-	-	1,451	470	-	299	2,220
At December 31	$ 954,866	$ 201,282	$ 220,585	$ 26,123	$ 1,738	$ 38,785	$ 1,443,379
December 31, 2024							
Cost	$ 954,866	$ 341,040	$ 775,682	$ 93,968	$ 6,489	$ 152,955	$ 2,325,000
Accumulated depreciation	-	(139,758)	(555,097)	(67,845)	(4,751)	(114,170)	(881,621)
	$ 954,866	$ 201,282	$ 220,585	$ 26,123	$ 1,738	$ 38,785	$ 1,443,379

(Note) Transfers from “Other receivables” $900 and “Prepayments for equipment” $29,168, respectively.

	Land	Buildings	Machinery	Transportation equipment	Office equipment	Other equipment	Total
January 1, 2023							
Cost	$ 954,398	$ 319,400	$ 747,101	$ 85,745	$ 5,826	$ 139,122	$ 2,251,592
Accumulated depreciation	-	(117,439)	(485,045)	(57,422)	(3,849)	(102,318)	(766,073)
	$ 954,398	$ 201,961	$ 262,056	$ 28,323	$ 1,977	$ 36,804	$ 1,485,519
For the year ended December 31, 2023							
At January 1	$ 954,398	$ 201,961	$ 262,056	$ 28,323	$ 1,977	$ 36,804	$ 1,485,519
Transfers from prepayments for equipment	-	13,498	17,039	5,450	565	12,327	48,879
Depreciation	-	(10,936)	(35,250)	(5,295)	(442)	(6,372)	(58,295)
Disposals - cost	-	-	(479)	-	-	(2,506)	(2,985)
- accumulated depreciation	-	-	443	-	-	996	1,439
At December 31	$ 954,398	$ 204,523	$ 243,809	$ 28,478	$ 2,100	$ 41,249	$ 1,474,557
December 31, 2023							
Cost	$ 954,398	$ 332,898	$ 763,661	$ 91,195	$ 6,391	$ 148,943	$ 2,297,486
Accumulated depreciation	-	(128,375)	(519,852)	(62,717)	(4,291)	(107,694)	(822,929)
	$ 954,398	$ 204,523	$ 243,809	$ 28,478	$ 2,100	$ 41,249	$ 1,474,557

A. As of December 31, 2024 and 2023, the Company's property, plant and equipment were most for own use, with a small portion for rental purposes.

B. Amount of borrowing costs capitalized as prepayments for equipment and the range of the interest rates for such capitalization are as follows:

	For the years ended December 31,	
	2024	2023
Amount capitalized	$ 16,022	$ 6,834
Interest rate	1.69%～1.95%	1.00%～1.80%

C. To satisfy the requirement of the Company's operating development in the future, in June 2021, the Company was approved by the Industrial Department Bureau to apply for the purchase of the land on No. 862-7 in Tainan Technology Industrial Park. The area was 27,846.45 square meters, at a price of $20,600 (in dollars) per square meter, and the total price of the land was $573,637. The payment and transfer had been completed. Additionally, in accordance with regulations, due to building plant, the Company had to pay guarantee to the Industrial Development Bureau in the amount of $57,392 (listed as 'Guarantee deposits paid'), which will be returned without interest after the construction is completed.

D. As of December 31, 2024 and 2023, information relating to the Company's property, plant and equipment pledged to others as collateral is provided in Note 8, 'Pledged Assets'.

(8) Leasing arrangements－lessee

A. The Company leases various assets including buildings. Rental contracts are typically made for the period from February 1, 2021 to January 31, 2026. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose special covenants.

B. Short-term leases with a lease term of 12 months or less are comprised of vacant land and parking space. Leases of low-value assets are comprised of multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	$ 696	$ 1,392

	For the years ended December 31,	
	2024	2023
	Depreciation	Depreciation
Buildings	$ 696	$ 696

D. Information on profit or loss in relation to lease contracts is as follows:

	For the years ended December 31,	
	2024	2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 16	$ 24
Expense on short-term lease contracts	747	130
Expense on leases of low-value assets	367	369

E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were $1,834 and $1,219, respectively.

(9) Intangible assets

	For the years ended December 31,	
	2024	2023
At January 1		
Cost	$ 35,643	$ 32,618
Accumulated amortization	(32,726)	(31,018)
	$ 2,917	$ 1,600
At January 1	$ 2,917	$ 1,600
Additions－acquired separately	-	3,025
Amortization	(705)	(1,708)
At December 31	$ 2,212	$ 2,917
At December 31		
Cost	$ 35,643	$ 35,643
Accumulated amortization	(33,431)	(32,726)
	$ 2,212	$ 2,917

A. No interest was capitalized for the years ended December 31, 2024 and 2023.

B. Details of amortization expense on intangible assets are as follows:

	For the years ended December 31,	
	2024	2023
Operating cost	$ 195	$ 65
Selling expenses	315	1,578
General and administrative expenses	195	65
	$ 705	$ 1,708

C. As of December 31, 2024 and 2023, the Company had no intangible assets pledged to others as collateral.

(10) Short-term borrowings

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Unsecured bank borrowings	$ 85,182	1.83%～5. 58%	None
Secured bank borrowings	112,671	1.82%	Land and buildings
	$ 197,853		

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Unsecured bank borrowings	$ 71,621	1.65%～6.28%	None
Secured bank borrowings	50,000	1.65%	Land and buildings
	$ 121,621		

For more information on interest expenses recognized in profit or loss by the Company for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(11) Short-term notes and bills payable

Type of borrowings	December 31, 2024	Interest rate range	Collateral
Acceptance payable	$ 3,421	—	None

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Acceptance payable	$ 470	—	None

A. Acceptance payables were accepted by Mega International Commercial Bank and other financial institutions who guaranteed to pay the cash amount to the bearer without any conditions at specific date.

B. For more information on interest expenses recognized in profit or loss by the Company for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(12) Other payables

	December 31, 2024	December 31, 2023
Payroll and bonus payable	$ 85,338	$ 64,775
Environmental expenses payable	21,597	4,924
Remuneration for directors payable	7,500	5,625
Export expenses payable	7,305	6,935
Employees' compensation payable	3,750	2,812
Others	29,027	33,929
	$ 154,517	$ 119,000

(13) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2024
Long-term bank borrowings				
Secured borrowings	2021.9.9～2041.11.1	1.89%	Land and buildings	$ 912,017
Unsecured borrowings	2022.3.23～2032.7.30	1.38%～1.85%	None	602,352
				1,514,369
Less: Current portion				(259,174)
				$ 1,255,195

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured borrowings	2021.9.9～2041.11.1	1.76%	Land and buildings	$ 603,580
Unsecured borrowings	2022.3.23～2029.8.15	1.25%～1.65%	None	370,355
				973,935
Less: Current portion				(80,000)
				$ 893,935

For more information on interest expenses recognized in profit or loss by the Company for the years ended December 31, 2024 and 2023, refer to Note 6(23), 'Finance costs'.

