

NAN PAO RESINS CHEMICAL CO., LTD.

2025 Annual Shareholders' Meeting

Meeting Agenda

Time: 10 a.m., June 17, 2025

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

Notice to readers

This English version is only a translation of the Chinese version. If there is any inconsistency or discrepancy between the English and Chinese version, the Chinese version shall prevail for all intents and purposes.

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NAN PAO RESINS CHEMICAL CO., LTD.
General Shareholders Meeting 2025
Meeting Procedure

- I. Call the Meeting to Order
- II. Chairman's Address
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extemporaneous Motions
- VII. Meeting Adjourned

NAN PAO RESINS CHEMICAL CO., LTD.

General Shareholders Meeting 2025

Meeting Agenda

Type of Meeting: Physical shareholders meeting

Time: 10 a.m., June 17, 2025

Place: No. 519, Zhongshan Rd., Xigang Dist., Tainan City

(Nan Pao International Conference Hall)

Chairman: Cheng-Hsien, Wu, Chairman of the Board of Directors

I. Call the Meeting to Order

II. Chairman's Address

III. Report Items

1. 2024 Business Report
2. 2024 Audit Committee's Review Report
3. To Report 2024 Employees and Directors Remuneration Distribution
4. To Report Distribution of Cash Dividends from 2024 Profits
5. To Report 2024 Directors Remuneration
6. To Amend "Rules of Procedure for Board of Directors Meetings"
7. To Amend "Procedures for Ethical Management and Guidelines for Conduct"
8. Issuance of Undertaking in Connection with the Overseas Listing Application of Subsidiary Foshan Nan Pao Advanced Materials Co., Ltd.

IV. Ratification Items

1. 2024 Business Report and Financial Statements
2. 2024 Earnings Distribution

V. Discussion Items

1. To Amend "Articles of Incorporation"

※ Voting on each of the aforementioned ratification and discussion proposals will be conducted simultaneously after each item has been discussed, with votes counted separately for each case.

VI. Extemporaneous Motions

VII. Meeting Adjourned

Report Items

1. 2024 Business Report

Explanation: Please refer to Attachment 1 on page 8~13.

2. 2024 Audit Committee's Review Report

Explanation: Please refer to Attachment 2 on page 14.

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 on page 15~16.

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 on page 17~18.

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 on page 19.

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 on page 20~21.

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 on page 8~13 and Attachment 7 on page 22~41.

Resolution:

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 on page 42 for 2024 Earnings Distribution Table.

Resolution:

Discussion Items

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

Explanation: 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 on page 43~44 and Appendix 1 on page 46~50.

Resolution:

※ Voting on the above proposals.

Extemporaneous Motions

Meeting Adjourned

Attachment

1. Business Report on page 8~13
2. Audit Committee's Review Report on page 14
3. 2024 Directors' Remunerations on page 15~16
4. Comparison Table for the "Rules of Procedure for Board of Directors Meetings" Before and After Revision on page 17~18
5. Comparison Table for the "Procedures for Ethical Management and Guidelines for Conduct" Before and After Revision on page 19
6. Explanation of the Issuance of Undertakings in Connection with the Overseas Listing Application of Subsidiary Foshan Nan Pao Advanced Materials Co., Ltd. on page 20~21
7. Independent Auditors' Report and 2024 Financial Statements on page 22~41
8. 2024 Earnings Distribution Table on page 42
9. Comparison Table for the " Articles of Incorporation " Before and After Revision on page 43~44

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)

Year Item		2024		2023		Variances	
		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 Non-consolidated 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.																					

*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
<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.	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.	
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>	(Newly Added Clauses)	Add the last revision date

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	16,906,412	62	13,431,577	57
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	10,360,136	38	10,232,819	43
TOTAL	\$ 27,266,548	100	\$ 23,664,396	100
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	7,640,439	28	6,392,434	27
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	3,689,677	14	2,725,283	12
Total liabilities	11,330,116	42	9,117,717	39
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	1,444,843	5	1,369,466	6
Total equity	15,936,432	58	14,546,679	61
TOTAL	\$ 27,266,548	100	\$ 23,664,396	100

