

# NAN PAO RESINS CHEMICAL CO., LTD.

## 2025 Annual Report

**This annual report is available at:**

- The Company's website: <https://www.nanpao.com.tw/>
- MOPS (Market Observation Post System): <https://mops.twse.com.tw/>

**Printed on April 30, 2026**

**Notice to readers**

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

**I. Names, title, telephone number, and e-mail addresses of the Company’s spokesperson and deputy spokesperson**

|        | Spokesperson                                       | Deputy Spokesperson 1  | Deputy Spokesperson 2                       |
|--------|--|--|---|
| Name   | Yu-Ping, Sun                                       | Sen-Mao, Kuo   | Li-Jung, Huang                              |
| Title  | Assistant Manager of Financial Management Division | Executive General Manager of Adhesives and Specialty Business Division | Acting Assistant Manager of Auditing Office |
| Tel    | 886-6-795-4766                                     | 886-6-795-4766   | 886-6-795-4766                              |
| E-mail | IR@nanpao.com                                      | IR@nanpao.com  | IR@nanpao.com                               |

**II. Address and telephone number of the head office and plant**

|              | Address   | Tel            |
|--------------|---|----------------|
| Head Office  | No. 519, Zhongshan Rd., Xigang Dist., Tainan City         | 886-6-796-5888 |
| Plant No. 1  | No. 521, Zhongshan Rd., Xigang Dist., Tainan City         | 886-6-795-6634 |
| Plant No. 5  | No. 506, Zhongshan Rd., Xigang Dist., Tainan City         | 886-6-795-2710 |
| Plant Bao Li | No. 508 and 510, Zhongshan Rd., Xigang Dist., Tainan City | 886-6-795-2710 |

**III. Name, address, website, and telephone number of the stock transfer agency**

|         |   |
|---------|---|
| Name    | Transfer Agency, Chinatrust Commercial Bank                         |
| Address | 5F, No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City |
| Website | <a href="https://www.ctcbank.com/">https://www.ctcbank.com/</a>     |
| Tel     | 886-2-6636-5566   |

**IV. Name of the certificated public accountant (“CPA”), name of the accounting firm, address, website and telephone number from the most recent annual financial report:**

|                  |   |
|------------------|---|
| Name of the CPA  | Chao-Chin, Yang and Chi-Chen, Lee                                       |
| Name of the Firm | Deloitte & Touche Taiwan  |
| Address          | 13F, No. 189, Sec. 1, Yongfu Rd., Zhongxi Dist., Tainan City            |
| Website          | <a href="https://www.deloitte.com.tw/">https://www.deloitte.com.tw/</a> |
| Tel              | 886-6-213-9988  |

**V. Name of the trading venue and method of inquiry for overseas listed securities:**  
None.

**VI. Company website:** <https://www.nanpao.com.tw/>

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## I. Letter to Shareholders

Dear Shareholders,

In 2025, the global economy maintained moderate growth, though growth momentum slowed compared with previous periods. Against a backdrop of persistently high interest rates, gradually easing yet sticky inflationary pressures, major economies showed divergent performance. Adjustments in U.S. tariff policies, geopolitical conflicts, supply chain restructuring, and exchange rate volatility brought uncertainties to global trade and consumer markets. Nevertheless, rising demand for Artificial Intelligence (AI), High-Performance Computing (HPC), advanced semiconductor processes, and net-zero transition continued to create new growth opportunities for industrial upgrading and materials innovation. Amid an environment where challenges and transformation opportunities coexist, Nan Pao continues to deepen its “NextGen” growth strategy, leveraging innovation and R&D as its core to drive the development of high value-added products and expand into emerging application markets, thereby building a second growth curve.

All business units continued to operate steadily, with a sustained increase in the proportion of growth-oriented businesses. In the footwear adhesives segment, Nan Pao has deepened collaboration with multiple global sports brands, evolving from a product supplier into a co-development technology partner. The Company focuses on developing high value-added, application-specific adhesive materials, while also increasing the proportion of orders from non-Taiwan-based footwear manufacturers, thereby maintaining its market leadership position. In the industrial and other adhesive segment, the Company continues to concentrate on high entry-barrier applications such as semiconductors, electronics, woodworking, and textiles. In the building materials and coatings segment, growth has been driven by demand from AI server rack systems, semiconductor fab construction, and public infrastructure projects, leading to significant expansion in the coatings business. The building materials business, anchored in the Australian market, continues to expand its regional footprint through strategic positioning, enhancing profitability quality and strengthening cash flow stability.

The following is an overview of Nan Pao Group’s business performance and outlook for the year 2025:

### I. Review of 2025 Business Performance

#### 1. Results of Business Plan

The total consolidated revenue of 2025 was NT\$23.20 billion, an increase of 0.95% from the previous year. The total gross profit was NT\$7.92 billion, an increase of 5.23% from the previous year. The operating profit was NT\$3.82 billion, an increase of 6.22% from the previous year. The net income was NT\$2.65 billion, a decrease of 5.08% from the previous year. Earnings per share after taxes was NT\$20.25.

Unit : NT\$1,000 (EPS lists in dollars)

| Item                      | Year                      | 2025       |     | 2024       |     | Variances |        |
|---------------------------|---------------------------|------------|-----|------------|-----|-----------|--------|
|                           |                           | Amount     | %   | Amount     | %   | %         | %      |
| Net Operating Revenue     |                           | 23,200,302 | 100 | 22,982,598 | 100 | 217,704   | 0.95   |
| Gross Profit              |                           | 7,916,034  | 34  | 7,522,258  | 33  | 393,776   | 5.23   |
| Operating Profit          |                           | 3,816,207  | 16  | 3,592,749  | 16  | 223,458   | 6.22   |
| Pre-tax Income            |                           | 3,630,273  | 15  | 3,756,850  | 16  | (126,577) | (3.37) |
| Net Income                |                           | 2,645,361  | 11  | 2,786,880  | 12  | (141,519) | (5.08) |
| Net Income attributed to  | Shareholders              | 2,441,946  | 10  | 2,684,261  | 12  | (242,315) | (9.03) |
|                           | Non-controlling Interests | 203,415    | 1   | 102,619    | -   | 100,796   | 98.22  |
| Earning Per Share(dollar) |                           | 20.25      |     | 22.26      |     | (2.01)    | (9.03) |

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\$1,000 ; %

| Item                                   | 2025        | 2024      |
|--|-------------|-----------|
| Cash inflow from operating             | 3,365,299   | 2,802,120 |
| Cash (outflow) from investing          | (937,512)   | (644,951) |
| Cash (outflow) from fundraising        | (1,753,857) | (34,773)  |
| Return on Assets (%)                   | 9.99        | 11.28     |
| Return on Equity (%)                   | 16.87       | 18.28     |
| Profit before tax to capital stock (%) | 301.09      | 311.59    |
| Net Profit Margin (%)                  | 11.40       | 12.13     |

#### 4. R&D Achievements

Nan Pao continues to position “high value-added, green solutions, and advanced electronic materials” as the core R&D focus, aligning with industrial upgrading trends and global net-zero transformation requirements. The Company strengthens material technology platforms and cross-application integration capabilities. In 2025, R&D resources are concentrated on semiconductor and electronic materials deployment, development of low-carbon circular materials, and optimization of high-performance adhesive and coating technologies. Through technological innovation and customer collaboration, the Company enhances product value and technical barriers, establishing a mid- to long-term second growth curve.

In the electronics sector, Nan Pao initially focused on fundamental electronic materials, including high-temperature-resistant pressure-sensitive adhesives and wafer processing resins. Beginning in 2025, R&D efforts further shift toward high-frequency optoelectronic and 5G-related packaging and thin-film materials, extending into advanced semiconductor packaging and high-power device applications to support next-generation high-frequency, high-speed, and high-integration requirements. This phased deployment demonstrates Nan Pao’s active entry into the core semiconductor supply chain and pursuit of technological leadership and product diversification. R&D expenses in 2025 account for approximately 2.40% of consolidated revenue.

Overview of Product R&D and Diversified Applications:

##### **(1)Development and Application of Low-Carbon Circular Materials**

The Company focuses on the specialization and sustainability of polyester polyol products, including evaluation of low carbon (Low PCF), biomass balance, and recycled raw materials (recycled PET), progressively establishing a circular economy R&D foundation. Technologies extend to footwear materials, flexible packaging, and PUR systems. By increasing the proportion of bio-based and recycled materials, Nan Pao develops a high-value, low-carbon product portfolio in line with international supply chain decarbonization requirements.

##### **(2)Deployment of Advanced Semiconductor and Electronic Materials**

The Group increases R&D investment and establishes a joint venture with strategic partners to enter the advanced semiconductor packaging adhesive market. In response to trends in AI, HPC, and mobile communication chips toward higher integration and lower power consumption, R&D focuses on performance optimization and mass production of pressure-

sensitive adhesives (PSA), UV debonding adhesives, and advanced packaging materials. Development also includes low dielectric resin materials for high-frequency and high-speed applications, strengthening the local supply chain role and establishing long-term competitive advantages with high technical barriers.

### **(3) Upgrade of Environmentally Friendly Water-Based Coating Systems**

In response to low-VOC emission requirements and environmental regulations across sports, industrial equipment, and logistics packaging sectors, the textile team collaborates with key customers to develop water-based products as substitutes for traditional solvent-based systems. Through comprehensive testing data and technological transformation, the Company supports downstream customers in process upgrades and mass production, enhancing product value while meeting circular economy and carbon reduction trends required by global brands.

### **(4) Optimization of High-Performance Industrial Adhesive Technologies**

The Company focuses on improving heat resistance, low shrinkage, and processing stability of woodworking adhesives to ensure consistent quality in high-efficiency production environments. In addition, formulation optimization is conducted for high-performance footwear adhesives to meet industry requirements for lightweight and durability. Nan Pao continues to develop industrial adhesive solutions that combine functionality and environmental sustainability, expanding into diversified industrial applications to address demand for high-performance materials.

## **II. Summary of 2026 Business Plan**

### **1. Business Policies**

#### **(1) Dual Growth Strategy: Innovation and M&A**

Nan Pao expands product applications across diverse industries, reinforces leadership in the footwear market, and increases penetration among global tier-one brands. Through bolt-on acquisitions, the Company integrates epoxy resin and curing agent technologies, strengthens vertical integration, accelerates global market expansion, optimizes product portfolio, and enhances long-term competitiveness.

#### **(2) Value-Oriented R&D Allocation**

The Company maintains long-term investment in R&D and upgrades the strategy from “market extension” to “deep collaborative development.” Joint R&D mechanisms with strategic partners focus on advanced semiconductor packaging adhesives and electronic-grade PSA, providing rapid customized solutions. At the same time, optimization of R&D processes and resource allocation increases the proportion of green and high-margin products, strengthening technological stickiness and profitability.

#### **(3) Comprehensive Net-Zero Transformation**

In response to global ESG regulations and net-zero trends, Nan Pao transforms low-carbon initiatives from external compliance into core competitiveness. Expansion of low-carbon, bio-based, and circular material product lines is accelerated, while collaboration with brand customers supports carbon reduction roadmaps. Green technology advantages contribute to achieving decarbonization targets and maintaining leadership in green supply chains, while capturing emerging transformation opportunities driven by energy efficiency and emissions reduction initiatives.

(4) Digital Empowerment and Precision Management

Building on an established digital transformation foundation, the Company deepens AI applications in operations. Global implementation and integration of PLM and MES systems enhance R&D and manufacturing data analytics, optimize procurement decisions and production efficiency, and advance from process digitalization to data-driven decision-making, improving resource allocation efficiency and operational resilience.

(5) Enhancement of Capital and Investment Efficiency

With a core objective of maintaining ROE above 20%, the Company implements disciplined capital allocation. In addition to strategic capacity expansion, priority is given to high-return R&D projects and synergistic M&A opportunities. Strengthened cash flow and asset turnover management ensure a sound financial structure, while a stable dividend policy supports long-term shareholder value.

2. Expected Sales Quantity and Basis

Sales plans are formulated based on contracts, historical sales records, and market conditions. Stable business level is expected in 2026.

3. Key Production and Marketing Strategies

**(1) Optimization of Global Deployment and Regional Market Expansion**

In response to global supply chain restructuring and geopolitical risks, Nan Pao adopts a “local supply, rapid response” strategy, accelerating capacity expansion in India and Southeast Asia. Increased localization reduces tariff and logistics risks. Market development focuses on expanding non-Taiwanese tier-one customers and regional leading brands, while providing timely technical support and supply assurance aligned with global brand supply chain shifts.

**(2) Production Line Transformation and Validation for Semiconductor and Electronic Materials**

Aligned with advanced R&D deployment, the Company promotes specialization upgrades of electronic material production lines to meet stringent industry standards. Leveraging joint venture channel advantages, validation processes with leading OSAT and precision electronics customers are accelerated, supported by transparent and real-time quality tracking systems to facilitate entry into mainstream supply chains.

**(3) Precise Supply-Demand Integration and Maximization of Key Product Value**

The Company continues to implement the “Golden Sample” strategy, optimizing production and resource allocation for high-growth products such as woodworking adhesives and food packaging adhesives. Standardized production and scaled procurement mitigate raw material price volatility and ensure stable profitability. Cross-selling of acquired epoxy resin and curing agent technologies supports development of competitive composite material solutions and expansion into new energy and industrial markets.

**(4) Green Supply Chain Collaboration and Implementation of Sustainable Products**

Nan Pao positions green products as a core business focus, collaborating with brand customers to promote application of low-carbon, bio-based, and recycled materials in end products. Early-stage participation in product development supports carbon footprint reduction. At the production level, solvent recovery and energy management optimization are implemented to achieve low-carbon manufacturing. Sustainability performance enhances brand premium and supports long-term procurement relationships.

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

Nan Pao positions “green sustainability” as a core driver of long-term growth and has established a clear target of achieving net-zero carbon emissions by 2050. Through continuous R&D innovation and strategic M&A, the Company deepens collaboration with industry leaders and progressively builds a global technology and supply chain platform. In parallel, ESG performance continues to improve, with inclusion in the S&P Global Sustainability Yearbook for two consecutive years starting in 2025, demonstrating tangible progress in sustainable management.

Amid global trade uncertainties and intensified price competition arising from regional overcapacity, Nan Pao shifts from price-based competition to value-driven competition. By focusing on high value-added and high-technology products, the Company enhances revenue quality. A diversified global manufacturing footprint further mitigates geopolitical and market concentration risks, while expanding engagement with a broader base of international brand customers to strengthen market resilience.

While stricter environmental regulations increase compliance costs, such regulations also create transformation opportunities. The Company leverages regulatory standards as entry thresholds to leading brand supply chains and aligns with carbon pricing and decarbonization requirements, thereby enhancing market entry barriers, strengthening customer stickiness, and capturing transformation opportunities driven by the global transition toward energy efficiency and emissions reduction.

Looking ahead to 2026, global economic conditions remain subject to uncertainties including AI-driven industry developments, tariff policies among major economies, and geopolitical risks, alongside interest rate fluctuations and persistent inflationary pressures. In response to a dynamic operating environment, Nan Pao strengthens financial resilience, maintains a prudent capital structure, and enhances capital allocation efficiency. Through reinforced supply chain resilience and more precise market insights, the Company aims to sustain stable operations and deliver continued growth in revenue and profitability.

Chairman: Cheng-Hsien, Wu

Chief Executive Officer: Ming-Hsien, Hsu

Chief Accounting Officer: Yu-Ping, Sun

## II. Corporate Governance Report

### I. Information on Directors and Management

#### (I) Directors

##### 1. Information Regarding Directors

As of March 31, 2026

| Title    | Nationality/<br>Company<br>Registry | Name                                 | Gender<br>Age | Date<br>Elected | Term<br>(Years) | Date<br>First<br>Elected | Shareholding<br>When Elected |                   | Current<br>Shareholding |                | Spouse & Minor<br>Shareholding |      | Shareholding by<br>Nominee<br>Arrangement |         | Education and Experience | Other<br>Positions | Executives, Directors or<br>Supervisors, who<br>are Spouses or Within<br>Two Degrees of Kinship |         |          |
|----------|-------------------------------------|--------------------------------------|---------------|-----------------|-----------------|--------------------------|------------------------------|-------------------|-------------------------|----------------|--------------------------------|------|---|---------|--------------------------|--------------------|---|---------|----------|
|          |                                     |                                      |               |                 |                 |                          | Shares                       | %                 | Shares                  | %              | Shares                         | %    | Shares                                    | %       |                          |                    | Title   | Name    | Relation |
|          |                                     |                                      |               |                 |                 |                          | Chairman                     | Taiwan,<br>R.O.C. | Cheng-Hsien, Wu         | Male/<br>71~80 | 20230621                       | 3    | 20140627                                  | 374,465 |                          |                    | 0.31  | 363,321 | 0.30     |
| Director | Taiwan,<br>R.O.C.                   | Pou Chien<br>Enterprise Co.,<br>Ltd. | —             | 20230621        | 3               | 20081212                 | 10,920,248                   | 9.06              | 5,920,248               | 4.91           | —                              | —    | —   | —       | —                        | —                  | —   | —       |          |
|          | Taiwan,<br>R.O.C.                   | Chih-Hung, Shih<br>(Note 1)          | Male<br>61~70 | 20250620        | 1               | 20220520                 | —                            | —                 | —                       | —              | —                              | —    | —   | —       | Note 3                   | —                  | —   | —       |          |
| Director | Taiwan,<br>R.O.C.                   | Guang Rong<br>Investment Ltd.        | —             | 20230621        | 3               | 20140627                 | 8,868,132                    | 7.35              | 8,868,132               | 7.35           | —                              | —    | —   | —       | —                        | —                  | —   | —       |          |
|          | Taiwan,<br>R.O.C.                   | Ming-Hsien, Hsu                      | Male<br>61~70 | 20230621        | 3               | 20140627                 | 483,211                      | 0.40              | 75,211                  | 0.06           | 113,554                        | 0.09 | 400,000                                   | 0.33    | Note 4                   | —                  | —   | —       |          |
| Director | Taiwan,<br>R.O.C.                   | Guang Rong<br>Investment Ltd.        | —             | 20230621        | 3               | 20140627                 | 8,868,132                    | 7.35              | 8,868,132               | 7.35           | —                              | —    | —   | —       | —                        | —                  | —   | —       |          |
|          | Taiwan,<br>R.O.C.                   | Ying-Lin, Huang                      | Male<br>31~40 | 20230621        | 3               | 20200616                 | 1,000,936                    | 0.83              | 1,000,936               | 0.83           | —                              | —    | 3,709,000                                 | 3.08    | Note 5                   | —                  | —   | —       |          |

| Title                   | Nationality/<br>Company<br>Registry | Name                  | Gender<br>Age   | Date<br>Elected | Term<br>(Years) | Date<br>First<br>Elected | Shareholding<br>When Elected |   | Current<br>Shareholding |   | Spouse & Minor<br>Shareholding |   | Shareholding by<br>Nominee<br>Arrangement |   | Education and Experience  | Other<br>Positions | Executives, Directors or<br>Supervisors, who<br>are Spouses or Within<br>Two Degrees of Kinship |      |          |
|-------------------------|-------------------------------------|-----------------------|-----------------|-----------------|-----------------|--------------------------|------------------------------|---|-------------------------|---|--------------------------------|---|---|---|---|--------------------|---|------|----------|
|                         |                                     |                       |                 |                 |                 |                          | Shares                       | % | Shares                  | % | Shares                         | % | Shares                                    | % |   |                    | Title   | Name | Relation |
| Independent<br>Director | Taiwan,<br>R.O.C.                   | Yun, Chen             | Male<br>71~80   | 20230621        | 3               | 20171212                 | -                            | - | -                       | - | -                              | - | -   | - | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Chemical Engineering, Tunghai University;</li> <li>• M.S. in Polymer Science, National Tsing Hua University;</li> <li>• Ph.D. of Synthetic Chemistry, University of Tokyo, Japan;</li> <li>• Distinguished Professor and Honorary Professor of National Cheng Kung University</li> </ul>  | -                  | -   | -    | -        |
| Independent<br>Director | Taiwan,<br>R.O.C.                   | Yung-Cheng,<br>Chiang | Male<br>61~70   | 20230621        | 3               | 20171212                 | -                            | - | -                       | - | -                              | - | -   | - | <ul style="list-style-type: none"> <li>• Bachelor of Law, Soochow University;</li> <li>• Judge of Taiwan Kaohsiung District Court;</li> <li>• Judge of Taiwan High Court-Kaohsiung Branch</li> </ul>  | Note 6             | -   | -    | -        |
| Independent<br>Director | Taiwan,<br>R.O.C.                   | Chin-Jung, Kuo        | Female<br>61~70 | 20230621        | 3               | 20230621                 | -                            | - | -                       | - | -                              | - | -   | - | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Industrial Management Science, National Cheng Kung University;</li> <li>• Master's Degree in Industrial Management, National Cheng Kung University;</li> <li>• M.S. in Accounting, University of Southern Illinois, USA;</li> <li>• Supervisor, Objective Design Co., Ltd.;</li> <li>• Adjunct Assistant Professor, Department of Accounting, Tamkang University;</li> <li>• Director and Supervisor, National Federation of CPA Associations of the R.O.C.;</li> <li>• Deputy Chairperson, Accounting and Audit Committee, Taipei City Certified Public Accountants Association;</li> <li>• Chairman, Accounting and Audit Committee, CPA Associations R.O.C.(Taiwan);</li> <li>• Chairman, Taipei Tax Agents Association</li> </ul> | Note 7             | -   | -    | -        |

Note 1: Mr. Chih-Hung, Shi was appointed as the representative person of Pou Chien Enterprise Co., Ltd. on June 20, 2025, replacing Mr. Wang-Chyan, Lin who resigned on the same day.

Note 2: Director of Nan Pao Overseas Holdings Ltd.; Nan Pao Group Holdings Ltd.; Treasure Wealth (HK) Ltd.; Greatwill Materials (HK) Ltd.; Nan Pao Resins Chemical Philippines, Inc.; Goldford Investments Ltd.; Nan Pao Resins (Holdings) Ltd.; Eastlion Enterprises Ltd.; Nan Pao Resins (Dongguan) Co. Ltd.; Nan Pao Resins Development Ltd.; Dongguan Jiaqin Electronics Ltd.; NP Australia Pty. Ltd.; RLA Polymers Pty. Ltd.; RLA Polymers (M) SDN BHD; Nanpao Advanced Investment Co., Ltd.; Nan Pao (KunShan) Electronic Commerce Co., Ltd.; Nan Pao Resins (HK) Ltd.; Profit Land Ltd.; Nan Pao Resins (Foshan) Co., Ltd.; All Saints Enterprises Ltd.; Nan Pao Resins (China) Co., Ltd.; Fuqing Nan Pao Investment Ltd.; Fuqing Nan Pao Resins Co., Ltd.; Thai Nanpao Resins Chemical Co., Ltd.; ITLS Holding Pte. Ltd.; Nan Pao Advanced Materials Vietnam Co., Ltd.; Chairman and Supervisor of PT. ITLS Indonesia.

Note 3: Vice President of Global Supply Chain Management Headquarters, Pou Chen Corporation; Non-Executive Director of Prosperous Industrial (Holdings) Limited; Corporate Director Representative of San Fang Chemical Industry Co., Ltd.; Corporate Director Representative and Chairman of Yuan Sheng Material Technology Co., Ltd.; Director of subsidiaries of Yue Yuen Industrial (Holdings) Company Limited; Prime Asia Holdings Corporation; Jumbo Power Enterprises Ltd.; Venture Well Holdings Limited; Hua Jian Industrial Holding Co., Limited; Ka Yuen Rubber Factory Limited; Cruiser Ventures Ltd.; Explorer Enterprises Ltd.; Rise Bloom International Limited; Prodigy Management Ltd.; Bestample Investments Limited; Keen Vision Holdings Limited; Pou Ming Paper Products Manufacturing Company Limited; Top Units Developments Limited.

Note 4: Chief Executive Officer of Nan Pao Resins Chemical Co., Ltd.; Director of Greatwill Materials (HK) Ltd.; Ongoing Profits Ltd.; Rising Sun Associate Ltd.; Nan Pao Resins (Vietnam) Enterprise Ltd.; Nan Pao Resins Chemical Philippines, Inc.; Goldford Investments Ltd.; Nan Pao Resins (Holdings) Ltd.; Eastlion Enterprises Ltd.; Nan Pao Resins (Dongguan) Co. Ltd.; Nan Pao Resins Development Ltd.; Nan Pao Materials Vietnam Co.,Ltd.; Nan Pao Resins International Ltd.; NanPao Advanced Investment Co., Ltd.; Nan Pao (KunShan) Electronic Commerce Co., Ltd.; Nan Pao Resins (HK) Ltd.; Giant Profit Development Ltd.; All Saints Enterprises Ltd.; Nan Pao Resins (China) Co., Ltd.; Fuqing Nan Pao Investment Ltd.; Wealth Castle Development Ltd.; Fuqing Nan Pao Resins Co., Ltd.; Thai Nan Pao Investments Ltd.; Thai Nanpao Resins Chemical Co., Ltd.; Nan Pao Advanced Materials Vietnam Co., Ltd.; Nanpao New Materials (Huaian) Co., Ltd.; Earnest Wealth Co., Ltd.; Independent Director and member of the Compensation Committee of Lightel Corporation; Independent Director and member of the Audit Committee and Compensation Committee, Minson Integration, Inc.; Supervisor of Dongguan Jiaqin Electronics Co., Ltd. ; Nan Pao Resins (Foshan) Co., Ltd. ; Ching Lin International Development Co., Ltd.; Yu Tang Investment Co., Ltd.

Note 5: Executive General Manager of Sports Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.; Corporate Director Representative and Chairman of Sheng Lin Invstment Ltd.; ITLS International Development Co., Ltd.; Nanpao Fine Materials Co., Ltd.; Chairman of Sheng Bao Investment Co., Ltd.; Guang Lin Investment Co., Ltd.; Ching Lin International Development Co., Ltd.; Director of Greatwill Materials (HK) Ltd.; Ongoing Profits Ltd.; Rising Sun Associates Ltd.; Nan Pao Resins (Vietnam) Enterprise Ltd.; Goldford Investments Ltd.; Nan Pao Resins (Holdings) Ltd.; Eastlion Enterprises Ltd.; Nan Pao Resins Development Ltd.; Nan Pao Materials Vietnam Co., Ltd.; Nan Pao Resins International Ltd.; Changshu Yu Bo Polymer Materials Co., Ltd.; Profit Land Ltd.; Giant Profit Development Ltd.; Great Mount Enterprises Ltd.; Fuqing Nan Pao Investment Ltd.; Wealth Castle Development Ltd.; Thai Nan Pao Investments Ltd.; ITLS Holding Pte. Ltd.; Nan Pao Materials Resins India Pvt. Ltd.; Contact BioSolutions Australia Pty. Ltd. ; Opulence Optronics Co., Ltd.; Nan Pao Village Industry Co., Ltd.; Nan Pao Village Development Co., Ltd.; Advant Analytics Tactics Ltd.; Corporate Director Representative of Apogee Optocom Co., Ltd.; Ferrule Precision Co., Ltd.; Biorich Biotechnology Co., Ltd.; Nan Pao Industry Co., Ltd.; Yun Teh Industrial Co., Ltd.; Spark Foamtech Enterprise Co., Ltd.; Corporate Representative Director of Prince Pharmaceutical Co., Ltd.; Chairman and Supervisor of PT. Indo Nan Pao Resins Chemical Co., Ltd.; Supervisor of Advanced Pao Trusval Technology Co., Ltd.

