

Nan Pao Resins Cematic Co., Ltd.
Minutes of the 2025 Annual General Shareholders' Meeting
(Translation)

Meeting time: 10:00 a.m., June 17, 2025

Place: Nan Pao International Conference Hall (No. 519, Zhongshan Rd., Xigang Dist., Tainan City)

Shares represented at the meeting:

The total issued shares of the Company is 120,570,780. A total of 100,698,900 valid issued shares of the Company were presented at the above meeting (including a total of 99,855,229 valid issued shares were presented by electronic voting), representing 83.51% of the above total valid issued shares of the Company.

Chairman: Cheng-Hsien, Wu

Recorder: Julie Lee

Attendance: Ming-Hsien, Hsu (The Representative of Guang Rong Investment Ltd.), Ying-Lin, Huang (The Representative of Guang Rong Investment Ltd.), Yun, Chen (Independent Director) and Chao-Chin, Yang (Independent Auditor of Deloitte & Touche)

I. Call the Meeting to Order

As the share of shareholders and representatives exceeded quorum, chairman called the meeting to order.

II. Chairman's Address (omitted)

III. Report Items

1. 2024 Business Report

Explanation: Please refer to Attachment 1.

2. 2024 Audit Committee's Review Report

Explanation: Please refer to Attachment 2.

3. To Report 2024 Employees and Directors Remuneration Distribution

Explanation: The Company's Board of Directors has approved on March 14, 2025 to allocate NT\$81,120,000 for employees' remuneration and NT\$34,320,000 for directors' remuneration from the earnings reserves of 2024. The aforementioned remuneration are to be distributed in cash, and the allocated amount is the same as the estimated expenses recognized.

4. To Report Distribution of Cash Dividends from 2024 Profits

Explanation: (1) Pursuant to Article 26 of the Company's Articles of Incorporation, the Board of Directors is authorized to propose the distribution of profits, in which the cash dividend shall be distributed after the board of directors resolution and report to the shareholders' meeting.

(2) The Board of Directors distributed cash dividends of NT\$2,290,844,820 from 2024 profit to shareholders at NT\$19 per share. Cash dividends were rounded to the nearest whole number. The total amount of cash dividends less than NT\$1 will be recognized as the "Other income" of the Company.

(3) The proposed cash dividends distribution has been approved by the Board of Directors. In the event of various factors causing any change to the total number of outstanding shares, the Board of Directors is fully authorized to resolve the relevant issues.

5. To Report 2024 Directors Remuneration

Explanation: For the directors' remuneration, including the remuneration policy, the details and amount of the remuneration received by individual directors, please refer to Attachment 3.

6. To Amend "Rules of Procedure for Board of Directors Meetings"

Explanation: In order to comply with amendments to regulations by the authorities, the Company proposed to amend the "Rules of Procedure for Board of Directors Meetings ", please refer to Attachment 4.

7. To Amend "Procedures for Ethical Management and Guidelines for Conduct"

Explanation: In order to align with actual operational procedures, the Company proposed to amend the "Procedures for Ethical Management and Guidelines for Conduct ", please refer to Attachment 5.

8. Issuance of Undertaking in Connection with the Overseas Listing Application of Subsidiary Foshan Nan Pao Advanced Materials Co., Ltd.

Explanation: (1) The listing application of the Company's subsidiary, Foshan Nan Pao Advanced Materials Co., Ltd., on Mainland China securities market was approved by resolution at the Company's Annual Shareholders Meeting on June 17, 2021.

(2) The impact of the undertakings issuance for the subsidiary's listing application on the finance, business and shareholder's equity of the Company and subsidiary has been reviewed and approved by the Audit Committee and the Board of Directors on May 6, 2025. For further details, please refer to Attachment 6.

IV. Ratification Items

Proposal 1: 2024 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation: (1) The Company's 2024 Financial Statements (includes Consolidated Financial Statements) have been audited by independent auditors, Mr. Chao Chin Yang and Ms. Chi Chen Lee, of Deloitte & Touche, and submitted with Business Report to Audit Committee for review and issuance of Review Report on record.

(2) Please refer to Attachment 1 and Attachment 7.

Resolution: RESOLVED, that the above proposal was hereby approved as proposed.

Voting Results: Shares present at the time of voting: 100,698,900 shares (including a total of 99,855,229 shares were presented by electronic voting).

Voting Results	Total Votes	(Electronic Votes)	% of the represented share present
Votes in favor	96,440,015 votes	(95,679,392 votes)	95.77
Votes against	243,944 votes	(243,944 votes)	0.24
Votes invalid	0 vote	(0 vote)	0.00
Votes abstained / Not voted	4,014,941 votes	(3,931,893 votes)	3.99

Proposal 2: 2024 Earnings Distribution (Proposed by the Board of Directors)

Explanation: (1) The Company's 2024 Earnings Distribution was resolved by the Board of Directors and audited by Audit Committee.

(2) Please refer to Attachment 8 for 2024 Earnings Distribution Table.

Resolution: RESOLVED, that the above proposal was hereby approved as proposed.

Voting Results: Shares present at the time of voting: 100,698,900 shares (including a total of 99,855,229 shares were presented by electronic voting).

Voting Results	Total Votes	(Electronic Votes)	% of the represented share present
Votes in favor	96,707,975 votes	(95,947,352 votes)	96.04
Votes against	4,984 votes	(4,984 votes)	0.00
Votes invalid	0 vote	(0 vote)	0.00
Votes abstained / Not voted	3,985,941 votes	(3,902,893 votes)	3.96

V. Discussion Items

Proposal 1: To Amend "Articles of Incorporation" (Proposed by the Board of Directors)

Explanation:(1) In accordance with the amendment to Article 14, Paragraph 6 of the Securities and Exchange Act, the Company proposes to amend relevant provisions of the Articles of Incorporation to specify that a certain percentage of annual earnings shall be allocated as compensation to grassroots employees. For the comparison table before and after revision, as well as the original provisions prior to the amendment, please refer to Attachment 9 and Appendix 1.

Resolution: RESOLVED, that the above proposal was hereby approved as proposed.

Voting Results: Shares present at the time of voting: 100,698,900 shares (including a total of 99,855,229 shares were presented by electronic voting).

Voting Results	Total Votes	(Electronic Votes)	% of the represented share present
Votes in favor	96,709,015 votes	(95,948,392 votes)	96.04
Votes against	3,944 votes	(3,944 votes)	0.00
Votes invalid	0 vote	(0 vote)	0.00
Votes abstained / Not voted	3,985,941 votes	(3,902,893 votes)	3.96

VII. Extemporary Motions (none)

VIII. Meeting Adjourned

There were no questions from shareholders at this shareholders' meeting.

Chairman: Cheng-Hsien, Wu

Recorder: Julie Lee

Attachment 1**Nan Pao Resins Chemical Co., Ltd.
Business Report****I. Review of 2024 Business Performance**

1. Results of business plan

The total consolidated revenue of 2024 was NT\$22.98 billion, an increase of 11.67% from the previous year. The total gross profit was NT\$7.52 billion, an increase of 15.90% from the previous year. The operating profit was NT\$3.59 billion, an increase of 21.20% from the previous year. The net income was NT\$2.79 billion, an increase of 8.59% from the previous year. Earnings per share after taxes was NT\$22.26.

Unit : NT\$, 000 (EPS lists in dollars)

Item	Year		2024		2023		Variances		
	Amount	%	Amount	%	Amount	%	Amount	%	
Net Operating Revenue	22,982,598	100	20,581,188	100	2,401,410	11.67			
Gross Profit	7,522,258	33	6,490,460	32	1,031,798	15.90			
Operating Profit	3,592,749	16	2,964,382	15	628,367	21.20			
Pre-tax Income	3,756,850	16	3,393,761	16	363,089	10.70			
Net Income	2,786,880	12	2,566,432	12	220,448	8.59			
Net Income attributed to	Shareholders	2,684,261	12	2,428,215	12	256,046	10.54		
	Non- controlling Interests	102,619	-	138,217	-	(35,598)	(25.76)		
Earnings Per Share(dollar)	22.26		20.14		2.12		10.53		

2. Budget Implementation : The Company did not release financial forecasts, so there is no analysis data of budget implementation.