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	(102,604)	-	19,763	-
	<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										
	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	Non-controlling Interests	Total 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	\$ 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	<u>\$ 1,205,707</u>	<u>\$ 2,123,816</u>	<u>\$ 1,808,236</u>	<u>\$ 313,321</u>	<u>\$ 7,601,313</u>	<u>\$ (8,934)</u>	<u>\$ 1,448,130</u>	<u>\$ 1,439,196</u>	<u>\$ 14,491,589</u>	<u>\$ 1,444,843</u>	<u>\$ 15,936,432</u>

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	2,802,120	3,128,986
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)

	December 31, 2024		December 31, 2023	
ASSETS	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	3,401,163	15	3,358,021	18
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	19,132,077	85	15,159,240	82
TOTAL	\$ 22,533,240	100	\$ 18,517,261	100
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	5,547,152	25	3,671,477	20
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	2,494,499	11	1,668,571	9
Total liabilities	8,041,651	36	5,340,048	29
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	9,722,870	43	8,907,660	48
Other equity	1,439,196	6	938,955	5
Total equity	14,491,589	64	13,177,213	71
TOTAL	\$ 22,533,240	100	\$ 18,517,261	100

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	<u>(7,905)</u>	<u>-</u>	<u>(411)</u>	<u>-</u>
	<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	<u>(102,604)</u>	<u>(1)</u>	<u>19,763</u>	<u>-</u>
	<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 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		
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	963,310	1,300,450
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>	Revised text description
<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>	Revised text description

Amended Clauses	Original Clauses	Note
<p>25. Prior to the distribution of earnings, the Company shall set aside 2% to 6% of the annual <u>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>

Appendix

1. Articles of Incorporation (Before Revision) on pages 46~50
2. Rules of Procedure for Shareholders Meeting on pages 51~62
3. Shareholding of All Directors on page 63

Appendix 1

Nan Pao Resins Chemical Co., Ltd. Articles of Incorporation

Chapter 1 General Provisions

- 1 The Company is incorporated in accordance with the regulations on companies limited by shares under the Company Act and named “Nan Pao Resins Chemical Co., Ltd.”
- 2 The scope of business of the Company are as follows:
 - (1) C801060 Synthetic Rubber Manufacturing
 - (2) C801100 Synthetic Resin and Plastic Material Manufacturing
 - (3) C802120 Industrial Catalyst Manufacturing
 - (4) C802200 Varnish, Lacquer, Dye, and Pigment Manufacturing
 - (5) ZZ99999 Business items not prohibited or restricted by law except those requiring special approval
- 3 The Company’s head office is in Tainan City, and may, pursuant to a resolution adopted by the Board of Directors and the competent authority, set up branches, offices, or factories in appropriate locations within domestic or overseas when deemed necessary.
- 4 The total amount of the Company’s reinvested capital may exceed 40% of the paid-in capital and shall make an external guarantee.

Chapter 2 Capital

- 5 The total capital stock of the Company is 2 billion New Taiwan Dollars, divided into 200 million shares at 10 New Taiwan Dollars each, unissued shares are authorized to be issued by the resolution of the Board of Directors. A total of 8 million shares among the total number of shares referred to the preceding paragraph shall be reserved for the issuance of convertible shares of employee stock options.
- 5.1 The Company repurchases its treasury shares to employees, reserves the issuance of common shares in cash for employees to subscribe, issues employee stock option certificates, and issues restricted shares for employee, which could be entitled to the qualified employees of controlled entities or subsidiaries of the Company meeting certain specific requirements. The Board of Directors is authorized to decide the conditions and the subscription.
- 6 All the shares issued by the Company, the issuing company may be exempted from printing any share certificate for the shares issued. If the Company prints stock certificates, it will be name-bearing and shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.
- 7 The Company’s shareholder services affairs are in compliance with Regulations Governing the Administration of Shareholder Services of Public Companies and relevant regulations.
- 8 All changes made to the list of shareholders shall not be made within sixty days prior to an upcoming annual shareholders’ meeting, within thirty days prior to a provisional shareholders’ meeting, or within five days prior to the base date on which the Company issues dividends, bonuses, or other interests.