Note 6: Attorney of Cheng Bang & Cheng Yang Joint Law Firm; Independent Director of Long Da Construction & Development Corporation. ; Taiwan Secom Co., Ltd.; Top High Image Corp.

Note 7: Director of Guangkai Co., Ltd.; Guangyi Development Enterprise Co. Ltd.; Independent Director of Cystech Electronics Corp.; Arizon RFID Technology (Cayman) Co., Ltd.; Supervisor of Dayeh International Development Co., Ltd.; Guangxin Investment Co., Ltd.; Managing Partner of RSM Taiwan ; Supervisory Director of Chinese Tax Agents Association.

Table 1: Major Shareholders of Institutional Shareholder

|                                |   | As of March 31, 2026    |
|--------------------------------|---|-------------------------|
| Institutional Shareholder      | Major Shareholders of the Institutional Shareholder | Shareholding Percentage |
| Pou Chien Enterprise Co., Ltd. | Pao Chien Chemical Engineering Holdings             | 100%                    |
| Guang Rong Investment Ltd.     | Samoan Guang Rong Investment Ltd.                   | 100%                    |

Table 2: Major Shareholder of the Major Institutional Shareholder

|   |   | As of March 31, 2026    |
|---|---|-------------------------|
| Institutional Shareholder               | Major Shareholders of the Institutional Shareholder | Shareholding Percentage |
| Pao Chien Chemical Engineering Holdings | Key International Co., Ltd.                         | 100%                    |
| Samoan Guang Rong Investment Ltd.       | Worthy Virtue Electronic Industrial Co., Ltd.       | 100%                    |

## 2. Directors' Professional Qualifications and Independent Directors' Independence Status

| Criteria<br>Name  | Professional Qualification and Experience  | Independence Status  | Number of Independent Directorships in Other Public Companies |
|---|--|--|---|
| <p>Cheng-Hsien, Wu<br/>S Committee member<br/>(Note 1)</p>                    | <p>Chairman Wu holds a Bachelor's Degree in Chemistry and a Master's Degree in Applied Chemistry from National Tsing Hua University.</p> <ul style="list-style-type: none"> <li>Industry Experience: Chairman Wu joined Nan Pao Resins in 1977, starting in the R&amp;D department. Over the years, he has held various key positions, including Plant Manager of the Bao Li Plant, General Manager of the R&amp;D department, Executive General Manager of the Adhesives and Specialty Business Division, and General Manager. Since 2013, he has served as the Chairman of the Company.</li> <li>Risk Management Experience: Chairman Wu serves as a member of the Company's Sustainable Development Committee, which is responsible for overseeing risk management practices, including sustainability risk, compliance risk, and information security risk.</li> </ul> <p>Chairman Wu has been dedicated to the chemical resins industry for over 20 years, with proven expertise in business management, strategic leadership, and ESG practices.</p>       | <ol style="list-style-type: none"> <li>Concurrently serves as a director or supervisor of the Company's affiliated enterprises (subsidiaries).</li> <li>One of the Company's top ten individual shareholders.</li> <li>For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</li> </ol> | 0   |
| <p>Pou Chien Enterprise Co., Ltd.<br/>Representative:<br/>Chih-Hung, Shih</p> | <p>Director Shih holds a Bachelor's Degree in Accounting from Chung Yuan Christian University. He currently serves as Vice President of Global Supply Chain Management Headquarters at Pou Chen Corporation and as a Director of San Fang Chemical Industry Co., Ltd.. He previously served as Spokesperson of Pou Chen Corporation (2021–2022); Executive Director and Chief Financial Officer of Yue Yuen Industrial (Holdings) Company Limited (2020–2025); Director of Elitegroup Computer Systems Co., Ltd. (2021–2023); Executive Director of Eagle Nice International Holdings Limited (2020–2025); and Director of Rexwin Chemical Industrial Co., Ltd. (2022–2024).</p> <ul style="list-style-type: none"> <li>Industry Experience: Since 2016, Director Shih has held management positions within the Pou Chen Corporation Group since 2020, and was appointed Vice President of the Global Supply Chain Management Headquarters in June 2025.</li> </ul> <p>Director Shih possesses professional expertise in accounting and business management.</p> | <ol style="list-style-type: none"> <li>Appointed as a representative director by Pou Chien Enterprise Co., Ltd., a corporate shareholder holding more than 5% of the Company's outstanding shares.</li> <li>For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</li> </ol>            | 0   |

| Criteria<br>Name  | Professional Qualification and Experience  | Independence Status  | Number of Independent Directorships in Other Public Companies |
|---|--|--|---|
| <p>Guang Rong Investment Ltd.<br/>Representative:<br/>Ming-Hsien, Hsu<br/>S Committee member<br/>(Note 1)</p> | <p>Director Hsu graduated from the Department of Business Administration at National Sun Yat-sen University and later obtained a M.S. degree from the Institute of Industrial Management at National Cheng Kung University. He currently serves as Chief Executive Officer of Nan Pao Resins Chemical Co., Ltd., Independent Director and a Member of the Compensation Committee of Lightel Corporation and Independent Director and a Member of the Audit Committee and Compensation Committee of Minson Integration, Inc.</p> <ul style="list-style-type: none"> <li>• Industry Experience: Director Hsu joined the Enterprise Management Office of Nan Pao Resins in 1986, where he has held various managerial roles including Manager of the General Administration Division and Deputy General Manager of the Planning Division.</li> <li>• Risk Management Experience: Director Hsu serves as a member of the Company's Sustainable Development Committee, which is responsible for overseeing risk management practices, including sustainability risk, compliance risk, and information security risk.</li> <li>• Information Security Experience: Director Hsu also serves as the Convener of the Company's Information Security Committee, overseeing the Group's digital transformation and information security strategy. Under his leadership, the Company obtained ISO 27001 Information Security Management System (ISMS) certification on July 22, 2022, and became a member of TWCERT/CC.</li> </ul> <p>Since assuming the role of Chief Executive Officer in 2017, Director Hsu has led the Company on a stable path toward sustainable innovation, low-carbon manufacturing, and digital transformation, in pursuit of the Company's vision to "become an indispensable strategic partner to industries through innovative and eco-friendly products."</p> <p>Director Hsu has over 20 years of experience in the management of the chemical resins industry, with professional expertise in business operations, leadership and strategic decision-making, and ESG development.</p> | <ol style="list-style-type: none"> <li>1. Serves as the Company's Chief Executive Officer, classified as a managerial officer.</li> <li>2. Concurrently serves as a director or supervisor of the Company's affiliated enterprises (subsidiaries).</li> <li>3. Elected as a director as the representative appointed by Guang Rong Investment Ltd., a corporate shareholder ranked among the top five shareholders of the Company.</li> <li>4. For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</li> </ol> | <p>2</p>  |

| Criteria<br>Name   | Professional Qualification and Experience   | Independence Status   | Number of Independent Directorships in Other Public Companies |
|--|---|---|---|
| Guang Rong Investment Ltd.<br>Representative:<br>Ying-Lin, Huang | <p>Director Huang graduated from the Department of Chemistry at the University of Southern California and later obtained a M.S. degree from the Graduate School of Applied Chemistry at Waseda University in Japan. He currently serves as Executive General Manager of Sports Goods Adhesives and Materials Business Division of Nan Pao Resins Chemical Co., Ltd., and as a Director of Apogee Optocom Co., Ltd. and Prince Pharmaceutical Co., Ltd.</p> <ul style="list-style-type: none"> <li>Industry Experience: Director Huang joined Nan Pao's New Business Development Center in 2023, and has held key roles including Special Assistant to the CEO and Executive General Manager of Sports Goods Adhesives and Materials Business Division.</li> </ul> <p>Director Huang possesses professional expertise in business management and strategic leadership.</p> | <ol style="list-style-type: none"> <li>Serves as Executive General Manager of the Company's Sports Goods Adhesives and Materials Business Division, classified as a managerial officer.</li> <li>Concurrently serves as a director or supervisor of the Company's affiliated enterprises (subsidiaries).</li> <li>Holds more than 1% of the Company's issued shares, either in his own name or through nominees.</li> <li>One of the Company's top ten individual shareholders.</li> <li>Elected as a director as the representative appointed by Guang Rong Investment Ltd., a corporate shareholder ranked among the top five shareholders of the Company.</li> <li>For others, conformance to independence specified in article 3-1 of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," promulgated by the Financial Supervisory Commission.</li> </ol> | 0   |

| Criteria<br>Name  | Professional Qualification and Experience  | Independence Status  | Number of Independent Directorships in Other Public Companies |
|---|--|--|---|
| <p>Yun, Chen</p> <p><input type="checkbox"/> A Convener</p> <p><input type="checkbox"/> C Convener</p> <p><input type="checkbox"/> S Convener</p> <p>(Note 1)</p> | <p>Independent Director Chen graduated from the Department of Chemical Engineering at Tunghai University. He subsequently obtained a M.S. degree in Macromolecule from National Tsing Hua University and a Ph.D. in Synthetic Chemistry, Faculty of Engineering from University of Tokyo, Japan. He currently serves as an Honorary Professor in the Department of Chemical Engineering at National Cheng Kung University.</p> <ul style="list-style-type: none"> <li>• Industry Experience: Independent Director Chen previously worked as a polymerization engineer at Xin Zhong Fiber Industrial Co., Ltd. (1975–1977) and served as Deputy Manager of the Joint Research and Development Department at Chien Hsin and Kuang Nan Enterprises Co., Ltd. (1977–1984).</li> <li>• Risk Management Experience: Independent Director Chen serves as the Convener of the Audit Committee and the Sustainable Development Committee of the Company, which are responsible for overseeing risk management practices in the areas of financial risk, internal control risk, sustainability risk, compliance risk, and information security risk.</li> </ul> <p>Independent Director Chen has been dedicated to education and research in polymer chemistry, optoelectronic polymer materials, and fluorescent sensing materials for over 30 years, and possesses strong professional in ESG-related matters.</p> | <p>The three independent directors listed on the left have all met, prior to their election and during their tenure, the qualifications stipulated by the Financial Supervisory Commission's "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" and Article 14-2 of the Securities and Exchange Act. Additionally, as provided by Article 14-3 of the Securities and Exchange Act, Independent Directors have been granted the authority to fully participate in decision-making and express their opinions, enabling them to independently carry out their relevant duties.</p> | <p>0</p>  |

| Criteria<br>Name   | Professional Qualification and Experience   | Independence Status | Number of Independent Directorships in Other Public Companies |
|--|---|---------------------|---|
| <p>Yung-Cheng, Chiang</p> <p><input type="checkbox"/> Committee member</p> <p><input type="checkbox"/> Committee member</p> <p><input type="checkbox"/> Committee member</p> <p>(Note 1)</p> | <p>Independent Director Chiang graduated from the Department of Law at Soochow University. He currently serves as an Independent Director of Long Da Construction &amp; Development Corporation, Taiwan Secom Co., Ltd. and Top High Image Corp., as well as a practicing attorney at Cheng Pang / Cheng Yang Law Firm. He previously held positions as a Judge at the Kaohsiung District Court (1986–1997) and the Kaohsiung Branch of the Taiwan High Court (1997–1999), and served as a Director of Nan Ho Hsing Industrial Co., Ltd.</p> <ul style="list-style-type: none"> <li>• Risk Management Experience: Independent Director Chiang serves as a member of the Audit Committee and the Sustainable Development Committee of the Company, which are responsible for overseeing risk management practices in the areas of financial risk, internal control risk, sustainability risk, compliance risk, and information security risk.</li> </ul> <p>Independent Director Chiang has practiced law for over 25 years and possesses professional expertise in legal affairs and ESG-related matters.</p> |                     | 3   |

| Criteria<br>Name  | Professional Qualification and Experience  | Independence Status | Number of Independent Directorships in Other Public Companies |
|---|--|---------------------|---|
| <p>Chin-Jung, Kuo</p> <p><input checked="" type="checkbox"/> Committee member</p> <p><input checked="" type="checkbox"/> Committee member</p> <p><input checked="" type="checkbox"/> Committee member</p> <p>(Note 1)</p> | <p>Independent Director Kuo holds a Bachelor's Degree in Industrial Management Science from National Cheng Kung University and later obtained a M.S. degree in Industrial Management from National Cheng Kung University, and in Accounting from Southern Illinois University in the United States. She currently serves as Independent Director of Cystech Electronics Corp. and Arizon RFID Technology (Cayman) Co., Ltd., Managing Partner of RSM Taiwan, and Supervisory Director of Chinese Tax Agents Association. She previously served as an Assistant Professor in the Department of Accounting at Tamkang University (2010–2024), Deputy Chairman of the Accounting and Auditing Committee of the Taipei CPA Association (2014–2017), Director/Supervisor of the National Federation of CPA Associations of the R.O.C. (2015–2021), Supervisor of Objective Design Co., Ltd. (2017–2023), Chairman of the Accounting and Auditing Committee of CPA Association R.O.C.(Taiwan) (2019–2025), and Chairman of the Taipei Tax Agents Association (2023–2026).</p> <ul style="list-style-type: none"> <li>• Risk Management Experience: Independent Director Kuo serves as a member of the Audit Committee and the Sustainable Development Committee of the Company, which are responsible for overseeing risk management practices in the areas of financial risk, internal control risk, sustainability risk, compliance risk, and information security risk.</li> </ul> <p>Independent Director Kuo holds CPA certifications in Taiwan, the United States, and Mainland China, and has over 25 years of experience in accounting practice, taxation, and advisory services. She possesses professional expertise in accounting, business management, leadership and decision-making, taxation and ESG-related matters.</p> |                     | 2   |

Note 1:Functional Committees :  Audit Committee  Compensation Committee  Sustainable Development Committee

Note 2:None of the directors of the Company has disqualifying conditions under Article 30 of the Company Act.

### 3. Board Diversity and Independence

#### (1) Diversity of the Board:

In line with the policy of membership diversification for the Board of Directors, as stipulated in the "Corporate Governance Best Practice Principles" which includes but not restrict the following two standards:

- A. Basic condition: gender, age, nationality, race and culture, etc.
- B. Professional knowledge and skill: professional background (such as law, accounting, industry, finance, marketing or technology), professional skill and industrial experience.

The Company select 7 directors (including 3 independent directors) at 2023 Shareholders' Meeting on June 21, 2023. The members of the board are all outstanding figures in industry and academia, boasting mutually complemented industrial experience, as well as expertise in finance, accounting and law, meeting the diversified board management targets.

The Company's specific management objectives and implementation status of its diversity policy are as follows:

#### Management Objectives:

#### Status of Objective Achievement:

|  |  |            |
|--|--|------------|
| A. The Board of Directors shall include at least one female director;  | A. The Board of Directors includes one female director, representing 14.29% of the Board;  | Achieved   |
| B. Independent directors shall comprise more than one-third of the Board;                                    | B. Independent directors account for 42.86% of the Board;                                  | Achieved   |
| C. The number of directors concurrently serve as company executives shall not exceed one-third of the Board; | C. The directors concurrently serve as company executives account for 28.57% of the Board; | Achieved   |
| D. No more than two directors shall have a spousal or second-degree kinship.                                 | D. No directors have spousal or second-degree kinship.                                     | Achieved   |
| E. The female directors shall reach one-third of the Board;  | E. The female directors account for 14.29% of the Board, which does not reach one-third;   | Unachieved |

If the Board of Directors does not reach one-third representation of either gender, the Company shall explain the reasons and the measures planned to enhance gender diversity on the Board:

In the past, the selection of board members has primarily focused on candidates' professional backgrounds, industry and management experience, and their potential contribution to the Company's future development. Gender ratio was not specifically restricted. However, to further promote gender equality on the Board, the Company established a new management objective in 2024 to have female board members account for one-third of the Board seats, with a plan to add two female directors in the next Board re-election in 2026.

Implementation status of the Board diversity policy is as follows:

| Name   | Basic Condition |       |             | Date First Elected | Tenure as Independent Directors | Employed by NanPao | Concurrently Serve as Manager | Professional Knowledge and Skills |                            |            |          |       |     | Industry Experience |                   |                    |                |                             |               |                                     |
|--|-----------------|-------|-------------|--------------------|---------------------------------|--------------------|-------------------------------|-----------------------------------|----------------------------|------------|----------|-------|-----|---------------------|-------------------|--------------------|----------------|-----------------------------|---------------|-------------------------------------|
|  | Gender          | Age   | Nationality |                    |                                 |                    |                               | Business Management               | Leadership Decision-making | Accounting | Taxation | Legal | ESG | Chemical Industry   | Plastics Industry | Sports and Leisure | Textile Fibers | Internet and Communications | Food Industry | Building Materials and Construction |
| Cheng-Hsien, Wu                              | Male            | 71-80 | ROC         | 20140627           |                                 |                    |                               | ✓                                 | ✓                          |            |          |       | ✓   | ✓                   |                   |                    |                |                             |               |                                     |
| Ming-Hsien, Hsu                              | Male            | 61-70 | ROC         | 20140627           |                                 | ✓                  | ✓                             | ✓                                 | ✓                          |            |          |       | ✓   | ✓                   |                   | ✓                  |                | ✓                           |               |                                     |
| Ying-Ling, Huang                             | Male            | 31-40 | ROC         | 20200616           |                                 | ✓                  | ✓                             | ✓                                 | ✓                          |            |          |       |     | ✓                   |                   |                    |                | ✓                           | ✓             |                                     |
| Chih-Hung, Shih                              | Male            | 61-70 | ROC         | 20220520           |                                 |                    |                               | ✓                                 | ✓                          | ✓          |          |       |     | ✓                   | ✓                 | ✓                  |                |                             |               |                                     |
| Yun, Chen<br>(Independent Director)          | Male            | 71-80 | ROC         | 20171212           | 7-9 year                        |                    |                               |                                   |                            |            |          |       | ✓   |                     |                   | ✓                  | ✓              |                             |               |                                     |
| Yung-Cheng, Chiang<br>(Independent Director) | Male            | 61-70 | ROC         | 20171212           | 7-9 year                        |                    |                               |                                   |                            |            |          |       | ✓   | ✓                   |                   |                    |                |                             |               | ✓                                   |
| Chin-Jung, Kuo<br>(Independent Director)     | Female          | 61-70 | ROC         | 20230621           | 1-3 year                        |                    |                               | ✓                                 | ✓                          | ✓          | ✓        |       | ✓   |                     |                   |                    |                | ✓                           |               | ✓                                   |

(2) Independence of the Board:

- A. 7 seats include 3 independent directors (42.86%). All independent directors meet the independence conditions of the "Measures for the Appointment of Independent Directors of Public Offering Companies and Matters to Be Followed".
- B. Independent directors shall serve no more than three consecutive terms, and concurrently serve as independent directors of other public companies shall not exceed three. There are 2 independent directors whose term of office is 7-9 years, and 1 independent director whose term of office is 1-3 years.
- C. There is no spouse or second-degree kinship between directors (there is no circumstance specified in Item 3 and Item 4 of Article 26-3 of the Securities Exchange Act).
- D. All directors uphold a high degree of self-discipline. Those who have an interest in the proposals listed on the Board of Directors, themselves or the legal person they represent, shall not participate in the discussion when the important content of their interest relationship is stated at the board meeting, if it is harmful to the interests of the Company, the directors shall be abstained from discussion and voting, and shall not act on behalf of other directors to exercise their voting rights (please refer to page 29 The recusal of Directors due to conflict of interests)

## (II) The Management

As of March 31, 2026

| Title   | Nationality   | Name            | Gender | Date Effective | Shareholding |      | Spouse & Minor Shareholding |      | Shareholding by Nominee Arrangement |      | Education and Experience   | Other Positions | Managers Who are Spouses or Within Two Degrees of Kinship |      |          |
|---|---------------|-----------------|--------|----------------|--------------|------|-----------------------------|------|-------------------------------------|------|--|-----------------|---|------|----------|
|   |               |                 |        |                | Shares       | %    | Shares                      | %    | Shares                              | %    |  |                 | Title   | Name | Relation |
| CEO<br>(Chief Sustainability Officer)   | Taiwan R.O.C. | Ming-Hsien, Hsu | Male   | 20161215       | 75,211       | 0.06 | 113,554                     | 0.09 | 400,000                             | 0.33 | <ul style="list-style-type: none"> <li>Bachelor's Degree in Business Administration, National Sun Yat-sen University;</li> <li>M.S. in Industrial Management, National Cheng Kung University;</li> <li>Deputy General Manager of Planning Office, Nan Pao Resins Chemical Co., Ltd.</li> </ul>   | Note 1          | —   | —    | —        |
| Executive General Manager of Sports Goods Adhesives and Materials Business Division             | Taiwan R.O.C. | Ying-Lin, Huang | Male   | 20230510       | 1,000,936    | 0.83 | —                           | —    | 3,709,000                           | 3.08 | <ul style="list-style-type: none"> <li>Bachelor's Degree in Chemistry, University of Southern California;</li> <li>M.S. in Applied Chemistry, Waseda University, Japan;</li> <li>Senior Specialist of New Business Development Center, Nan Pao Resins Chemical Co., Ltd. ;</li> <li>Special Assistant of CEO's Office, Nan Pao Resins Chemical Co., Ltd.</li> <li>General Manager of Sports Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>  | Note 2          | —   | —    | —        |
| Executive General Manager of Paints and Coatings Business Division                              | Taiwan R.O.C. | Shuen-Hsing, Wu | Male   | 20220810       | —            | —    | —                           | —    | —                                   | —    | <ul style="list-style-type: none"> <li>Bachelor's Degree in Business Administration, National Taipei University of Technology;</li> <li>M.S. in Business Administration, National Taipei University of Technology;</li> <li>Assistant VP of Sales, ITLS International Development Co., Ltd;</li> <li>Director, Taiwan Paint Industry Association;</li> <li>Director, Taiwan Water Resources Development Association;</li> <li>Director, Taiwan Bioenergy Association;</li> <li>Honorary Director, Taipei Building Materials Association</li> </ul> | Note 3          | —   | —    | —        |
| Executive General Manager of Adhesives and Specialty Business Division<br>(Deputy Spokesperson) | Taiwan R.O.C. | Sen-Mao, Kuo    | Male   | 20170101       | 79,616       | 0.07 | —                           | —    | —                                   | —    | <ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering, National Taiwan University of Science and Technology;</li> <li>M.S. in Chemical Engineering, National Cheng Kung University;</li> <li>EMBA, National Sun Yat-sen University;</li> <li>Assistant VP in Adhesives and Specialty Business Division, Nan Pao Resins Chemical Co., Ltd.;</li> <li>Deputy General Manager in Adhesives and Specialty Business Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>   | Note 4          | —   | —    | —        |

| Title   | Nationality    | Name             | Gender | Date Effective | Shareholding |      | Spouse & Minor Shareholding |   | Shareholding by Nominee Arrangement |   | Education and Experience   | Other Positions | Managers Who are Spouses or Within Two Degrees of Kinship |      |          |
|---|----------------|------------------|--------|----------------|--------------|------|-----------------------------|---|-------------------------------------|---|--|-----------------|---|------|----------|
|   |                |                  |        |                | Shares       | %    | Shares                      | % | Shares                              | % |  |                 | Title   | Name | Relation |
| General Manager of Oeration Management Division                                       | Taiwan, R.O.C. | Yi-Jen, Fang     | Male   | 20160401       | 11,809       | 0.01 | —                           | — | —                                   | — | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Chemical Engineering, Southern Taiwan University of Science and Technology;</li> <li>• EMBA of National Sun Yat-sen University;</li> <li>• Technical Service Manager in Sports Goods Adhesives and Materials Business Department, Nan Pao Resins Chemical Co., Ltd.;</li> <li>• Footwear Technical Service Assistant VP in Sport Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.</li> <li>• General Manager of the First Business Department in Sport Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul> | —               | —   | —    | —        |
| Deputy General Manager of Executive Office, Adhesives and Specialty Business Division | Taiwan, R.O.C. | Kuo-Chin, Liu    | Male   | 20240808       | —            | —    | —                           | — | —                                   | — | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Traffic Engineering and Management, Feng Chia University;</li> <li>• Assistant VP of Adhesives and Specialty Business Department, Nan Pao Resins (China) Co., Ltd.;</li> <li>• Department General Manager of Adhesives and Specialty Business Department, Nan Pao Resins (Vietnam) Enterprise Ltd.</li> </ul>  | —               | —   | —    | —        |
| R&D Deputy General Manager of R&D & Innovation Division (R&D Officer)                 | Taiwan, R.O.C. | Yong-Ching, Shen | Male   | 20160401       | 16,500       | 0.01 | —                           | — | —                                   | — | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Chemistry, National Chung Hsing University;</li> <li>• M.S. in Chemistry, National Tsing Hua University;</li> <li>• Ph.D. in Applied Chemistry, National Chiao Tung University;</li> <li>• Deputy Researcher, Full-time Researcher, Supervisor, Deputy Head of Industrial Technology Research Institute (ITRI);</li> <li>• Visiting Scholar in Sheffield University, UK.</li> </ul>  | Note 5          | —   | —    | —        |
| R&D Deputy General Manager of Sports Goods Adhesives and Materials Business Division  | Taiwan, R.O.C. | Sen-Pei, Hung    | Male   | 20101001       | 25,564       | 0.02 | —                           | — | —                                   | — | <ul style="list-style-type: none"> <li>• Bachelor's Degree in Chemical Engineering, Chung Yuan Christian University;</li> <li>• M.S. in Chemical Engineering, Chung Yuan Christian University;</li> <li>• R&amp;D Manager in Sports Goods Adhesives and Materials Business Department, Nan Pao Resins Chemical Co., Ltd.;</li> <li>• Footwear R&amp;D Assistant VP in R&amp;D &amp; Innovation Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>  | —               | —   | —    | —        |