(14) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 7.70% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make

contributions for the deficit by next March. The Company's total contributions to the labor pension reserve fund deposited with Bank of Taiwan had reached the amount for the suspension of contributions, in accordance with “Regulations for the Allocation and Management of the Workers’ Retirement Reserve Funds”. On July 30, 2020, through the approval of the labor pension reserve supervisory committee, starting from August 1, 2020 to July 31, 2024, the Company can suspend its contributions to the labor pension reserve fund. On August 7, 2020, August 4, 2021, July 21, 2022 and August 2, 2023, the suspension has been approved by the Kaohsiung City Labor Affairs Bureau. The information in relation to the defined benefit pension plan of the Company was as follows:

(a) The amounts recognized in the balance sheet are as follows:

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	($ 1,006)	($ 640)
Fair value of plan assets	927	825
Net defined benefit assets and liabilities	($ 79)	$ 185

(b) Movements in net defined benefit assets and liabilities are as follows:

	For the year ended December 31, 2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets and liabilities
At January 1	($ 640)	$ 825	$ 185
Interest (expense) income	(9)	12	3
	(649)	837	188
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	72	72
Change in financial assumptions	39	-	39
Experience adjustments	(396)	-	(396)
	(357)	72	(285)
Pension fund contribution	-	18	18
At December 31	($ 1,006)	$ 927	($ 79)

	For the year ended December 31, 2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
At January 1	($ 617)	$ 808	$ 191
Interest (expense) income	(9)	12	3
	(626)	820	194
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5	5
Change in financial assumptions	(9)	-	(9)
Experience adjustments	(5)	-	(5)
	(14)	5	(9)
At December 31	($ 640)	$ 825	$ 185

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2024	2023
Discount rate	1.625%	1.375%
Future salary increases rate	3.00%	3.00%

Future mortality rate was estimated both based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 37)	$ 39	$ 38	($ 36)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 19)	$ 20	$ 19	($ 19)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2025 amount to $35.

(f) As of December 31, 2024, the weighted average duration of the retirement plan is 22 years. The analysis of timing of the future pension payment was as follows:

Within next 1 year	$ 90
Next 2～5 years	60
Next over 5 years	68
	$ 218

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023 were $10,493 and $10,444, respectively.

(15) Share capital and advance receipts for share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	For the years ended December 31,	
	2024	2023
Beginning and ending balance	$ 100,009	$ 100,009

B. The stock option certificates of 302 units were exercised by the employees of the Company in December 2024, the proceeds from the subscription were $9,483 (listed as "Advance receipts for share capital"), until December 31, 2024, the registration of changes has not been completed.

C. As of December 31, 2024, the Company's authorized capital was $1,200,000, and the paid-in capital was $1,000,092, consisting of 100,009 thousand shares of ordinary stock with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(16) Share-based payment

Employee stock options:

A. On December 21, 2022, the Company issued compensatory stock option plan of 3,000 units, and the exercise price was $34 (in dollars) per unit, which was set based on the closing price of the Company's ordinary share on the day of issuance. Employees can subscribe for 1,000 ordinary shares per unit of the options. If there is an increase in the Company's issued ordinary shares after the issuance of stock options, the exercise price is adjusted according to a specific formula, except for the increase caused by the conversion into ordinary shares from various securities with conversion options or stock options issued by the Company or the issuance of new shares due to employees' compensation. The life of the options is 4 years. After 2 years from the date of grant, employees may exercise the options in accordance with terms of employee stock options. For the years ended December 31,2024 and 2023, the Company's compensation cost due to employee stock options amounted to $9,265 and $9,580, respectively.

B. Details of the share-based payment arrangements are as follows:

	For the year ended December 31, 2024	
Share option	Quantity (units in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,940	$ 32.20
Options exercised (Note)	(302)	31.40
Options outstanding at December 31	2,638	31.40
Options exercisable at December 31	2,638	31.40

	For the year ended December 31, 2023	
Share option	Quantity (units in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	3,000	$ 34.00
Options forfeited	(40)	-
Options abandoned	(20)	-
Options outstanding at December 31	2,940	32.20
Options exercisable at December 31	-	-

(Note) Refer to note 6 (15) for "share capital and advance receipts for share capital".

C. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	December 21, 2022
Dividend yield	0%
Expected price volatility	25.94%
Risk-free interest rate	1.10%
Expected duration	3 years
Fair value in dollars (per share)	$6.51(in dollars)

(17) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Retained earnings

A. In accordance with the Company Act, the Company shall set aside 10% of current year's profit after taxes as legal reserve, until the legal reserve equals to the paid-in capital. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The

residual amount will be provisioned as or reversed from special reserve in accordance with regulations. The remainder, if any, to be appropriated shall be proposed by the Board of Directors and resolved by the stockholders at the stockholder's meeting. When distributing earnings, the Company takes into consideration the industrial environment, financial plans, sustainable operations, stable development and shareholders' interest as follows:

The Company is in the stable growth stage. To support the requirement of business growth, the Company's dividends distribution is no lower than 50% of current year's earnings. The Company distributes shareholders' dividends in the form of cash or stock, of which cash dividends shall comprise at least 20% of the total dividends distributed. However, if the cash dividend per share is less than $0.5 (in dollars), it can be distributed as stock dividends.

The actual appropriation ratio and form of distribution shall be set by the Board of Directors based on the Company's financial situation and capital budget.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings. The special surplus reserve (reversed) appropriated in 2024 and 2023 amounted to $3,440 and ($27,466), respectively. As of December 31, 2024, the outstanding balance of the above special surplus reserve was $11,916.

D. On May 29, 2024 and June 8, 2023, the shareholders during their meeting resolved the distribution of cash dividends from 2023 and 2022 earnings in the amounts of $100,009 ($1.0 (in dollars) per share) and $190,017 ($1.9 (in dollars) per share), respectively. On March 7, 2025, the Board of Directors resolved the distribution of cash dividends of $141,103 ($1.4(in dollars) per share) from 2024 earnings.