3. Analysis of Financial Status and Profitability

Unit : NT\$, 000 ; %

Item	2024	2023
Cash inflow from operating	2,802,120	3,128,986
Cash (outflow) from investing	(644,951)	(792,095)
Cash (outflow) from fundraising	(34,773)	(1,736,906)
Return on Assets (%)	11.28	10.91
Return on Equity (%)	18.28	17.00
Profit before tax to capital stock (%)	311.59	281.47
Net Profit Margin (%)	12.13	12.47

4. R&D Achievements

In line with the development trend of corporate sustainability, Nan Pao has been transitioning its product line from traditional solvent-based adhesives to water-based adhesives. This shift not only effectively improves the factory working environment but also significantly reduces carbon emissions. Since adhesives must be formulated according to the specific production environment of each customer's factory, Nan Pao has established 28 production sites across seven global regions to provide localized services and promptly meet customer needs. Through the development of green products using environmentally friendly materials, Nan Pao has not only increased the unit price of its shipments but also secured more new orders. As a result, the Company has achieved growth against the trend, even as overall output from some branded footwear manufacturers has declined.

Beyond athletic footwear, high-end green products now account for more than 60% of Nan Pao's total revenue. Over the next five years, the Company will continue to promote the sales of green products, aiming to raise their share to over 80% of total sales. Nan Pao also plans to increase its investment in R&D and technical resources, with a focus on product innovation and exploring new industries. The goal is to expand the application of related products to a broader range of fields, including high-performance footwear adhesives, functional textile adhesives, hygiene product adhesives, low-VOC automotive adhesives and hot melt adhesives, flexible packaging adhesives, optical pressure-sensitive adhesives, construction chemicals, and functional coatings. In 2024, R&D expenses accounted for approximately 2.36% of Nan Pao's consolidated operating revenue.

The overview of Nan Pao Group's product R&D and diversified applications in 2024 is as follows:

- (1) Nan Pao is actively expanding into adhesive products for the semiconductor and other electronics sectors. The Company has successfully developed a high-adhesion UV debonding adhesive, which reacts rapidly and leaves no residue after exposure to ultraviolet light, significantly improving process efficiency and yield. Since 2023, the Company has begun small-scale shipments, and in 2024, revenue from this product has doubled. Currently, the product is mainly supplied to coating manufacturers, who then deliver it to OSAT (Outsourced Semiconductor Assembly and Test) providers for use in packaging processes.
- (2) Subsidiary Yun Teh Industrial Co., Ltd., specializes in the design and production of epoxy resin curing systems. It develops a wide range of curing agents, from general-purpose to high-grade, tailored for various applications and customer needs. End-use markets include industrial adhesives, floor coating materials, paints, and civil engineering sectors. In the short term, Yun Teh plans to pursue more product certifications from branded clients in the fields of marine, protective and automotive coatings, adhesives, sealants, high-performance composites, and renewable energy.

(3) Subsidiary Spark Foamtech Enterprise Co., Ltd., possesses proprietary material formulations and equipment, along with experience in supercritical technology development. It has achieved full-process integration from equipment design to production technology, giving it a significant cost advantage. Spark also holds leading industry expertise in high-performance supercritical foamed materials and bio-based/environmentally friendly material formulations. By leveraging Nan Pao's professional expertise in the chemical industry and its market influence, Spark is deepening collaborations with international brands to further enhance market penetration in the footwear industry.

To actively promote sustainable economic development, Nan Pao has collaborated with multiple external research institutions to jointly develop bio-based and high-performance products, further strengthening the exchange and cooperation between academia and industry. In 2024, Nan Pao achieved significant results in R&D collaborations, successfully shortening product development cycles, enhancing process and quality stability, and increasing product added value. In response to global ESG and net-zero carbon emission trends, Nan Pao is actively participating in government-led low-carbon initiatives and working together with various upstream and downstream partners to promote green products and green manufacturing processes. Through these supply chain collaborations, the Company aims to reduce greenhouse gas emissions by an estimated 8,000 to 10,000 metric tons. These collaborations have not only promoted technological innovation and talent development, but have also significantly enhanced Nan Pao's competitiveness in green products and sustainable development.

II. Summary of 2025 Business Plan

1. Business Strategy

(1) Product Diversification and Application Expansion:

To continuously enhance potential growth opportunities, Nan Pao is actively engaged in product development and expanding the application of its products across various sectors. In addition, the Company is closely monitoring strategic acquisition targets that offer synergistic benefits. Through bolt-on acquisitions, Nan Pao aims to achieve vertical or horizontal integration, further expanding its global market presence and broadening the scope of product applications.

(2) Investment in Research and Development (R&D):

Nan Pao continues to increase its investment in R&D to drive market expansion of existing products while focusing on the development of green products with sustainable value, providing solutions that address both environmental protection and market demand. In particular, through collaborations with brand partners, the Company is developing new materials and high-end eco-friendly materials, gradually increasing the proportion of high-margin green product lines. These innovative R&D achievements not only enhance product competitiveness but also serve as a strong growth driver for the Company's revenue.

(3) Low-Carbon Upgrading:

In response to increasing transparency in ESG disclosure standards and the challenges posed by a slowing global economy, Nan Pao is proactively formulating energy-saving and carbon-reduction strategies. The Company is also aligning with government-led low-carbon initiatives to seize new business opportunities in energy conservation and emissions reduction. At the same time, Nan Pao is accelerating its deployment in the fields of energy transition and electrification to sustain revenue growth.

(4) Digital Optimization:

With the growing adoption and widespread application of artificial intelligence (AI) technologies, Nan Pao is accelerating its digital transformation and has planned a phased implementation of its digital strategy. By introducing advanced digital system platforms, the Company aims to digitize business operations and reduce labor and resource costs in the initial stages. Furthermore, through the deep integration of AI technologies and digital tools, Nan Pao is actively optimizing processes, improving operational efficiency, and building a robust database to support the development of future innovative products and services. Ultimately, Nan Pao will center its digital transformation around customer needs, fully integrating AI-driven digital tools to create new business models. The Company will continue to adapt its strategies in response to market changes, with the goal of achieving long-term digital transformation and maintaining its leadership in industry innovation.

2. Expected Sales Quantity and Basis

The sales plan of the Company is estimated based on contracts, historical sales records, and market changes. The sales target for 2025 is expected to maintain a stable development.

3. Important Production and Marketing Strategies

(1) Industry Focus on Innovation and Excellence

In the adhesives business, Nan Pao continues to expand its presence in the footwear adhesive market through innovative products and exceptional service, while maintaining a stable market share among leading global sports brands. At the same time, the Company is actively developing new growth drivers beyond footwear adhesives. For instance, Nan Pao is promoting a more comprehensive range of solutions for the footwear manufacturing process, including shoe material cleaners, surface treatment agents, and hardeners. Additionally, the Company has launched an innovative woodworking adhesive that offers ten times the production efficiency and delivers outstanding performance, effectively reducing shrinkage, enhancing heat resistance, lowering noise, and improving comfort. In terms of market strategy, Nan Pao is focused on five key sectors: textiles, electronics, flexible packaging materials, woodworking, and hygiene products. The Company's strategic approach begins with penetrating local customer bases, then securing partnerships with leading domestic clients, and ultimately entering the supply chains of top-tier international brands, further strengthening Nan Pao's market competitiveness and leadership position.

(2) Green Products and Industrial Opportunities

Nan Pao is committed to providing efficient and environmentally friendly solutions. In the industrial and technology sectors, the Company has successfully developed optical adhesives for LCD polarizers and touch panels that offer both high heat and high humidity resistance. Its acid-free adhesive technology enables customers to achieve low-corrosion, low-contamination designs for ITO films. In the coatings and construction materials segment, Nan Pao has collaborated with the Industrial Technology Research Institute (ITRI) and Fujifilm to repurpose hydrophobic waste toner into eco-friendly water-based coatings. These coatings are suitable for use on interior decorations, outdoor buildings, and furniture surfaces. These innovative products not only meet industry demands but also reflect Nan Pao's strong commitment to sustainable development.

(3) Golden Sample Strategy for Product Development

Nan Pao adopts a "Golden Sample" strategy for product development, continuously seeking to develop star products that meet strong application market demand, have first-class performance that the R&D team can develop at a competitive price, and can be produced with higher cost-effectiveness, to accelerate growth and improve profitability through economies of scale.