| Title   | Nationality    | Name            | Gender | Date Effective | Shareholding |      | Spouse & Minor Shareholding |      | Shareholding by Nominee Arrangement |   | Education and Experience  | Other Positions | Managers Who are Spouses or Within Two Degrees of Kinship |      |          |
|---|----------------|-----------------|--------|----------------|--------------|------|-----------------------------|------|-------------------------------------|---|---|-----------------|---|------|----------|
|   |                |                 |        |                | Shares       | %    | Shares                      | %    | Shares                              | % |   |                 | Title   | Name | Relation |
| Deputy General Manager of Footwear Production Dept., Operation Management Division                                  | Taiwan, R.O.C. | Ming-Ding, Tsai | Male   | 20191111       | 9,500        | 0.01 | —                           | —    | —                                   | — | <ul style="list-style-type: none"> <li>Bachelor's Degree in Chemical Engineering, National Cheng Kung University;</li> <li>Assistant VP of Footwear Production Department in Operation Management Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>  | —               | —   | —    | —        |
| Assistant VP of Overseas Sales Division   | Taiwan, R.O.C. | Chin-Fu, Hsu    | Male   | 20191111       | 244,666      | 0.20 | 9,000                       | 0.01 | —                                   | — | <ul style="list-style-type: none"> <li>EMBA of National Sun Yat-sen University;</li> <li>Manager of Sports Goods Adhesive and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>   | Note 6          | —   | —    | —        |
| Assistant VP of Footwear Second Business Dept., Sports Goods Adhesives and Materials Business Division              | Taiwan, R.O.C. | Cheng-Hao, Kuo  | Male   | 20230809       | —            | —    | —                           | —    | —                                   | — | <ul style="list-style-type: none"> <li>Bachelor's Degree in Economics, University of California, Irvine;</li> <li>Global Marketing Manager of Daiyu International;</li> <li>Assistant VP in Footwear Marketing Department of Sport Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.</li> </ul>  | —               | —   | —    | —        |
| Assistant VP of Polyester Polyol Technology R&D Dept., R&D & Innovation Division                                    | Taiwan, R.O.C. | Yan-Cheng, Chen | Male   | 20181108       | 5,000        | 0.00 | —                           | —    | —                                   | — | <ul style="list-style-type: none"> <li>Bachelor's Degree Chemical, Chung Yuan Christian University;</li> <li>M.S. in Chemical, Chung Yuan Christian University;</li> <li>R&amp;D Manager of Eternal Materials Co., Ltd.</li> </ul>  | —               | —   | —    | —        |
| Assistant VP in Financial Management Division (Spokesperson / Accounting Officer / Corporate Governance Supervisor) | Taiwan, R.O.C. | Yu-Ping, Sun    | Male   | 20261218       | —            | —    | —                           | —    | —                                   | — | <ul style="list-style-type: none"> <li>Bachelor's Degree in Accounting, National Cheng Kung University;</li> <li>Supervisor in Ernst &amp; Young, Taiwan;</li> <li>Senior Specialist, T.Y.C. Brother Industrial Co., Ltd.;</li> <li>Specialist, Jiguan Metal Co., Ltd., a subsidiary of Catcher Technology Co., Ltd.;</li> <li>Chief Financial Officer, Apogee Optocom Co., Ltd.</li> </ul> | Note 7          | —   | —    | —        |
| Assistant VP of IT Dept., Strategic Management Division (Chief Information Security Officer)                        | Taiwan, R.O.C. | Pei-Yi, Kuo     | Male   | 20210325       | 3,460        | 0.00 | —                           | —    | —                                   | — | <ul style="list-style-type: none"> <li>Bachelor's Degree in Control Engineering, National Chiao Tung University;</li> <li>M.S. in Institute of Automation and Control, National Taiwan University of Science and Technology;</li> <li>Manager of IT Department, Nan Pao Resins Chemical Co., Ltd.</li> </ul>  | Note 8          | —   | —    | —        |

| Title   | Nationality    | Name           | Gender | Date Effective | Shareholding |      | Spouse & Minor Shareholding |   | Shareholding by Nominee Arrangement |   | Education and Experience  | Other Positions | Managers Who are Spouses or Within Two Degrees of Kinship |      |          |
|---|----------------|----------------|--------|----------------|--------------|------|-----------------------------|---|-------------------------------------|---|---|-----------------|---|------|----------|
|   |                |                |        |                | Shares       | %    | Shares                      | % | Shares                              | % |   |                 | Title   | Name | Relation |
| Deputy Assistant Manager of Auditing Office (Audit Officer / Deputy Spokesperson) | Taiwan, R.O.C. | Li-Jung, Huang | Female | 20220211       | 1,000        | 0.00 | —                           | — | —                                   | — | <ul style="list-style-type: none"> <li>• Bachelor of Accounting, National Changhua University of Education;</li> <li>• Supervisor in Ernst &amp; Young Taiwan;</li> <li>• Senior Specialist, ITLS International Development Co., Ltd.;</li> <li>• Section Manager of Financial Management Division, Nan Pao Resins Chemical Co., Ltd.</li> <li>• Supervisor of Prince Pharmaceutical Co., Ltd.</li> </ul> | —               | —   | —    | —        |

Note 1: Chief Executive Officer of Nan Pao Resins Chemical Co., Ltd.; Director of Greatwill Materials (HK) Ltd.; Ongoing Profits Ltd.; Rising Sun Associate Ltd.; Nan Pao Resins (Vietnam) Enterprise Ltd.; Nan Pao Resins Chemical Philippines, Inc.; Goldford Investments Ltd.; Nan Pao Resins (Holdings) Ltd.; Eastlion Enterprises Ltd.; Nan Pao Resins (Dongguan) Co. Ltd.; Nan Pao Resins Development Ltd.; Nan Pao Materials Vietnam Co., Ltd.; Nan Pao Resins International Ltd.; NanPao Advanced Investment Co., Ltd.; Nan Pao (KunShan) Electronic Commerce Co., Ltd.; Nan Pao Resins (HK) Ltd.; Giant Profit Development Ltd.; All Saints Enterprises Ltd.; Nan Pao Resins (China) Co., Ltd.; Fuqing Nan Pao Investment Ltd.; Wealth Castle Development Ltd.; Fuqing Nan Pao Resins Co., Ltd.; Thai Nan Pao Investments Ltd.; Thai Nanpao Resins Chemical Co., Ltd.; Nan Pao Advanced Materials Vietnam Co., Ltd.; Nanpao New Materials (Huaian) Co., Ltd.; Earnest Wealth Co., Ltd.; Independent Director and member of the Compensation Committee of Lightel Corporation; Independent Director and member of the Audit Committee and Compensation Committee, Minson Integration, Inc.; Supervisor of Dongguan Jiaqin Electronics Co., Ltd. ; Nan Pao Resins (Foshan) Co., Ltd. ; Ching Lin International Development Co., Ltd.; Yu Tang Investment Co., Ltd.

Note 2: Executive General Manager of Sports Goods Adhesives and Materials Business Division, Nan Pao Resins Chemical Co., Ltd.; Corporate Director Representative and Chairman of Sheng Lin Investment Ltd.; ITLS International Development Co., Ltd.; Nanpao Fine Materials Co., Ltd.; Chairman of Sheng Bao Investment Co., Ltd.; Guang Lin Investment Co., Ltd.; Ching Lin International Development Co., Ltd.; Director of Greatwill Materials (HK) Ltd.; Ongoing Profits Ltd.; Rising Sun Associates Ltd.; Nan Pao Resins (Vietnam) Enterprise Ltd.; Goldford Investments Ltd.; Nan Pao Resins (Holdings) Ltd.; Eastlion Enterprises Ltd.; Nan Pao Resins Development Ltd.; Nan Pao Materials Vietnam Co., Ltd.; Nan Pao Resins International Ltd.; Changshu Yu Bo Polymer Materials Co., Ltd.; Profit Land Ltd.; Giant Profit Development Ltd.; Great Mount Enterprises Ltd.; Fuqing Nan Pao Investment Ltd.; Wealth Castle Development Ltd.; Thai Nan Pao Investments Ltd.; ITLS Holding Pte. Ltd.; Nan Pao Materials Resins India Pvt. Ltd.; Contact BioSolutions Australia Pty. Ltd. ; Opulence Optronics Co., Ltd.; Nan Pao Village Industry Co., Ltd.; Nan Pao Village Development Co., Ltd.; Advant Analytics Tactics Ltd.; Corporate Director Representative of Apogee Optocom Co., Ltd.; Ferrule Precision Co., Ltd.; Biorich Biotechnology Co., Ltd.; Nan Pao Industry Co., Ltd.; Yun Teh Industrial Co., Ltd.; Spark Foamtech Enterprise Co., Ltd.; Corporate Representative Director of Prince Pharmaceutical Co., Ltd.; Chairman and Supervisor of PT. Indo Nan Pao Resins Chemical Co., Ltd.; Supervisor of Advanced Pao Trusval Technology Co., Ltd.

Note 3: Director of Noroo-NanPao Paints & Coatings (Vietnam) Co., Ltd.; Dongguan Jiaqin Electronics Co., Ltd.; Nan Pao Philippines Export Inc.; Corporate Director Representative of ITLS International Development Co., Ltd.; Yun Teh Industrial Co., Ltd.; Corporate Director Representative and Chairman of Nan Pao Application Material Co., Ltd.; Biorich Biotechnology Co., Ltd.; Supervisor of Nan Pao Advanced Investment Co., Ltd.; Nan Pao (KunShan) Electronic Commerce Co., Ltd.; Nan Pao Resins (China) Co., Ltd.; Fuqing Nan Pao Resins Co., Ltd.

Note 4: Corporate Director Representative and Chairman of Nan Pao Advanced Materials Co., Ltd.; Chairman of Nan Pao Philippines Export Inc.; Director of Foshan Nan Pao Advanced Materials Co., Ltd.; Nan Pao Resins Chemical Philippines, Inc.; NP Australia Pty. Ltd.; RLA Polymers Pty. Ltd.; RLA Polymers (M) SDN BHD; Thai Nan Pao Investments Ltd.; Nan Pao Resins India Pvt. Ltd.; Apex Polytech Co., Ltd.; Corporate Director Representative of Advanced Pao Trusval Technology Co., Ltd.

Note 5: Corporate Director Representative and Chairman of Phymed Bio-Tec Co., Ltd.; FlexUP Technologies Corp.; Nan Pao Chemical Co., Ltd.; Yu Po Chemical Co., Ltd.; Corporate Director Representative of Nan Pao Advanced Materials Co., Ltd.; Director of Opulence Optronics Co., Ltd.; Profit Land Ltd.

Note 6: Director of Nan Pao Resins India Pvt. Ltd.; Chairman of Nan Pao Resins Chemical (Bangladesh) Co., Ltd.

Note 7: Corporate Director Representative of Nanpao Fine Materials Co., Ltd.; Nan Pao Resins Chemical (Bangladesh) Co., Ltd.; Director of Nan Pao Materials Resins India Pvt. Ltd.; Supervisor of Foshan Nan Pao Advanced Materials Co., Ltd.; Nanpao New Materials Technology (Huaian) Co., Ltd.; NanPao Fine Chemical Materials (Anhui) Co., Ltd.; ; Yun Teh Industrial Co., Ltd.; Corporate Supervisor Representative of Yu Po Chemical Co., Ltd.; Ferrule Precision Co., Ltd.

Note 8: Corporate Director Representative of Nan Pao Application Material Co., Ltd.; Phymed Bio-Tec Co., Ltd.

## II. Remuneration Paid to Directors, General Managers and Deputy General Managers

### (I) Remuneration Paid to Directors and Independent Directors in 2025

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 (B) |                                | Compensation to Directors (C) |                                | Allowances (D) |                                |  |                                | Salary, Bonuses and Allowances (E)                                  |                                | Severance Pay (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<br>Cheng-Hsien, Wu                 | 3,792                   | 3,792                          | -                 | -                              | 450                           | 450                            | -              | -                              | 4,242<br>(0.17%)                                     | 4,242<br>(0.17%)               | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 4,242<br>(0.17%)  | 4,242<br>(0.17%)  | -                              |
| Director<br>Pao Chien Enterprise Co., Ltd.  | -                       | -                              | -                 | -                              | 5,049                         | 5,049                          | -              | -                              | 5,049<br>(0.21%)                                     | 5,049<br>(0.21%)               | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 5,049<br>(0.21%)  | 5,049<br>(0.21%)  | -                              |
| Representative:<br>Wang-Chyan, Lin (Note 4) | -                       | -                              | -                 | -                              | -                             | -                              | -              | -                              | -  | -                              | -   | -                              | -                         | -                              | -                 | -     | -   | -     | -   | -                 | -                              |
| Representative:<br>Chih-Hung, Shih (Note 4) | -                       | -                              | -                 | -                              | -                             | -                              | -              | -                              | -  | -                              | -   | -                              | -                         | -                              | -                 | -     | -   | -     | -   | -                 | -                              |
| Director<br>Guang Rong Investment Ltd.      | -                       | -                              | -                 | -                              | 26,055                        | 26,055                         | -              | -                              | 26,055<br>(1.07%)                                    | 26,055<br>(1.07%)              | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 26,055<br>(1.07%)   | 26,055<br>(1.07%) | -                              |
| Representative:<br>Ming-Hsien, Hsu          | -                       | -                              | -                 | -                              | -                             | -                              | -              | -                              | -  | -                              | 6,928   | 6,928                          | 363                       | 363                            | 2,900             | -     | 2,900   | -     | 10,191<br>(0.42%)   | 10,191<br>(0.42%) | -                              |
| Representative:<br>Ying-Lin, Huang          | -                       | -                              | -                 | -                              | -                             | -                              | -              | -                              | -  | -                              | 5,698   | 5,698                          | 97                        | 97                             | 2,316             | -     | 2,316   | -     | 8,111<br>(0.33%)  | 8,111<br>(0.33%)  | -                              |
| Independent Director<br>Yun, Chen           | 240                     | 240                            | -                 | -                              | 350                           | 350                            | -              | -                              | 590<br>(0.02%)                                       | 590<br>(0.02%)                 | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 590<br>(0.02%)  | 590<br>(0.02%)    | -                              |
| Independent Director<br>Yung-Cheng, Chiang  | 240                     | 240                            | -                 | -                              | 350                           | 350                            | -              | -                              | 590<br>(0.02%)                                       | 590<br>(0.02%)                 | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 590<br>(0.02%)  | 590<br>(0.02%)    | -                              |
| Independent Director<br>Chin-Jung, Kuo      | 240                     | 240                            | -                 | -                              | 350                           | 350                            | -              | -                              | 590<br>(0.02%)                                       | 590<br>(0.02%)                 | -   | -                              | -                         | -                              | -                 | -     | -   | -     | 590<br>(0.02%)  | 590<br>(0.02%)    | -                              |
| Total                                       | 4,512                   | 4,512                          | -                 | -                              | 32,604                        | 32,604                         | -              | -                              | 37,116<br>(1.51%)                                    | 37,116<br>(1.51%)              | 12,626  | 12,626                         | 460                       | 460                            | 5,216             | -     | 5,216   | -     | 55,418<br>(2.26%)   | 55,418<br>(2.26%) | -                              |

\*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 2025 financial statements: None.

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

- 1、The remuneration of directors is determined by the Board of Directors in accordance with the authorization set forth in the Company's Articles of Incorporation, taking into account each director's level of participation in operations and contribution to the Company, and with reference to industry practices both domestically and internationally. Such remuneration may be adjusted based on the results of the Board performance evaluation.
- 2、The Articles of Incorporation also provide that the compensation to directors shall be no more than 3% of annual profits.
- 3、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;
  - (3) If the Company's after-tax net profit for the relevant year decreases by more than 20% compared with the previous year, the growth rate of directors' remuneration shall not exceed that of the previous year;
  - (4) In the event of ethical misconduct or any incident that results in a material negative impact on the Company's reputation or image, directors' remuneration may be adjusted downward upon resolution of the Board of Directors.

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 2025, including their employee compensation, both accounted for 2.26% of 2025 net income.

Note 4: Mr. Chih-Hung Shih was appointed as the representative person of Pou Chien Enterprise Co., Ltd. on June 20, 2025, replacing Mr. Wang-Chyan Lin who resigned on the same day.

## (II) Remuneration Paid to General Managers and Deputy General Managers in 2025

Unit: NT\$1,000

| Title   | Name                     | Salary (A)  |                                | Severance Pay (B) |                                | Bonuses and Allowances (C) |                                | Profit Sharing (D) |       |                                |       | Total Remuneration (A+B+C+D) and Ratio to Net Income |                                | Compensation Paid to General Managers and Deputy General Managers from Non-consolidated Affiliates |
|---|--------------------------|-------------|--------------------------------|-------------------|--------------------------------|----------------------------|--------------------------------|--------------------|-------|--------------------------------|-------|--|--------------------------------|--|
|   |                          | 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 |  |                                |  |
| CEO   | Ming-Hsien, Hsu          | 17,236      | 17,236                         | 2,695             | 2,695                          | 16,084                     | 16,084                         | 7,599              | -     | 7,599                          | -     | 43,614<br>(1.79%)                                    | 43,614<br>(1.79%)              | -  |
| Executive General Manager of Sports Goods Adhesives and Materials Business Division   | Ying-Lin, Huang          |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Executive General Manager of Paints and Coatings Business Division                    | Shuen-Hsing, Wu          |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Executive General Manager of Adhesives and Specialty Business Division                | Sen-Mao, Kuo             |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| General Manager of Operation Management Division                                      | Yi-Jen, Fang             |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Deputy General Manager of Executive Office, Adhesives and Specialty Business Division | Kuo-Chin, Liu            |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| R&D Deputy General Manager of R&D & Innovation Division                               | Yong-Ching, Shen         |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| R&D Deputy General Manager of Sports Goods Adhesives and Materials Business Division  | Sen-Pei, Hung            |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Deputy General Manager of Planning Department, Strategic Management Division          | Ping-Feng, Lai<br>(Note) |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Deputy General Manager of Planning Department, Strategic Management Division          | Jung-Wen, Kuo            |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |
| Deputy General Manager of Footwear Production Dept., Operation Management Division    | Ming-Ding, Tsai          |             |                                |                   |                                |                            |                                |                    |       |                                |       |  |                                |  |

Note : Ping-Feng, Lai resigned on February 28, 2025.

Table of Remuneration Ranges

| Remuneration Range                      | Name of the General Manager and Deputy General Manager                |   |
|---|---|---|
|   | The Company   | Companies in the Consolidated Financial Statements                    |
| Under NT\$ 1,000,000                    | -   | -   |
| NT\$ 1,000,000 ~Under NT\$ 2,000,000    | -   | -   |
| NT\$ 2,000,000 ~Under NT\$ 3,500,000    | Kuo-Chin, Liu / Jung-Wen, Kuo   | Kuo-Chin, Liu / Jung-Wen, Kuo   |
| NT\$ 3,500,000 ~Under NT\$ 5,000,000    | Yi-Jen, Fang / Yong-Ching, Shen /<br>Sen-Pei, Hung / Ping-Feng, Lai   | Yi-Jen, Fang / Yong-Ching, Shen /<br>Sen-Pei, Hung / Ping-Feng, Lai   |
| NT\$ 5,000,000 ~Under NT\$ 10,000,000   | Ying-Lin, Huang / Shuen-Hsing, Wu /<br>Sen-Mao, Kuo / Ming-Ding, Tsai | Ying-Lin, Huang / Shuen-Hsing, Wu /<br>Sen-Mao, Kuo / Ming-Ding, Tsai |
| NT\$ 10,000,000 ~Under NT\$ 15,000,000  | Ming-Hsien, Hsu   | -   |
| NT\$ 15,000,000 ~Under NT\$ 30,000,000  | -   | -   |
| NT\$ 30,000,000 ~Under NT\$ 50,000,000  | -   | -   |
| NT\$ 50,000,000 ~Under NT\$ 100,000,000 | -   | -   |
| NT\$ 100,000,000 and Over               | -   | -   |
| Total                                   | 11  | 11  |

## (III) Employees' Profit Sharing Paid to Management in 2025

As of December 31, 2025 / Unit: NT\$1,000

| Title  | Name             | Stock | Cash   | Total  | Ratio to Net Income |
|--|------------------|-------|--------|--------|---------------------|
| CEO  | Ming-Hsien, Hsu  |       |        |        |                     |
| Executive General Manager of Sports Goods Adhesives and Materials Business Division                    | Ying-Lin, Huang  |       |        |        |                     |
| Executive General Manager of Paints and Coatings Business Division                                     | Shuen-Hsing, Wu  |       |        |        |                     |
| Executive General Manager of Adhesives and Specialty Business Division                                 | Sen-Mao, Kuo     |       |        |        |                     |
| General Manager of Operation Management Division   | Yi-Jen, Fang     |       |        |        |                     |
| Deputy General Manager of Executive Office, Adhesives and Specialty Business Division                  | Kuo-Chin, Liu    |       |        |        |                     |
| R&D Deputy General Manager of R&D & Innovation Division  | Yong-Ching, Shen | -     | 12,343 | 12,343 | 0.51%               |
| R&D Deputy General Manager of Sports Goods Adhesives and Materials Business Division                   | Sen-Pei, Hung    |       |        |        |                     |
| Deputy General Manager of Footwear Production Dept., Operation Management Division                     | Ming-Ding, Tsai  |       |        |        |                     |
| Assistant VP of Overseas Sales Division  | Chin-Fu, Hsu     |       |        |        |                     |
| Assistant VP of Footwear Second Business Dept., Sports Goods Adhesives and Materials Business Division | Cheng-Hao, Kuo   |       |        |        |                     |
| Assistant VP of Polyester Polyol Technology R&D Dept., R&D & Innovation Division                       | Yan-Cheng, Chen  |       |        |        |                     |
| Assistant VP of Financial Management Division  | Yu-Ping, Sun     |       |        |        |                     |
| Assistant VP of IT Dept., Strategic Management Division  | Pei-Yi, Kuo      |       |        |        |                     |

Note: As of the date of publication of this Annual Report, the 2025 employees' profit sharing has not been resolved; hence, the distribution amount is calculated based on the ratio of last year's actual distribution.

(IV) Comparison of Remuneration for Directors, General Managers and Deputy General Managers in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, General Managers and Deputy General Managers

1. Analysis of ratio of total remuneration to net income

Unit : NT\$1,000 ; %

| Title  | The Company        |                     |                    |                     | For All Consolidated Entities |                     |                    |                     |
|--|--------------------|---------------------|--------------------|---------------------|-------------------------------|---------------------|--------------------|---------------------|
|  | 2024               |                     | 2025               |                     | 2024                          |                     | 2025               |                     |
|  | Total Remuneration | Ratio to Net Income | Total Remuneration | Ratio to Net Income | Total Remuneration            | Ratio to Net Income | Total Remuneration | Ratio to Net Income |
| Directors                                    | 54,578             | 2.03                | 55,418             | 2.26                | 54,578                        | 2.03                | 55,418             | 2.26                |
| General Managers and Deputy General Managers | 47,616             | 1.77                | 43,614             | 1.79                | 47,616                        | 1.77                | 43,614             | 1.79                |

Note: The total amount of director remunerations include the compensation paid to concurrent employees, hence there are parts of overlap with the total amount paid to general managers and deputy general managers.

2. Remuneration policies, standards, and packages for remuneration payment, as well as the procedures for determining remuneration, and its linkage to business performance and future risk exposure:

(1) Policies and Procedures for Remuneration

In accordance with Article 25 of the Company's Articles of Incorporation, if the Company has current-year profits after offsetting accumulated losses, it shall allocate 2% to 6% as employee remuneration and no more than 3% as directors' remuneration. The Company's remuneration policy is determined by comprehensively considering industry salary levels, the scope of responsibilities associated with each position within the Company, and the specific contributions made toward the Company's operating objectives. In addition, pursuant to the "Remuneration payment method for directors, functional committees and managers" and relevant bonus schemes, remuneration for directors and senior executives is determined based on overall corporate performance, future operational risks, individual performance evaluations, and the extent of contribution to overall corporate performance, ensuring reasonable compensation.

For directors' remuneration, Article 18 of the Articles of Incorporation authorizes the Compensation Committee to review and evaluate directors' compensation based on their level of participation and contribution to the Company's operations, with reference to domestic and international industry standards, and to submit recommendations to the Board of Directors for resolution. Furthermore, the Company conducts annual Board performance evaluations in accordance with the "Procedures for Performance Evaluation of the Board of Directors." The self-assessment covers six major dimensions: understanding of the Company's goals and mission, awareness of directors' duties, level of participation in the Company's operations, internal relationship management and communication, directors' professional competence and continuous development, and internal control effectiveness. The annual evaluation results are provided to the Compensation Committee as an important reference for determining individual directors' remuneration.

(2) Linkage between Incentive System and Sustainability Performance

To strengthen long-term business performance and implement the concept of sustainable development, the Company has established a performance and remuneration system linked to its Environmental, Social, and Governance (ESG)

strategy for the General Manager, Executive General Managers of each business division, heads of key functional units, general managers of major affiliated enterprises, as well as mid-to-senior level management and professional personnel. Based on its sustainability strategy and objectives, the Company has formulated relevant sustainability performance indicators, which are incorporated into the Key Performance Indicator (KPI) framework for senior executives as an important component of performance evaluation. The results of KPI assessments directly affect the distribution of performance bonuses and short-term incentive compensation, ensuring that the remuneration system is closely aligned with the Company’s sustainability goals and effectively drives the implementation of its strategic initiatives.