(19) Operating revenue

A. The Company derives revenue from contracts with customers which were recognized at a point in time. Revenue is divided into the following major product lines:

	For the years ended December 31,	
	2024	2023
Synthetic resin	$ 3,542,984	$ 2,958,999
Others	105,339	104,709
	$ 3,648,323	$ 3,063,708

B. The Company has recognized the following revenue-related contract liabilities:

	December 31, 2024	December 31, 2023	January 1, 2023
Contract liabilities - current (listed as 'Other current liabilities')	$ 3,998	$ 3,470	$ 1,538

Revenue recognized that was included in the contract liabilities at the beginning of the year were $2,488 and $956 for the years ended December 31, 2024 and 2023, respectively.

(20) Interest income

	For the years ended December 31,	
	2024	2023
Bank deposits	$ 1,194	$ 1,414

(21) Other income

	For the years ended December 31,	
	2024	2023
Rental income	$ 4,255	$ 2,940
Sample income	4,245	10,020
Dividend income	70	300
Other income	736	8,207
	$ 9,306	$ 21,467

(22) Other gains and losses

	For the years ended December 31,	
	2024	2023
(Losses) gains on financial assets at fair value through profit or loss	($ 4,379)	$ 2,621
Net foreign exchange gains	33,529	2,781
(Losses) gains on disposal of property, plant and equipment	(265)	118
Other losses	(715)	-
	$ 28,170	$ 5,520

(23) Finance costs

	For the years ended December 31,	
	2024	2023
Interest expense:		
Bank borrowings	$ 28,432	$ 17,058
Lease liabilities	16	24
	28,448	17,082
Less: Capitalization of qualifying assets	(16,022)	(6,834)
	$ 12,426	$ 10,248

(24) Expenses by nature

	For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 197,774	$ 165,432	$ 363,206
Depreciation	49,479	12,129	61,608
Amortization	195	510	705
	$ 247,448	$ 178,071	$ 425,519

	For the year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 166,831	$ 143,667	$ 310,498
Depreciation	47,385	11,606	58,991
Amortization	65	1,643	1,708
	$ 214,281	$ 156,916	$ 371,197

(25) Employee benefit expense

	For the year ended December 31, 2024		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 167,603	$ 123,335	$ 290,938
Employees' compensation	-	9,265	9,265
Labour and health insurance fees	14,939	10,045	24,984
Pension costs	6,011	4,479	10,490
Directors’ remuneration	-	9,854	9,854
Other personnel expenses	9,221	8,454	17,675
	$ 197,774	$ 165,432	$ 363,206

	For the year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Wages and salaries	$ 139,010	$ 103,470	$ 242,480
Employees' compensation	-	9,580	9,580
Labour and health insurance fees	14,248	10,281	24,529
Pension costs	5,900	4,541	10,441
Directors’ remuneration	-	8,011	8,011
Other personnel expenses	7,673	7,784	15,457
	$ 166,831	$ 143,667	$ 310,498

A. As of December 31, 2024 and 2023, the average number of employees were 345 and 322 employees, respectively, which included 5 non-employee directors for both years.

B. For the years ended December 31, 2024 and 2023, the average employee benefits were $1,039 and $954, respectively, while average wages and salaries were $883 and $795, respectively. The average wages and salaries decreased by 11.07% compared to prior year.

C. Salary and remuneration policies were described below:

(a) Directors' remuneration:

When the Company's directors work for the Company, whether the Company has operating profit or not, the Company has to pay remuneration. The Board of Directors is authorized to set the remuneration policy for directors based on the level in the same industry, the degree of contribution of directors in the operations of the Company, and the common standard of payments in the same industry.

(b) General manager's remuneration:

The election, dismissal and remuneration of general manager are resolved by the Board of Directors. The general manager's remuneration shall be based on individual performance and the degree of contribution to the Company, and the standard of payments in the market.

(c) Employees' compensation:

The employees' compensation is based on individual's ability, degree of contribution to the Company, performance and market value of their position, in correlation with the Company's operating performance. Employees' compensation primarily includes basic salary, subsistence allowance and reward, etc.

In addition, the Company has set up an Audit Committee, so there is no supervisors' remuneration.

D. Under the Company's Articles of Incorporation, employees' compensation and directors' remuneration shall be distributed at a ratio of not lower that 1% but not more than 1.5% of current year's earnings, and not more than 3% of current year's earnings, respectively. However, if the Company has an accumulated deficit, the earnings shall be reserved to cover the deficit.

E. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at $3,750 and $2,812, respectively; while directors' remuneration was accrued at $7,500 and $5,625, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized were accrued based on the profit of current year distribution and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' remuneration for 2023 as resolved by the Board of directors were $2,812 and $5,625, respectively, which were the same with the amounts recognized in the financial statements for the year ended December 31, 2023. On March 7, 2025, the employees' compensation and directors' remuneration for 2024 as resolved by the Board of Directors were $3,750 and $7,500, respectively, and the employees' compensation will be distributed in the form of cash. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	$ 54,383	$ 59,341
Tax on undistributed surplus earnings	2,343	6,053
Prior year income tax over estimation	(5,124)	(7,145)
	51,602	58,249
Deferred tax:		
Origination and reversal of temporary differences	606	(17,738)
Income tax expense	$ 52,208	$ 40,511

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2024	2023
Remeasurements of defined benefit obligations	($ 57)	($ 2)
Currency translation differences	5,489	(860)
	$ 5,432	($ 862)

(c) Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	$ 55,350	$ 41,507
Effects from items disallowed by tax regulation	(361)	96
Tax on undistributed surplus earnings	2,343	6,053
Prior year income tax over estimation	(5,124)	(7,145)
Income tax expense	$ 52,208	$ 40,511

B. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	For the year ended December 31, 2024			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for bad debts	$ 2,949	($ 206)	$ -	$ 2,743
Loss on inventories from market decline	9,240	1,868	-	11,108
Loss on unrealized evaluation of financial liabilities	-	72	-	72
Pensions	12,811	-	57	12,868
Book tax difference in the timing of revenue recognition	2,014	913	-	2,927
Unrealized exchange loss	2,611	(2,611)	-	-
Currency translation differences	2,864	-	(2,864)	-
Others	2,651	(462)	-	2,189
	$ 35,140	($ 426)	($ 2,807)	$ 31,907
Deferred income tax liabilities				
Temporary differences:				
Share of other comprehensive income accounted for under equity method	($ 7,900)	$ -	$ -	($ 7,900)
Investment income	(15,318)	699	-	(14,619)
Pensions	(12,894)	(4)	-	(12,898)
Gain on unrealized evaluation of financial assets	(72)	72	-	-
Unrealized exchange gain	-	(947)	-	(947)
Currency translation differences	-	-	(2,625)	(2,625)
	($ 36,184)	($ 180)	($ 2,625)	($ 38,989)
	($ 1,044)	($ 606)	($ 5,432)	($ 7,082)