(4) Focus on Innovation-Driven “NextGen” Growth Strategy

Nan Pao is advancing its “NextGen” growth strategy by focusing on leading players in key industries and carefully selected partners, targeting strategic customers and proactively seeking collaboration opportunities. Through joint development of innovative adhesive solutions, the Company aims to anticipate market needs and challenges, respond quickly, and deliver the most suitable products. Ultimately, by expanding new products and applications, Nan Pao seeks to increase market share and improve profit margins.

III. External Competitive, Regulatory and Overall Business Environment Impact on Future Development Strategy

For many years, Nan Pao has consistently invested in R&D and technological resources, focusing on the innovative development of green and low-carbon industry supply chains. With government support, the Company actively strengthens resource recycling and supply chain decarbonization capabilities. Through policy support, technological innovation, and industry collaboration, Nan Pao is positioning itself to seize the development opportunities arising from the global green economy transformation. At the same time, the Company is committed to improving its ratings with major international ESG rating agencies such as S&P Global, FTSE Russell, and Sustainalytics, further enhancing its corporate competitiveness and economic resilience. In 2025, the Company was selected for the first time to be included in the S&P Global Sustainability Yearbook, demonstrating the Group's long-term dedication and achievements in sustainable development.

Looking ahead to the global economic outlook for 2025, adjustments to U.S. tariff policies have increased uncertainty in international trade and commerce. The ongoing Russia-Ukraine war and the Israel-Hamas conflict have further intensified supply chain disruption risks and shipping cost pressures. Additionally, the sluggish real estate market in Mainland China and escalating U.S.-China trade tensions have weakened domestic demand, while extreme climate changes have driven up the prices of bulk commodities and energy, presenting numerous challenges to the global economy. Against this backdrop, the only way to ensure stable revenue growth is to embrace the trends of ESG and net-zero emissions, actively expand opportunities in the green energy and electrification markets, and strategically position the Company in emerging markets.

Nan Pao envisions "green sustainability" as its core competitive advantage and has officially committed to achieving net-zero emissions. Through concrete actions, the Company is advancing its 2050 carbon-neutral plan while remaining focused on long-term sustainable development and embedding ESG strategies into its corporate culture. By aligning with market trends and customer demands, Nan Pao not only strives for a solid competitive edge but also aims to achieve symbiotic growth with society. Moving forward, the Company will continue to uphold sustainable business practices, implement corporate governance standards, create a sustainable work environment for employees, offer high-performance products and solutions that align with ESG principles to customers, and generate long-term value for shareholders.

Chairman: Cheng-Hsien, Wu

Manager: Ming-Hsien, Hsu

Accounting Manager: Kun-Chin, Lin

Attachment 2

**Nan Pao Resins Chemical Co., Ltd.
Audit Committee's Review Report**

To: 2025 General Shareholders' Meeting

The Board of Directors has prepared the Company's 2024 Business Report, Financial Statements, and proposal for earnings distribution. The CPA firm of Deloitte & Touche was retained to audit the Financial Statements and has issued an audit report. The Business Report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to relevant requirements of the Securities and Exchange Act and the Company Law, we hereby submit this report.

Nan Pao Resins Chemical Co., Ltd.

Audit Committee Convener :

Yun, Chen

March 14, 2025

Attachment 3

2024 Directors' Remunerations (Note 1)

Unit: NT\$1,000

Title/Name	Director's Remuneration								Total Remuneration (A+B+C+D) and Ratio to Net Income		Compensation Earned by a Director who is an Employee of the Company						Total Remuneration (A+B+C+D+E+F+G) and Ratio to Net Income (Note 3)		Compensation Paid to Directors from Nonconsolidated Affiliates		
	Basic Compensation(A)		Severance Pay and Pensions(B)		Compensation to Directors (C)		Allowances (D)				Salary, Bonuses and Allowances (E)		Severance Pay and Pensions(F) (Note 2)		Profit Sharing(G)						
	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company	From All Consolidated Entities	The Company		From All Consolidated Entities			The Company	From All Consolidated Entities
															Cash	Stock	Cash	Stock			
Chairman Cheng-Hsien, Wu	3,501	3,501	-	-	500	500	-	-	4,001 (0.15%)	4,001 (0.15%)	-	-	-	-	-	-	-	-	4,001 (0.15%)	4,001 (0.15%)	-
Director Pao Chien Enterprise Co., Ltd.	-	-	-	-	5,309	5,309	-	-	5,309 (0.20%)	5,309 (0.20%)	-	-	-	-	-	-	-	-	5,309 (0.20%)	5,309 (0.20%)	-
Representative: Yuan-Whang, Liao (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Representative: Lin Wang-Chyan (Note 4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director Guang Rong Investment Ltd.	-	-	-	-	27,371	27,371	-	-	27,371 (1.02%)	27,371 (1.02%)	-	-	-	-	-	-	-	-	27,371 (1.02%)	27,371 (1.02%)	-
Representative: Ming-Hsien, Hsu	-	-	-	-	-	-	-	-	-	-	6,262	6,262	351	351	2,616	-	2,616	-	9,229 (0.35%)	9,229 (0.35%)	-
Representative: Ying-Lin, Huang	-	-	-	-	-	-	-	-	-	-	4,697	4,697	95	95	2,016	-	2,016	-	6,808 (0.25%)	6,808 (0.25%)	-
Independent Director Yun, Chen	240	240	-	-	380	380	-	-	620 (0.02%)	620 (0.02%)	-	-	-	-	-	-	-	-	620 (0.02%)	620 (0.02%)	-
Independent Director Yung-Cheng, Chiang	240	240	-	-	380	380	-	-	620 (0.02%)	620 (0.02%)	-	-	-	-	-	-	-	-	620 (0.02%)	620 (0.02%)	-
Independent Director Chin-Jung, Kuo	240	240	-	-	380	380	-	-	620 (0.02%)	620 (0.02%)	-	-	-	-	-	-	-	-	620 (0.02%)	620 (0.02%)	-
Total	4,221	4,221	-	-	34,320	34,320	-	-	38,541 (1.43%)	38,541 (1.43%)	10,959	10,959	446	446	4,632	-	4,632	-	54,578 (2.03%)	54,578 (2.03%)	-

*Other than disclosure in the above table, Directors remunerations earned by providing services (e.g. providing consulting services as a non-employee of parent company/ all consolidated entities/ non-consolidated affiliates) to Nan Pao and all consolidated entities in the 2024 financial statements: None.

Note 1: Directors and Independent Directors' remuneration policies, procedures and structure, as well as the linkage to responsibilities, risks and time spent:

- 1、According to the Company's Articles of Incorporation, the Board of Directors is authorized to determine the salary for the Directors, taking into account the extent and value of the services provided for the management of the Corporation and the standards of the industry within the R.O.C. and overseas.
- 2、The Articles of Incorporation also provide that the compensation to directors shall be no more than 3% of annual profits. The distribution of compensation of directors shall be made in accordance with the Company's "Rules for Distribution of Compensation to Directors, Functional Committee members and executive officers" based on the following principles:
 - (1) Directors who serve as executive officers of the Company are not entitled to receive compensation to directors;
 - (2) The Independent Directors also serve as members of the Functional Committees and thus participate in the discussion as well as resolutions of related committee meetings in accordance with the charter of each committee, therefore the Company provides additional compensation.

Note 2: Pensions funded according to applicable law.

Note 3: The remuneration paid to the directors from the Company and from all consolidated entities in 2024, including their employee compensation, both accounted for 2.03% of 2024 net income.

Note 4: Mr. Lin Wang-Chyan was appointed as the representative person of Pou Chien Enterprise Co., Ltd. on March 18, 2024, replacing Mr. Liao Yuan-Whang who resigned on the same day.