Chapter 3 Shareholders’ Meeting

- 9 Shareholders’ meetings of the Company are of two types, namely regular meetings and provisional meetings. Regular meetings shall be convened by the board of directors within six months after the end of each fiscal year. Provisional meetings shall be convened in accordance with relevant laws, rules, and regulations when necessary.

- 10 When the Company holds a shareholders' meeting, it should exercise its voting right by way of electronic transmission and may in writing. It shall be executed in accordance with relevant laws and regulations.
- If a shareholder is unable to attend the shareholders' meeting, the shareholder may appoint a proxy to attend the meeting in accordance with Article 177 of the Company Act and exercise his/her/its rights. The proxy is not limited to the shareholders of the Company.
- 11 Unless otherwise stipulated by laws and regulations, the shareholders' meetings shall be convened by the Board of Directors and the meeting shall be chaired by the chairman of the Company. When the chairman of the Board is on leave, shall appoint one of the directors to act as the chair in accordance with Article 208 of the Company Act.
- 12 The shareholder of the Company is entitled to one vote for each share held unless otherwise stipulated by law.
- 13 Unless otherwise stipulated by law, a resolution made at a shareholders' meeting shall be adopted by a majority vote at a meeting attended by shareholders representing half of the total number of shares issued. The resolutions made in a shareholders' meeting shall be recorded in the minutes and shall be handled in accordance with Article 183 of the Company Act.
- 14 When the Company convenes a shareholders' meeting, the shareholders' meeting may be held via visual communication network. The relevant operating procedures of the visual communication network shall be handled in accordance with the Company Law and the regulations of the competent authority.
- 15 After the public offering of the Company's stock, if the Company wants to cancel the public offering, it must be approved by the Board of Directors and approved at a shareholders' meeting.

Chapter 4 Board of Directors' Meeting

- 16 The Board of Directors' meeting shall be convened at least once every quarter.
- The Board of Directors shall be convened by the chairman of the Board of Directors, except that the first Board of Directors of each session shall be convened by the director with the most voting rights representing the votes obtained after re-election.
- A notice specifying the reason for convening a Board meeting shall be sent to all directors seven days before the scheduled meeting day, however a Board meeting may be convened on short notice when in emergency circumstances.
- The notice of the Board of Directors' meeting shall be by email.
- 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.

- 17.1 In accordance with the provisions of Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee, and may establish different types of functional committees. The Audit Committee shall be composed of the entire independent directors and shall be responsible for implementing the supervisory functions and powers stipulated by the Company Act, Securities and Exchange Act and other laws and regulations.
- 18 The compensation of the directors should authorize the Board of Directors to set a compensation standard based on the value of their participation in and contribution to the operation of the Company and with reference to domestic and overseas industry standards.
- 19 Except as otherwise stated in the Act or in the Company Act, a resolution on a matter at a Board of Directors meeting requires the approval of a majority of the directors present at the meeting that shall be attended by a majority of all directors.
- 20 The directors shall elect from among themselves a chairman of the Board of Directors by a majority vote at a meeting attended by over two-thirds of all the directors. The chairman is the chairperson of the Board of Directors and represents the Company externally. When the chairman of the Board is on leave or for any reason is unable to exercise the powers of the chairman, one of the directors shall be appointed to act as the chair by the chairman. When the chairman does not make such appointment, directors shall elect one person from among themselves to serve as the chair.
- 21 A director may authorize other directors in writing to attend the meeting of the Board of Directors as a proxy, and may exercise voting rights on behalf of all matters raised at the meeting. The proxy can only accept a proxy from one person. Attending via video conferencing is deemed as attending in person.
- 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.

Chapter 5 Managerial Officers

- 23 The Company shall have several managers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter 6 Accounting

- 24 The fiscal year of the Company starts from January 1st to December 31st of each year. After the close of each fiscal year, the following reports shall be compiled by the Board of Directors and submitted to the shareholders meeting for acceptance:
1. Business Report;
 2. Financial Statement;
 3. Proposal Concerning Appropriation of Earnings or Covering of Losses.
- 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' compensation 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.