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred income tax assets				
Temporary differences:				
Allowance for bad debts	$ 4,596	($ 1,647)	$ -	$ 2,949
Loss on inventories from market decline	14,820	(5,580)	-	9,240
Pensions	12,809	-	2	12,811
Book tax difference in the timing of revenue recognition	-	2,014	-	2,014
Unrealized exchange loss	-	2,611	-	2,611
Currency translation differences	2,004	-	860	2,864
Others	3,687	(1,036)	-	2,651
	$ 37,916	($ 3,638)	$ 862	$ 35,140
Deferred income tax liabilities				
Temporary differences:				
Share of other comprehensive income accounted for under equity method	($ 7,900)	$ -	$ -	($ 7,900)
Investment income	(35,282)	19,964	-	(15,318)
Pensions	(12,894)	-	-	(12,894)
Book tax difference in the timing of revenue recognition	(1,009)	1,009	-	-
Gain on unrealized evaluation of financial assets	-	(72)	-	(72)
Unrealized exchange gain	(475)	475	-	-
	($ 57,560)	$ 21,376	$ -	($ 36,184)
	($ 19,644)	$ 17,738	$ 862	($ 1,044)

C. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority. As of March 7, 2025, the Company was not involved in any administration lawsuit.

(27) Earnings per share

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 224,543	100,009	$ 2.25
Diluted earnings per share			
Profit for the year	$ 224,543	100,009	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	96	
Employee stock options	-	786	
Profit for the year plus assumed conversion of all dilutive potential ordinary shares	$ 224,543	100,891	$ 2.23

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 167,026	100,009	$ 1.67
Diluted earnings per share			
Profit for the year	$ 167,026	100,009	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	107	
Profit for the year plus assumed conversion of all dilutive potential ordinary shares	$ 167,026	100,116	$ 1.67

The Company's employee stock options had an anti-dilutive effect for the year ended December 31, 2023, so they were not included in the calculation of diluted earnings per share.

(28) Supplemental cash flow information

Operating and investing activities with no cash flow effects:

	For the years ended December 31,	
	2024	2023
A. Write-offs of allowance for uncollectible accounts	$ 4,349	$ -
B. Other receivables transferred to property, plant and equipment	$ 900	$ -
C. Prepayments for equipment transferred to other receivables	$ -	$ 2,528
D. Prepayments for equipment transferred to property, plant and equipment	$ 29,168	$ 48,879

(29) Changes in liabilities from financing activities

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Total
At January 1, 2024	$ 121,621	$ 470	$ 1,416	$ 973,935	$1,097,442
Changes in cash flow from financing activities	75,654	2,951	(704)	540,434	618,335
Changes in other non-cash items	578	-	-	-	578
At December 31, 2024	$ 197,853	$ 3,421	$ 712	$ 1,514,369	$1,716,355

	Short-term borrowings	Short-term notes and bills payable	Lease liabilities	Long-term borrowings (including current portion)	Total
At January 1, 2023	$ 95,840	$ 1,036	$ 2,112	$ 827,638	$ 926,626
Changes in cash flow from financing activities	26,498	(566)	(696)	146,297	171,533
Changes in other non-cash items	(717)	-	-	-	(717)
At December 31, 2023	$ 121,621	$ 470	$ 1,416	$ 973,935	$1,097,442

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Qualipoly Technology (Kunshan) Corp.	Subsidiary
Qualipoly Technology (Guangdong) Corp.	Subsidiary
Qualipoly Technology (Shanghai) Corp.	Subsidiary
Dongguan Chao you New Material Co., Ltd.	Subsidiary

(2) Significant related party transactions

A. Sales

	For the years ended December 31,	
	2024	2023
Subsidiaries	$ 340,657	$ 251,641

Aforementioned accounts which were generated from sales were collected and paid on behalf of the Company by Horizon Trading Co., Ltd. The price was affected by the competitor in Mainland China, thus, the price was lower than that in Taiwan. The collection terms were 120 days after monthly billings and T/T, except Qualipoly Technology (Guangdong) Corp. which were 90 days after monthly billings.

B. Purchases

	For the years ended December 31,	
	2024	2023
Subsidiaries	$ 3,617	$ -

Aforementioned accounts which were generated from purchases were collected and paid on behalf of the Company by Horizon Trading Co., Ltd. The payment terms were 30 days after monthly billings.

C. Receivables from related parties

	December 31, 2024	December 31, 2023
Subsidiaries	$ 35,370	$ 34,205

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest. There is no allowance for uncollectible accounts held against receivables from related parties.

D. Payables from related parties

	December 31, 2024	December 31, 2023
Subsidiaries	$ 1,904	$ -

E. Key management compensation

	For the years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	$ 35,093	$ 31,666
Post-employment benefits	606	548
	$ 35,699	$ 32,214

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Pledged asset item	December 31, 2024	December 31, 2023	Purpose
Land (Note)	$ 750,705	$ 750,705	Short-term borrowings, long-term borrowings and borrowing facilities
Buildings, net (Note)	42,156	44,485	Short-term borrowings, long-term borrowings and borrowing facilities
Other equipment, net (Note)	2,824	3,594	Facilities of long-term borrowings
	$ 795,685	$ 798,784	

(Note) Listed as 'Property, plant and equipment'.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

The Company's other significant contingent liabilities and unrecognized contract commitments were as follows:

(1) As of December 31, 2024 and 2023, the outstanding letters of credit issued but not negotiated were $42,463 and $83,074, respectively.

(2) Capital expenditures contracted but not yet incurred are as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 794,509	$ 505,656

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the

Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets mandatorily measured at fair value through profit or loss	$ 2,990	$ 7,010
Financial assets at fair value through other comprehensive income	$ 41,077	$ 56,840
Financial assets at amortized cost		
Cash and cash equivalents	$ 175,588	$ 163,493
Notes receivable	67,260	65,925
Accounts receivable	748,170	691,536
Other receivables	10,373	15,897
Guarantee deposits paid	57,712	57,532
	$ 1,059,103	$ 994,383
Financial liabilities		
Financial liabilities held for trading	$ 359	$ -
Financial liabilities at amortized cost		
Short-term borrowings	$ 197,853	$ 121,621
Short-term notes and bills payable	3,421	470
Notes payable	103,633	138,316
Accounts payable	202,823	242,888
Other payables	154,517	119,000
Long-term borrowings (including current portion)	1,514,369	973,935
	$ 2,176,616	$ 1,596,230
Lease liabilities	$ 712	$ 1,416

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. To minimise any adverse effect on the financial performance of the Company, derivative instruments are used to hedge certain exchange rate risk based on situation.