Attachment 4

Nan Pao Resins Chemical Co., Ltd
Comparison Table of
“Rules of Procedure for Board of Directors Meetings”

Amended Clauses	Original Clauses	Note
<p>5.10. A meeting shall be called to order by the chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the directors are present. If the majority of the directors are not present at the scheduled commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting <u>on the same day. The number of postponements is limited to</u> twice, and the total postponed time shall not exceed one hour. If a quorum has not been reached after the second postponement, the chairperson may convene a new meeting in accordance with the procedure under 5.1.1. of the Rules. For purpose of the preceding paragraph, "all directors" shall refer to the directors actually in the office at the given time.</p>	<p>5.10. A meeting shall be called to order by the chairperson of the Board meeting when the scheduled meeting time has arrived and the majority of the directors are present. If the majority of the directors are not present at the scheduled commencement time of the meeting, the chairperson of the meeting may announce the postponement of the meeting no more than twice, and the total postponed time shall not exceed one hour. If a quorum has not been reached after the second postponement, the chairperson may convene a new meeting in accordance with the procedure under 5.1.1. of the Rules. For purpose of the preceding paragraph, "all directors" shall refer to the directors actually in the office at the given time.</p>	<p>According to the amended regulations announced by the Taiwan Stock Exchange under document number 11300156521 on August 23, 2024.</p>
<p>5.11.3. <u>During the proceedings of a Board of Directors meeting, if the chairperson is unable to preside over the meeting for any reason or fails to adjourn the meeting in accordance with the provisions of 5.11.1, the selection of a proxy shall be governed mutatis mutandis by the provisions of 5.8.</u></p>	<p>(Newly Added Clauses)</p>	<p>According to the amended regulations announced by the Taiwan Stock Exchange under document number 11300156521 on August 23, 2024.</p>
<p>5.15.9. Other matters to be included. (1) If either of the following happens to the resolution of the Board meeting, the fact shall be specified in the meeting minutes and be published and reported on the Market Observation Post System designated by the Taiwan Financial Supervisory Commission within two days of the Board meeting: <u>A.</u> There is opposition or reservation by an independent director with a record or written statement.</p>	<p>5.15.9. Other matters to be included. (1) If either of the following happens to the resolution of the Board meeting, the fact shall be specified in the meeting minutes and be published and reported on the Market Observation Post System designated by the Taiwan Financial Supervisory Commission within two days of the Board meeting: a. There is opposition or reservation by an independent director with a record or written statement.</p>	<p>Correction of item symbols</p>

Amended Clauses	Original Clauses	Note
<p><u>B.</u> The matter was not approved by the Audit Committee but by the Board of Directors with the votes of at least two-thirds of all of the Directors.</p>	<p>b. The matter was not approved by the Audit Committee but by the Board of Directors with the votes of at least two-thirds of all of the Directors.</p>	
<p>8.5. <u>Edition 4.2 approved by the Board of Directors on December 18, 2024, and to be implemented after the approval of the resolution of the General Shareholders Meeting on June 17, 2025.</u></p>	<p>(Newly Added Clauses)</p>	<p>Add the last revision date</p>

Attachment 5**Nan Pao Resins Chemical Co., Ltd
Comparison Table of****“Procedures for Ethical Management and Guidelines for Conduct”**

Amended Clauses	Original Clauses	Note
5.6. The procedures for handling political contributions shall be in accordance with the following provisions and reported to the supervisor in charge for approval, <u>following the approval hierarchy as outlined in the approval authority table.</u>	5.6. The procedures for handling political contributions shall be in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the financial management office and the CEO.	In accordance with the current approval authority table, corrections should be made.
8.4. <u>Edition 3.1 approved by the Board of Directors on December 18, 2024, and to be implemented after the approval of the resolution of the General Shareholders Meeting on June 17, 2025.</u>	(Newly Added Clauses)	Add the last revision date

Attachment 6

Explanation of the Issuance of Undertakings in Connection with the Overseas Listing Application of Subsidiary Foshan Nan Pao Advanced Materials Co., Ltd. (hereinafter, “Foshan AM”)

1. In connection with the listing application of subsidiary, Foshan AM, on the National Equities Exchange and Quotations (NEEQ, also called the “New Third Board”) in Mainland China, the Company is required to issue a letter of undertaking to avoid competition in the same industry and conflicts of interest. The main contents of the undertakings are as follows:
 - a. As of the date of issuance of this Letter of Undertaking, the Company and its other subsidiaries under its control have overlapping business areas with Foshan AM that involve competition within the same industry. The Company will coordinate Foshan AM and its controlled subsidiaries to resolve such competition issues.
 - b. As of the date of issuance of this Letter of Undertaking, except for the situation disclosed above, neither the Company nor any of its controlled subsidiaries is engaged, in any manner, in any business within or outside of Mainland China that competes or may potentially compete with the principal business operations of Foshan AM and its subsidiaries.
 - c. From the date of issuance of this Letter of Undertaking onwards, and except for the aforementioned disclosed situation, the Company undertakes not to establish or participate in any new entities or operations that may result in competition with Foshan AM. The Company and its controlled subsidiaries will not engage, in any manner, in any business within or outside of Mainland China that competes or may potentially compete with the principal business operations of Foshan AM and its subsidiaries.
 - d. From the date of issuance of this Letter of Undertaking onwards, if, apart from the aforementioned disclosed situation, any business of the Company or its controlled subsidiaries is found to compete with the principal business of Foshan AM and its subsidiaries, the Company and its controlled subsidiaries shall cease such competing business operations and either integrate such businesses into Foshan AM or transfer them to unrelated third parties, in order to eliminate any competition within the same industry.
 - e. From the date of issuance of this Letter of Undertaking onwards, if the Company or any of its controlled subsidiaries acquires any business opportunity from a third party that competes or may potentially compete with the business of Foshan AM and its subsidiaries, the Company shall promptly notify Foshan AM and facilitate the transfer of such opportunity to Foshan AM and its subsidiaries, or adopt any other measures acceptable to regulatory authorities, to avoid any potential competition.

2. A summary of the aforementioned letter of undertaking has been prepared by the Company and disclosed on the Market Observation Post System (MOPS) on May 6, 2025, with the following subject announcing, The Company's BOD has approved the commitments undertaken by its subsidiary, Foshan AM, in relation to its listing on overseas securities markets.
3. The assessment of undertakings that may have a potential impact on the finance, business or shareholders' equity of the Company and subsidiaries:

Commitment letter regarding avoiding horizontal competition

The Company and its other subsidiaries under its control currently engage in businesses that constitute competition with Foshan AM. The Company and its controlled subsidiaries hereby undertake to comply with the relevant regulations of the China Securities Regulatory Commission (CSRC) and other applicable authorities regarding competition within the same industry. We guarantee that legal and effective measures will be taken to ensure that no competition arises in the future between the Company (and its controlled subsidiaries) and Foshan AM (and its subsidiaries). In the event that the Company or its controlled subsidiaries identify any new business opportunities in the future that may involve or result in substantial competition with Foshan AM, the Company shall, under lawful and reasonable circumstances, promptly notify Foshan AM of such opportunities. This matter is not expected to have any material adverse impact on the Company's overall financial position, business operations, or the rights and interests of its shareholders.

Attachment 7

Independent Auditors' Report and 2024 Financial Statements

(1) Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nan Pao Resins Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Nan Pao Resins Chemical Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Group's consolidated financial statements for the year ended December 31, 2024 is stated as follows:

Authenticity of Revenue Recognition

As stated in Notes 4-o and 26, the Group's main source of revenue is revenue from the sale of adhesives and coatings. The sales amount of some customers changed significantly and was associated with other specific characteristics in 2024. We considered the materiality of this to the consolidated financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition, and thus deemed the authenticity of revenue recognition of the aforementioned customers as a key audit matter.

The key audit procedures performed with respect to the aforementioned key audit matter are as follows:

1. We understood the design of the internal controls related to revenue recognition and tested on a sample basis its operating effectiveness.
2. We selected appropriate samples from the sales receipts of the aforementioned customers, and inspected the sales orders signed by external parties based on the revenue recognition terms, commercial invoices, bill of lading and collections of these customers to check whether the sales actually occurred.

Other Matters

Among the subsidiaries included in the consolidated financial statements of the Group, the financial statements of some of the subsidiaries were not audited by us, but were audited by other auditors. Our opinion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries were NT\$4,381,358 thousand and NT\$5,418,155 thousand as of December 31, 2024 and 2023, respectively, representing 16% and 23% of the consolidated total assets, respectively. The amounts of operating revenue were NT\$4,610,306 thousand and NT\$6,261,112 thousand, respectively, representing 20% and 30% of the consolidated operating revenue, respectively.

We have also audited the parent company only financial statements of Nan Pao Resins Chemical Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion with other matter paragraph.