- 26 If there are earnings after the close of the fiscal year, the Company shall distribute the earnings in the following order:
1. Paying the tax.
 2. Offsetting losses.
 3. Setting aside a legal capital reserve at 10% of the earnings left over, but this limit is not applicable when the statutory surplus reserve has reached the Company's paid-in capital.
 4. The special surplus reserve recognized or reversed in accordance with law and regulations or supervisory authorities.
 5. If there is still surplus, together with the accumulated undistributed surplus, it is proposed to distribute the surplus in a distribution plan.

The Company's profit distribution or loss appropriation shall be made after the end of each quarter. If the surplus distribution is paid in cash, it shall be handled by a resolution of the Board of Directors in accordance with the provisions of Article 228-1 and Article 240, paragraph 5 of the Company Act, and shall be reported to the shareholders' meeting, and there is no need to submit it to the shareholders' meeting for approval.

The Company is at the steady growth stage of its business, and for future business expansion plans, the dividend distribution shall not be less than 10% of the remaining profits of the current year. The distribution of earnings may be in the form of cash dividends or stock dividends, with cash dividends being the priority, and may also be distributed in the form of stock dividends. However, the proportion of stock dividend distribution shall not be higher than 80% of the total dividends.

However, in order to maintain the Company's earnings per share, the impact of stock dividends on the Company's business performance shall be taken into account. If the annual earnings per share of the dividend payment is more than 20% lower than the previous year, a proposal regarding the earning distribution, in which the dividend payout amount and ratio are appropriately adjusted, shall be prepared by the Board of Directors and submitted to the shareholders meeting for a resolution.

Chapter 7 Supplementary Provisions

- 27 The internal organization of the Company and the detailed procedures of business operation shall be determined by the Board of Directors.
- 28 In regard to all matters not provided in the Articles of Incorporation, the Company Law and other regulations shall govern.
- 29 The Articles of Incorporation was enacted on August 30, 1963; the first amendment was made on October 5, 1966; the second amendment was made on September 21, 1968; the third amendment was made on June 14, 1971; the fourth amendment was made on March 15, 1972; the fifth amendment was made on March 25, 1973; the sixth amendment was made on September 27, 1974; the seventh amendment was made on January 11, 1975; the eighth amendment was made on December 16, 1975; the ninth amendment was made on October 20, 1976; the tenth amendment was made on December 15, 1976; the eleventh amendment was made on November 8, 1978; the twelfth amendment was made on September 18, 1979; the thirteenth amendment was made on August 30, 1980; the fourteenth amendment was made on, September 23 1981; the fifteenth amendment was made on August 20, 1981; the sixteenth amendment was made on June 23, 1983; the seventeenth amendment was made on August

20, 1984; the nineteenth amendment was made on June 27, 1985; the twentieth amendment was made on November 1, 1985; the twenty-first amendment was made on May 31, 1986; the twenty-second amendment was made on April 8, 1987; the twenty-third amendment was made on October 9, 1987; the twenty-fourth amendment was made on May 3, 1988; the twenty-fifth amendment was made on June 10, 1989; the twenty-sixth amendment was made on October 12, 1989; the twenty-seventh amendment was made on April 27, 1990; the twenty-eighth amendment was made on May 16, 1991; the twenty-ninth amendment was made on May 4, 1992; the thirtieth amendment was made on June 1, 1993; the thirty-first amendment was made on June 29, 1994; the thirty-second amendment was made on May 30, 1995; the thirty-third amendment was made on June 20, 2000; the thirty-fourth amendment was made on December 11, 2000; the thirty-fifth amendment was made on June 25, 2002; the thirty-sixth amendment was made on June 27, 2003; the thirty-seventh amendment was made on May 21, 2004; the thirty-eighth amendment was made on May 25, 2004; the thirty-ninth amendment was made on June 28, 2005; the fortieth amendment was made on June 27, 2006; the forty-first amendment was made on July 21, 2006; the forty-second amendment was made on October 23, 2008; the forty-third amendment was made on June 27, 2011; the forty-fourth amendment was made on June 27, 2014; the forty-fifth amendment was made on June 27, 2016; the forty-sixth amendment was made on May 16, 2017; the forty-seventh amendment was made on December 12, 2017; the forty-eighth amendment was made on June 14, 2019; the forty-ninth amendment was made on June 23, 2022.