An overview of the sustainability performance indicators for each senior executive and their respective weightings is as follows:

| <b>Position Level</b>   | <b>Sustainability Performance Weighting</b> | <b>Sustainability Performance Indicators</b>   |
|---|---|--|
| Executive General Managers, Deputy General Manager and Assistant VP of Business Divisions | 15%   | <ul style="list-style-type: none"> <li>• Product carbon emission intensity achievement rate (15%)</li> </ul>   |
| General Managers and Deputy General Manager of Operations Management Division             | 20%   | <ul style="list-style-type: none"> <li>• Continuous ISO certification and zero incidents of disasters, penalties, or occupational safety and health violations (10%)</li> <li>• Environmental management performance indicators (intensity-based) (10%)</li> </ul>   |
| General Managers of major affiliated enterprises  | 20%   | <ul style="list-style-type: none"> <li>• Continuous ISO certification and zero incidents of disasters, penalties, or occupational safety and health violations (5%)</li> <li>• Environmental management performance indicators (intensity-based) (10%)</li> <li>• Talent diversity targets (5%)</li> </ul> |
| Deputy General Manager and Assistant VP of R&D and Innovation Division                    | 15%   | <ul style="list-style-type: none"> <li>• Low-carbon products and R&amp;D-related indicators (including carbon intensity, green product sales, and use of recycled materials) (15%)</li> </ul>  |
| Assistant VP of Finance Management Division   | 15%   | <ul style="list-style-type: none"> <li>• Corporate governance evaluation achievement rate (10%)</li> <li>• Risk management training and information disclosure (5%)</li> </ul>   |
| Manager of Strategic Procurement Department   | 15%   | <ul style="list-style-type: none"> <li>• Supplier ESG risk management mechanism (10%)</li> <li>• Low-carbon raw material procurement (5%)</li> </ul>   |
| Mid-to-senior level managers and professional personnel                                   | Linkage Mechanism                           | Linked to the KPI of the respective general manager of the business group  |

### III. Implementation of Corporate Governance

#### (I) Board of Directors

The Chairman convened 8 meetings in 2025. The attendance status is as follows.

| Title                | Name  | Attendance in Person | By proxy | Attendance Rate (%) | Remarks               |
|----------------------|---|----------------------|----------|---------------------|-----------------------|
| Chairman             | Cheng-Hsien, Wu   | 8                    | 0        | 100                 | Should attend 8 times |
| Director             | Pou Chien Enterprise Co., Ltd.<br>Representative: Wang-Chyan, Lin | 8                    | 0        | 100                 | Should attend 8 times |
|                      | Representative: Chih-Hung, Shih (Note 1)                          |                      |          |                     |                       |
| Director             | Guang Rong Investment Ltd.<br>Representative: Ming-Hsien, Hsu     | 8                    | 0        | 100                 | Should attend 8 times |
| Director             | Guang Rong Investment Ltd.<br>Representative: Ying-Lin, Huang     | 8                    | 0        | 100                 | Should attend 8 times |
| Independent Director | Yun, Chen   | 7                    | 1        | 87.5                | Should attend 8 times |
| Independent Director | Yung-Cheng, Chiang  | 8                    | 0        | 100                 | Should attend 8 times |
| Independent Director | Chin Jung, Kuo  | 8                    | 0        | 100                 | Should attend 8 times |

Note 1: Mr. Shih Chih-Hung was appointed as the representative person of Pou Chien Enterprise Co., Ltd. on June 20, 2025.

Other matters to be specified:

- Where any of the following circumstances occurs with respect to the operation of the Board of Directors, meeting dates, sessions, contents of resolutions, opinions of all independent directors, and actions taken by the Company in response to opinions of independent directors shall be noted:
  - Matters prescribed under Article 14-3 of the Securities and Exchange Act. Please refer to "Audit Committee" in page 32. All the independent directors agreed to pass all the proposals.
  - Except for the matters mentioned in the preceding paragraph, matters resolved by the Board of Directors, to which an independent director has a dissenting or qualified opinion that is on record or stated in a written statement : None.
- For any recusal of Directors due to conflict of interests in certain proposals, name of the Director, contents of resolutions, reasons for the recusal and participation in the voting shall be noted :

| Date     | Contents of Resolutions  | Name of Director                                    | Reason for Recusal   | Resolution  |
|----------|--|---|--|---|
| 20250114 | The Company's proposal of 2024 performance-based bonuses for managers. | Cheng-Hsien, Wu / Ming-Hsien, Hsu / Ying-Lin, Huang | The director, also a managerial officer, recused from this matter and did not participate in the discussion or voting. | Except for Chairman Cheng-Hsien, Wu, Director Ming-Hsien, Hsu, and Director Ying-Lin, Huang, who recused themselves due to conflicts of interest, the proposal was unanimously approved without objection by the attending directors after Independent Director Yun, Chen, acting as chairman, consulted the remaining attendees. |

### 3. Board of Directors' Performance Evaluation Implementation Status:

| Evaluation Cycle  | Evaluation Period | Evaluation Scope   | Evaluation Method   | Content of Evaluation  |
|---|-------------------|--|---|--|
| Annual  | 20250101~20251231 | Board of Directors   | Internal self-evaluation of the Board of Directors "Self-evaluation Questionnaire for Board Performance"                                      | A total of 50 evaluation indicators are included in the five aspects of participation in the Company's operations, enhancement of the quality of board decision-making, composition and structure of the board of directors, election and continuing knowledge development of directors, and internal control.                             |
| Annual  | 20250101~20251231 | Individual directors   | Internal self-evaluation of director member "Self-evaluation Questionnaire for Director Member Performance"                                   | A total of 28 evaluation indicators are included in the five aspects of understanding of the Company's goals and responsibilities, participation in operations, internal communication and relationship management, directors' professional competence and continuing education, and internal control.                                     |
| Annual  | 20250101~20251231 | Functional Committee<br>• Audit Committee<br>• Compensation Committee<br>• Sustainable Development Committee | Internal self-evaluation of the functional committees "Self-evaluation Questionnaire for Functional Committee Performance"                    | Participation in Company operations, understanding of functional committee responsibilities, enhancement of decision-making quality of functional committees, composition and member selection of functional committees, and internal control.   |
| Every three years by an external professional independent institution | 20240801~20250731 | Operation of the Board of Directors and Functional Committees  | The Company engaged an external professional institution, the Taiwan Corporate Governance Association, to conduct the performance evaluation. | 1. Composition and structure of the Board of Directors<br>2. Guidance and supervision by the Board of Directors<br>3. Delegation of authority and risk management of the Board of Directors<br>4. Communication and collaboration within the Board of Directors<br>5. Self-discipline and continuous improvement of the Board of Directors |

The 2025 self-evaluation of the Board of Directors and functional committees indicated overall "good" performance and effective operations. The evaluation results were submitted to the Board meeting on March 12, 2026. The overall assessment and recommendations from the performance evaluation conducted by the external independent professional institution, the Taiwan Corporate Governance Association, were submitted to the Board meeting on November 10, 2025, as a basis for review and improvement.

### 4. Goals to strengthen the functionality of the board of directors and assessment of implementation results in the current year and previous year:

#### (1) Strengthening Board Functions

- a. To fully leverage the synergies of functional committees, the Company, based on its operational development needs and the division of responsibilities among independent directors, will review the diverse professional backgrounds and experience of the next-term independent directors, and plans to appoint conveners with relevant expertise to lead each functional committee following the next election.

- b. To actively enhance the Board's diversified supervisory functions, the Company plans, starting in 2026, to regularly report to the Board on its senior executive development policies, systems, and succession planning, thereby strengthening the Board's oversight of senior executive development and succession plan implementation.
- c. The Company has clearly established term-based objectives for the Board and each functional committee. Key focus areas for the Board in 2026 include senior executive succession planning, the implementation of Artificial Intelligence Enterprise Resource Planning and Artificial Intelligence Audit, as well as the adoption of IFRS S1/S2 sustainability disclosure standards. Each functional committee will, within its respective scope of responsibilities, plan and oversee the related execution and supervision matters.
- (2) To promote gender equality among Board members, enhance female participation in decision-making, and strengthen the Board structure, two additional female directors were appointed in the Board re-election on March 12, 2026.
- (3) To enhance information transparency, starting in 2024, the Company has voluntarily disclosed individual director remuneration in its annual shareholders' meeting report, and reports the remuneration policy, individual remuneration details, amounts and their linkage to performance evaluation results.

## (II) Audit Committee

The Company set up “Audit Committee” on December 12, 2017 to replace the original supervisor system. The committee consists of three independent directors, who select one among them as the convener and chairman of its meeting. For details of their professional qualifications and experience, please refer to the disclosures on directors’ professional qualifications and independence on page 9. The Audit Committee operates in accordance with the Company’s “Articles of Audit Committee” with the scope of its auditing covering the Company’s financial statement, audit and accounting policies and procedures of the Company, the Company’s internal-control system, major transactions in assets or derivatives, raising or issuance of securities, appointment and dismissal of, along with compensations for, certified public accountant, appointment and dismissal of financial, accounting, and internal auditing officers, and supervision of risk management-related operating mechanism.

Key Focus in 2025:

### 1. Review financial reports

The Company's Board of Directors submitted the 2024 annual financial statements (including the consolidated financial statements) which has been audited and certified by accountants Chao-Chin, Ynag and Chi-Chen, Lee, of Deloitte & Touche Taiwan, entrusted by the Board of Directors. Together with annual business report and earning distribution plan, they are reviewed and approved by the 10th meeting of the 3rd Audit Committee (2025.3.14), were submitted to the Resolution of the Board of Directors meeting (2025.3.14), and were acknowledged by general shareholders meeting in 2025 (2025.6.17).

### 2. Evaluate the effectiveness of the internal control system

The Company, in accordance with the criteria for assessing the effectiveness of internal control systems under the “Regulations Governing Establishment of Internal Control Systems by Public Companies,” evaluated whether the design and execution of the internal control system for fiscal year 2024 were effective. The internal self-assessment units and subsidiaries have completed the review of internal control self-evaluations. No material deficiencies were identified in the design and execution of the internal control system. The results were reviewed and approved by the 3rd Audit Committee Meeting (2025.3.14) and subsequently resolved by the Board of Directors on the same date. Accordingly, the Company issued the “Internal Control System Statement” for fiscal year 2024.

### 3. Review of Internal Audit Plan

The Company’s Internal Audit Unit formulated the “2025 Internal Audit Plan” based on risk assessment results, which includes routine audit plans, special audit projects, and audit plans for domestic and overseas subsidiaries. The plan was reviewed and approved the 9th meeting of the 3rd Audit Committee (2024.12.18) and subsequently resolved by the Board of Directors (2024.12.18).

The Chairman of Audit Committee convened 7 meetings in 2025. The attendance status is as follows.

| Title               | Name               | Attendance in Person | By proxy | Attendance Rate (%) | Remarks               |
|---------------------|--------------------|----------------------|----------|---------------------|-----------------------|
| Convener & Chairman | Yun, Chen          | 6                    | 1        | 85.71               | Should attend 7 times |
| Member              | Yung-Cheng, Chiang | 7                    | 0        | 100                 | Should attend 7 times |
| Member              | Chin-Jung, Kuo     | 7                    | 0        | 100                 | Should attend 7 times |

Other matters to be specified:

1. Where any of the following circumstances occurs with respect to the operation of the Audit Committee, meeting dates, sessions, contents of resolutions, objective, qualified opinions or significant recommendations of independent directors, resolutions adopted by the Audit Committee and actions taken by the Company in response to opinions of Audit Committee shall be noted:

(1) Items specified in Article 14-5 of Securities and Exchange Act: Please refer to the following charts.

(2) Other items resolved by the audit committee member with support of two thirds of directors but without approval of the auditing committee: None.

| Audit Committee    | Contents of Resolutions   | Article 14-5 of Securities and Exchange Act | Other Items Not Approved by the Audit Committee but Approved by Two Thirds of All Directors |
|--------------------|---|---|---|
| 3-10<br>(20250314) | The Company's proposal of 2024 business report and financial statements.  | V   |   |
|                    | The Company's proposal of 2024 earnings distribution plan.  | V   |   |
|                    | The Company's proposal of 2024 "Statement on Internal Control System".  | V   |   |
|                    | The Company's proposal to increase capital in cash for "Nan Pao Materials Resins India Pvt. Ltd."   | V   |   |
|                    | The Company's proposal to amend certain provisions of "Articles of Incorporation" and defined the scope of grassroots employees.  | V   |   |
|                    | The Company's proposal to provide letter of support for subsidiaries.   | V   |   |
|                    | Audit Committee Resolution Results (2025.03.14) : Approved by all present members of the Audit Committee.<br>The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance. |   |   |
| 3-11<br>(20250506) | The review of the undertakings issued by the Company in connection with its subsidiary' application for listing on an overseas securities market.   | V   |   |
|                    | Audit Committee Resolution Results (2025.05.06) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.  |   |   |
| 3-12<br>(20250509) | The Company's proposal of consolidated financial statements for the first quarter of 2025.  | V   |   |
|                    | The Company's proposal of earnings distribution for the first quarter of 2025.  | V   |   |
|                    | The Company's proposal to provide letter of support for subsidiaries.   | V   |   |
|                    | Audit Committee Resolution Results (2025.05.09) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.  |   |   |
| 3-13<br>(20250808) | The Company's proposal of consolidated financial statements for the second quarter of 2025.   | V   |   |
|                    | The Company's proposal of earnings distribution for the second quarter of 2025.   | V   |   |
|                    | The Company's proposal to provide endorsements or guarantees for subsidiaries.  | V   |   |
|                    | The Company's proposal to provide letter of support for subsidiaries.   | V   |   |
|                    | Audit Committee Resolution Results (2025.08.08) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.  |   |   |
| 3-14<br>(20250828) | The Company's proposal to joint venture with Advanced Echem Materials Company Limited and Trusval Technology Co., Ltd.  | V   |   |
|                    | Audit Committee Resolution Results (2025.08.28) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.  |   |   |
| 3-15<br>(20251110) | The Company's proposal of consolidated financial statements for the third quarter of 2025.  | V   |   |
|                    | The Company's proposal of earnings distribution for the third quarter of 2025.  | V   |   |
|                    | The Company's proposal of additional investment for "Nanpao New Materials Technology (Huaian) Co., Ltd."  | V   |   |

| Audit Committee    | Contents of Resolutions   | Article 14-5 of Securities and Exchange Act | Other Items Not Approved by the Audit Committee but Approved by Two Thirds of All Directors |
|--------------------|---|---|---|
| 3-15<br>(20251110) | The Company's proposal to amend "Sustainable Development Best Practice Principle".  | V   |   |
|                    | The Company's proposal to amend "Payroll Cycle" of the internal control system.   | V   |   |
|                    | The Company's proposal to provide letter of support for subsidiaries.   | V   |   |
|                    | Audit Committee Resolution Results (2025.11.10) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.                                    |   |   |
| 3-16<br>(20251218) | The Company's proposal of 2026 Business Plan.   | V   |   |
|                    | The Company's proposal of 2026 internal audit plan.   | V   |   |
|                    | The Company's proposal of the changes to the Company's accounting, finance officer, corporate governance supervisor, and spokesperson.  | V   |   |
|                    | The Company's proposal of the list of non-assurance services and the independence assessment.   | V   |   |
|                    | The Company's proposal to amend "Procedures for Ethical Management and Guidelines for Conduct" and to establish the "Integrity Management Code" of the internal control system. | V   |   |
|                    | The Company's proposal to amend "Risk Management Policies and Procedures" of the internal control system.   | V   |   |
|                    | The Company's proposal to amend "Sales Cycle" of the internal control system.   | V   |   |
|                    | The Company's proposal to amend "Articles of Sustainable Development Committee" of the internal control system.   | V   |   |
|                    | The Company's proposal to add internal control system of "Major Topic Investigation and Management Procedures".   | V   |   |
|                    | Approved the Company's proposal to provide letter of support for subsidiaries.  | V   |   |
|                    | Audit Committee Resolution Results (2025.12.18) : Approved by all present members of the Audit Committee.   |   |   |
|                    | The Company's handling of the opinion of the Audit Committee: The above proposal was approved by all members of the directors in attendance.                                    |   |   |

2. For any recusal of independent directors due to conflict of interests in certain proposals, names of independent directors, contents of resolutions, reasons for the recusal and participation in the voting shall be noted: None.

3. Communication between independent directors, internal auditing officer and CPA:

(1) Communications method of independent directors with internal auditing officer and certified public accountants: The Company has put in place direct contact channel for independent directors to communicate with internal auditing officer and certified public accountants. In line with the regulation of the Authority, the independent directors audit the Company's finance and business status regularly and communicates directly with management and corporate governance unit.

A. The Company's internal auditing officer delivers internal auditing report at the quarterly meeting of the audit committee, covering status of execution of auditing operation, improvement and tracking, as well as effects, of the audited defects. In addition to providing independent directors with monthly audit reports in writing or by mail, internal auditing officer also makes specific business reports annually to the independent directors.

B. After completing the reviewing of the quarterly financial statements and the auditing of the annual financial statements, the Company's certified public accountants report the result of the auditing or reviewing of the financial statements of the Company and its subsidiaries both domestic and overseas at the auditing committee. In addition, the Company's certified public accountants at least twice a year, through separate meetings to conduct annual audit planning and audit summary report to independent directors, as well as other legally required communications items.

(2)The independent directors and internal auditing officer have good communication. Communication issues in 2025 are showed as follows.

| Date and Communication Channel                | Communication Items  | Communication Result   |
|---|--|--|
| 20250314<br>Audit Committee                   | Internal Audit Execution Report for the Fourth Quarter of 2024   | Independent directors had no further comments.   |
|   | Internal Control System Statement for the Year 2024  | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution.   |
| 20250509<br>Audit Committee                   | Internal Audit Execution Report for the First Quarter of 2025  | Independent directors had no further comments.   |
| 20250808<br>Audit Committee                   | Internal Audit Execution Report for the Second Quarter of 2025   | Independent directors had no further comments.   |
| 20251110<br>Audit Committee                   | Internal Audit Execution Report for the Third Quarter of 2025  | Independent directors had no further comments.   |
| 20251218<br>Audit Committee                   | Annual audit plan of 2026  | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution.   |
| 20251218<br>Audit Items Communication Meeting | One-on-One Communication Between Independent Directors and Internal Auditing Officer<br>(Conducted without the presence of general directors or managerial officers)<br>Discussion Topics:<br>1. Overview of the execution of the 2025 Audit Plan<br>2. Risk assessment and audit planning for 2026<br>3. Risk Management and Internal Audit Framework | Recommendation by Independent Director Chin-Jung, Kuo:<br>(1) Greater attention should be given to operating units that have not been audited for an extended period.<br>(2) In addition to high-risk and material items, audit selection may also include low-variance or long-term stable items to avoid management blind spots.<br>Recommendation by Independent Director Yung-Cheng, Chiang:<br>Audit items may be flexibly adjusted in response to changes in actual risk conditions to enhance early warning capabilities and management effectiveness.<br>Response from Auditing Office:<br>A comprehensive review has been scheduled for 2026, and additional special audit projects have been arranged. |

(3)The independent directors and certified public accountants have good communication. Communication issues in 2025 are showed as follows.

| Date and Communication Channel                            | Communication Items  | Communication Result   |
|---|--|--|
| 20250314<br>Audit Summary Stage<br>Communication Meeting  | One-on-One Communication Between Independent Directors and CPA<br>(Conducted without the presence of general directors or managerial officers)<br>Discussion Topics:   | Independent directors had no further comments.   |
| 20250314<br>Audit Summary Stage<br>Communication Meeting  | 1.Summary of the 2024 audit findings, including audit scope and materiality, audit report, key audit matters, and other communication items<br>2. Explanation of Audit Quality Indicators (AQIs)   |  |
| 20250314<br>Audit Committee                               | Financial Statements and Consolidated Financial Statements for the Year Ended 2024   | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution. |
| 20250509<br>Audit Committee                               | Consolidated Financial Statements for the First Quarter of 2025  | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution. |
| 20250808<br>Audit Committee                               | Consolidated Financial Statements for the Second Quarter of 2025   | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution. |
| 20251110<br>Audit Committee                               | Consolidated Financial Statements for the Third Quarter of 2025  | The proposal was approved unanimously by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for final resolution. |
| 20251218<br>Audit Planning Stage<br>Communication Meeting | One-on-One Communication Between Independent Directors and CPA<br>(Conducted without the presence of general directors or managerial officers)<br>Discussion Topics:<br>1. Audit plan for the year 2025, including audit scope and materiality, audit report, key audit matters, and other communication items.<br>2. Auditor's fees and the public disclosure of audit fee information. | Independent directors had no further comments.   |

(III) Corporate Governance Execution Status and Deviations from the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

| Assessment Item   | Implementation Status |    |  | Discrepancy and The Reasons |
|---|-----------------------|----|--|-----------------------------|
|   | Yes                   | No | Explanation  |                             |
| 1. Does the Company establish and disclose the Corporate Governance Best Practice Principles based on “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”? | V                     |    | The Company has formulated “Corporate Governance Best Practice Principles” and has been approved by the Board on April 12, 2018, which is also in accordance with “Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies”. These Principles have been revised five times from 2019 to 2025 in response to corporate development trend and the latest development of social and international issues concerned. These Principles have been announced on the Company's website. | None                        |
| 2. Shareholding Structure & Shareholders' Rights  |                       |    |  |                             |
| (1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigation, and implement based on the procedure?         | V                     |    | (1) The Company has established a spokesperson and the deputy spokesperson system which handles shareholders' suggestions or inquiries. Shareholder disputes and litigation matters are handled by the legal department. All related matters are processed in accordance with internal operating procedures.   | None                        |
| (2) Does the Company possess the list of its major shareholders who control the Company substantially as well as the ultimate controller of these major shareholders?                 | V                     |    | (2) The Company has got hold of the list of major shareholders and their ultimate controllers, which is updated regularly.   | None                        |
| (3) Does the Company establish and execute the risk management and firewall system with its affiliates?   | V                     |    | (3) The Company has formulated “Subsidiary Supervision Regulations” and “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties”, and has clear personnel, assets and financial management rights and responsibilities with affiliated enterprises. The Company regularly checks the accounting and internal control systems of affiliated enterprises, and establishes appropriate risk control and firewall mechanisms.                                   | None                        |
| (4) Does the Company establish internal rules against insiders trading securities with undisclosed information?   | V                     |    | (4) The Company has followed the “Regulations Governing Prevention of Insider Trading and Handling Material Inside Information” and “Code of Ethical Conduct” to prevent the Company's insiders from using information that has not been disclosed on the market to purchase and sell securities.  | None                        |
| 3. Composition and Responsibilities of the Board of Directors   |                       |    |  |                             |
| (1) Does the Board of Directors formulate and implement diversified policies and specific management objectives?  | V                     |    | (1)1. In line with the policy of membership diversification for the Board of Directors, as stipulated in the "Corporate Governance Best Practice Principles" which includes but not restrict the following two standards:<br>(1) Basic condition: gender, age, nationality, race and culture, etc.<br>(2) Professional knowledge and skill: professional background (such as law, accounting, industry, finance, marketing or technology), professional skill and industrial experience.             | None                        |

| Assessment Item   | Implementation Status |    | Explanation   | Discrepancy and The Reasons |
|---|-----------------------|----|---|-----------------------------|
|   | Yes                   | No |   |                             |
|   |                       |    | <p>2. Management Objectives:</p> <p>(1) The Board of Directors shall include at least one female director;</p> <p>(2) Independent directors shall comprise more than one-third of the Board;</p> <p>(3) The number of directors concurrently serve as company executives shall not exceed one-third of the Board;</p> <p>(4) No more than two directors shall have a spousal or second-degree family kinship;</p> <p>(5) The female directors shall reach one-third of the Board.</p> <p>3. Execution:</p> <p>The Company select 7 directors at 2023 Shareholders' Meeting on June 21, 2023. The members of the Board of Directors boast mutually complemented industrial experience, as well as expertise in finance, accounting and law. The board members include one female director, accounting for 14.29% of the board. There are three independent directors, accounting for 42.86% of the board. The directors concurrently serve as company executives account for 28.57% of the board. None of any director have spousal or second-degree kinship. Except for the proportion of female directors, all other aspects comply with the diversity policy objectives for board composition. Two independent directors have a cumulative term of 7-9 years, while one independent director has a cumulative term of 1-3 years. Members of the board actively attend board meetings, and effectively supervised and understood the implementation of the business plan. The actual attendance rate was 98.21% in 2025.</p> |                             |
| (2) In addition to compensation committee and audit committee established according to law, has the Company voluntarily established other functional committees?  | V                     |    | (2) In order to establish a good governance system, rationalize and strengthen management functions, fulfill corporate social responsibilities, and attain sustainable development, the Board of Directors resolved to set up the "Corporate Social Responsibility Management Committee" on March 26, 2020 meeting, and further resolved to change the name to " Sustainable Development Committee" on December 18, 2024 (please refer to Note 1: Implementation Status of Sustainable Development Committee).  | None                        |
| (3) Does the Company formulate the performance evaluation methods for the Board of Directors, conduct performance evaluations annually and regularly, and report the results of the performance evaluations to the Board of Directors, and use them as a reference for individual directors' remuneration and nomination and renewal? | V                     |    | <p>(3) 1. In order to materialize corporate governance and clearly delineate performance objective, for enhancing the function and operating efficiency of the Board of Directors, the Board of Directors resolved to establish the "Procedures for Performance Evaluation of the Board of Directors" on April 5, 2017, in line with Article 37 of "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies". Since 2017, at the end of every year, the stock affairs unit would issue questionnaires for self evaluation before recording the evaluation results and reporting them to the Board of Directors for review and improvement. Additionally, every three years, an external professional independent organization or a team of external expert scholars conducts an assessment of the performance of the Board of Directors and prepares an external evaluation analysis report.</p> <p>2. On February 6, 2026, the Board of Directors passed a resolution to amend the "Procedures for Performance Evaluation of the Board of Directors" of the Company. The main revision is as follows: in accordance with the Sample Template of "Rules for Performance Evaluation of Board of Directors", the charters of each functional committee shall include a requirement to conduct an internal performance evaluation of the committee at least once a year.</p>  | None                        |

| Assessment Item | Implementation Status |    | Discrepancy and The Reasons  |
|-----------------|-----------------------|----|--|
|                 | Yes                   | No |  |
|                 |                       |    | <p>3. (1) For the 2024 “Board Performance Evaluation,” the Company engaged the “Board Performance Evaluation Team” of the Taiwan Corporate Governance Association to conduct the assessment. The Association has established a Corporate Governance Committee dedicated to promoting and implementing board performance evaluation services. The evaluation process is carried out by scholars and experts with long-term experience in corporate governance, ensuring a professional assessment aligned with international standards.</p> <p>Evaluation Committee - convener: Shu-Sheng, Pu (executive member), member: Ming-Wei, Lo (executive member), Yi-Ching, Sung (evaluation specialist), and Chia-Jung, Chiang (evaluation specialist).</p> <p>Evaluation Period - August 1, 2024 to July 31, 2025.</p> <p>Scope of Evaluation - The operation of the Board of Directors and its functional committees, including the Audit Committee, Compensation Committee, and Sustainable Development Committee.</p> <p>Evaluation Method - In August 2025, a document review was conducted, covering internal policies, meeting minutes of the Board and functional committees, and self-assessment questionnaires completed by the Company. Director video interview conducted on September 9, 2025.</p> <p><u>Evaluation Results and Recommendations :</u></p> <p>A. Currently, the conveners of all three functional committees are held by the same independent director, whose consecutive tenure has reached the third term. It is recommended that, based on operational development needs and the division of responsibilities and succession planning among independent directors, the Company review the diverse professional backgrounds and experience composition of independent directors for the next term, and appoint conveners with relevant expertise for each functional committee to fully leverage their synergies.</p> <p>B. The Human Resources department is responsible for planning and implementing the training and development of senior executives; however, the succession plan for senior management has not yet been submitted to the Board of Directors and the Compensation Committee for review. It is recommended that the current senior executive development policies, systems, and succession planning be regularly reported to the Board of Directors to strengthen the Board’s oversight of senior executive development and succession planning outcomes, thereby enhancing the Board’s diversified supervisory function and reinforcing the foundation of corporate sustainability.</p> <p>C. To further enhance Board accountability and governance functions, it is recommended that, at the next Board re-election, clear term-based objectives be established for the Board and each functional committee, and that the respective responsibilities of each functional committee be reviewed. These objectives should also be incorporated into the “Board and Functional Committee Performance Evaluation Indicators” to effectively assess Board effectiveness and ensure that the objectives of the Board and functional committees are reasonably achieved.</p> |