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

In preparing the consolidated financial statements, management is responsible for assessing the 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2024 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 6,910,148	25	\$ 4,574,565	19
Financial assets at amortized cost - current (Notes 4, 9, 10, 34 and 36)	581,146	2	627,336	3
Notes receivable (Notes 4, 11 and 26)	344,349	1	343,899	2
Accounts receivable (Notes 4, 11 and 26)	4,724,866	17	4,056,979	17
Accounts receivable - related parties (Notes 4, 11, 26 and 35)	452,811	2	349,908	2
Other receivables (Note 4)	171,465	1	88,994	-
Current tax assets (Notes 4 and 28)	476	-	381	-
Inventories (Notes 4 and 12)	2,854,760	11	2,662,968	11
Other current assets (Note 20)	866,391	3	726,547	3
Total current assets	<u>16,906,412</u>	<u>62</u>	<u>13,431,577</u>	<u>57</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 34)	131,474	1	121,929	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 34)	1,659,564	6	1,682,112	7
Financial assets at amortized cost - non-current (Notes 4, 9, 10, 34 and 36)	33,249	-	37,907	-
Investments accounted for using the equity method (Notes 4 and 14)	57,208	-	30,312	-
Property, plant and equipment (Notes 4, 15 and 36)	5,840,228	21	5,808,353	25
Right-of-use assets (Notes 4, 16 and 36)	1,417,530	6	1,324,936	6
Investment properties (Notes 4 and 17)	17,760	-	17,760	-
Goodwill (Notes 4, 18 and 31)	393,394	1	352,208	1
Other intangible assets (Notes 4 and 19)	426,989	2	456,917	2
Deferred tax assets (Notes 4 and 28)	213,933	1	294,970	1
Net defined benefit assets - non-current (Notes 4 and 24)	89,048	-	41,864	-
Other non-current assets (Note 20)	79,759	-	63,551	-
Total non-current assets	<u>10,360,136</u>	<u>38</u>	<u>10,232,819</u>	<u>43</u>
TOTAL	<u>\$ 27,266,548</u>	<u>100</u>	<u>\$ 23,664,396</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 21 and 36)	\$ 3,032,665	11	\$ 1,832,918	8
Contract liabilities - current (Notes 4 and 26)	28,778	-	29,380	-
Notes payable (Note 22)	197	-	344	-
Accounts payable (Notes 22 and 35)	2,291,845	8	2,176,712	9
Dividends payable	-	-	1,997	-
Other payables (Note 35)	1,325,330	5	1,355,367	6
Current tax liabilities (Notes 4 and 28)	554,183	2	566,780	2
Lease liabilities - current (Notes 4 and 16)	118,169	1	102,212	-
Current portion of long-term borrowings (Notes 21 and 36)	70,749	-	145,577	1
Other current liabilities (Notes 23 and 35)	218,523	1	181,147	1
Total current liabilities	<u>7,640,439</u>	<u>28</u>	<u>6,392,434</u>	<u>27</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 21 and 36)	1,734,639	7	894,993	4
Deferred tax liabilities (Notes 4 and 28)	1,341,631	5	1,188,145	5
Lease liabilities - non-current (Notes 4 and 16)	601,977	2	632,576	3
Other non-current liabilities (Note 23)	11,430	-	9,569	-
Total non-current liabilities	<u>3,689,677</u>	<u>14</u>	<u>2,725,283</u>	<u>12</u>
Total liabilities	<u>11,330,116</u>	<u>42</u>	<u>9,117,717</u>	<u>39</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)				
Share capital - ordinary shares	1,205,707	4	1,205,707	5
Capital surplus	2,123,816	8	2,124,891	9
Retained earnings				
Legal reserve	1,808,236	7	1,565,289	6
Special reserve	313,321	1	313,321	1
Unappropriated earnings	7,601,313	28	7,029,050	30
Total retained earnings	9,722,870	36	8,907,660	37
Other equity	1,439,196	5	938,955	4
Total equity attributable to owners of the Company	14,491,589	53	13,177,213	55
NON-CONTROLLING INTERESTS	<u>1,444,843</u>	<u>5</u>	<u>1,369,466</u>	<u>6</u>
Total equity	<u>15,936,432</u>	<u>58</u>	<u>14,546,679</u>	<u>61</u>
TOTAL	<u>\$ 27,266,548</u>	<u>100</u>	<u>\$ 23,664,396</u>	<u>100</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2025)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 26 and 35)	\$ 22,982,598	100	\$ 20,581,188	100
OPERATING COSTS (Notes 12, 24, 27 and 35)	<u>15,460,340</u>	<u>67</u>	<u>14,090,728</u>	<u>68</u>
GROSS PROFIT	<u>7,522,258</u>	<u>33</u>	<u>6,490,460</u>	<u>32</u>
OPERATING EXPENSES (Notes 11, 24 and 27)				
Selling and marketing expenses	2,157,870	10	1,998,296	10
General and administrative expenses	1,185,588	5	978,930	5
Research and development expenses	543,033	2	519,403	2
Expected credit loss	<u>43,018</u>	<u>-</u>	<u>29,449</u>	<u>-</u>
Total operating expenses	<u>3,929,509</u>	<u>17</u>	<u>3,526,078</u>	<u>17</u>
PROFIT FROM OPERATIONS	<u>3,592,749</u>	<u>16</u>	<u>2,964,382</u>	<u>15</u>
NON-OPERATING INCOME AND EXPENSES (Notes 14 and 27)				
Interest income	132,211	-	70,594	-
Other income	216,617	1	479,677	2
Other gains and losses	(10,164)	-	(7,657)	-
Finance costs	(123,340)	(1)	(104,261)	(1)
Share of loss of associates	<u>(51,223)</u>	<u>-</u>	<u>(8,974)</u>	<u>-</u>
Total non-operating income and expenses	<u>164,101</u>	<u>-</u>	<u>429,379</u>	<u>1</u>
PROFIT BEFORE INCOME TAX	3,756,850	16	3,393,761	16
INCOME TAX EXPENSE (Notes 4 and 28)	<u>969,970</u>	<u>4</u>	<u>827,329</u>	<u>4</u>
NET PROFIT FOR THE YEAR	<u>2,786,880</u>	<u>12</u>	<u>2,566,432</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 24, 25 and 28)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	41,727	-	1,227	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(3,287)	-	(2,529,084)	(12)
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>(8,365)</u>	<u>-</u>	<u>(236)</u>	<u>-</u>
	<u>30,075</u>	<u>-</u>	<u>(2,528,093)</u>	<u>(12)</u>

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 549,928	2	\$ (115,243)	-
Income tax related to items that may be reclassified subsequently to profit or loss	<u>(102,604)</u>	<u>-</u>	<u>19,763</u>	<u>-</u>
	<u>447,324</u>	<u>2</u>	<u>(95,480)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>477,399</u>	<u>2</u>	<u>(2,623,573)</u>	<u>(12)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 3,264,279</u>	<u>14</u>	<u>\$ (57,141)</u>	<u>-</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 2,684,261	12	\$ 2,428,215	12
Non-controlling interests	<u>102,619</u>	<u>-</u>	<u>138,217</u>	<u>-</u>
	<u>\$ 2,786,880</u>	<u>12</u>	<u>\$ 2,566,432</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	\$ 3,124,013	14	\$ (178,663)	(1)
Non-controlling interests	<u>140,266</u>	<u>-</u>	<u>121,522</u>	<u>1</u>
	<u>\$ 3,264,279</u>	<u>14</u>	<u>\$ (57,141)</u>	<u>-</u>
EARNINGS PER SHARE (Note 29)				
Basic	<u>\$ 22.26</u>		<u>\$ 20.14</u>	
Diluted	<u>\$ 22.21</u>		<u>\$ 20.08</u>	

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

(With Deloitte & Touche auditors' report dated March 14, 2025)