Appendix 2

Nan Pao Resins Chemical Co., Ltd. Rules of Procedure for Shareholders Meeting

1. Purpose: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meeting, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. Scope: The rules of procedure for the Company's shareholders meeting, except as otherwise provided by law, regulation, or the Articles of Incorporation, shall be as provided in these Rules.
3. Definition: None.
4. Authority and Responsibility: None.
5. Content:
 - 5.1. Unless otherwise provided by law or regulation, the Company's shareholders meeting shall be convened by the Board of Directors.
 - 5.1.1. Changes to how the Company convenes its shareholders meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders meeting notice. The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) 30 days before the date of a regular shareholders meeting or 15 days before the date of a provisional shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS 21 days before the date of the regular shareholders meeting or 15 days before the date of the provisional shareholders meeting. In addition, 15 days before the date of the shareholders meeting, The Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at The Company and its shareholder services agent.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

 - A. For physical shareholders meeting, to be distributed on-site at the meeting.
 - B. For hybrid shareholders meeting, to be distributed on-site at the meeting and shared the electronic files on the virtual meeting platform.
 - C. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.
 - 5.1.2. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

- 5.1.3. Election or dismissal of directors or, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out for convening the shareholders meeting and the essential contents explained in the notice of the reasons. None of the above matters may be raised by an extraordinary motion.
- 5.1.4. Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.
- 5.1.5. A shareholder holding one percent or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders meeting. The number of proposal is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.
- 5.1.6. Prior to the book closure date before a regular shareholders meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
- 5.1.7. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.
- 5.1.8. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.
- 5.2. For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
 - 5.2.1. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company 5 days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

- 5.2.2. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.2.3. If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.3. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
- The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.
- 5.4. The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.
- 5.4.1. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.
- 5.4.2. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
- 5.4.3. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.
- 5.4.4. Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- 5.4.5. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

- 5.4.6. In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company 2 days before the meeting date.
- 5.4.7. In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
- 5.5. To convene a virtual shareholders meeting, the Company shall include the following particulars in the shareholders meeting notice:
 - (1) How shareholders attend the virtual meeting and exercise their rights.
 - (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
 - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
 - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
 - (3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.
- 5.6. If a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson of the Board. When the chairperson of the Board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint one of the directors to act as chair. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair.
- 5.6.1. When a director serves as chair, as referred to in the preceding paragraph, the director shall be one who has held that position for 6 months or more and who understands the financial and business conditions of the Company. The same requirement shall apply for a representative of a juristic person director that serves as chair.

- 5.6.2. It is advisable that shareholders meeting convened by the Board of Directors be chaired by the chairperson of the Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
- 5.6.3. If a shareholders meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- 5.6.4. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.
- 5.7. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.
 - 5.7.1. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
 - 5.7.2. Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.
- 5.8. Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.
 - 5.8.1. The chair shall call the meeting to order at the scheduled meeting time. At the same time, relevant information such as the number of non-voting rights and the number of shares present is announced. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.
 - 5.8.2. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within

one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 5.4.

- 5.8.3. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.
- 5.9. If a shareholders meeting is convened by the Board of Directors, relevant motions (including interim motions and amendments to the original motion) shall be voted on a case-by-case basis, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.
- 5.9.1. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the Board of Directors.
- 5.9.2. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
- 5.9.3. The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting, and arrange adequate voting time.
- 5.10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
- 5.10.1. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.
- 5.10.2. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.
- 5.10.3. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

- 5.10.4. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- 5.10.5. Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair calling the meeting to order until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Article 5.10. to 5.10.3. do not apply.

If the previous question does not violate any regulations or go beyond the scope of the agenda, it is appropriate to disclose the question during the shareholders meeting on the video conference platform for everyone's understanding.
- 5.11. Voting at a shareholders meeting shall be calculated based the number of shares.
 - 5.11.1. With respect to resolutions of shareholders meeting, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
 - 5.11.2. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
 - 5.11.3. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
 - 5.11.4. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.
- 5.12. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
 - 5.12.1. When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.