(b) Risk management is carried out by the Company's treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of

excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various currency, primarily with respect to the USD, AUD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company has certain sales and purchases denominated in USD and other foreign currencies. Exchange rates would affect the transaction price. When commercial transaction occur, recognized assets or liabilities do not price at the functional foreign currency of the entity, the exchange risk will occur.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. The Company's foreign operations are considered strategic investments; thus, no hedging for the purpose is conducted in the future.

iv. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2024		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 13,124	32.785	$ 430,270
RMB:NTD	19,183	4.478	85,901
AUD:NTD	2,135	20.39	43,533
GBP:NTD	341	41.19	14,046
JPY:NTD	47,697	0.2099	10,012
Investments accounted for under equity method			
USD:NTD	18,411	32.785	603,618
Financial liabilities			
Monetary items			
USD:NTD	1,703	32.785	55,833

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value
(foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 13,331	30.705	$ 409,328
RMB:NTD	15,394	4.327	66,610
AUD:NTD	1,810	20.98	37,974
GBP:NTD	346	39.15	13,546
Investments accounted for under equity method			
USD:NTD	18,581	30.705	570,519
Financial liabilities			
Monetary items			
USD:NTD	1,281	30.705	39,333

v. The sensitivity analysis of foreign exchange risk mainly focused on the foreign currency monetary items at the end of the financial reporting date. If the exchange rate of NTD to all foreign currency had increased/decreased by 1% with all other variables remaining constant, the profit or loss for the years ended December 31, 2024 and 2023 would have increased/decreased by $4,223 and $3,905, respectively.

vi. The total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to $33,529 and $2,781, respectively.

Price risk

i. The Company is exposed to the price risk of equity securities because of investments held by the Company and classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on the parent company only balance sheet. To manage the price risk arising from equity securities, the Company strictly evaluates investment activities and pre-sets a “stop loss”, so the Company does not expect material price risk.

ii. The sensitivity analysis of price risk of equity securities is calculated from fair value changes at the end date of financial reporting date. If the price of these equity securities had increased/decreased by 1% with all other variables remaining constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by $30 and $67, respectively, as a result of gains/losses on equity securities classified as at fair

value through profit or loss. Other comprehensive income would have increased/decreased by $411 and $568, respectively, as a result of gains/losses on equity securities classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have decreased/increased by $228 and $136, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Company manages its credit risk taking into consideration the entire company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilization of credit limits is regularly monitored.

iii. In line with the credit risk management policies, if the contract payments were past due within 90 days, the proceeds are within normal collection period. However, the defaults occur past due over 90 days.

iv. The Company classifies customer's accounts receivable in accordance with credit rating of customer. The Company applies the modified approach using a provision matrix to estimate the expected credit loss. The Company used the forecastability to adjust historical and timely information to assess the default possibility of receivables.

Movements in relation to the Company applying the modified approach to provide loss allowance for receivables are as follows:

	Expected loss rate	Total book value	Loss allowance
December 31, 2024			
Within the credit period	0.86%	$ 758,170	$ 6,520
Overdue 1 to 30 days	8.16%	68,914	5,623
Overdue 31 to 90 days	44.43%～84.1%	1,027	538
Overdue over 151 days	100%	3,004	3,004
		$ 831,115	$ 15,685

December 31, 2023	Expected loss rate	Total book value	Loss allowance
Within the credit period	0.94%	$ 729,574	$ 6,858
Overdue 1 to 30 days	7.99%	35,898	2,868
Overdue 31 to 90 days	39.71%～79.35%	2,528	813
Overdue 91 to 150 days	100%	2,977	2,977
Overdue over 151 days	100%	7,548	7,548
		$ 778,525	$ 21,064

v. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	For the years ended December 31,	
	2024	2023
At January 1	$ 21,064	$ 28,324
Expected credit gains	(1,030)	(7,260)
Write-offs of uncollectible receivables	(4,349)	-
At December 31	$ 15,685	$ 21,064

(c) Liquidity risk

i. The Company's treasury department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities and ensure the Company has sufficient financial flexibility.

ii. Surplus cash held by the Company exceeded the requirement of working capital management. The Company's treasury department aggregately invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing

instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2024	December 31, 2023
Floating rate		
Expiring within one year	$ 1,005,877	$ 890,900
Expiring over one year	821,692	1,113,166
	$ 1,827,569	$ 2,004,066

The facilities expiring within one year are annual facilities subject to review at various dates during the next year. The other facilities are for the Company's operating capital.

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for nonderivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

December 31, 2024	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 199,078	$ -	$ -	$ -
Short-term notes and bills payable	3,421	-	-	-
Notes payable	103,633	-	-	-
Accounts payable	202,823	-	-	-
Other payables	154,517	-	-	-
Lease liabilities (including current and non-current)	720	-	-	-
Long-term borrowings (including current portion)	282,817	220,601	483,567	680,991
Derivative financial liabilities:				
Forward forigen exchange contracts	359	-	-	-

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 3 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 122,266	$ -	$ -	$ -
Short-term notes and bills payable	470	-	-	-
Notes payable	138,316	-	-	-
Accounts payable	242,888	-	-	-
Other payables	119,000	-	-	-
Lease liabilities (including current and non-current)	720	720	-	-
Long-term borrowings (including current portion)	94,856	120,412	389,096	476,241

v. The Company does not expect the maturity date to end early nor the actual cash flow to be materially different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investments in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The Company's investments in equity instruments without active market is included in Level 3.

B. The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable, other payables and long-term borrowings (including current portion)) are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets are as follows:

(a) The related information on the nature of the assets is as follows:

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 2,990	$ -	$ -	$ 2,990
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 41,077	$ 41,077
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 359	$ -	$ 359

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 360	$ -	$ 360
Equity securities	6,650	-	-	6,650
	$ 6,650	$ 360	$ -	$ 7,010
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 56,840	$ 56,840

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used closing price as their fair values (that is, Level 1).

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

iii. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing

models. Forward exchange contracts are usually valued based on the current forward exchange rate.

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2, nor transfer into or out from Level 3.

E. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	For the years ended December 31,	
	2024	2023
At January 1	$ 56,840	$ 56,840
Losses recognized in other comprehensive income	(15,763)	-
At December 31	$ 41,077	$ 56,840

F. Treasury segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 41,077	Market comparable companies	Price to book value ratio multipliers	1.05～6.92	The higher the multipliers, the higher the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 56,263	Net asset value	Not applicable	Not applicable	The higher the net assets value, the higher the fair value

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on other comprehensive income from financial assets categorized within Level 3 if the inputs used to valuation models have changed:

			December 31, 2024			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book value ratio multipliers	±10%	$ -	$ -	$ 4,108	($ 4,108)

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Not applicable	-	Not applicable		Not applicable	

13. Supplementary Disclosures

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2024.

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital or more: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Refer to table 2.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2), ‘Financial assets and liabilities at fair value through profit or loss’.

J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Refer to table 7.

14. Segment Information

Not applicable.

Qualipoly Chemical Corp.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 1

Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2024				
				No. of shares (in thousands of units or shares)	Book value	Ownership	Fair value	Footnote
Qualipoly Chemical Corp.	Stocks:							
	Nan Ya Plastics Corp.	—	Financial assets at fair value through profit or loss - current	100	$ 2,990	0.001%	$ 2,990	—
	ELECTRONINKS INCORPORATED	—	Financial assets at fair value through other comprehensive income - non-current	1,044	41,077	2.47%	41,077	—
Qualipoly International Inc.	Stocks:							
	Tianjin Yabang Chemical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	15,915	19.00%	15,915	—
Chao Chien International Inc.	Stocks:							
	Zhangzhou Yabang Chemical Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	61,624	19.00%	61,624	—
	Zhangzhou Newsolar Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - non-current	-	47,271	9.09%	47,271	—

Qualipoly Chemical Corp.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2024

Table 2

Expressed in thousands of NTD

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Qualipoly Chemical Corp.	Qualipoly Technology (Kun Shan) Corp.	Subsidiaries	(Sales)	($ 231,396)	(6%)	Collect in 120 days after monthly billings	$ -	(Note 2)	$ 10,375	1%	—

(Note 1) As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required.

(Note 2) Collected in 90 days after monthly billings.

Qualipoly Chemical Corp.

Significant inter-company transactions during the reporting period

For the year ended December 31, 2024

Table 3

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction			
				Items	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	Qualipoly Chemical Corp.	Qualipoly Technology (Kunshan) Corp.	1	Sales	$ 231,396	Collect in 120 days after monthly billings	6%
				Accounts receivable	10,375	—	—
		Qualipoly Technology (Guangdong) Corp.	1	Sales	43,540	Collect in 90 days after monthly billings	1%
				Accounts receivable	10,528	—	—
		Dongguan Chao You New Material Co., Ltd.	1	Sales	63,909	Collect in 120 days after monthly billings	2%
				Accounts receivable	14,467	—	—

(Note 1) As the amounts and counterparties of significant inter-company transactions are the same from the opposite transaction sides, no disclosure is required. Only transactions amountiong to more than $10,000 are disclosed.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is “0”.

(2) The subsidiaries are numbered in order starting from “1”.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on for the period to consolidated total operating revenue for income statement accounts.

(Note 5) Foreign currencies are translated into New Taiwan Dollars with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785; RMB:NTD 1:4.478.

Qualipoly Chemical Corp.

Information on investees

For the year ended December 31, 2024

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as of December 31, 2024			Net profit (loss) of the investee for the year ended December 31, 2024	Investment income (loss) recognized for the year ended December 31, 2024	Footnote
				Balance at December 31, 2024	Balance at December 31, 2023	Number of shares	Ownership (%)	Book value			
Qualipoly Chemical Corp.	Qualipoly International Inc.	Samoa	General investment and international trading business	$ 286,213	$ 286,213	8,730,000	100.00	$ 347,737	$ 7,231	$ 7,123	Subsidiary
Qualipoly Chemical Corp.	Chao Chien International Inc.	Samoa	General investment and international trading business	71,111	71,111	2,169,000	100.00	255,881	24,459	24,408	Subsidiary
Qualipoly International Inc.	Chaoyang International Inc.	Samoa	General investment and international trading business	321,481	321,481	9,805,738	100.00	331,312	8,154	-	Subsidiary (Note 1)

(Note 1) According to the related regulations, it is not required to disclose income (loss) recognized in current period.
(Note 2) Foreign currencies are translated into New Taiwan Dollars at with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785.

Qualipoly Chemical Corp.

Information on investments in Mainland China - basic information

For the year ended December 31, 2024

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China at January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investments in Mainland China at December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Qualipoly Technology (Kunshan) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	$ 81,963	(Note 1)	$ 81,963	$ -	$ -	$ 81,963	$ 21,953	100.00	$ 21,953	$ 161,620	$ -	(Note 4)
Qualipoly Technology (Guangdong) Corp.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	213,103	(Note 2)	308,875	-	-	308,875	7,987	100.00	7,987	331,302	125,649	(Note 4)
Qualipoly Technology (Shanghai) Corp.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	13,470	(Note 1)	-	-	-	-	(1,721)	100.00	(1,721)	6,361	-	(Note 4)
Dongguan Chao You New Material Co., Ltd.	Sales of chemical raw materials, UV curable materials, unsaturated polyester resins (UP resins) and coating resin	15,715	(Note 2)	-	-	-	-	10,825	100.00	10,825	41,415	-	(Note 4)
Tianjin Yabang Chemical Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	89,802	(Note 3)	15,048	-	-	15,048	-	19.00	-	15,915	-	-

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China at January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Net income of investee for the year ended December 31, 2024	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31, 2024	Book value of investments in Mainland China at December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Zhangzhou Yabang Chemical Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	$ 174,928	(Note 1)	$ 21,802	$ -	$ -	$ 21,802	$ -	19.00	$ -	$ 61,624	$ 218,731	-
Zhangzhou Newsolar Technology Co., Ltd.	Manufacture and sales of unsaturated polyester resin, alkyd resin and aminoalkyd resin	493,911	(Note 1)	47,271	-	-	47,271	-	9.09	-	47,271	4,315	-

Company name	Accumulated amount of remittance from Taiwan to Mainland China at December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 5)
Qualipoly Chemical Corp.	$ 474,959	$ 490,535	$ 1,822,904

(Note 1) Through an existing company (Chao Chien International Inc.) located in the third area, invest in the investee in Mainland China.

(Note 2) Formerly held by the Qualipoly International Inc., which was established in the third area, however, because of the adjustment of investment structure from September 2006, the Company reinvested in the investee in Mainland China by investing and establishing Chaoyang International Inc. in the third area through Qualipoly International Inc.