(Concluded)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company										Non-controlling Interests	Total Equity
	Retained Earnings					Other Equity						
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total			
BALANCE AT JANUARY 1, 2023	\$ 1,205,707	\$ 2,115,333	\$ 1,388,123	\$ 313,321	\$ 5,982,451	\$ (340,299)	\$ 3,887,390	\$ 3,547,091	\$ 14,552,026	\$ 1,091,350	\$ 15,643,376	
Appropriation of 2022 earnings (Note 25)												
Legal reserve	-	-	177,166	-	(177,166)	-	-	-	-	-	-	
Cash dividends distributed by the Company - \$10 per share	-	-	-	-	(1,205,708)	-	-	-	(1,205,708)	-	(1,205,708)	
Net profit for the year ended December 31, 2023	-	-	-	-	2,428,215	-	-	-	2,428,215	138,217	2,566,432	
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	1,258	(79,052)	(2,529,084)	(2,608,136)	(2,606,878)	(16,695)	(2,623,573)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,429,473	(79,052)	(2,529,084)	(2,608,136)	(178,663)	121,522	(57,141)	
Arising from the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Note 32)	-	(195)	-	-	-	-	-	-	(195)	(122)	(317)	
Changes in ownership interests in subsidiaries (Note 32)	-	6,618	-	-	-	-	-	-	6,618	67,628	74,246	
Issuance of employee share options by subsidiaries (Note 30)	-	3,135	-	-	-	-	-	-	3,135	3,136	6,271	
Increase in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	85,952	85,952	
BALANCE AT DECEMBER 31, 2023	1,205,707	2,124,891	1,565,289	313,321	7,029,050	(419,351)	1,358,306	938,955	13,177,213	1,369,466	14,546,679	
Appropriation of 2023 earnings (Note 25)												
Legal reserve	-	-	242,947	-	(242,947)	-	-	-	-	-	-	
Cash dividends distributed by the Company - \$15 per share	-	-	-	-	(1,808,562)	-	-	-	(1,808,562)	-	(1,808,562)	
Net profit for the year ended December 31, 2024	-	-	-	-	2,684,261	-	-	-	2,684,261	102,619	2,786,880	
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	32,622	410,417	(3,287)	407,130	439,752	37,647	477,399	
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,716,883	410,417	(3,287)	407,130	3,124,013	140,266	3,264,279	
Changes in ownership interests in subsidiaries (Note 32)	-	(5,691)	-	-	-	-	-	-	(5,691)	24,893	19,202	
Issuance of employee share options by subsidiaries (Note 30)	-	4,616	-	-	-	-	-	-	4,616	4,704	9,320	
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(93,111)	-	93,111	93,111	-	-	-	
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(94,486)	(94,486)	
BALANCE AT DECEMBER 31, 2024	\$ 1,205,707	\$ 2,123,816	\$ 1,808,236	\$ 313,321	\$ 7,601,313	\$ (8,934)	\$ 1,448,130	\$ 1,439,196	\$ 14,491,589	\$ 1,444,843	\$ 15,936,432	

The accompanying notes are an integral part of the financial statements.

(With Deloitte & Touche audit report dated March 14, 2025)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,756,850	\$ 3,393,761
Adjustments for:		
Depreciation expenses	644,842	586,801
Amortization expenses	89,573	68,010
Expected credit loss recognized on accounts receivable	43,018	29,449
Net gain on fair value changes of financial assets at fair value through profit or loss	(13,355)	(18,327)
Finance costs	123,340	104,261
Interest income	(132,211)	(70,594)
Dividend income	(111,075)	(390,075)
Compensation cost of employee share options	9,320	6,271
Share of loss of associates	51,223	8,974
Gain on disposal of property, plant and equipment	(27,064)	(1,996)
Write-down of inventories	-	16,191
Impairment loss recognized on goodwill	-	2,096
Loss (gain) on lease modification	639	(20)
Changes in operating assets and liabilities		
Notes receivable	1,906	(27,055)
Accounts receivable	(538,308)	225,845
Accounts receivable - related parties	(102,903)	(42,912)
Other receivables	(75,492)	15,223
Inventories	(113,593)	171,197
Other current assets	(139,470)	(13,563)
Other non-current assets	(1,293)	(20,283)
Contract liabilities	(602)	(5,604)
Notes payable	(156)	(120)
Accounts payable	60,593	(498,061)
Other payables	110,219	25,575
Other current liabilities	37,034	(24,082)
Net defined benefit plans	(5,896)	(18,478)
Other non-current liabilities	1,872	406
Cash generated from operations	3,669,011	3,522,890
Interest received	124,791	66,459
Interest paid	(121,551)	(104,349)
Income tax paid	(870,131)	(356,014)
Net cash generated from operating activities	<u>2,802,120</u>	<u>3,128,986</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(4,738)
Proceeds from sale of financial assets at fair value through other comprehensive income	19,261	-

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Net decrease (increase) in financial assets at amortized cost	\$ 74,226	\$ (193,926)
Purchase of financial assets at fair value through profit or loss	-	(34,066)
Proceeds from disposal of financial assets at fair value through profit or loss	3,810	-
Acquisition of associates	(78,119)	-
Net cash outflow on acquisition of businesses and subsidiaries	(227,127)	(256,004)
Payments for property, plant and equipment	(510,639)	(557,738)
Proceeds from disposal of property, plant and equipment	72,018	7,851
Decrease (increase) in refundable deposits	5,087	(399)
Payments for intangible assets	(11,128)	(7,425)
Payments for right-of-use assets	(108,533)	(135,725)
Dividends received	111,075	390,075
Proceeds from disposal of right-of-use assets	<u>5,118</u>	<u>-</u>
Net cash used in investing activities	<u>(644,951)</u>	<u>(792,095)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	8,584,321	6,449,540
Repayments of short-term borrowings	(7,386,026)	(6,602,609)
Proceeds from long-term borrowings	3,119,128	1,735,373
Repayments of long-term borrowings	(2,376,292)	(2,056,964)
Refund of guarantee deposits received	(72)	(539)
Repayment of the principal portion of lease liabilities	(89,989)	(62,764)
Dividends paid	(1,901,289)	(1,264,062)
Changes in non-controlling interests	15,782	65,311
Payments for transaction costs attributable to the issue of ordinary shares	<u>(336)</u>	<u>(192)</u>
Net cash used in financing activities	<u>(34,773)</u>	<u>(1,736,906)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>213,187</u>	<u>(21,766)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,335,583	578,219
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>4,574,565</u>	<u>3,996,346</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 6,910,148</u>	<u>\$ 4,574,565</u>

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

(With Deloitte & Touche auditors' report dated March 14, 2025)

(Concluded)

(2) Individual Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nan Pao Resins Chemical Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Nan Pao Resins Chemical Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2024 and 2023, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including material accounting policy information (collectively referred to as the "parent company only financial statements").

In our opinion, based on our audits and the report of other auditors (please refer to the Other Matter paragraph), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2024 and 2023, and its parent company only financial performance and its parent company only 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 based on our audits and the report of other auditors.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter of the Company's parent company only financial statements for the year ended December 31, 2024 is stated as follows:

Authenticity of Revenue Recognition

As stated in Notes 4-n and 24, the Company's main source of revenue is revenue from the sale of adhesives and coatings. The sales amount of some customers changed significantly and was associated with other specific characteristics in 2024. We considered the materiality of this to the parent company only financial statements as well as the regulations in the auditing standards regarding the presumed significant risk in revenue recognition, and thus deemed the authenticity of revenue recognition of the aforementioned customers as a key audit matter.

The key audit procedures performed with respect to the aforementioned key audit matter are as follows:

1. We understood the design of the internal controls related to revenue recognition and tested on a sample basis its operating effectiveness.
2. We selected appropriate samples from the sales receipts of the aforementioned customers, and inspected the sales orders signed by external parties based on the revenue recognition terms, commercial invoices, bill of lading and collections of these customers to check whether the sales actually occurred.

Other Matters

Among the parent company only financial statements of the Company, the financial statements of some of the invested companies using the equity method were not audited by us, but were audited by other auditors. Our opinion, insofar as it relates to the amounts and related information, is based solely on the report of other auditors. The amounts of investments accounted for using the equity method were NT\$1,630,795 thousand and NT\$1,866,856 thousand as of December 31, 2024 and 2023, respectively, representing 7% and 10% of the total assets, respectively. Share of profit for using the equity method were NT\$116,622 thousand and NT\$241,185 thousand for the years ended December 31, 2024 and 2023, respectively, representing 4% and 8% of profit before tax, respectively.

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 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 parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2024 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.

The engagement partners on the audits resulting in this independent auditors' report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 14, 2025

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and parent company only financial statements shall prevail.