- 5.12.2. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
- 5.12.3. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
- 5.12.4. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
- 5.12.5. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- 5.12.6. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.
- 5.12.7. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- 5.12.8. When the Company convenes a virtual shareholders meeting, after the chair calls the meeting to order, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

- 5.12.9. When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 5.4. decide to attend the physical shareholders meeting in person, they shall revoke their registration 2 days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.
- 5.12.10. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.
- 5.13. The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors the numbers of votes with which they were elected, and the list of unsuccessful directors and the number of voting rights.
 - 5.13.1. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
- 5.14. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.
 - 5.14.1. The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.
 - 5.14.2. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and vote results (including statistical weight), when electing directors and supervisors, the number of votes for each candidate shall be disclosed. The minutes shall be retained for the duration of the existence of the Company.
 - 5.14.3. Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting

online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

- 5.15. On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.
 - 5.15.1. During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
 - 5.15.2. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.
- 5.16. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
 - 5.16.1. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification cards or arm bands bearing the word "Proctor."
 - 5.16.2. At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may stop any shareholder who fails to comply.
 - 5.16.3. If a shareholder violates the rules of procedure and refuses to follow the chair's instructions, thereby disrupting the proceedings, the chair may direct the proctors or security personnel to escort the shareholder out of the venue.
- 5.17. When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
 - 5.17.1. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

- 5.17.2. A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.
- 5.18. In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.
- 5.19. When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.
- 5.20. In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
- 5.20.1. In the event of a virtual shareholders meeting, when calling the meeting to order, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within 5 days, in which case Article 182 of the Company Act shall not apply.
- Shareholders who didn't register to participate in the original shareholders meeting via video conference shall not be allowed to participate in the postponed or resumed meeting.
- 5.20.2. For a meeting to be postponed or resumed under the Article 5.20.1, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.
- 5.20.3. During a postponed or resumed session of a shareholders meeting held under the Article 5.20.1, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.
- 5.20.4. When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in Article 5.20.1, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

- 5.20.5. When postponing or resuming a meeting according to the Article 5.20.1, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
- 5.20.6. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the Article 5.20.1.
- 5.21. When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.
- 5.22. These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.
- 6. Related Document: None.
- 7. Reference Document: None.
- 8. Amendment Records:
 - 8.1. Edition 1.0 approved and issued by the Board of Directors on May 16, 2014.
 - 8.2. Edition 1.1 approved by the Board of Directors on March 20, 2018, and implemented after the resolution of the general Shareholders' Meeting on June 14, 2018.
 - 8.3. Edition 1.2 approved by the Board of Directors on March 25, 2021, and implemented after the resolution of the general Shareholders' Meeting on July 20, 2021.
 - 8.4. Edition 1.3 approved by the Board of Directors on March 24, 2022, and implemented after the resolution of the general Shareholders' Meeting on June 23, 2022.

Appendix 3

Nan Pao Resins Chemical Co., Ltd
Shareholding of All Directors

Record Date : April 19, 2025

Title	Name	Date Elected	Shareholding when elected		Shareholding as of book closure date	
			Shares	%	Shares	%
Chairman	Cheng-Hsien, Wu	20230621	374,465	0.31%	363,321	0.30%
Director	Guang Rong Investment Ltd. Representative : Ming-Hsien, Hsu	20230621	8,868,132	7.35%	8,868,132	7.35%
Director	Guang Rong Investment Ltd. Representative : Ying-Lin, Huang					
Director	Pou Chien Enterprise Co., Ltd	20230621	10,920,248	9.06%	5,920,248	4.91%
Independent Director	Yun, Chen	20230621	0	0.00%	0	0.00%
Independent Director	Yung-Cheng, Chiang	20230621	0	0.00%	0	0.00%
Independent Director	Chin-Jung, Kuo	20230621	0	0.00%	0	0.00%
Total			20,162,845	16.72%	15,151,701	12.56%

Note 1. Total issued shares of the Company as of April 19, 2025 is 120,570,780 shares.

Note 2. The Company has appointed two or more independent directors and established an audit committee. The total shareholding percentage held by all directors excluding independent directors has been reduced to 80% on a proportional basis, and there is no requirement for a supervisor to hold a certain number of shares under applicable laws.

Note 3. Shareholding as of book closure date means the number of shares held recorded in the shareholders' register on that date.