(Note 3) Through investing in an existing company (Qualipoly International Inc.) located in the third area, invest in the investee in Mainland China.

(Note 4) The Company recognized income (loss) based on the audited financial statements.

(Note 5) The ceiling amount was 60% of the parent Company only net worth or consolidated net worth (whichever is higher).

(Note 6) Foreign currencies are translated into New Taiwan Dollars at with exchange rates as of December 31, 2024 as follows: USD:NTD 1:32.785.

Qualipoly Chemical Corp.

Information on investments in Mainland China - significant transactions, either directly or indirectly through a third area

For the year ended December 31, 2024

Table 6

Expressed in thousands of NTD

	Sales (purchases)		Property transactions		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals	Financing					
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2024	%	Balance at December 31, 2024	Purpose	Maximum balance for the year ended December 31, 2024	Balance at December 31, 2024	Interest rate	Interest for the year ended December 31, 2024	Others
Qualipoly Technology (Kunshan) Corp.	$ 231,396	6%	$ -	-	$ 10,375	1%	$ -	-	$ -	$ -	-	$ -	$ -
Qualipoly Technology (Guangdong) Corp.	43,540	1%	-	-	10,528	1%	-	-	-	-	-	-	-
Dongguan Chao You New Material Co., Ltd.	63,909	2%	-	-	14,467	2%	-	-	-	-	-	-	-

Qualipoly Chemical Corp.

Information on major shareholders

December 31, 2024

Table 7

Unit: shares

Name of major shareholders	Shares		Footnote
	Number of shares held	Ownership (%)	
Chao Chien Investment Inc.	12,530,757	12.49%	—

(Note) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash:		
Cash on hand		$ 147
Revolving funds		270
Checking Deposits		48,596
Demand Deposits – New Taiwan dollar		61,753
– Foreign currency	USD 674 (in thousands), exchange rate: 32.785	22,086
	RMB 6,608 (in thousands), exchange rate: 4.478	29,590
	EUR 32 (in thousands), exchange rate: 34.14	1,103
Time Deposits		12,043
		$ 175,588

QUALIPOLY CHEMICAL CORP.
STATEMENT OF NOTES RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount
Company A	Notes receivable	$ 6,773
Company B	〃	4,996
Company C	〃	3,488
Others (individually less than 5%)	〃	52,003
		$ 67,260

QUALIPOLY CHEMICAL CORP.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount
Non-related parties:		
Group D	Receivables from the client	$ 245,993
Company E	〃	103,313
Others (individually less than 5%)	〃	379,179
		728,485
Less: Allowance for uncollectible accounts		(15,685)
		$ 712,800

QUALIPOLY CHEMICAL CORP.
STATEMENT OF INVENTORIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials	–	$ 413,105	$ 411,100	(Note)
Supplies	–	23,094	23,296	〃
Work in progress	–	92,974	111,489	〃
Finished goods	–	359,540	406,914	〃
		888,713	$ 952,799	
Less: Allowance for valuation loss		(55,539)		
		$ 833,174		

(Note) Refer to Note 4(9) for the method to determine the net realisable value.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF PREPAYMENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Input tax	–	$ 58,714
Prepayments for purchases	–	12,280
Others (individually less than 5%)	–	2,921
		$ 73,915

QUALIPOLY CHEMICAL CORP.

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

FOR THE YEAR ENDED DECEMBER 31, 2024

(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Increase		Decrease		Ending Balance			
Name	Number of shares	Fair value	Number of shares	Amount	Number of shares	Amount	Number of shares	Fair value	Accumulated impairment	Collateral
ELECTRONINKS INCORPORATED	1,044	$ 56,840	-	$ -	-	($ 15,763)	1,044	$ 41,077	$ -	None

QUALIPOLY CHEMICAL CORP.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Increase		Decrease		Ending Balance			Market Value or Net Assets Value			
The Name of the Company	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	Collateral	Note
Qualipoly International Inc.	8,730	$ 323,272	-	$ 24,465	-	$ -	8,730	100%	$ 347,737	$ 39.93	$ 347,531	None	–
Chao Chien International Inc.	2,169	247,247	-	37,691	-	(29,057)	2,169	100%	255,881	118.22	256,429	None	–
		$ 570,519							$ 603,618		$ 603,960		

QUALIPOLY CHEMICAL CORP.
STATEMENT OF CHANGES IN COST OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7) for details of property, plant and equipment.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7) for details of property, plant and equipment.

Refer to Note 4(13) for the method to determine depreciation and useful lives for assets.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF CHANGES IN PREPAYMENTS FOR EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Beginning Balance	Additions	Transferred (Note)	Ending Balance	Note
Prepayments for equipment	$ 683,226	$532,471	($ 29,381)	$ 1,186,316	–

(Note) Refer to Note 6(28) for details of supplemental cash flow information.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF GUARANTEE DEPOSITS PAID
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Guarantees for the acquisition of land in Tainan Technology Industrial Park	$ 57,392
Others (individually less than 5%)	320
	$ 57,712

QUALIPOLY CHEMICAL CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Facility	Collateral	Note
Unsecured bank borrowings	Shanghai Commercial & Savings Bank	$ 50,000	2024.9.4～2025.9.4	1.83%	USD 2,000 thousand	None	–
Unsecured bank borrowings	E.SUN Commercial Bank	1,304	2024.8.15～2025.8.15	5.58%	USD 4,600 thousand	None	–
Unsecured bank borrowings	Mega International Commercial Bank	33,878	2024.7.1～2025.6.30	5.19%	USD 7,000 thousand	None	–
Secured bank borrowings	Bank of Taiwan	100,000	2023.12.20～2024.12.20	1.82%	Note	Land and buildings	–
Secured bank borrowings	Bank of Taiwan	12,671	2024.11.29～2025.3.31	1.82%	〃	Land and buildings	–
		$ 197,853					

(Note) The shared credit of $150,000.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF NOTES PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Name of suppliers	Description	Amount
JSR MICRO TAIWAN CO., LTD.	Notes payable	$ 33,923
HSIEN-WUANG MECHANICAL INDUSTRIAL CO., LTD.	〃	11,818
TECH & WISE CO., LTD.	〃	7,831
CHENG DEH FIRE PROTECTION INDUSTRIAL CORP.	〃	7,538
TAIWAN SHIRAKAWA CHEMICAL INDUSTRY CO., LTD.	〃	5,368
Others (individually less than 5%)	〃	37,155
		$ 103,633

QUALIPOLY CHEMICAL CORP.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Name of suppliers	Description	Amount
Non-related parties:		
YUAN JEN ENTERPRISES CO., LTD.	Accounts payable	$ 28,722
JSR MICRO TAIWAN CO., LTD.	〃	28,035
NAN YA PLASTICS CORP.	〃	13,643
GRAND PACIFIC PETROCHEMICAL CORP.	〃	12,264
Others (individually less than 5%)	〃	120,159
		$ 202,823

QUALIPOLY CHEMICAL CORP.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(12) for details of other payables.