| Assessment Item  | Implementation Status |    |   | Discrepancy and The Reasons |
|--|-----------------------|----|---|-----------------------------|
|  | Yes                   | No | Explanation   |                             |
|  |                       |    | <p><u>Recommendations for improvement:</u></p> <p>A. The list of director nominees for the next term has been confirmed. Subsequently, the proposed conveners of each functional committee will be discussed based on the experience and expertise of Board members.</p> <p>B. The senior executive succession planning and remuneration plan (including implementation status) are scheduled to be submitted to the Board of Directors and the Compensation Committee for review in 2026.</p> <p>C. Senior executive succession planning, Artificial Intelligence Enterprise Resource Planning, Artificial Intelligence Audit, and the adoption of IFRS S1/S2 sustainability disclosure standards will be included as the Board's key guidance directions or target initiatives for 2026. Each functional committee will, within its respective scope of responsibilities, plan relevant execution and supervisory measures.</p> <p>(2)The above performance evaluation report of the Board of Directors of 2024 has been submitted to the Board of Directors on November 10, 2025.</p> <p>4. The "Board Performance Evaluation" and "Functional Committee Performance Evaluation" in 2025 were conducted by the stock affairs unit , which collected relevant information on Board activities and distributed self-assessment questionnaires for the Board, individual directors, and functional committees. The evaluation criteria were designed with corresponding indicators based on different assessment scopes. All completed questionnaires were subsequently collected and consolidated by the stock affairs unit. Based on the comprehensive analysis, the results indicated that the Board of Directors operated efficiently in 2025, and the functional committees effectively fulfilled their roles. The performance evaluation report was reported to the Board of Directors on March 12, 2026.</p> <p>5. The "Board Performance Evaluation Results" for each year will be provided to the "Compensation Committee" as a reference for individual directors' remuneration and nomination for renewal.</p> |                             |
| (4) Does the Company regularly implement assessments on the independence of CPA? | V                     |    | <p>(4) 1. The Company conducts an annual assessment of the independence and qualifications of the external auditors. The initial assessment is conducted by the Company's stock affairs unit, and after the Audit Committee review, it is submitted to the Board of Directors for final approval.</p> <p>2. The Company requires Deloitte &amp; Touche Taiwan, to provide an "Independence Statement" for the external auditors, and follow the disclosure framework and template provided by the Financial Supervisory Commission (FSC) in the "Audit Quality Indicators (AQI) Disclosure Framework and Template" to provide assessment reports on "Firm-Level Audit Quality Indicators" and "Engagement-Level Audit Quality Indicators." The firm and its auditors demonstrate performance levels above the industry average in indicators such as staff turnover rate, audit workload, engagement quality control review, and quality control support capability. In addition, they have planned to introduce a cloud-based audit platform and digital technology applications into the audit process, and to strengthen communication and collaboration with the audit support center, with the aim of enhancing audit quality and efficiency.</p>  | None                        |

| Assessment Item  | Implementation Status |    |  | Discrepancy and The Reasons |
|--|-----------------------|----|--|-----------------------------|
|  | Yes                   | No | Explanation  |                             |
|  |                       |    | 3. The Company refers to the aforementioned Audit Quality Indicators (AQI) assessment reports and reviews the independence requirements, independence operations, and qualifications based on the "Assessment Table of Independent and Adaptability of Certified Public Accountant(Please refer to Note2)". CPAs Chao-Chin, Yang and Chi-Chen, Lee of Deloitte & Touche Taiwan were ascertained their conformance to the Company's evaluation standards, in terms of independence and adaptability, proving their qualification to become the Company's contracted CPA. The independence and adaptability of the external auditors has been discussed and approved at the Audit Committee and the the Board of Directors on March 12, 2026.  |                             |
| 4. Has the Company appointed competent and appropriate number of personnel responsible for corporate governance matters, and delegated the Company's corporate governance supervisors to be in charge of such matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors in complying with laws and regulations, handling matters related to Board meetings and shareholders' meetings according to the law, and producing minutes of the Board meetings and shareholders' meetings)? | V                     |    | <p>1. The Company complies with Article 4 of the "Corporate Governance Best Practice Principles" to appoint the Assistant VP of Financial Management Division Yu-Ping, Sun as the Company's corporate governance supervisors, which had approved by the Board of Directors on December 18, 2025, and assign two dedicated personnel to handle corporate governance related affairs. Mr. Sun has more than three years of experience of corporate governance related affairs in a public company, and is responsible for</p> <p>(1)Handling in a legal manner affairs related to the meetings of the Board of Directors and shareholders' meeting.</p> <p>(2)Production of minutes of the meetings of the Board of Directors and shareholders' meeting.</p> <p>(3)Assistance for directors in assuming their offices and continual training.</p> <p>(4)Undertaking continuing provision of data needed by directors in the execution of their duties.</p> <p>(5)Assistance for directors in legal compliance.</p> <p>(6)Report to the Board of Directors on the examination results regarding the qualification of independent directors during the nomination, election, and tenure periods, ensuring compliance with relevant laws and regulations.</p> <p>(7)Handling matters related to changes in directors.</p> <p>(8)Other matters as stipulated in the Company's Articles of Incorporation or contracts.</p> <p>2. According to article 36-3 of "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets," Mr. Sun has completed 12 hours of the following training courses.</p> <ul style="list-style-type: none"> <li>● On October 3, 2025, Securities &amp; Futures Institute, 2025 Insider Trading Prevention Seminar (3 hours)</li> <li>● On November 6, 2025, Securities &amp; Futures Institute, A major transformation in the traditional understanding of financial statements under IFRS 18 (3 hours)</li> <li>● On November 13, 2025, Taiwan Corporate Governance Association, The impact of ESG risks and opportunities on financial performance (3 hours)</li> <li>● On December 23, 2025, Taiwan Corporate Governance Association, Trends in sustainability disclosure – the impact of IFRS S1 and S2 Sustainability Disclosure Standards and related responses (3 hours)</li> </ul> | None                        |

| Assessment Item   | Implementation Status |    |   | Discrepancy and The Reasons |
|---|-----------------------|----|---|-----------------------------|
|   | Yes                   | No | Explanation   |                             |
| 5. Has the Company set up channels of communication for stakeholders (including but not limited to shareholders, employees, customers and suppliers), dedicated a section of the Company's website for stakeholder affairs and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues? | V                     |    | 1. The Company attaches great importance to stakeholders' communication topics and channels. It has smooth communication channels with stakeholders in various fields such as employees, customers, suppliers/contractors, shareholders/investors, society and government. Regular/irregularly publish information or communicate directly with stakeholders, respect and maintain their legitimate rights and interests, and implement corporate governance integrity and transparency. The communication status with stakeholders in 2025(Please refer to Note 3: Stakeholder Communication Topics and Channels) will be reported to the Board of Directors on May 13, 2026.<br>2. A Corporate Sustainability Stakeholder Communication section has also been established on the Company's website, and a dedicated person was appointed to respond the important corporate social responsibility issues that stakeholders are concerned about. | None                        |
| 6. Has the Company commissioned a professional stock affair agency to manage shareholders' meetings relevant affairs?   | V                     |    | The Company has appointed a professional stock affair agency to handle shareholder meeting affairs. Stock Affair Agency: Stock Affairs Agency of China Trust Commercial Bank (Tel: 886-2-6636-5566, Address: 5th Floor, No. 83, Section 1, Chongqing South Road, Zhongshan District, Taipei City).  | None                        |
| 7. Information Disclosure   |                       |    |   |                             |
| (1) Does the Company establish a website to disclose information on financial operations and corporate governance?  | V                     |    | (1) The Company institutes a website ( <a href="https://www.nanpao.com.tw">https://www.nanpao.com.tw</a> ) for disclosing the status of financial, operations and corporate governance.   | None                        |
| (2) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?                            | V                     |    | (2) The Company institutes an English website ( <a href="https://www.nanpao.com">https://www.nanpao.com</a> ) and appoints a designated personnel to disclosure of Company information. In addition, a spokesperson system is established to clearly define the division of rights and responsibilities of the spokesperson. The spokesperson should disclose company information to all investors and media at the same time in a fair manner. Information related to the investor conferences are also disclosed on the Company's website.  | None                        |
| (3) Does the Company announce and report the annual financial report within two months after the end of the fiscal year, and announce and file the first, second and third quarter financial reports and operating conditions of each month as early as possible before the prescribed deadline?                                      | V                     |    | (3) The Company publishes and declares annual financial reports (within 75 days), the first, second, and third quarter financial reports (within 45 days) and monthly operating conditions (before the 10th day of each month) within the time limit specified in Article 36 of the Securities Exchange Law and other related regulations. Due to the large number of entities involved in the group merger, temporarily not been able to announce and declare the annual financial report within two months after the end of the fiscal year. 2025 annual financial statements have been announced and declared on March 12, 2026.   | None                        |
| 8. Has the Company disclosed other information to facilitate a better   | V                     |    | 1. In order to safeguard employees' benefits, labor union has been established, on top of regular labor management meeting, as a bridge of communications with employees.   | None                        |

| Assessment Item  | Implementation Status |    | Discrepancy and The Reasons   |
|--|-----------------------|----|---|
|  | Yes                   | No |   |
| understanding of its corporate governance (including but not limited to staffers' interests, concern for staffers, investor relationship, supplier relationship, stakeholders' rights, advanced study of directors and supervisors, execution of risk-management policy and criteria for risk assessment, execution of customer policy, and taking out of liabilities insurance for directors, and supervisors)? |                       |    | <p>2. The Company set up Employees' Welfare Committee as early as 1975, in charge of pushing various welfare measures and planning series of measures caring for employees' families, so as helping employees build a harmonious familial relationship, improve their health, and enhance their performance accordingly.</p> <p>3. The Company has set up a unit dedicated to periodic disclosure the Company's major business information, boosting information transparency, as well as a feedback mechanism for accepting suggestions of investors on the Company's development, in addition to active participation in investor conference, so that investors can have firm grip on the Company current business status and development planning.</p> <p>4. To achieve the goal of sustainable development in the supply chain, the Company requires all group partner suppliers to sign the "Supplier Code of Conduct". As of 2025, 94.5% of raw material suppliers within the group have completed the signing of the declaration. In addition, the Company has established the "Supplier ESG Risk Assessment Guidelines" to conduct ESG risk management and evaluations for key suppliers. Based on the "Supplier ESG Risk Self-Assessment Questionnaire", the Company assesses key suppliers on sustainability risks related to environmental, social, human rights, and corporate governance aspects. Through continuous communication and improvement, the Company aims to build a resilient and sustainable supply chain.</p> <p>5. To uphold the rights of stakeholders, the Company has dedicated personnel/areas to respond to shareholders and stakeholders. They can express their suggestions and complaints via telephone, fax or e-mail, and employees are also encouraged to report violation of laws or regulations via dedicated mailbox.</p> <p>6. To continuously enhance the professional knowledge and legal literacy of board members and to support the effective operation of the Board, the stock affairs unit assists in arranging training programs for directors. In 2025, all directors completed the required training hours in accordance with the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEX Listed Companies" For details, please refer to Note 4: Advanced education for directors.</p> <p>7. The Company has dedicated to the establishment of a complete risk-management system, actively taking into account all the risks which may occur in the Company's operation and assuring compliance by the Company with related laws and regulations. Meanwhile, assure continuing effectiveness of the Company's internal control system via auditing office. Various auditing tasks by the auditing office ascertain the effectiveness of the Company's internal control system, as shown in the low risk of various environmental indicators in 2025.</p> <p>8. In order to provide customers with a full range of services and guarantees, the Company's technical service department has assembled professionals with experienced technical to accumulate solutions of technical problems for a long time, and establish a complete big database that can provide customers with professional technical services nearby. In terms of customer privacy protection, the business information, transaction data, or any data related to customer privacy they provide are sorted and archived by dedicated personnel, and personal information management is implemented to comply with "Personal Data Protection Act". No records of any customer complaints regarding information security or privacy violations were received in 2025.</p> |

| Assessment Item | Implementation Status |    | Discrepancy and The Reasons   |
|-----------------|-----------------------|----|---|
|                 | Yes                   | No |   |
|                 |                       |    | <p>9. The Company has taken out liabilities insurance for directors covering possible liabilities related to their responsibilities they are legally required to bear during their tenure since 2017. This is done to reduce and spread the risk of significant damage to the Company and its shareholders resulting from directors' mistakes or negligence. Report on the insurance, including insurance amount (US\$8 million), coverage (all the directors, managers, and members of functional committees), premium rate, and insurance period (year 2025) was delivered at the meeting of the Board of Directors on November 10, 2025.</p> <p>10.(1)To strengthen the leadership position in the industry and safeguard the hard-earned advanced technological achievements, the Company has formulated an intellectual property strategy aligned with its operational objectives and R&amp;D resources as follows:</p> <p>①Patents – A patent management mechanism has been established in accordance with relevant policies. Patents are regularly reviewed and filed, and R&amp;D achievements are protected through a structured system. The Company also conducts domestic and international patent portfolio planning and annual fee management, while the legal and R&amp;D departments continuously monitor and prevent potential infringements.</p> <p>②Trademarks – The Company periodically reviews the usage status of registered trademarks and evaluates the necessity of maintenance. Renewals are filed as needed to ensure validity. The legal department conducts annual inventory and record management, and ensures that trademark usage does not infringe upon the rights of others through an internal review mechanism.</p> <p>③Trade Secrets – The Company has established the “Trade Secret Management Policy” and conducts regular inventory and classification control. High-risk information is subject to access restrictions, and relevant personnel are required to sign confidentiality agreements. In addition, measures such as access control, information security systems, restricted departmental access areas, and employee training are implemented to comprehensively strengthen the protection and management of trade secrets.</p> <p>(2)The Company reports intellectual property-related matters to the Board of Directors on a regular basis in the fourth quarter of each year. The most recent report was submitted on December 18, 2025.</p> <p>(3)Intellectual property achievements as of 2025 are as follows:</p> <p>①Patents – 79 granted invention patents and 54 utility model patents; no patent infringement cases occurred in 2025.</p> <p>②Trademarks – A total of 420 trademarks have been registered and approved globally; no cases of trademark infringement were identified in 2025.</p> <p>③Trade Secrets – No incidents of leakage, infringement, or related litigation occurred in 2025.</p> <p>(4)To enhance employees' awareness and capability in trade secret and intellectual property management, the Company conducted an online trade secret training program in 2025, with a total of 708 participants, 72.3 training hours, and a 100% pass rate.</p> |

| Assessment Item   | Implementation Status |    | Discrepancy and The Reasons |
|---|-----------------------|----|-----------------------------|
|   | Yes                   | No |                             |
| <p>9. Please explain the improvement of the Company's corporate governance evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the past year, and propose priorities and measures for criteria that have not been improved:</p> <p>(1) On April 30, 2026, the Taiwan Stock Exchange announced the results of the 12th Corporate Governance Evaluation for the year 2025. The Company received a total score of 107.29, ranking within the top 5% of all listed companies.</p> <p>(2) Improved situation:</p> <p>A. In 2025, the Company formulated concrete measures to enhance corporate value, submit the plan to the Board of Directors, and disclosed relevant information on the Market Observation Post System (MOPS) under the "Corporate Value Enhancement Plan" section.</p> <p>B. In 2025, the Company established an energy management plan, and disclosed the implementation status on the Company website, annual report, or sustainability report.</p> <p>C. In 2025, the Company conducted an employee satisfaction survey, and disclosed the results and corresponding improvement plans on the Company website.</p> <p>(3) Priorities and measures for strengthening:</p> <p>A. The Annual Shareholders' Meeting for 2026 is scheduled to be convened by the end of May 2026.</p> <p>B. In 2026, the Company plans to allocate resources to support domestic cultural development, with the methods and outcomes disclosed on the Company's website, annual report, or sustainability report.</p> <p>C. In 2026, the Company plans to disclose the engagement activities with investors, as well as key investor questions and the Company's responses on the Company's website.</p> <p>D. In 2026, the Company plans to disclose employee turnover rates over the past two years in the sustainability report by gender and age group, and to explain the trends and underlying reasons for the changes.</p> |                       |    |                             |

Note 1 : Implementation Status of Sustainable Development Committee

In order to establish a good governance system, rationalize and strengthen management function, fulfill corporate social responsibilities, and attain sustainable development, the Company's Board of Directors resolved on March 26, 2020 to set up "Corporate Society Responsibility Management Committee" and change the name to "Sustainable Development Committee" on December 18, 2024. The Committee shall, as resolved by the Board of Directors, consists of more than three members, among whom at least one director shall participate in supervisory duties. The members shall elect one among themselves to serve as convener and chair of the meetings.

According to the Company's "Articles of Sustainable Development Committee", include reviewing the formulation of the Company's sustainability development policies, planning and execution of sustainability objectives, and implementation of sustainable business practices, etc. The Sustainable Development Committee shall convene at least two meetings per year. The meeting proceedings and members' attendance rates are as follows:

The Chairman of Sustainable Development Committee convened 4 meetings in 2025. The attendance status is as follows.

| Title               | Name               | Attendance in Person | By proxy | Attendance Rate (%) | Professional Qualification and Experience(Note 1) |
|---------------------|--------------------|----------------------|----------|---------------------|---|
| Convener & Chairman | Yun, Chen          | 4                    | 0        | 100                 | Industry Knowledge                                |
| Member              | Ming-Hsien, Hsu    | 4                    | 0        | 100                 | Industry Knowledge and Management Expertise       |
| Member              | Cheng-Hsien, Wu    | 4                    | 0        | 100                 | Industry Knowledge and Management Expertise       |
| Member              | Yung-Cheng, Chiang | 4                    | 0        | 100                 | Law Expertise                                     |
| Member              | Chin-Jung, Kuo     | 4                    | 0        | 100                 | Accounting and Management Expertise               |

Note 1:Please refer to Page 9~14 Directors' Professional Qualifications and Independent Directors' Independence Status for details.

Other matters to be specified:

- In case the Board of Directors did not adopt or amend suggestions of Sustainable Development Committee, meeting dates, sessions, contents of resolutions, resolutions adopted by the Board of Directors and actions taken by the Company in response to opinions of Sustainable Development Committee shall be noted: None.
- For any resolutions of the Sustainable Development Committee, if any member has expressed objective or qualified opinions with recorded or written statements, meeting dates, sessions, contents of resolutions, the opinions of all members, and actions taken in response to opinions of members shall be noted: None.
- The main items reviewed are summarized below:

| Sustainable Development Committee | Contents of Resolutions   | Resolution   |
|-----------------------------------|---|--|
| 3-5 (20250314)                    | 1. The Company's international sustainability rating scores and analysis report.            | Noted. No further suggestions.   |
|                                   | 1. The selection process and results of material topics for the 2024 Sustainability Report. | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |
| 3-6 (20250808)                    | 1.The Company's 2024 Sustainability Development Implementation Report.                      | Noted. No further suggestions.   |

| Sustainable Development Committee | Contents of Resolutions   | Resolution   |
|-----------------------------------|---|--|
| 3-6<br>(20250808)                 | <ol style="list-style-type: none"> <li>1. Review of the 2024 Sustainability Report.</li> <li>2. Amendments to the Company's Tax Policy and Stakeholder Engagement Policy.</li> <li>3. Establishment of the 2025 environmental performance targets.</li> </ol>   | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution.                                       |
| 3-7<br>(20251110)                 | <ol style="list-style-type: none"> <li>1. The Company's 2025 Sustainability Risk Rating Report.</li> <li>1. Amendments to the Company's Environmental Responsibility Policy, Biodiversity Policy, Stakeholder Engagement Policy, and Human Rights Policy.</li> <li>2. The Company's proposal to amend "Sustainable Development Best Practice Principle".</li> </ol>   | Noted. No further suggestions.<br><br>The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |
| 3-8<br>(20251218)                 | <ol style="list-style-type: none"> <li>1. The Company's 2025 S&amp;P CSA Sustainability Performance Rating Report.</li> <li>1. The Company's 2025 Sustainability Implementation Report and 2026 Sustainability Promotion Plan.</li> <li>2. The Company's proposal to amend "Articles of Sustainable Development Committee".</li> <li>3. The Company's proposal to establish "Major Topic Investigation and Management Procedures".</li> </ol> | Noted. No further suggestions.<br><br>The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |

Note 2 : Assessment Table of Independence and Adaptability of Certified Public Accountant

| Item  |  | Result | Comply with the standard |
|---|--|--------|--------------------------|
| <b>1. Benefit of Financial</b>              |  |        |                          |
| i   | Is there any direct or significant indirect financial interest between the members of the audit service team of the accounting firm and their family members and the Company?  | None   | V                        |
| ii  | Other practicing accountants of the accounting firm and their family members, do they have any direct financial interests or significant indirect financial interests with the Company?  | None   | V                        |
| iii   | Do the accounting firm and its affiliated enterprises have any direct financial interests or significant indirect financial interests with the Company?  | None   | V                        |
| <b>2. Financing and Guarantees</b>          |  |        |                          |
| i   | Has there been any mutual financing or guarantee arrangements between the Company, the accounting firm, affiliated entities, and the audit service team members?   | None   | V                        |
| <b>3. Business Relationship</b>             |  |        |                          |
| i   | Does the accounting firm, its related entities, and members of the audit service team have any close business relationships with the Company, its directors, or executives?<br>Examples of such relationships include:<br><ul style="list-style-type: none"> <li>■ Significant strategic alliances with the Company, its controlling shareholders, directors, or executives that involve substantial benefits.</li> <li>■ The firm or its affiliated entities forming alliances by aligning their service offerings or products with those provided by the Company, and jointly marketing them to external parties.</li> <li>■ The firm or its affiliated entities promoting or marketing their products or services on behalf of the Company, and benefiting from such activities.</li> </ul> | None   | V                        |
| ii  | Is the Company engaged in normal commercial transactions involving the sale of goods or provision of services to the firm, its affiliated entities, or members of the audit service team?  | Yes    | V                        |
| <b>4. Family and Personal Relationships</b> |  |        |                          |
| i   | Are the family members of the audit engagement team members not serving as directors, executives, or holding positions with direct and significant influence on the audit work of the Company, or having previously held such positions during the audit period?   | Yes    | V                        |
| ii  | Are the close relatives of the audit engagement team members not serving as directors, executives, or holding positions with direct and significant influence on the audit work of the Company, or having previously held such positions during the audit period?  | Yes    | V                        |

|  | Item  | Result                      | Comply with the standard |
|--|---|-----------------------------|--------------------------|
| <b>5. Employment Relationship</b>                                |   |                             |                          |
| i  | Are the accounting firm or members of the audit service team not holding any positions as directors, supervisors, or managers of the Company, nor having direct and significant influence on the audit work?  | Yes                         | V                        |
| ii   | When a member of the audit service team, accountant, or accounting firm resigns as the auditor and is subsequently employed by the Company, please consider the following circumstances to assess the impact on the independence of the auditor:<br><ul style="list-style-type: none"> <li>■ Positions held within the Company.</li> <li>■ Duration of time between leaving the accounting firm and being hired by the Company.</li> <li>■ Significance of past positions held within the accounting firm.</li> </ul> | No such circumstances exist | V                        |
| iii  | Are there no known instances of audit team members being hired by the Company in the future period?   | Yes                         | V                        |
| iv   | Have the accountants or employees of the accounting firm or affiliated companies not provided services to the directors, supervisors, executives, or equivalent positions of the Company?   | Yes                         | V                        |
| <b>6. Gifts and Special Favors</b>                               |   |                             |                          |
| i  | Is the Company's provision of gifts or special favors to members of the audit service team considered a normal social or business practice, with values that are not significant and without any motive or intention to influence professional decisions or obtain confidential information?  | Yes                         | V                        |
| <b>7. Rotation of the Signing Accountant</b>                     |   |                             |                          |
| i  | The lead accountant serving in the Company shall not exceed seven years, and after rotation, a minimum two-year interval is required before reappointment.  | Yes                         | V                        |
| <b>8. Non-audit Business</b>                                     |   |                             |                          |
| i  | Inquire about the details of non-audit services provided by the auditor to the Company and their impact on independence.  | Yes (Note)                  | V                        |
| <b>9. Auditor's Independence and Statement Reference to AQIs</b> |   |                             |                          |
| i  | Obtain the auditor's independence statement from the Audit Committee.   | Yes                         | V                        |
| ii   | Obtain the evaluation report from the registered public accounting firm in accordance with the AQIs, confirming that the accounting firm has demonstrated independence and professional competence.   | Yes                         | V                        |

Note: After confirming the pre-approved list of non-audit services and the independent assessment for 2026, the auditor's provision of non-audit services to the Company will not have significant impact on their independence.