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars)

ASSETS	December 31, 2024		December 31, 2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 559,593	2	\$ 1,008,836	6
Notes receivable (Notes 4 and 11)	156,498	1	195,531	1
Accounts receivable (Notes 4, 11 and 24)	436,243	2	382,805	2
Accounts receivable - related parties (Notes 4, 11, 24 and 32)	1,585,905	7	1,127,438	6
Other receivables (Notes 4 and 32)	10,690	-	15,693	-
Inventories (Notes 4 and 12)	600,993	3	606,969	3
Other current assets (Note 18)	51,241	-	20,749	-
Total current assets	<u>3,401,163</u>	<u>15</u>	<u>3,358,021</u>	<u>18</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	131,474	1	121,929	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	1,659,564	7	1,664,892	9
Financial assets at amortized cost - non-current (Notes 4, 9 and 10)	13,898	-	13,703	-
Investments accounted for using the equity method (Notes 4 and 13)	14,272,169	63	10,243,511	56
Property, plant and equipment (Notes 4 and 14)	2,745,008	12	2,789,471	15
Right-of-use assets (Notes 4 and 15)	21,836	-	14,787	-
Investment properties (Notes 4 and 16)	17,760	-	17,760	-
Other intangible assets (Notes 4 and 17)	25,333	-	24,732	-
Deferred tax assets (Notes 4 and 26)	127,022	1	204,224	1
Net defined benefit assets - non-current (Notes 4 and 22)	100,717	1	54,588	-
Other non-current assets (Note 18)	17,296	-	9,643	-
Total non-current assets	<u>19,132,077</u>	<u>85</u>	<u>15,159,240</u>	<u>82</u>
TOTAL	<u>\$ 22,533,240</u>	<u>100</u>	<u>\$ 18,517,261</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 19)	\$ 2,350,870	11	\$ 1,180,342	6
Contract liabilities - current (Notes 4 and 24)	8,442	-	13,416	-
Notes payable (Note 20)	64	-	128	-
Accounts payable (Notes 20 and 32)	510,884	2	708,431	4
Other payables (Notes 21 and 32)	2,232,765	10	1,193,134	7
Current tax liabilities (Note 26)	413,218	2	443,732	2
Lease liabilities - current (Notes 4 and 15)	6,006	-	5,646	-
Current portion of long-term borrowings (Note 19)	-	-	105,239	1
Other current liabilities (Notes 21 and 32)	24,903	-	21,409	-
Total current liabilities	<u>5,547,152</u>	<u>25</u>	<u>3,671,477</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 19)	1,247,000	6	581,420	3
Deferred tax liabilities (Notes 4 and 26)	1,231,348	5	1,077,399	6
Lease liabilities - non-current (Notes 4 and 15)	16,151	-	9,499	-
Other non-current liabilities	-	-	253	-
Total non-current liabilities	<u>2,494,499</u>	<u>11</u>	<u>1,668,571</u>	<u>9</u>
Total liabilities	<u>8,041,651</u>	<u>36</u>	<u>5,340,048</u>	<u>29</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital - ordinary shares	1,205,707	5	1,205,707	7
Capital surplus	2,123,816	10	2,124,891	11
Retained earnings				
Legal reserve	1,808,236	8	1,565,289	8
Special reserve	313,321	1	313,321	2
Unappropriated earnings	7,601,313	34	7,029,050	38
Total retained earnings	<u>9,722,870</u>	<u>43</u>	<u>8,907,660</u>	<u>48</u>
Other equity	1,439,196	6	938,955	5
Total equity	<u>14,491,589</u>	<u>64</u>	<u>13,177,213</u>	<u>71</u>
TOTAL	<u>\$ 22,533,240</u>	<u>100</u>	<u>\$ 18,517,261</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2025)

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 24 and 32)	\$ 6,926,576	100	\$ 5,975,982	100
OPERATING COSTS (Notes 12, 22, 25 and 32)	<u>4,018,213</u>	<u>58</u>	<u>3,790,087</u>	<u>63</u>
GROSS PROFIT	2,908,363	42	2,185,895	37
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	(417,472)	(6)	(296,982)	(5)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES	<u>296,982</u>	<u>4</u>	<u>232,454</u>	<u>4</u>
REALIZED GROSS PROFIT	<u>2,787,873</u>	<u>40</u>	<u>2,121,367</u>	<u>36</u>
OPERATING EXPENSES (Notes 11, 25 and 32)				
Selling and marketing expenses	465,308	6	477,568	8
General and administrative expenses	410,883	6	351,482	6
Research and development expenses	258,452	4	231,940	4
Expected credit (gain) loss	<u>(1,756)</u>	<u>-</u>	<u>5,311</u>	<u>-</u>
Total operating expenses	<u>1,132,887</u>	<u>16</u>	<u>1,066,301</u>	<u>18</u>
PROFIT FROM OPERATIONS	<u>1,654,986</u>	<u>24</u>	<u>1,055,066</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13 and 25)				
Interest income	9,287	-	10,799	-
Other income	135,000	2	400,354	7
Other gains and losses	68,452	1	14,171	-
Finance costs	(51,796)	(1)	(35,119)	(1)
Share of profit of subsidiaries and associates	<u>1,405,108</u>	<u>21</u>	<u>1,460,831</u>	<u>25</u>
Total non-operating income and expenses	<u>1,566,051</u>	<u>23</u>	<u>1,851,036</u>	<u>31</u>
PROFIT BEFORE INCOME TAX	3,221,037	47	2,906,102	49
INCOME TAX EXPENSE (Notes 4 and 26)	<u>536,776</u>	<u>8</u>	<u>477,887</u>	<u>8</u>
NET PROFIT FOR THE YEAR	<u>2,684,261</u>	<u>39</u>	<u>2,428,215</u>	<u>41</u>

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ 39,525	-	\$ 2,057	-
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	(5,328)	-	(2,525,925)	(42)
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	3,043	-	(3,547)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(7,905)	-	(411)	-
	<u>29,335</u>	<u>-</u>	<u>(2,527,826)</u>	<u>(42)</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	511,143	7	(96,930)	(2)
Share of other comprehensive income (loss) of subsidiaries accounted for using the equity method	1,878	-	(1,885)	-
Income tax related to items that may be reclassified subsequently to profit or loss	(102,604)	(1)	19,763	-
	<u>410,417</u>	<u>6</u>	<u>(79,052)</u>	<u>(2)</u>
Other comprehensive income (loss) for the year, net of income tax	<u>439,752</u>	<u>6</u>	<u>(2,606,878)</u>	<u>(44)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	<u>\$ 3,124,013</u>	<u>45</u>	<u>\$ (178,663)</u>	<u>(3)</u>
EARNINGS PER SHARE (Note 27)				
Basic	<u>\$ 22.26</u>		<u>\$ 20.14</u>	
Diluted	<u>\$ 22.21</u>		<u>\$ 20.08</u>	

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2025)

(Concluded)

NAN PAO RESINS CHEMICAL CO., LTD.

**PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)**

	Retained Earnings					Other Equity			Total Equity
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	
BALANCE AT JANUARY 1, 2023	\$ 1,205,707	\$ 2,115,333	\$ 1,388,123	\$ 313,321	\$ 5,982,451	\$ (340,299)	\$ 3,887,390	\$ 3,547,091	\$ 14,552,026
Appropriation of 2022 earnings (Note 23)									
Legal reserve	-	-	177,166	-	(177,166)	-	-	-	-
Cash dividends distributed by the Company - \$10 per share	-	-	-	-	(1,205,708)	-	-	-	(1,205,708)
Net profit for the year ended December 31, 2023	-	-	-	-	2,428,215	-	-	-	2,428,215
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	1,258	(79,052)	(2,529,084)	(2,608,136)	(2,606,878)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,429,473	(79,052)	(2,529,084)	(2,608,136)	(178,663)
Arising from the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	(195)	-	-	-	-	-	-	(195)
Changes in ownership interests in subsidiaries	-	6,618	-	-	-	-	-	-	6,618
Issuance of employee share options by subsidiaries	-	3,135	-	-	-	-	-	-	3,135
BALANCE AT DECEMBER 31, 2023	1,205,707	2,124,891	1,565,289	313,321	7,029,050	(419,351)	1,358,306	938,955	13,177,213
Appropriation of 2023 earnings (Note 23)									
Legal reserve	-	-	242,947	-	(242,947)	-	-	-	-
Cash dividends distributed by the Company - \$15 per share	-	-	-	-	(1,808,562)	-	-	-	(1,808,562)
Net profit for the year ended December 31, 2024	-	-	-	-	2,684,261	-	-	-	2,684,261
Other comprehensive income (loss) for the year ended December 31, 2024, net of income tax	-	-	-	-	32,622	410,417	(3,287)	407,130	439,752
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	2,716,883	410,417	(3,287)	407,130	3,124,013
Changes in ownership interests in subsidiaries	-	(5,691)	-	-	-	-	-	-	(5,691)
Issuance of employee share options by subsidiaries	-	4,616	-	-	-	-	-	-	4,616
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(93,111)	-	93,111	93,111	-
BALANCE AT DECEMBER 31, 2024	\$ 1,205,707	\$ 2,123,816	\$ 1,808,236	\$ 313,321	\$ 7,601,313	\$ (8,934)	\$ 1,448,130	\$ 1,439,196	\$ 14,491,589