QUALIPOLY CHEMICAL CORP.
LONG-TERM LIABILITIES, CURRENT PORTION
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Description	Description	Range of Interest Rate	Amount	Collateral
Yuanta Commercial Bank	(Note)	1.85%	$ 100,000	None
Bank of Taiwan	(Note)	1.89%	80,775	Land and buildings
E.SUN Commercial Bank	(Note)	1.58%	55,857	None
Cathay United Bank	(Note)	1.38%~1.52%	18,215	None
CTBC Bank	(Note)	1.48%~1.52%	4,327	None
			$ 259,174	

(Note) Refer to Note 6(13) for details of long-term borrowings.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Creditor	Nature	Contract Period	Interest Rate	Amount	Collateral	Note
Bank of Taiwan	Secured borrowings	2021.9.9～2041.9.9	1.89%	$ 443,382	Land	(Note 1)
	Secured borrowings	2021.11.1～2026.11.1	1.89%	57,500	Land and buildings	(Note 2)
	Secured borrowings	2022.8.31～2041.11.1	1.89%	411,135	Buildings	(Note 3)
CTBC Bank	Unsecured borrowings	2022.3.23～2029.3.15	1.48%	1,302	None	(Note 4)
	Unsecured borrowings	2022.8.23～2029.8.15	1.48%	10,206	None	(Note 4)
	Unsecured borrowings	2024.8.28～2029.8.15	1.48%	38,788	None	(Note 4)
	Unsecured borrowings	2024.11.6～2029.8.15	1.52%	1,848	None	(Note 4)
E.SUN Commercial Bank	Unsecured borrowings	2022.4.18～2029.4.15	1.58%	335,144	None	(Note 4)
Yuanta Commercial Bank	Unsecured borrowings	2024.11.15～2026.11.15	1.85%	100,000	None	(Note 5)
Cathay United Bank	Unsecured borrowings	2022.3.23～2029.2.8	1.38%	50,657	None	(Note 4)
		2023.8.30～2029.2.8	1.38%	28,828	None	(Note 4)
		2024.7.30～2032.7.30	1.52%	35,579	None	(Note 4)
				1,514,369		
	Less: Current portion			(259,174)		
				$ 1,255,195		

(Note 1) The grace period for the principal is 36 months, the principal is repaid in 204 installments after the grace period is due.
(Note 2) The grace period for the principal is 12 month with monthly interest, the principal is repaid in 48 installments after the grace period is due, there is monthly interest as well.
(Note 3) The grace period for the principal is 36 month with monthly interest, the principal is repaid in 204 installments after the grace period is due, there is monthly interest as well.
(Note 4) The grace period for the principal is 36 month with monthly interest, the principal is repaid in 48 installments after the grace period is due, there is monthly interest as well.
(Note 5) Monthly interest payment, principal repayment once due.

QUALIPOLY CHEMICAL CORP.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Amount		Note
		Subtotal	Total	
Sales revenue:				
Synthetic resin	37 kilotons	$ 3,554,459		–
Others		110,114	$ 3,664,573	–
Less: Sales returns and discounts			(16,250)	–
Operating revenue			$ 3,648,323	

QUALIPOLY CHEMICAL CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item		Amount
Beginning raw materials	$	335,074
Add: Raw materials purchased		2,504,049
Transferred from work in progress		331,935
Gain on physical inventory		4,553
Less: Transferred to expenses	(	17,431)
Scrapped	(	1,306)
Others	(	783)
Ending raw materials	(	413,105)
Raw materials used during the year		2,742,986
Beginning supplies		17,441
Add: Supplies purchased		228,718
Gain on physical inventory		29
Others		857
Less: Transferred to expenses	(	48,525)
Ending supplies	(	23,094)
Supplies used during the year	(	175,426)
Direct labor		93,396
Manufacturing overhead		431,295
Manufacturing cost		3,443,103
Beginning work in progress		83,248
Add: Transfer from finished goods		382,872
Less: Transferred to raw materials	(	331,935)
Ending work in progress	(	92,974)
Cost of finished goods		3,484,314

QUALIPOLY CHEMICAL CORP.
STATEMENT OF OPERATING COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item		Amount
Beginning finished goods	$	289,176
Add: Finished goods purchased		307,484
Less: Transferred to work in progress	(	382,872)
Transferred to expenses	(	42,958)
Scrapped	(	4,791)
Others	(	218,623)
Ending finished goods	(	359,540)
Cost of production sold		3,072,190
Loss on scrapped inventories		6,097
Provision for inventory market price decline		9,340
Gain on physical inventories	(	4,582)
Sales from sale of scraps	(	295)
Operating costs	$	3,082,750

QUALIPOLY CHEMICAL CORP.
STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Environmental protection expenses	–	$ 120,065	–
Wages and salaries	–	80,218	–
Depreciation	–	49,479	–
Utilities	–	48,369	–
Fuel expense	–	47,908	–
Consumables	–	35,573	–
Others (individually less than 5%)	–	49,683	–
		$ 431,295	

QUALIPOLY CHEMICAL CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Export expenses	–	$ 67,380	–
Wages and salaries	–	54,961	–
Commissions expense	–	18,641	–
Freight	–	18,062	–
Others (individually less than 5%)	–	34,240	–
		$ 193,284	

QUALIPOLY CHEMICAL CORP.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries	–	$ 54,850	–
Insurance expense	–	9,598	–
Depreciation	–	7,965	–
Services fees	–	5,829	–
Others (individually less than 5%)	–	24,178	–
		$ 102,420	

QUALIPOLY CHEMICAL CORP.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Wages and salaries	–	$ 34,768	–
Product development fees	–	6,333	–
Insurance expense	–	2,942	–
Others (individually less than 5%)	–	11,060	–
		$ 55,103	

QUALIPOLY CHEMICAL CORP.
SUMMARY STATEMENT OF CURRENT EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(24) for details of expenses by nature and Note 6(25) for details of employee benefit expense.

Qualipoly Chemical Corp.

Chairman ：Tsai, Yeou-Liang