Note 3 : Stakeholder Communication Topics and Channels

| Stakeholder | Topics of Communication   | Channels and Frequency   | Communication Efficiency/Achievement   |
|-------------|---|--|--|
| Employee    | <ul style="list-style-type: none"> <li>• Employee Compensation and Benefits</li> <li>• Employee Performance Evaluation Mechanism</li> <li>• Talent Cultivation and Development</li> <li>• Physical and Mental Health and Workplace Safety</li> <li>• Labor Relations</li> <li>• Operational Performance</li> <li>• Employee Feedback and Communication</li> </ul> | <ul style="list-style-type: none"> <li>• Employee Performance Reviews (semi-annually)</li> <li>• Employee Education and Training (periodically)</li> <li>• Safety and Health Committee Meetings (quarterly)</li> <li>• In-factory Safety Meetings (twice per quarter)</li> <li>• Labor-management Meetings (quarterly)</li> <li>• Internal Communication Meetings(weekly/monthly)</li> <li>• Bi-weekly Employee Meetings(bi-weekly)</li> <li>• Internal Electronic Bulletin Board (periodically)</li> <li>• Employee Opinion Mailbox (real-time)</li> <li>• Whistleblower Reporting Procedure (real-time)</li> </ul> | <ul style="list-style-type: none"> <li>• Regular semi-annual review of employee performance and annual submission of promotion recommendations for outstanding performers. In 2025, a total of 69 employees were nominated for promotion.</li> <li>• In 2025, a total of 21,157 participants attended courses from various academies on the Company’s learning and development platform, with an average of 27.06 trainings per employee, totaling 20,411 training hours.</li> <li>• In 2025, a total of 4 safety and health committee meetings and 8 in-factory safety meetings were held to discuss and improve audit deficiencies.</li> <li>• Completed external audit of the occupational health and safety and environmental management systems in November 2025.</li> <li>• The Company held 6 labor-management meetings in 2025.</li> <li>• In 2025, a total of 49 management coordination meetings, 12 business management meetings, and 68 bi-weekly meetings were held. During these communication meetings, supervisors at all levels shared information about the Company's operations and technological developments with employees.</li> <li>• Various employee welfare matters, welfare committee information, important company operational updates, training course information, and annual performance management processes were irregularly posted on the electronic bulletin board.</li> <li>• The Company conducted its first employee engagement survey, with 630 responses and a participation rate of 79%, of which 74% of headquarter employees expressed strong agreement with the Company (August 2025).</li> <li>• A lecture titled “Flourishing Women in the Workplace” was held, with 39 participants (March 7, 2025).</li> <li>• A Mother’s Day appreciation saxophone concert was held by the employee music club during the employee weekly meeting, with 194 participants (May 7, 2025).</li> <li>• A visit and performance by children from World Vision Taiwan was organized at the plant, with 315 participants (August 7, 2025).</li> <li>• The Saxophone Club, in collaboration with the Good Shepherd Social Welfare Foundation, held a “Christmas Concert and Wish Tree Charity Event,” with 192 participants (December 24, 2025).</li> <li>• A total of 18 ESG material impact assessments (positive and negative) were completed by internal supervisors.</li> <li>• A total of 77 stakeholder concern surveys were completed by internal employees.</li> </ul> |

| Stakeholder | Topics of Communication   | Channels and Frequency  | Communication Efficiency/Achievement   |
|-------------|---|---|--|
| Customer    | <ul style="list-style-type: none"> <li>• Customer Satisfaction Surveys</li> <li>• Innovation and Green Products</li> <li>• Service/Product Quality</li> <li>• Marketing Communication</li> <li>• Customer Protection and Communication</li> </ul> | <ul style="list-style-type: none"> <li>• Customer Satisfaction Surveys (annually)</li> <li>• Innovation Technical Seminars (annually)</li> <li>• Customer service hotline and email (real-time)</li> <li>• Official Website, Social Media Platforms (periodically)</li> <li>• Technical Innovation Exhibitions (annually)</li> <li>• Business Contact Window (real-time)</li> </ul> | <ul style="list-style-type: none"> <li>• Conduct customer satisfaction surveys annually, analyze the results, and formulate strategies. In 2025, a total of 290 survey questionnaires were distributed, achieving an average score of 4.74 out of 5 from responding customers.</li> <li>• Two technical seminars were held in 2025: “Trends in Electronic Product Development” (July 25, 2025) and “Applications and Development of Sustainable and High-Performance Materials” (November 11, 2025).</li> <li>• The Company obtained the bluesign® SYSTEM PARTNER certification in July 2025, demonstrating that the Company’s products meet globally stringent environmental and safety standards.</li> <li>• Recognized as an Outstanding Import and Export Enterprise for the year 2024 (awarded on August 12, 2025).</li> <li>• Foshan Nan Pao received an “Excellent Rating” in Anta’s social responsibility audit on June 26, 2025.</li> <li>• Regularly conduct external audits of the quality management system (December, 2025), as well as internal, process, and product audits.</li> <li>• Announcements and promotional information are periodically updated on the official website and Facebook community.</li> <li>• Participation in the Taipei Innovative Textile Application Show, showcasing various high-performance and sustainable PUD and eco-friendly water-based resin applications (October 2025).</li> <li>• The technical service team provides professional support and solutions for customer product and technical issues.</li> <li>• No records of customer complaints regarding information security or privacy infringement were received in 2025.</li> <li>• A total of 68 stakeholder concern questionnaires were completed by external customers.</li> </ul> |

| Stakeholder             | Topics of Communication  | Channels and Frequency   | Communication Efficiency/Achievement   |
|-------------------------|--|--|--|
| Suppliers /Contractors  | <ul style="list-style-type: none"> <li>• Green Supply Chain Management</li> <li>• Product Quality</li> <li>• Professional Ethics</li> <li>• Regulatory Compliance</li> </ul>   | <ul style="list-style-type: none"> <li>• Supplier Assessment (annually)</li> <li>• Supplier On-site Audits (annually)</li> <li>• Supplier Questionnaires and Declarations (periodically)</li> <li>• Contractor Safety Meeting (annually)</li> </ul>  | <ul style="list-style-type: none"> <li>• Conducted assessments for a total of 455 raw material suppliers in January, and July 2025.</li> <li>• In 2024, risk assessments and on-site evaluations (factory audits) were conducted for three key suppliers, with follow-up assessments of improvement status carried out in March 2025.</li> <li>• In the second half of 2025, ESG sustainability risk assessments were conducted for suppliers, with questionnaire evaluations completed for a total of 78 raw material suppliers. In 2026, risk assessments and on-site evaluations (factory audits) are planned for four key suppliers.</li> <li>• In 2025, the proportion of locally sourced materials for production was 75.7%.</li> <li>• In 2025, 94.5% of group raw material suppliers completed the signing of the Supplier Code of Conduct.</li> <li>• Relevant terms and regulations are stipulated in contracts with suppliers to ensure supplier compliance.</li> <li>• A total of 63 stakeholder concern questionnaires were completed by external suppliers/contractors.</li> </ul>   |
| Shareholders /Investors | <ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Financial Performance Transparency</li> <li>• Corporate Operational Development</li> <li>• Sustainable Development Strategy</li> <li>• Risk Management</li> </ul> | <ul style="list-style-type: none"> <li>• MOPs(regular/irregular)</li> <li>• Investor Conferences (quarterly)</li> <li>• Disclosure of Information on Official Website (regular/irregular)</li> <li>• Shareholders' Meeting and Annual Report (annually)</li> <li>• Domestic and Overseas Investor Forums (periodically)</li> <li>• Visits from Investment Institutions or Brokerage Firms (periodically)</li> <li>• Investor Relations Contact Window (real-time)</li> </ul> | <ul style="list-style-type: none"> <li>• Achieved a score of 107.29 in the 12th Corporate Governance Evaluation by the Taiwan Stock Exchange in 2025, ranking within the top 5% of listed companies for two consecutive years.</li> <li>• In the 2025 S&amp;P Corporate Sustainability Assessment, scored 83 points, ranking top 1% among 511 chemical companies worldwide, and was selected for the S&amp;P Global Sustainability Yearbook for two consecutive years.</li> <li>• In the 2025 FTSE Russell ESG rating, scored 3.8 points, better than the global specialty chemicals industry average of 2.5 points.</li> <li>• In 2025, the Company received a risk score of 16.1 from Sustainalytics, ranking 10th lowest risk among 572 global chemical companies.</li> <li>• Participated in the 2025 Carbon Disclosure Project (CDP), receiving a score of A-(Leadership level) in both Climate Change and Water Security questionnaires.</li> <li>• Monthly revenue announcements are posted on the Taiwan Stock Exchange's Market Observation Post system; 44 significant messages in both Chinese and English.</li> <li>• Invited to participate in 6 investor conferences in 2025, with 2 audio links uploaded.</li> <li>• Regularly publish financial information press releases on the Company website: 12 monthly revenue press releases, 4 quarterly business performance press releases. In addition, five ad hoc press releases were issued, covering ESG performance, industry forums, strategic collaborations, and participation in international exhibitions.</li> <li>• The 2025 Annual Shareholders' Meeting was held on June 17, 2025.</li> <li>• A total of 14 stakeholder concern questionnaires were completed by external shareholders/investors.</li> </ul> |

| Stakeholder | Topics of Communication   | Channels and Frequency  | Communication Efficiency/Achievement  |                 |                      |                 |                   |                 |        |       |        |           |           |         |         |           |           |            |     |     |    |     |     |      |
|-------------|---|---|---|-----------------|----------------------|-----------------|-------------------|-----------------|--------|-------|--------|-----------|-----------|---------|---------|-----------|-----------|------------|-----|-----|----|-----|-----|------|
| Society     | <ul style="list-style-type: none"> <li>Community Engagement and Care</li> <li>Environmental Protection</li> <li>Volunteer Services</li> <li>Occupational Safety and Health</li> </ul>   | <ul style="list-style-type: none"> <li>Nan Pao Social Welfare Foundation (real-time)</li> <li>ESG contact email (real-time)</li> <li>Volunteer Service Activities (periodically)</li> <li>Project Donations and Sports Sponsorships (periodically)</li> </ul>   | <ul style="list-style-type: none"> <li>From its establishment at the end of 2007 until 2025, Nan Pao Social Welfare Foundation has accumulated a total donation amount of NT\$94.18 million.</li> <li>In 2025, the Nan Pao Social Welfare Foundation allocated its expenses as follows:<br/>Unit: NT\$</li> </ul> <table border="1"> <thead> <tr> <th></th> <th>Children's Education</th> <th>Vulnerable Care</th> <th>Community Culture</th> <th>Elderly Welfare</th> <th>Others</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Amount</td> <td>3,411,543</td> <td>1,371,800</td> <td>200,000</td> <td>840,000</td> <td>1,557,949</td> <td>7,381,292</td> </tr> <tr> <td>Percentage</td> <td>46%</td> <td>19%</td> <td>3%</td> <td>11%</td> <td>21%</td> <td>100%</td> </tr> </tbody> </table> <p>Note: Others include emergency relief, volunteer services, and sports donations.</p> <ul style="list-style-type: none"> <li>A total of 38 indigenous students from the Rinanli Cultural Team of World Vision Taiwan were invited for a company visit and performance, and participated in chemistry experimental courses to inspire their interest in chemistry (August 7, 2025).</li> <li>The Taipei liaison office participated in the “Neihu Thousand Blood Donation” charity event organized by the Neihu Technology Park Association, contributing 103 bags of donated blood (August 12, 2025).</li> <li>A “Christmas Concert and Wish Tree Charity Event” was held on December 24, 2025. Employees fulfilled gift wishes for 57 beneficiaries provided by the Good Shepherd Social Welfare Foundation, and a Christmas music performance was presented by the Tainan Philharmonic Orchestra.</li> <li>A total of 70 stakeholder concern questionnaires were completed by external social engagement.</li> </ul> |                 | Children's Education | Vulnerable Care | Community Culture | Elderly Welfare | Others | Total | Amount | 3,411,543 | 1,371,800 | 200,000 | 840,000 | 1,557,949 | 7,381,292 | Percentage | 46% | 19% | 3% | 11% | 21% | 100% |
|             | Children's Education  | Vulnerable Care   | Community Culture   | Elderly Welfare | Others               | Total           |                   |                 |        |       |        |           |           |         |         |           |           |            |     |     |    |     |     |      |
| Amount      | 3,411,543   | 1,371,800   | 200,000   | 840,000         | 1,557,949            | 7,381,292       |                   |                 |        |       |        |           |           |         |         |           |           |            |     |     |    |     |     |      |
| Percentage  | 46%   | 19%   | 3%  | 11%             | 21%                  | 100%            |                   |                 |        |       |        |           |           |         |         |           |           |            |     |     |    |     |     |      |
| Government  | <ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Communication with Regulatory Authorities</li> <li>Occupational Safety and Health</li> <li>Greenhouse Gas Reduction</li> <li>Environmental Protection</li> <li>Energy Management</li> </ul> | <ul style="list-style-type: none"> <li>Comply with regulatory requirements and submit regular reports</li> <li>Cooperate with regulatory supervision and audits</li> <li>Participate in special meetings held by regulatory authorities irregularly</li> <li>Non-financial information disclosure: Annual publication of corporate sustainability report</li> </ul> | <ul style="list-style-type: none"> <li>Respond promptly to stock exchange surveys, completing 23 surveys in 2025.</li> <li>Completed annual disclosure of Environmental, Social, and Governance (ESG) information by June each year.</li> <li>Participate in two regulatory briefing sessions organized by the Taiwan Stock Exchange, including the “2025 Listed Companies Business Briefing Session” (October 22, 2025) and the “2026 ESG Evaluation Briefing Session” (December 4, 2025).</li> <li>Implement the ISO45001 Occupational Safety and Health Management System to systematically promote occupational safety and health management, ensuring compliance and effective execution.</li> <li>The 2024 Sustainability Report was issued in August 2025, detailing specific actions and results in Environmental (E), Social (S), and Governance (G) aspects. The 2025 Sustainability Report is scheduled for publication in August 2026.</li> <li>A total of 20 stakeholder concern questionnaires were completed by external government.</li> </ul>  |                 |                      |                 |                   |                 |        |       |        |           |           |         |         |           |           |            |     |     |    |     |     |      |

Note 4 : Advanced education for directors:

| Title                | Name   | Date          | Organizer  | Training Course   | Time  |
|----------------------|--|---------------|--|---|-------|
| Chairman             | Cheng-Hsien, Wu  | May 9, 2025   | Taipei Exchange  | Promoting sustainable development through the over-the-counter (OTC) market operated by the Taipei Exchange                       | 3 hrs |
|                      |  | Jul. 11, 2025 | Taiwan Directors Association                                     | Integration of intergenerational talent management and implementation practices of IFRS S1/S2 sustainability disclosure standards | 6 hrs |
| Director             | Pou Chien Enterprise Co., Ltd.<br>Representative:<br>Chih-Hung, Shih | Jul. 22, 2025 | Taiwan Corporate Governance Association                          | Sustainability Development Briefing Session – Taichung Session  | 3 hrs |
|                      |  | Sep. 26, 2025 | Securities and Futures Institute                                 | 2025 Insider Trading Prevention Promotion Conference  | 3 hrs |
| Director             | Guang Rong Investment Ltd.<br>Representative:<br>Ming-Hsien, Hsu     | May 9, 2025   | Taipei Exchange  | Promoting sustainable development through the over-the-counter (OTC) market operated by the Taipei Exchange                       | 3 hrs |
|                      |  | Jul. 11, 2025 | Taiwan Directors Association                                     | Integration of intergenerational talent management and implementation practices of IFRS S1/S2 sustainability disclosure standards | 6 hrs |
| Director             | Guang Rong Investment Ltd.<br>Representative:<br>Ying-Lin, Huang     | May 9, 2025   | Taipei Exchange  | Promoting sustainable development through the over-the-counter (OTC) market operated by the Taipei Exchange                       | 3 hrs |
|                      |  | Jul. 11, 2025 | Taiwan Directors Association                                     | Integration of intergenerational talent management and implementation practices of IFRS S1/S2 sustainability disclosure standards | 6 hrs |
| Independent Director | Yun, Chen  | Jul. 11, 2025 | Taiwan Directors Association                                     | Integration of intergenerational talent management and implementation practices of IFRS S1/S2 sustainability disclosure standards | 6 hrs |
| Independent Director | Yung-Cheng, Chiang   | Jul. 11, 2025 | Taiwan Directors Association                                     | Integration of intergenerational talent management and implementation practices of IFRS S1/S2 sustainability disclosure standards | 6 hrs |
| Independent Director | Chin-Jung, Kuo   | Apr. 1, 2025  | National Federation of CPA Associations of the Republic of China | Carbon credit trading and assurance process   | 3 hrs |
|                      |  | Jul. 16, 2025 | Taiwan Corporate Governance Association                          | Sustainability Development Briefing Session – Taipei Session  | 3 hrs |
|                      |  | Jul. 25, 2025 | National Federation of CPA Associations of the Republic of China | Legal liabilities of practicing certified public accountants (CPAs)   | 3 hrs |
|                      |  | Jul. 31, 2025 | TWSE   | 2025 “Strengthening Taiwan Capital Markets Summit”  | 3 hrs |
|                      |  | Oct. 15, 2025 | TWSE   | IR & Engagement New Trends: ESG and Sustainable Investment Forum  | 3 hrs |
|                      |  | Nov. 14, 2025 | Taiwan Corporate Governance Association                          | Digital Financial Revolution: Principles of Stablecoins and Development Trends of Blockchain-Based Virtual Assets                 | 3 hrs |
|                      |  | Nov. 17, 2025 | Taiwan Corporate Governance Association                          | The New Role of Environmental Economics: Corporate TCFD/TNFD and Biodiversity-Related Nature Financial Disclosures                | 3 hrs |

| Title                | Name           | Date          | Organizer  | Training Course  | Time  |
|----------------------|----------------|---------------|--|--|-------|
| Independent Director | Chin-Jung, Kuo | Nov. 17, 2025 | Taiwan Corporate Governance Association                          | Corporate AI Brain: Navigation and Mapping in the AI Era                   | 3 hrs |
|                      |                | Dec. 10, 2025 | National Federation of CPA Associations of the Republic of China | Practicing Sustainable Governance: Integrity and Decision-Making (IFRS S1) | 3 hrs |

(IV) Compensation Committee

To establish a sound remuneration system for directors and managers, the Company established the Compensation Committee on June 19, 2017. The Committee members are appointed by resolution of the Board of Directors, with a total of three members, of whom more than half shall be independent directors. The members shall elect one among themselves to serve as convener and chair of the meetings.

The Compensation Committee operates in accordance with the Company's "Articles of Compensation Committee". Its responsibilities include establishing and periodically reviewing the policies, systems, standards, and structure of performance evaluation and remuneration for directors and managers, as well as regularly evaluating and determining their compensation.

1. Information Regarding Compensation Committee Members

| Criteria             |                    | Professional Qualifications and Experience  | Independence Status   | Number of Compensation Committee Membership in Other Public Companies |
|----------------------|--------------------|---|---|---|
| Roles                | Name               |   |   |   |
| Independent Director | Yun, Chen          | Please refer to Page 12~14 disclosed information about director qualification and independence. | According to the Company's articles of incorporation and the "Corporate Governance Best Practice Principles", directors are appointed through a candidate nomination system. When nominating and selecting board members, the Company has obtained written statements, work experience, current employment certificates, and a list of relatives from each director to verify the independence of the independent directors, spouses, and relatives within three degrees from the Company. Additionally, the Company has verified that the following three independent directors met the qualification requirements set forth by the Financial Supervisory Commission's "Regulations Governing the Establishment of Independent Directors of Public Companies and Compliance Matters" and Article 14-2 of the Securities Exchange Act during the two years prior to their appointment and throughout their tenure. Moreover, the independent directors have been granted sufficient authority to participate in decision-making and express opinions in accordance with Article 14-3 of the Securities Exchange Act, thereby independently executing their relevant duties. | 0   |
| Independent Director | Yung-Cheng, Chiang |   |   | 3   |
| Independent Director | Chin Jung, Kuo     |   |   | 2   |

2. Compensation Committee Meeting Status

- (1) There are three members in Compensation Committee of the Company.
- (2) The tenure of current committee members: From June 21, 2023 to June 20, 2026. The Chairman of Compensation Committee convened 4 meetings in 2025. The attendance status is as follows.

| Title  | Name   | Attendance in person   | By proxy | Attendance Rate (%) | Remarks               |
|--|--|--|----------|---------------------|-----------------------|
| Convener & Chairman  | Yun, Chen  | 4  | 0        | 100                 | Should attend 4 times |
| Member   | Yung-Cheng, Chiang   | 4  | 0        | 100                 | Should attend 4 times |
| Member   | Chin-Jung, Kuo   | 4  | 0        | 100                 | Should attend 4 times |
| Other matters to be specified:   |  |  |          |                     |                       |
| 1. In case the Board of Directors did not adopt or amend suggestions of Compensation Committee, meeting dates, sessions, contents of resolutions, resolutions adopted by the Board of Directors and actions taken by the Company in response to opinions of Compensation Committee shall be noted: None.         |  |  |          |                     |                       |
| 2. For any resolutions of the Compensation Committee, if any member has expressed objective or qualified opinions with recorded or written statements, meeting dates, sessions, contents of resolutions, the opinions of all members, and actions taken in response to opinions of members shall be noted: None. |  |  |          |                     |                       |
| 3. Discussion and resolutions adopted by the Compensation Committee in 2025:   |  |  |          |                     |                       |
| Compensation Committee   | Contents of Resolutions  | Resolution   |          |                     |                       |
| 4-7<br>(20250114)  | 1. The Company's proposal of 2024 performance-based bonuses for managers.  | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |          |                     |                       |
| 4-8<br>(20250314)  | 1. The Company's proposal of 2024 employee and directors' remuneration distribution.<br>2. The Company's management retirement application and pension payment proposal. | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |          |                     |                       |
| 4-9<br>(20250808)  | 1. The Company's proposal of 2024 employee remuneration distribution for managers.   | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |          |                     |                       |
| 4-10<br>(20251218)   | 1. The Company's proposal of appointment and salary adjustment for managers.   | The following proposals were unanimously approved by all attending committee members upon inquiry by the Chair and was submitted to the Board of Directors for resolution. |          |                     |                       |

(V) The Company’s implementation of sustainable development, differences from the practices of TWSE/TPEX Listed Companies, and reasons for the differences

| Assessment Item  | Implementation Status |    | Discrepancy and The Reasons  |
|--|-----------------------|----|--|
|  | Yes                   | No |  |
| 1. Does the Company establish exclusively (or concurrently) dedicated units to implement sustainable development, and does the Board of Directors appoint executive level positions with responsibility for sustainable development to supervise the status of the implementation to the Board of Directors? | V                     |    | <p>1. In alignment with the Company’s sustainability development policy, the Company regards the Board of Directors as the highest decision-making unit for sustainability-related issues. The Company's Board of Directors resolved to set up the “Corporate Society Responsibility Management Committee” on March 26, 2020 meeting, and further resolved to change the name to "Sustainable Development Committee" on December 18, 2024. The Committee consists of no fewer than three members, among whom at least one director shall participate in supervisory duties. The members shall elect one among themselves to serve as convener and chair of the meetings. The Committee is responsible for managing sustainability, regulatory compliance, and information security risks, and shall convene at least two meetings per year.</p> <p>2. The committee is responsible for overseeing the implementation of sustainability goals and monitoring the execution of sustainability policies. A dedicated unit, the "Sustainability Development Office," has been established under the committee to serve as a cross-functional communication platform that integrates vertical and horizontal coordination across departments. This office comprises task-specific groups based on key issues, including the Sustainable Planning Group, Corporate Governance Group, Economic Group, Environmental Group, and Social Group. Through regular meetings, the office identifies sustainability issues relevant to the Company’s operations and of concern to stakeholders, formulates corresponding strategies and action plans, allocates budgets related to sustainability across departments, and plans and implements annual initiatives. It also monitors implementation outcomes to ensure that sustainability strategies are effectively integrated into the Company’s day-to-day operations.</p> <p>3. The Chairman of the Sustainable Development Committee reports annually to the Board of Directors on the execution results of sustainability initiatives and future work plans. In 2025, the Committee held a total of four meetings, with agenda items including:</p> <ul style="list-style-type: none"> <li>(1) Identification of material topics and formulation of management approaches;</li> <li>(2) Progress on the preparation of the Sustainability Report;</li> <li>(3) Establishment of environmental performance targets;</li> <li>(4) Revision of sustainability-related policies and internal control systems;</li> <li>(5) Sustainability implementation results and sustainability promotion plans.</li> </ul> <p>4. The sustainability report for 2025 is scheduled to be submitted to the Board of Directors for approval on August 12, 2026, and subsequently released.</p> |
| 2. Does the Company conduct risk assessment of environmental, social and corporate governance issues related to the Company's operations in accordance   | V                     |    | <p>1. This disclosure covers the Company’s sustainability performance at major sites from January to December 2025. The risk assessment boundary primarily focuses on the Company itself, including existing sites in Taiwan, Mainland China, and other regions in Asia. Based on the relevance to core business operations and the level of impact on material topics, the following subsidiaries are included in the scope: Foshan Nan Pao, Foshan Nan</p>   |