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche audit report dated March 14, 2025)

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 3,221,037	\$ 2,906,102
Adjustments for:		
Depreciation expenses	234,408	217,743
Amortization expenses	9,815	8,340
Expected credit loss (reversed) recognized on accounts receivable	(1,756)	5,311
Net gain on fair value changes of financial assets at fair value through profit or loss	(13,355)	(18,327)
Finance costs	51,796	35,119
Interest income	(9,287)	(10,799)
Dividend income	(108,914)	(389,158)
Share of profit of subsidiaries and associates	(1,405,108)	(1,460,831)
(Gain) loss on disposal of property, plant and equipment	(3,243)	237
Write-down of inventories	-	6,545
Unrealized gain on the transactions with subsidiaries	417,472	296,982
Realized gain on the transactions with subsidiaries	(296,982)	(232,454)
Net gain on foreign currency exchange	(63)	(537)
Gain on lease modification	-	(111)
Changes in operating assets and liabilities		
Notes receivable	39,033	(10,867)
Accounts receivable	(51,682)	10,795
Accounts receivable - related parties	(458,467)	27,612
Other receivables	5,003	2,387
Inventories	5,976	(33,840)
Other current assets	(30,492)	(2,926)
Contract liabilities	(4,974)	7,899
Notes payable	(64)	(189)
Accounts payable	(197,547)	(16,897)
Other payables	50,379	64,771
Other current liabilities	3,494	(1,735)
Net defined benefit plans	(6,604)	(20,795)
Cash generated from operations	1,449,875	1,390,377
Interest received	9,287	10,799
Interest paid	(49,204)	(34,572)
Income tax paid	(446,648)	(66,154)
Net cash generated from operating activities	<u>963,310</u>	<u>1,300,450</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	-	(4,738)
Net Increase in financial assets at amortized cost	(195)	-
Net decrease in financial assets at amortized cost	-	629
Purchase of financial assets at fair value through profit or loss	-	(35,000)
Financial assets at fair value through profit or loss return of investment	3,810	\$ 934

(Continued)

NAN PAO RESINS CHEMICAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Acquisition of associates	\$ (78,119)	\$ -
Net cash outflow on acquisition of subsidiaries	-	(401,307)
Payments for property, plant and equipment	(199,576)	(306,835)
Proceeds from disposal of property, plant and equipment	3,909	300
Payments for intangible assets	(10,416)	(5,399)
Dividends received	<u>736,249</u>	<u>774,153</u>
Net cash generated from investing activities	<u>455,662</u>	<u>22,737</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	8,023,817	5,676,383
Repayments of short-term borrowings	(6,853,289)	(5,706,907)
Proceeds from long-term borrowings	867,000	300,000
Repayments of long-term borrowings	(306,912)	(604,318)
Increase in other payables	994,445	644,805
Repayment of the principal portion of lease liabilities	(6,510)	(7,886)
Dividends paid	(1,808,562)	(1,205,708)
Acquisition of additional interest in subsidiaries	<u>(2,778,204)</u>	<u>(96,413)</u>
Net cash used in financing activities	<u>(1,868,215)</u>	<u>(1,000,044)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(449,243)	323,143
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,008,836</u>	<u>685,693</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 559,593</u>	<u>\$ 1,008,836</u>

The accompanying notes are an integral part of the parent company only financial statements.

(With Deloitte & Touche auditors' report dated March 14, 2025)

(Concluded)

Attachment 8**Nan Pao Resins Chemical Co., Ltd.
2024 Earnings Distribution Table**

Unit : NT\$

Item		Amount
Beginning retained earnings		\$ 4,977,541,727
Net income	\$ 2,684,260,616	
Defined benefit plan remeasurement on retained earnings	32,621,789	
Dispose of equity instrument investments at fair value through other comprehensive gains and losses, and the accumulated gains and losses are directly transferred to retained earnings	(93,110,523)	
The after-tax net income for the period plus the amount of items adjusted to the current year's undistributed earnings other than after-tax net income for the period		2,623,771,882
Less: 10% legal reserve		(262,377,188)
Distributable net profit		\$ 7,338,936,421
Distribution item:		
Shareholders dividends - Cash dividends (@\$19/share)		(2,290,844,820)
Unappropriated retained earnings		\$ 5,048,091,601
Note : The shareholders dividends was calculated based on total outstanding shares, 120,570,780 shares, as of March 14, 2025. Actual dividend per share will be calculated based on the actual issued and outstanding shares as of the ex-dividend date. The total amount of dividend shall remain the same.		

Chairman: Cheng-Hsien, Wu

Manager: Ming-Hsien, Hsu

Accounting Manager: Kun-Chin, Lin

Attachment 9

Nan Pao Resins Chemical Co., Ltd
Comparison Table for the
“Articles of Incorporation”

Amended Clauses	Original Clauses	Note
<p>17. The Company has established five to nine seats of directors. Among the above-mentioned directors, at least three are independent directors. The election of directors shall be elected from a nomination system by shareholders among a list of nominees for directors. Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated separately. The directors shall have a term of office of three years and may be re-elected. The professional qualifications, shareholding, the prohibition on positions held at other companies, nomination and selection process, and other matters of the Company’s Independent Directors, are processed in compliance with relevant regulations. The Company may purchase liability insurance for directors, within the scope of business during their term of office.</p>	<p>17. The Company has established five to nine seats of directors. The number of directors is determined by the Board of Directors. Among the above-mentioned directors, at least three are independent directors. The election of directors shall be elected from a nomination system by shareholders among a list of nominees for directors. Independent directors and non-independent directors shall be elected together, and the number of elected candidates shall be calculated separately. The directors shall have a term of office of three years and may be re-elected. The professional qualifications, shareholding, the prohibition on positions held at other companies, nomination and selection process, and other matters of the Company’s Independent Directors, are processed in compliance with relevant regulations. The Company may purchase liability insurance for directors, within the scope of business during their term of office.</p>	<p>Revised text description</p>
<p>22. Directors shall exercise their powers in accordance with the resolutions adopted by the Board of Directors and the shareholders' meeting. When the vacancy of directors reaches one-third of the number for any reason, the Board of Directors shall convene a shareholders' meeting in accordance with the law to elect it. Except for the general re-election of directors, the term of office of the new director shall be extended to the expiration of the original term.</p>	<p>22. Directors shall exercise their powers in accordance with the resolutions adopted by the Board of Directors and the shareholders' meeting. When the vacancy of directors reaches one-third of the total number for any reason, the Board of Directors shall convene a shareholders' meeting in accordance with the law to elect it. Except for the general re-election of directors, the term of office of the new director shall be extended to the expiration of the original term.</p>	<p>Revised text description</p>

Amended Clauses	Original Clauses	Note
<p>25. Prior to the distribution of earnings, the Company shall set aside 2% to 6% of <u>the annual pre-tax profit</u> as employee compensation, <u>which no less than 20% shall be distributed to grassroots employees. In addition, no more than 3% of the aforementioned profit shall be allocated as director compensation.</u> However, the Company shall have reserved a sufficient amount to offset its accumulated losses. Employees' compensation may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions set by the Board of Directors or its authorized persons. Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.</p>	<p>25. Prior to the distribution of earnings, the Company shall set aside 2% to 6% of the distributable profit for the period as employee compensation, and no more than 3% as director compensation. However, the Company shall have reserved a sufficient amount to offset its accumulated losses. Employees' compensation may be distributed in shares or cash, and the recipients may include employees of its controlled entities or subsidiary companies who meet certain conditions set by the Board of Directors or its authorized persons. Distribution of directors' and employees' remuneration are resolved by a majority vote at a Board of Directors' meeting attended by two-thirds of the total number of directors and shall be reported to the shareholders' meeting.</p>	<p>Revised text description and according to the amended regulations under Presidential Decree Hua-Zong-Yi-Yi No. 11300069631 on August 7, 2024.</p>
<p>29. Revision history: <u>the fiftieth amendment was made on June 17, 2025.</u></p>	<p>29. Revision history:</p>	<p>Add the last revision date</p>