| Assessment Item  | Implementation Status                       |  | Discrepancy and The Reasons   |   |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|--|---|--|---|---|---|-----------------------|----------------------------|---|--|-----------------|---|---------------|--|------------------------------|----------------------------------|-------------------------------|---|-----------------------------------|--------------------------|---|--|
|  | Yes   | No   |   |   |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
| with the materiality principle, and formulate relevant risk management policies or strategies? |   |  | <p>Pao Advanced Materials, Dongguan Nan Pao, Dongguan Jiaqin, Fuqing Nan Pao, Kunshan Nan Pao, Huaian Nan Pao, Changshu Yu Bo, Vietnam Nan Pao, Vietnam Materials, Vietnam Advanced Materials, Vietnam NNV, Indonesia Nan Pao, and Thailand Nan Pao.</p> <p>2. The Sustainability Development Office conducts analysis based on the materiality principle of the Sustainability Report, following the GRI Universal Standards 2021 and incorporating ESG-related issues with reference to internationally recognized topics and the United Nations Sustainable Development Goals. In addition, it considered the Company's internal risk assessment analysis, stakeholder concerns, and the impact on business operations and sustainable development. Material topics were identified based on the severity and likelihood of their impact, followed by the formulation and implementation of concrete action plans to mitigate associated risks.</p> <p>3. Based on the assessed risks, the following corresponding risk management policies or strategies have been established:</p> <table border="1"> <thead> <tr> <th>Material Topic</th> <th>Risk Assessment Items</th> <th>Management Strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Chemical Safety Management</td> <td>Variation in Raw Material and Finished Goods Storage Conditions</td> <td rowspan="2"> <ul style="list-style-type: none"> <li>• Emergency response planning and personnel training</li> <li>• Safe storage and labeling</li> <li>• Regulatory-compliant transportation and protection measures</li> </ul> </td> </tr> <tr> <td>Chemical Spills</td> </tr> <tr> <td rowspan="2">Occupational Safety and Health &amp; Emergency Response</td> <td>Fire Incident</td> <td rowspan="2"> <ul style="list-style-type: none"> <li>• Promotion of safety culture</li> <li>• Commitment to zero occupational accidents</li> <li>• Prevention of occupational diseases</li> <li>• Regular fire drills</li> </ul> </td> </tr> <tr> <td>Employee Occupational Injury</td> </tr> <tr> <td rowspan="2">Customer Relationship Management</td> <td>Product Quality Abnormalities</td> <td rowspan="2"> <ul style="list-style-type: none"> <li>• Strengthening product quality stability and technical service capabilities</li> <li>• Enhancing quality management capabilities</li> <li>• Optimizing R&amp;D and technology implementation</li> </ul> </td> </tr> <tr> <td>Delays in New Product Development</td> </tr> <tr> <td>Employee Care and Rights</td> <td>Protection of Foreign Workers' Human Rights</td> <td> <ul style="list-style-type: none"> <li>• Migrant worker care and support mechanisms</li> <li>• Cultural adaptation training programs</li> <li>• Living assistance and consultation services</li> </ul> </td> </tr> </tbody> </table> | Material Topic  | Risk Assessment Items   | Management Strategies | Chemical Safety Management | Variation in Raw Material and Finished Goods Storage Conditions | <ul style="list-style-type: none"> <li>• Emergency response planning and personnel training</li> <li>• Safe storage and labeling</li> <li>• Regulatory-compliant transportation and protection measures</li> </ul> | Chemical Spills | Occupational Safety and Health & Emergency Response | Fire Incident | <ul style="list-style-type: none"> <li>• Promotion of safety culture</li> <li>• Commitment to zero occupational accidents</li> <li>• Prevention of occupational diseases</li> <li>• Regular fire drills</li> </ul> | Employee Occupational Injury | Customer Relationship Management | Product Quality Abnormalities | <ul style="list-style-type: none"> <li>• Strengthening product quality stability and technical service capabilities</li> <li>• Enhancing quality management capabilities</li> <li>• Optimizing R&amp;D and technology implementation</li> </ul> | Delays in New Product Development | Employee Care and Rights | Protection of Foreign Workers' Human Rights | <ul style="list-style-type: none"> <li>• Migrant worker care and support mechanisms</li> <li>• Cultural adaptation training programs</li> <li>• Living assistance and consultation services</li> </ul> |
|  |   |  | Material Topic  | Risk Assessment Items   | Management Strategies   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|  |   |  | Chemical Safety Management  | Variation in Raw Material and Finished Goods Storage Conditions | <ul style="list-style-type: none"> <li>• Emergency response planning and personnel training</li> <li>• Safe storage and labeling</li> <li>• Regulatory-compliant transportation and protection measures</li> </ul>                              |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|  |   |  |   | Chemical Spills   |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|  |   |  | Occupational Safety and Health & Emergency Response   | Fire Incident   | <ul style="list-style-type: none"> <li>• Promotion of safety culture</li> <li>• Commitment to zero occupational accidents</li> <li>• Prevention of occupational diseases</li> <li>• Regular fire drills</li> </ul>                              |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|  |   |  |   | Employee Occupational Injury                                    |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
|  |   |  | Customer Relationship Management  | Product Quality Abnormalities                                   | <ul style="list-style-type: none"> <li>• Strengthening product quality stability and technical service capabilities</li> <li>• Enhancing quality management capabilities</li> <li>• Optimizing R&amp;D and technology implementation</li> </ul> |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
| Delays in New Product Development  |   |  |   |   |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |
| Employee Care and Rights   | Protection of Foreign Workers' Human Rights | <ul style="list-style-type: none"> <li>• Migrant worker care and support mechanisms</li> <li>• Cultural adaptation training programs</li> <li>• Living assistance and consultation services</li> </ul> |   |   |   |                       |                            |   |  |                 |   |               |  |                              |                                  |                               |   |                                   |                          |   |  |

| Assessment Item  | Implementation Status                        |   |   | Discrepancy and The Reasons |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|--|--|---|---|-----------------------------|-----------------------|-------------|---------------------------------|--------------------|--|--|-------------------------------------|--|---|----------------------|--------------|---|--------------------|---|--------------------------------------|----------------------------|--|
|  | Yes  | No  | Summary   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
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| Material Topic   | Risk Assessment Items                        | Description   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
| Information Security Management  | Ransomware Attacks                           | <ul style="list-style-type: none"> <li>• Implementation of enhanced cybersecurity and backup mechanisms</li> <li>• Data protection and access control measures</li> <li>• Network security protection</li> <li>• Employee training and incident response mechanisms</li> </ul>  |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|  | Theft of Product Formulations / Technologies |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
| Business Ethics and Anti-Corruption  | Employee Violation of Integrity Principles   | <ul style="list-style-type: none"> <li>• Ethics training and education</li> <li>• Strengthening integrity governance and whistleblowing mechanisms</li> </ul>   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
| Economic Performance   | U.S. Tariffs                                 | <ul style="list-style-type: none"> <li>• Expansion into new markets and export orders</li> <li>• Production diversification and gross margin management</li> <li>• Brand differentiation and optimization of cost strategies</li> <li>• Supply chain control and capacity allocation optimization</li> <li>• Exchange rate management and hedging programs</li> </ul> |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|  | Geopolitical Risks                           |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|  | Dumping of Products from Mainland China      |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|  | Changes in the Footwear Supply Chain         |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
|  | Exchange Rate Fluctuations                   |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
| 3. Environmental Topic   |  |   |   |                             |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |
| (1) Has the Company set an environmental management system designed to industry characteristics? | V  |   | <p>(1)1.The Company formulates the "Occupational Safety and Health Policy" in accordance with the environmental regulations stipulated by the Ministry of Recycling and Environment (such as the Air Pollution Prevention Act, Water Pollution Prevention Act, Waste Disposal Act, Toxic and Chemical Substances of Concern Management Act, etc.) as a safety and health management in accordance with the highest guiding principles, other environmental, safety and health-related management measures have also been formulated, and the Company has obtained ISO14001 environmental management system certification.</p> <p>2. As of 2025, the head office (Taiwan Nan Pao Resins) and 11 production sites have completed the establishment of the ISO14001 environmental management system and passed third-party verification, including the following companies: Taiwan Nan Pao Resins, Foshan Nan Pao, Foshan Nan Pao Advanced Materials, Dongguan Nan Pao, Dongguan Jiaqin, KunShan Nan Pao, Vietnam Nan Pao, Vietnam Materials, Vietnam Advanced Materials, Vietnam NNV, Indonesia Nan Pao, and Thailand Nan Pao.</p>  | None                        |                       |             |                                 |                    |  |  |                                     |  |   |                      |              |   |                    |   |                                      |                            |  |

| Assessment Item  | Implementation Status |            | Discrepancy and The Reasons  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
|--|-----------------------|------------|--|------|------|------|---|----------------------------------|-----------|-----------|-------|-----------------------------|------------|------------|-------|-------------------------------|------------|------------|-------|--|------|------|------|
|  | Yes                   | No         |  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
| (2) Is the Company committed to improving energy efficiency and to the use of renewable materials with low environmental impact? | V                     |            | <p>(2)1. The Company actively promotes various energy reduction measures by selecting equipment with high energy efficiency and energy-saving designs to reduce energy consumption at both the corporate and product levels. Additionally, the use of renewable energy is being expanded to optimize overall energy efficiency. In 2025, Nan Pao Resins Group's total electricity consumption reached 41,964,460 kWh, a decrease of 878,992 kWh (2.05%) compared with the previous year. However, electricity intensity increased by 1.23% year-over-year. Looking ahead, the Group will continue to install renewable energy generation systems and procure green electricity to progressively improve renewable energy utilization and reduce purchased electricity.</p> <p><b>Electricity Consumption in the Past Two Years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Self-generated Electricity (kWh)</td> <td>1,525,783</td> <td>1,981,793</td> <td>29.89</td> </tr> <tr> <td>Purchased Electricity (kWh)</td> <td>41,317,669</td> <td>39,982,667</td> <td>-3.23</td> </tr> <tr> <td>Total Electricity Consumption</td> <td>42,843,452</td> <td>41,964,460</td> <td>-2.05</td> </tr> <tr> <td>Electricity Intensity (kWh per NT\$1,000 of Revenue)</td> <td>2.43</td> <td>2.46</td> <td>1.23</td> </tr> </tbody> </table> <p>2. The Company has installed renewable energy generation equipment at various facilities, including Taiwan Nan Pao Resins, as well as plants in Foshan Nan Pao, Changshu Yu Bo, Vietnam Advanced Materials, and Thailand Nan Pao, to promote carbon emission reduction. As of the end of 2025, the total installed renewable energy capacity across the Group's sites reached 2,694 kW, successfully achieving the 2025 target of 2,500 kW. Additionally, since 2023, Taiwan Nan Pao Resins, Indonesia Nan Pao and Foshan Nan Pao have initiated the procurement of renewable energy certificates and is conducting offset evaluations. As of the end of 2025, the Group's unredeemed purchased renewable energy certificates totaled 2,946,000 kWh.</p> <p>3. (1) During the greenhouse gas inventory process, it was found that the primary emission source, due to the nature of the industry, comes from category two, which is electricity usage. Therefore, the Company is also actively engaged in energy management. Strategies include implementing automated energy management, promoting energy-saving and carbon-reduction projects, optimizing management systems, incorporating energy-saving performance into incentive programs, and using platform systems for data analysis. These efforts aim to continuously review and optimize processes, enhance energy integration, and reduce unnecessary consumption to improve energy efficiency. As of 2025, the head office (Taiwan Nan Pao Resins), as well as production sites at Foshan Nan Pao and Foshan Nan Pao Advanced Materials, have completed the implementation of the ISO50001 energy management system and passed third-party verification.</p> <p>(2) In 2025, the Nan Pao Resins Group's non-renewable energy consumption totaled 346,301 GJ, representing an increase of 39,467 GJ (12.86%) compared to 2023. And the non-renewable energy consumption intensity increased by 1.00% compared with 2023, failing to achieve the target of a 5% reduction versus 2023. This was primarily due to increased natural gas consumption resulting from higher boiler capacity in the manufacturing process of Taiwan Nan Pao Resins, as well as higher diesel consumption associated with the adoption of new-type boilers at Vietnam Nan Pao and Vietnam Materials. For 2026, the Group plans to adopt a steady and progressive approach and maintain the target of reducing non-renewable energy consumption intensity by 5% compared with 2023.</p> | Year | 2024 | 2025 | % | Self-generated Electricity (kWh) | 1,525,783 | 1,981,793 | 29.89 | Purchased Electricity (kWh) | 41,317,669 | 39,982,667 | -3.23 | Total Electricity Consumption | 42,843,452 | 41,964,460 | -2.05 | Electricity Intensity (kWh per NT\$1,000 of Revenue) | 2.43 | 2.46 | 1.23 |
| Year   | 2024                  | 2025       | %  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
| Self-generated Electricity (kWh)   | 1,525,783             | 1,981,793  | 29.89  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
| Purchased Electricity (kWh)  | 41,317,669            | 39,982,667 | -3.23  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
| Total Electricity Consumption  | 42,843,452            | 41,964,460 | -2.05  |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |
| Electricity Intensity (kWh per NT\$1,000 of Revenue)   | 2.43                  | 2.46       | 1.23   |      |      |      |   |                                  |           |           |       |                             |            |            |       |                               |            |            |       |  |      |      |      |

| Assessment Item  | Implementation Status |         |  | Discrepancy and The Reasons |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
|--|-----------------------|---------|--|-----------------------------|------|------|---|---------------------------------------|---------|---------|-------|-----------------------------------|-------|--------|-------|----------------------------------|------|------|-------|--|--------|--------|------|--|
|  | Yes                   | No      | Summary  |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
|  |                       |         | <p><b>The total amount of non-renewable energy consumption in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Non-renewable energy consumption (GJ)</td> <td>356,315</td> <td>346,301</td> <td>-2.81</td> </tr> <tr> <td>Renewable energy consumption (GJ)</td> <td>8,626</td> <td>10,462</td> <td>21.28</td> </tr> <tr> <td>Renewable energy consumption (%)</td> <td>2.36</td> <td>2.93</td> <td>24.15</td> </tr> <tr> <td>Non-renewable energy consumption intensity (GJ per NT\$1,000 of revenue)</td> <td>0.0202</td> <td>0.0203</td> <td>0.50</td> </tr> </tbody> </table> <p>(3) Since 2023, all departments of Taiwan Nan Pao Resins have set up their own carbon reduction projects and track progress monthly. Additionally, starting in 2023, the energy consumption of the headquarters building has been included in the total energy usage of the Taiwan Nan Pao Resins plant. The Company implement the ISO 50001 Energy Management System of headquarters building in 2025. External verification of Taiwan Nan Pao Resins' total energy consumption for 2025 is expected to be obtained by the end of August 2026.</p> <p>4. The Company is committed to developing low environmental impact recycled and bio-based materials, with “Replace (substituting petroleum-based raw materials)” as its core strategy, actively advancing bio-based raw materials to mitigate the impacts of climate change. The Company has successfully developed a diversified portfolio of bio-based products, including bio-based PU foam seat cushions for automotive interiors that have obtained the United States Department of Agriculture (USDA) BioPreferred certification, as well as bio-based PU foam shoe insoles made from lignin extracted from paper-making waste liquid. In addition, the Company provides bio-based polyols, bio-based hot-melt adhesives, bio-based footwear resins, and textile functional coating materials. Depending on the formulation ratio, these bio-based materials can reduce carbon emissions by up to 80%, effectively lowering dependence on fossil fuels.</p> <p>5. In terms of circular economy and resource recycling, the Company implements a “Recycle (resource recovery and circular regeneration)” strategy by establishing a recycled polyester material supply chain. Recycled PET (r-PET) bottles are cleaned, flaked, and converted into high-quality polyester polyols, which serve as base materials for water-based PU products. The Company also engages in cross-industry collaboration by recycling semiconductor waste slurry (silicon dioxide) for use in epoxy flooring coatings, and converting waste toner into environmentally friendly water-based paints. Oyster shell powder is further incorporated into textile coating resins, enabling continuous resource circulation. Moreover, by developing water-based, non-plastic paper coating resins to replace traditional food container laminating films, the products enable full paper recyclability after disposal, thereby comprehensively advancing the Company’s sustainability objectives of plastic reduction, carbon reduction, and waste minimization.</p> <p>6. The Company recovers waste solvent produced during the water-based PU production process is distilled and recycled for reuse in the process (acetone). Other chemicals produced from the distillation of waste solvents (methyl ethyl ketone) can also be sold to customers. This not only enhances resource use efficiency but also improves operational performance, thereby implementing a circular economy for waste materials. In 2025, Taiwan Nan Pao Resins recycled a total of 6,410 metric tons of solvents, an increase of 644 metric tons (9.13%) compared with the previous year. By recycling solvents and reducing chemical raw material</p> | Year                        | 2024 | 2025 | % | Non-renewable energy consumption (GJ) | 356,315 | 346,301 | -2.81 | Renewable energy consumption (GJ) | 8,626 | 10,462 | 21.28 | Renewable energy consumption (%) | 2.36 | 2.93 | 24.15 | Non-renewable energy consumption intensity (GJ per NT\$1,000 of revenue) | 0.0202 | 0.0203 | 0.50 |  |
| Year   | 2024                  | 2025    | %  |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
| Non-renewable energy consumption (GJ)                                    | 356,315               | 346,301 | -2.81  |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
| Renewable energy consumption (GJ)  | 8,626                 | 10,462  | 21.28  |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
| Renewable energy consumption (%)   | 2.36                  | 2.93    | 24.15  |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |
| Non-renewable energy consumption intensity (GJ per NT\$1,000 of revenue) | 0.0202                | 0.0203  | 0.50   |                             |      |      |   |                                       |         |         |       |                                   |       |        |       |                                  |      |      |       |  |        |        |      |  |

| Assessment Item  | Implementation Status |       |   | Discrepancy and The Reasons |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
|--|-----------------------|-------|---|-----------------------------|------|------|---|---------|-------|-------|------|---------------------------|-------|-----|--------|--------------------|----|-----|-------|-------------------------------------|-----|-----|--------|----------------------|-----|----|--------|-----------------------------------|-------|-------|-------|--|
|  | Yes                   | No    | Summary   |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
|  |                       |       | <p>procurement costs and waste solvent disposal expenses, the Company also reduced carbon dioxide emissions by 12,735 metric tons in 2025. The carbon reduction decreased by 2,305 metric tons (15.33%) compared with the previous year; however, overall carbon reduction performance remained stable.</p> <p><b>The total amount of solvents recycled in the past two years</b>      Recycle Unit: metric tons</p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Acetone</td> <td>5,151</td> <td>5,203</td> <td>1.01</td> </tr> <tr> <td>Methyl Ethyl Ketone (MEK)</td> <td>1,482</td> <td>349</td> <td>-76.45</td> </tr> <tr> <td>Ethyl Acetate(EAC)</td> <td>56</td> <td>105</td> <td>87.50</td> </tr> <tr> <td>2339RE (70% Butanone + 30% Acetone)</td> <td>259</td> <td>659</td> <td>154.44</td> </tr> <tr> <td>Tetrahydrofuran(THF)</td> <td>106</td> <td>94</td> <td>-11.32</td> </tr> <tr> <td>Total amount of recycled solvents</td> <td>7,054</td> <td>6,410</td> <td>-9.13</td> </tr> </tbody> </table>  | Year                        | 2024 | 2025 | % | Acetone | 5,151 | 5,203 | 1.01 | Methyl Ethyl Ketone (MEK) | 1,482 | 349 | -76.45 | Ethyl Acetate(EAC) | 56 | 105 | 87.50 | 2339RE (70% Butanone + 30% Acetone) | 259 | 659 | 154.44 | Tetrahydrofuran(THF) | 106 | 94 | -11.32 | Total amount of recycled solvents | 7,054 | 6,410 | -9.13 |  |
| Year   | 2024                  | 2025  | %   |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| Acetone  | 5,151                 | 5,203 | 1.01  |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| Methyl Ethyl Ketone (MEK)  | 1,482                 | 349   | -76.45  |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| Ethyl Acetate(EAC)   | 56                    | 105   | 87.50   |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| 2339RE (70% Butanone + 30% Acetone)  | 259                   | 659   | 154.44  |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| Tetrahydrofuran(THF)   | 106                   | 94    | -11.32  |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| Total amount of recycled solvents  | 7,054                 | 6,410 | -9.13   |                             |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| (3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?   | V                     |       | (3) The Company has assessed the potential risks and opportunities of climate change on its present and future operations, and has taken measures to address climate-related issues (please refer to (VI) Implementation Status of Climate-related Information).  | None                        |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |
| (4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies? | V                     |       | <p>(4)1. The Company has compiled greenhouse gas emission data for the past two years and disclosed the results of greenhouse gas inventory, assurance status, and reduction policies (please refer to (VI) Implementation Status of Climate-related Information).</p> <p>2. (1) The Company has long been dedicated to issues of water resource conservation and environmental protection, focusing on three major strategies for water resource usage: reduction, reuse, and recycling. In water conservation plans, the Company emphasizes the comprehensive implementation of daily water-saving practices to maximize the effectiveness of available water resources. As of 2025, the headquarter (Taiwan Nan Pao Resin) has completed the implementation of the ISO 46001 water resource management system and has received third-party verification. The external verification of Taiwan Nan Pao Resin's 2025 water consumption is expected to be obtained by the end of August 2026.</p> <p>(2) The Company has implemented various improvement measures, including integrating a wastewater recycling system and utilizing recycled water in manufacturing processes to reduce water consumption. In 2025, due to water resource management and water-saving technologies, the total water withdrawal of Taiwan Nan Pao Resins Group was 291.350 million liters, an increase of 6.999 million liters (2.46%) compared to 2023. The water intensity was 9.09% lower than 2023, which fell short of the 2025 target to reduce water intensity by 10% compared to 2023, overall water-saving performance remained stable. For 2025, the Group aims to reduce water intensity by 10% compared to 2023. As the 2025 target of a 10% reduction compared with the previous year was not met, the Company will continue to adopt 2023 as the baseline and maintain the target of reducing total water withdrawal intensity by 10% in 2026.</p> | None                        |      |      |   |         |       |       |      |                           |       |     |        |                    |    |     |       |                                     |     |     |        |                      |     |    |        |                                   |       |       |       |  |

| Assessment Item  | Implementation Status |         |   | Discrepancy and The Reasons |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
|--|-----------------------|---------|---|-----------------------------|------|------|---|-----------------------------------|---------|---------|-------|---|--------|--------|-------|------|------|------|---|-------------------------------|-------|-------|--------|-----------------------------------|-------|-------|------|----------------------------|-------|-------|-------|--|-------|-------|-------|--|
|  | Yes                   | No      | Summary   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
|  |                       |         | <p><b>The total amount of water withdrawal in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Water withdrawal (million liters)</td> <td>314.059</td> <td>291.350</td> <td>-7.23</td> </tr> <tr> <td>Water intensity (million liters per million NTD of revenue)</td> <td>0.0178</td> <td>0.0170</td> <td>-4.49</td> </tr> </tbody> </table> <p>(3) The total water consumption of Nan Pao Resins Group in 2025 was 203.101 million liters, representing a decrease of 17.185 million liters (7.08%) compared with the previous year.</p> <p>3. (1) To achieve sustainable resource reuse, the Company's waste management principles prioritize reuse within the manufacturing process to reduce the use of raw materials, secondly focus on recycling and reuse, with incineration or landfill as the last resort. The Company is committed to environmental protection, setting waste reduction KPIs, conducting annual performance reviews, and implementing internal and external audits. The waste management system of the headquarters (Taiwan Nan Pao Resins) obtained certification under the ISO 14001 Environmental Management System in 2025. The external verification of Taiwan Nan Pao Resins' total waste volume for 2025 is expected to be obtained by the end of August 2026.</p> <p>(2) In 2025, the total waste disposal volume of the Nan Pao Resins Group reached 4,971 metric tons, representing a decrease of 459 metric tons (8.45%) compared with the previous year.</p> <p><b>The total amount of waste disposal in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste (metric tons)</td> <td>3,246</td> <td>2,771</td> <td>-14.63</td> </tr> <tr> <td>Non-Hazardous waste (metric tons)</td> <td>2,184</td> <td>2,200</td> <td>0.73</td> </tr> <tr> <td>Total weight (metric tons)</td> <td>5,430</td> <td>4,971</td> <td>-8.45</td> </tr> <tr> <td>Wast disposal intensity (metric tons per million NTD of revenue)</td> <td>0.313</td> <td>0.298</td> <td>-4.79</td> </tr> </tbody> </table> <p>(3) The Company has adopted "total waste reduction" and "waste resource utilization" as its primary management strategies. Through source management measures such as process optimization and raw material reduction, the Company is committed to minimizing waste generation while increasing the recycling and reuse rate of waste materials. In 2025, Taiwan Nan Pao Resins set a target to increase the proportion of recycled and reused hazardous industrial waste to total hazardous waste disposal by 5% compared with 2023. However, the actual result showed a decrease of 12.81%, and the target of increasing the recycling and reuse ratio of hazardous industrial waste by 5% compared with 2023 was not achieved. Therefore, the Company plans to maintain the original target for 2026.</p> | Year                        | 2024 | 2025 | % | Water withdrawal (million liters) | 314.059 | 291.350 | -7.23 | Water intensity (million liters per million NTD of revenue) | 0.0178 | 0.0170 | -4.49 | Year | 2024 | 2025 | % | Hazardous waste (metric tons) | 3,246 | 2,771 | -14.63 | Non-Hazardous waste (metric tons) | 2,184 | 2,200 | 0.73 | Total weight (metric tons) | 5,430 | 4,971 | -8.45 | Wast disposal intensity (metric tons per million NTD of revenue) | 0.313 | 0.298 | -4.79 |  |
| Year   | 2024                  | 2025    | %   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Water withdrawal (million liters)                                | 314.059               | 291.350 | -7.23   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Water intensity (million liters per million NTD of revenue)      | 0.0178                | 0.0170  | -4.49   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Year   | 2024                  | 2025    | %   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Hazardous waste (metric tons)                                    | 3,246                 | 2,771   | -14.63  |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Non-Hazardous waste (metric tons)                                | 2,184                 | 2,200   | 0.73  |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Total weight (metric tons)                                       | 5,430                 | 4,971   | -8.45   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |
| Wast disposal intensity (metric tons per million NTD of revenue) | 0.313                 | 0.298   | -4.79   |                             |      |      |   |                                   |         |         |       |   |        |        |       |      |      |      |   |                               |       |       |        |                                   |       |       |      |                            |       |       |       |  |       |       |       |  |

| Assessment Item   | Implementation Status |       |  | Discrepancy and The Reasons |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
|---|-----------------------|-------|--|-----------------------------|------|------|---|---|-----|-----|--------|---|----|-----|----------|---|-----|-----|-------|------------------------------------|-------|-------|------|--|------|-------|----------|------|------|------|---|---|-----|-----|--------|---|-----|-----|-------|---|-------|-------|-------|------------------------------------|-------|-------|-------|--|-------|-------|-------|--|
|   | Yes                   | No    | Summary  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
|   |                       |       | <p><b>The total amount of waste reused and recycled of Taiwan Nan Pao Resins in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Recycled and Reused Hazardous Waste (metric tons)</td> <td>732</td> <td>592</td> <td>-19.13</td> </tr> <tr> <td>Recycled and Reused Non-Hazardous Waste (metric tons)</td> <td>11</td> <td>311</td> <td>2,727.27</td> </tr> <tr> <td>Total Weight of Recycled and Reused Waste (metric tons)</td> <td>743</td> <td>903</td> <td>21.53</td> </tr> <tr> <td>Hazardous Waste Recycling Rate (%)</td> <td>75.23</td> <td>77.49</td> <td>3.00</td> </tr> <tr> <td>Non-Hazardous Waste Recycling Rate (%)</td> <td>1.11</td> <td>29.99</td> <td>2,601.80</td> </tr> </tbody> </table> <p>(4) In 2025, the total volume of waste reused and recycled by the Nan Pao Resins Group reached 1,476 metric tons, an increase of 147 metric tons (11.06%) compared with the previous year. Among this, the volume of hazardous waste reused and recycled was 632 metric tons, a decrease of 185 metric tons (22.64%) year-on-year. The volume of non-hazardous waste reused and recycled was 844 metric tons, an increase of 332 metric tons (64.84%) compared with the previous year. The recycling and reuse rate increased from 23.44% to 38.36%, indicating a gradual shift toward resource recovery in the treatment of non-hazardous waste.</p> <p><b>The total amount of waste reused and recycled in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Recycled and Reused Hazardous Waste (metric tons)</td> <td>817</td> <td>632</td> <td>-22.64</td> </tr> <tr> <td>Recycled and Reused Non-Hazardous Waste (metric tons)</td> <td>512</td> <td>844</td> <td>64.84</td> </tr> <tr> <td>Total Weight of Recycled and Reused Waste (metric tons)</td> <td>1,329</td> <td>1,476</td> <td>11.06</td> </tr> <tr> <td>Hazardous Waste Recycling Rate (%)</td> <td>25.17</td> <td>22.81</td> <td>-9.38</td> </tr> <tr> <td>Non-Hazardous Waste Recycling Rate (%)</td> <td>23.44</td> <td>38.36</td> <td>63.65</td> </tr> </tbody> </table> <p>4.(1) The Company's air pollution control efforts primarily focus on managing pollutants such as toluene, xylene, total VOCs, non-methane hydrocarbons, and particulate matter. Waste gases are categorized based on the nature of the pollutants and collected through sealed systems or exhaust hoods. These are then treated using appropriate equipment such as baghouse dust collectors and condensation recovery systems to ensure emissions comply with regulations. To further reduce pollutant emissions, the Company actively optimizes production processes at the source and continuously introduces high-efficiency control equipment. Since 2020, Foshan Nan Pao has been utilizing a Regenerative Thermal Oxidizer (RTO) to decompose VOCs at</p> | Year                        | 2024 | 2025 | % | Recycled and Reused Hazardous Waste (metric tons) | 732 | 592 | -19.13 | Recycled and Reused Non-Hazardous Waste (metric tons) | 11 | 311 | 2,727.27 | Total Weight of Recycled and Reused Waste (metric tons) | 743 | 903 | 21.53 | Hazardous Waste Recycling Rate (%) | 75.23 | 77.49 | 3.00 | Non-Hazardous Waste Recycling Rate (%) | 1.11 | 29.99 | 2,601.80 | Year | 2024 | 2025 | % | Recycled and Reused Hazardous Waste (metric tons) | 817 | 632 | -22.64 | Recycled and Reused Non-Hazardous Waste (metric tons) | 512 | 844 | 64.84 | Total Weight of Recycled and Reused Waste (metric tons) | 1,329 | 1,476 | 11.06 | Hazardous Waste Recycling Rate (%) | 25.17 | 22.81 | -9.38 | Non-Hazardous Waste Recycling Rate (%) | 23.44 | 38.36 | 63.65 |  |
| Year  | 2024                  | 2025  | %  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Recycled and Reused Hazardous Waste (metric tons)       | 732                   | 592   | -19.13   |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Recycled and Reused Non-Hazardous Waste (metric tons)   | 11                    | 311   | 2,727.27   |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Total Weight of Recycled and Reused Waste (metric tons) | 743                   | 903   | 21.53  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Hazardous Waste Recycling Rate (%)                      | 75.23                 | 77.49 | 3.00   |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Non-Hazardous Waste Recycling Rate (%)                  | 1.11                  | 29.99 | 2,601.80   |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Year  | 2024                  | 2025  | %  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Recycled and Reused Hazardous Waste (metric tons)       | 817                   | 632   | -22.64   |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Recycled and Reused Non-Hazardous Waste (metric tons)   | 512                   | 844   | 64.84  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Total Weight of Recycled and Reused Waste (metric tons) | 1,329                 | 1,476 | 11.06  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Hazardous Waste Recycling Rate (%)                      | 25.17                 | 22.81 | -9.38  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |
| Non-Hazardous Waste Recycling Rate (%)                  | 23.44                 | 38.36 | 63.65  |                             |      |      |   |   |     |     |        |   |    |     |          |   |     |     |       |                                    |       |       |      |  |      |       |          |      |      |      |   |   |     |     |        |   |     |     |       |   |       |       |       |                                    |       |       |       |  |       |       |       |  |

| Assessment Item   | Implementation Status |        |  | Discrepancy and The Reasons |      |      |   |   |        |        |      |   |        |        |      |  |
|---|-----------------------|--------|--|-----------------------------|------|------|---|---|--------|--------|------|---|--------|--------|------|--|
|   | Yes                   | No     | Summary  |                             |      |      |   |   |        |        |      |   |        |        |      |  |
|   |                       |        | <p>high temperatures and recover thermal energy. In 2022, Taiwan Nan Pao Resins implemented a Regenerative Catalytic Oxidizer (RCO), along with scrubbers and condensation systems, to enhance VOC capture and reduction. Through diversified control measures, the Company is committed to minimizing the environmental impact of air pollution.</p> <p>(2) In 2025, the Nan Pao Resins Group emitted 70.899 metric tons of volatile organic compounds (VOCs) during production processes, representing an increase of 1.087 metric tons (1.56%) compared to 2023. The emission intensity was 0.0041, a decrease of 10.87% from the baseline year, successfully achieving the target of a 10% reduction in emission intensity relative to 2023. For 2026, the Company plans to set a target of a 15% reduction in VOCs emissions intensity compared with 2023, and will continue to strengthen process management and pollution control measures to reduce environmental impacts.</p> <p><b>The total amount of VOCs emissions in the past two years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2024</th> <th>2025</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Volatile Organic Compounds (VOCs) Emissions (metric tons)</td> <td>68.270</td> <td>70.899</td> <td>3.85</td> </tr> <tr> <td>Volatile Organic Compounds (VOCs) Intensity(metric tons per million NTD of revenue)</td> <td>0.0039</td> <td>0.0041</td> <td>5.13</td> </tr> </tbody> </table> <p>5. The data mentioned above is based on the 2025 Sustainability Report.</p> | Year                        | 2024 | 2025 | % | Volatile Organic Compounds (VOCs) Emissions (metric tons) | 68.270 | 70.899 | 3.85 | Volatile Organic Compounds (VOCs) Intensity(metric tons per million NTD of revenue) | 0.0039 | 0.0041 | 5.13 |  |
| Year  | 2024                  | 2025   | %  |                             |      |      |   |   |        |        |      |   |        |        |      |  |
| Volatile Organic Compounds (VOCs) Emissions (metric tons)   | 68.270                | 70.899 | 3.85   |                             |      |      |   |   |        |        |      |   |        |        |      |  |
| Volatile Organic Compounds (VOCs) Intensity(metric tons per million NTD of revenue)   | 0.0039                | 0.0041 | 5.13   |                             |      |      |   |   |        |        |      |   |        |        |      |  |
| 4. Social Topic   |                       |        |  |                             |      |      |   |   |        |        |      |   |        |        |      |  |
| (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles? | V                     |        | <p>(1)1.The Company recognizes and voluntarily follows the "Universal Declaration of Human Rights," "United Nations Global Compact" and "International Labour Organization Conventions" regarding human rights standards, and respects the protections set forth in these human rights instruments. On December 18, 2024, the Board of Directors approved the "Nan Pao Resins Group Human Rights Policy". A revised version was further approved by the Board on November 10, 2025. The policy has been published on the Company's official website.</p> <p>2. The Company regularly conducts human rights risk assessments on key concerns such as working conditions, prohibition of forced labor, elimination of child labor, anti-discrimination, freedom of association, and the right to collective bargaining. These assessments aim to identify potential risks within operational activities and to establish mitigation and remediation measures. The Company is committed to ensuring that all individuals are treated fairly and with dignity, while providing a high-quality working environment that safeguards occupational safety and physical and mental well-being.</p> <p>3. A Summary of the Company's Human Rights Management Policy and Specific Initiatives is as follows:</p>  | None                        |      |      |   |   |        |        |      |   |        |        |      |  |

| Assessment Item  | Implementation Status |  | Discrepancy and The Reasons  |                       |  |                             |     |    |                                |  |                      |                             |  |   |  |  |  |   |  |  |  |  |  |  |  |   |  |  |   |
|--|-----------------------|--|--|-----------------------|--|-----------------------------|-----|----|--------------------------------|--|----------------------|-----------------------------|--|---|--|--|--|---|--|--|--|--|--|--|--|---|--|--|---|
|  | Yes                   | No   |  |                       |  |                             |     |    |                                |  |                      |                             |  |   |  |  |  |   |  |  |  |  |  |  |  |   |  |  |   |
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| Yes  | No                    |  |  |                       |  |                             |     |    |                                |  |                      |                             |  |   |  |  |  |   |  |  |  |  |  |  |  |   |  |  |   |
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|--|---|----|---|--------------------------------|----------------------|--|---|--|
|  | Yes   | No | Summary   |                                |                      |  |   |  |
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| (2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or achievements with employee salary and compensation? | V   |    | <p>(2) The Company provides comprehensive employee welfare measures, including competitive compensation, promotion of workplace diversity and equality, various types of leave, a range of allowances, bonuses, and subsidies (please refer to (IV) Operational Overview / V. Labor Relations, page 124,128~129).</p> <p><u>Business Performance Reflected in Employee Compensation</u><br/>The Company's year-end bonus system is based on annual profitability and considers individual performance evaluations when distributing bonuses to all employees. This approach is designed to motivate employees to work collectively toward the Group's objectives. For employees at the managerial level and above, special bonuses are determined based on individual performance, with direct linkage to the previous year's KPI results. KPIs are set at both departmental and individual levels. To support the Group's commitment to achieving net-zero emissions by the end of 2050, all senior managers are required to incorporate sustainability performance indicators into their KPIs. Carbon intensity targets are regularly reviewed and tracked, and the level of achievement is factored into bonus calculations, reinforcing accountability and proactivity in carbon reduction initiatives.</p> <p>Based on annual profitability (before tax and before allocation of employee and director remuneration), after retaining sufficient amounts to cover accumulated losses, the Company shall allocate 2% to 6% of the profit for employee remuneration. At least 20% of this amount is designated for grassroots employees. Eligible recipients include employees of the parent company and qualifying employees of subsidiaries.</p> <p>To maintain competitive compensation levels, the Company reviews and adjusts salaries annually based on market benchmarks, economic trends, and individual performance. In 2025, the average salary adjustment in Taiwan—including both managerial and non-managerial positions—was 3.43%, with the highest individual increase reaching 16.45%.</p> | None                           |                      |  |   |  |
| (3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?   | V   |    | <p>(3) <u>Occupational Safety and Health Policy</u><br/>The Company has established an Environmental and Occupational Health and Safety Management System based on ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System), and actively promotes the implementation of these systems. In addition to the parent company, Taiwan Nan Pao Resins, 11 subsidiaries have obtained ISO 14001 certification, and 9 subsidiaries have obtained ISO 45001 certification.</p>  | None                           |                      |  |   |  |

| Assessment Item | Implementation Status |    | Discrepancy and The Reasons   |
|-----------------|-----------------------|----|---|
|                 | Yes                   | No |   |
|                 |                       |    | <p>To fully implement occupational health and safety management, the Company has established the "Safety and Health Committee" as the highest organization for safety and health management. Quarterly joint safety and health committee meetings are held at the factory, and monthly internal safety meetings are conducted to discuss improvements for various audit deficiencies, aiming to prevent occupational accidents. Each factory also establishes emergency response procedures and conducts biannual drills with the self-defense fire brigade according to the regulations of the Fire Bureau of the Ministry of the Interior. Firefighters are periodically invited to assist during drills, and review meetings are held afterwards to ensure timely implementation of response measures in the event of emergencies, mitigate impacts, and control damage and recovery in the aftermath. Fire equipment maintenance is reported annually in November, and periodic fire extinguisher training is conducted internally. There were no fire accidents in 2025.</p> <p>The Company prioritizes work environment and employee safety and has established an accident reporting and investigation mechanism. Immediate care and assistance for injured employees are provided by workplace nurses, and follow-up care and monitoring are conducted during their recovery period. Occupational health physicians are consulted to assess whether adjustments or changes to their work content are necessary. Accident investigation and root cause analysis are conducted for occupational accidents, and improvement plans are formulated and implemented. In 2025, there were a total of 7 personnel occupational accidents at Taiwan Nan Pao Resins, with 7 work-related injuries (0.96% of the number of Taiwan Nan Pao Resins employees at the end of 2025). Among them, there were a total of 3 cases of disabling injuries, with a frequency rate of 5.63, and the severity rate of 243.74. Taiwan Nan Pao Resins Group recorded an overall frequency rate of 2.43 and the severity rate of 75.07 for disabling injuries. The Company did not achieve its target of zero occupational safety incidents in 2025.</p> <p><u>Occupational Work Environment Monitoring</u></p> <p>To ensure workers are protected from harmful substances in the workplace and to provide a healthy and comfortable working environment, the Company conducts occupational environment monitoring twice a year. This allows for a progressive understanding of workers' exposure conditions.</p> <p><u>Equipment Safety Management</u></p> <p>To prevent harm or damage to personnel, property, or the environment during the operation of machinery, facilities, and equipment, the Company has established a comprehensive equipment safety management system. This system enhances the safety of equipment operation and maintenance, incorporating digitized inspection and maintenance workflows to reduce the risk of equipment failure and minimize potential impacts on production, the environment, and personnel. Furthermore, the Company aligns its safety protocols with the Occupational Safety and Health Act and international standards such as ISO 45001, ensuring effective system integration and implementation.</p> |

| Assessment Item  | Implementation Status |       |   |  | Discrepancy and The Reasons |      |      |      |                                 |       |       |       |                |       |       |       |  |
|--|-----------------------|-------|---|--|-----------------------------|------|------|------|---------------------------------|-------|-------|-------|----------------|-------|-------|-------|--|
|  | Yes                   | No    | Summary   |  |                             |      |      |      |                                 |       |       |       |                |       |       |       |  |
|  |                       |       | <p><b>Occupational Safety Training and Awareness Campaigns in the Past Three Years</b><br/>To ensure that employees are well-informed about occupational safety and health regulations and to promote employee health and well-being, the Company develops and implements annual training plans. These initiatives aim to achieve zero incidents and zero accidents, ensuring a safe working environment for all employees.</p> <p><b>Occupational Safety and Health Training Performance of Taiwan Nan Pao Resins in the Past Three Years</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>2023</th> <th>2024</th> <th>2025</th> </tr> </thead> <tbody> <tr> <td>Number of Training Participants</td> <td>3,624</td> <td>1,568</td> <td>7,642</td> </tr> <tr> <td>Training Hours</td> <td>4,049</td> <td>4,309</td> <td>6,200</td> </tr> </tbody> </table>  |  | Year                        | 2023 | 2024 | 2025 | Number of Training Participants | 3,624 | 1,568 | 7,642 | Training Hours | 4,049 | 4,309 | 6,200 |  |
| Year   | 2023                  | 2024  | 2025  |  |                             |      |      |      |                                 |       |       |       |                |       |       |       |  |
| Number of Training Participants  | 3,624                 | 1,568 | 7,642   |  |                             |      |      |      |                                 |       |       |       |                |       |       |       |  |
| Training Hours   | 4,049                 | 4,309 | 6,200   |  |                             |      |      |      |                                 |       |       |       |                |       |       |       |  |
| (4) Has the Company established effective career development training plans?   | V                     |       | (4) The scope, coverage, and implementation of the Company's employee training programs (please refer to (IV) Operational Overview / V. Labor Relations, page 124~126).   |  | None                        |      |      |      |                                 |       |       |       |                |       |       |       |  |
| (5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, marketing, labelling and set policies to protect consumers' or customers' rights and consumer appeal procedures? | V                     |       | <p>(5)1. The Company's products are required to comply with special directives such as RoHS, SVHC, eight heavy metals and other special directive standards in the development and design. All footwear products are sent to third-party impartial units such as SGS every year to obtain compliance with the banned substances directive report; 100% of the products sold in the EU only can leave the factory after passing the quality inspection. The quality of the exported products conforms to the EU RoHS and REACH specifications, and has been certified as bluesign@SYSTEM PARTNER and ZDHC contributor.</p> <p>2. The Company fully complies with risk assessment regulations for regulated chemicals, managing them at different stages of their life cycle, and classifies hazards according to the United Nations GHS system and regularly inspect and control restricted substances. Starting in 2022, all products from the Taiwan headquarters and chemical subsidiaries have undergone hazard risk assessments. In 2025, products classified under GHS Hazard Categories 1 and 2 accounted for 55% of the consolidated revenue of the Nan Pao Group. Moving forward, the Group plans to expand the scope of such assessments to cover all subsidiaries under the same standard.</p> <p>3. The Company has established a Personal Data Protection Management System, designating responsible personnel to manage and archive customer-provided business information, transactional data, and any data involving customer privacy. This framework ensures compliance with the Personal Data Protection Act. Internal access to customer data is strictly controlled through an approval and authorization mechanism, thereby safeguarding sensitive information from unauthorized disclosure. In 2025, the Company did not receive any complaints related to customer privacy breaches or data loss, nor were there any incidents involving counterfeiting, infringement, or similar violations.</p> <p>4. To safeguard consumer rights and health, the Company has instituted clear requirements in its Product Labeling Guidelines, stipulating that product labels must be prepared in accordance with Taiwan CNS15030 standards and the SDS format. In addition, suppliers are required to sign a Code of Conduct Declaration, affirming their obligation to provide Material Safety Data Sheets (MSDS) containing all relevant safety information for any hazardous substances used, and to make such documentation available where legally required.</p> |  | None                        |      |      |      |                                 |       |       |       |                |       |       |       |  |

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|--|--|----|--|--|--|---|--|--------------------------|---|-------------------------------------|---|
|  | Yes  | No |  |  |  |   |  |                          |   |                                     |   |
|  |  |    | <p>5. The Company conducts annual on-site visits to understand customer perceptions and evaluations of its products and services. Additionally, customer satisfaction surveys are carried out through questionnaires and interviews with key clients across major business regions. In 2025, Taiwan Nan Pao Resins collected satisfaction survey responses from 332 key customers, achieving an average score of over 4.74 out of 5, meeting its targets of an overall average score above 4 and more than 90% positive feedback. The Company has followed up on each piece of feedback received from the questionnaires to ensure timely resolution. Furthermore, a direct and immediate complaint channel is provided to safeguard customers' fundamental rights.</p>  |  |  |   |  |                          |   |                                     |   |
| (6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status? | V  |    | <p>(6) <u>Contents of the Supplier Management Policy</u><br/> The Company has established the "Supplier ESG Risk Assessment Guidelines" to develop sustainable management principles for suppliers in the areas of Environmental, Social, and Governance (ESG). These principles include screening criteria related to environmental protection, human rights, occupational safety and health, and sustainable development. The guidelines also outline specific expectations for suppliers in areas such as environmental, health, and safety risk management; prohibition of child labor; labor management; protection of fundamental labor rights; ethical standards; and integrity in business practices. Through supplier ESG self-assessments and compliance with the Company's Supplier Code of Conduct, the Company evaluates suppliers' ESG performance and analyzes the potential impact on its operations.</p> <p><u>Sustainable Supplier Evaluation</u><br/> The Company has implemented a Supplier ESG Management Program, which integrates sustainability requirements into the daily management of the supply chain through supplier selection, evaluation, training, audits, and coaching, all based on a collaborative approach. In 2025, 100% of the Company's partner suppliers met the following criteria.</p> <table border="1"> <tbody> <tr> <td rowspan="3"><b>Supplier Selection and Evaluation</b></td> <td>All suppliers are required to pass the Qualified Supplier Evaluation and comply with the Supplier Code of Conduct.</td> </tr> <tr> <td>Suppliers of raw materials related to the production process must be certified under the ISO 9001 Quality Management System (considered as a bonus criterion during supplier selection)</td> </tr> <tr> <td>Depending on their line of business, suppliers are also encouraged to obtain valid government-issued Factory Registration Certificates and ISO 14001 Environmental Management System certification (both considered as bonus criteria in the supplier selection process)</td> </tr> <tr> <td><b>Supplier Training</b></td> <td>Regular training sessions and small forums are held to effectively improve environmental and occupational health and safety (EHS) performance through various forms of guidance and communication, ensuring alignment with international standards.</td> </tr> <tr> <td><b>Supplier Audits and Coaching</b></td> <td>An audit team and support task force have been established to track the progress of corrective actions for supplier deficiencies, aiming to jointly enhance quality and technical capabilities while strengthening environmental, health, and safety (EHS) performance.</td> </tr> </tbody> </table> | <b>Supplier Selection and Evaluation</b> | All suppliers are required to pass the Qualified Supplier Evaluation and comply with the Supplier Code of Conduct. | Suppliers of raw materials related to the production process must be certified under the ISO 9001 Quality Management System (considered as a bonus criterion during supplier selection) | Depending on their line of business, suppliers are also encouraged to obtain valid government-issued Factory Registration Certificates and ISO 14001 Environmental Management System certification (both considered as bonus criteria in the supplier selection process) | <b>Supplier Training</b> | Regular training sessions and small forums are held to effectively improve environmental and occupational health and safety (EHS) performance through various forms of guidance and communication, ensuring alignment with international standards. | <b>Supplier Audits and Coaching</b> | An audit team and support task force have been established to track the progress of corrective actions for supplier deficiencies, aiming to jointly enhance quality and technical capabilities while strengthening environmental, health, and safety (EHS) performance. |
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|---|--|----------|--|----------------|-------------|----------|---------|---|----|---------|---|----|---------|--|----|---------|--|---|---|--|----|
|   | Yes  | No       |  |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |
|   |  |          | <p><u>Implementation Status of Supplier ESG Risk Assessment</u></p> <p>In the first phase of the 2025 supplier sustainability risk assessment, the Company targeted 78 key suppliers whose raw material procurement in the previous year accounted for a significant portion of total procurement (80% by procurement value and 65% by procurement volume) for the headquarters (Taiwan Nan Pao Resins). These suppliers were subject to a sustainability risk questionnaire assessment. Based on the evaluation results, four suppliers with relatively lower sustainability scores were selected for on-site audits. The audits were conducted in accordance with the questionnaire responses. For any non-compliant items identified, suppliers were required to complete corrective actions within six months, with the aim of continuously improving the sustainability performance of the supply chain.</p> <table border="1"> <thead> <tr> <th>ESG Risk Level</th> <th>Explanation</th> <th>Quantity</th> </tr> </thead> <tbody> <tr> <td>Level 1</td> <td>Top-tier suppliers: Very low impact on the Company's operations</td> <td>29</td> </tr> <tr> <td>Level 2</td> <td>Excellent suppliers: Low impact on the Company's operations</td> <td>30</td> </tr> <tr> <td>Level 3</td> <td>Standard suppliers: Moderate impact on the Company's operations; sustainability performance should be improved</td> <td>19</td> </tr> <tr> <td>Level 4</td> <td>High-risk suppliers: High impact on the Company's operations; active improvement in sustainability performance is required</td> <td>-</td> </tr> <tr> <td colspan="2">Total number of raw material suppliers: 1,090 suppliers</td> <td>78</td> </tr> </tbody> </table> | ESG Risk Level | Explanation | Quantity | Level 1 | Top-tier suppliers: Very low impact on the Company's operations | 29 | Level 2 | Excellent suppliers: Low impact on the Company's operations | 30 | Level 3 | Standard suppliers: Moderate impact on the Company's operations; sustainability performance should be improved | 19 | Level 4 | High-risk suppliers: High impact on the Company's operations; active improvement in sustainability performance is required | - | Total number of raw material suppliers: 1,090 suppliers |  | 78 |
| ESG Risk Level  | Explanation  | Quantity |  |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |
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| Level 3   | Standard suppliers: Moderate impact on the Company's operations; sustainability performance should be improved             | 19       |  |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |
| Level 4   | High-risk suppliers: High impact on the Company's operations; active improvement in sustainability performance is required | -        |  |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |
| Total number of raw material suppliers: 1,090 suppliers   |  | 78       |  |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |
| 5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance? | V  |          | <p>The Company has prepared the Nan Pao Resins 2025 Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards, including the Universal Standards, Sector Standards, and Topic Standards. The report discloses the Company's identified material topics and impacts related to the economy, environment, and people (including human rights), as well as the relevant disclosure topics and reporting requirements. Additionally, the report references Sustainability Accounting Standards Board (SASB) Standards by disclosing industry-specific indicators and providing a SASB Content Index cross-referenced with the report.</p> <p>The 2025 Sustainability Report includes a GRI Content Index and identifies disclosures that have undergone limited assurance conducted independently by Ernst &amp; Young CPA Firm in accordance with Taiwan Assurance Standard No. 3000 issued by the Accounting Research and Development Foundation of the Republic of China, covering assurance engagements other than audits or reviews of historical financial information. All past sustainability reports are publicly available on the Company's website(<a href="https://www.nanpao.com.tw/csr.aspx">https://www.nanpao.com.tw/csr.aspx</a>).</p>   |                |             |          |         |   |    |         |   |    |         |  |    |         |  |   |   |  |    |

| Assessment Item  | Implementation Status |    | Discrepancy and The Reasons |
|--|-----------------------|----|-----------------------------|
|  | Yes                   | No |                             |
| 6. If the Company has established its own sustainability development code of practice according to “Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies,” please describe the operational status and differences:<br>The Company’s “Corporate Social Responsibility Best Practice Principles” were approved by the Board of Directors in April 2017. To enhance the implementation of corporate social responsibility, the principles were subsequently amended and approved by the Board in March 2021 and May 2022. In December 2024, in response to the latest revision of the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies,” the Company renamed and revised its principles to the “Sustainable Development Best Practice Principles.” The Company manages and improves its economic, environmental, and social risks and impacts in accordance with these principles. To date, no deviations have been identified in the implementation. |                       |    |                             |
| 7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development:<br>For information on the Company's various sustainable development practices, please refer to the Nan Pao Resins Company website ( <a href="https://www.nanpao.com.tw/">https://www.nanpao.com.tw/</a> ), press releases, and related publications such as the Company profile and annual sustainability reports.   |                       |    |                             |

(VI) Implementation Status of Climate-related Information

| Items  | Implementation Status   |
|--|---|
| <p>1. Describe supervision and governance of climate-related risks and opportunities by the Board of Directors and management.</p>   | <p>To address the high uncertainty of climate change and the rapid shifts in policy and market conditions, the consolidated company regularly convenes senior management from various departments to identify significant climate-related risks and opportunities. In addition, the Company further assesses the potential risks posed by floods, droughts, typhoons, and high temperatures to each operational site. These efforts aim to closely monitor external environmental and climate changes, as well as market trends, in order to more comprehensively inform overall business strategy planning.</p> <p>To strengthen sustainable environmental performance and climate risk governance, the Company has established a comprehensive environmental management and climate governance structure with layered responsibilities, and is committed to achieving various performance related to environmental management. The roles at each level are as follows:</p> <p>(1)Board of Directors: As the highest-level climate governance body of Nan Pao Resins, the Board is responsible for regularly overseeing the planning and implementation of the Company’s overall sustainability strategy. This includes evaluating the effectiveness of goal achievement and risk management, monitoring the performance of climate change-related action plans, and providing appropriate recommendations.</p> <p>(2)Sustainable Development Committee: Authorized by the Board of Directors, the committee is composed of two board members with expertise and capabilities in corporate sustainability (including the Chief Sustainability Officer) and three independent directors. It convenes at least twice a year to manage sustainability-related risks and is responsible for formulating, promoting, and strengthening key action plans and policies related to sustainability (including climate-related issues) across the group’s companies. The committee also reviews, monitors, and revises the implementation and effectiveness of sustainability initiatives and reports its findings to the Board.</p> <p>(3) Sustainability Development Office: Headed by the CEO, who also serves as the Chief Sustainability Development Office, the office consists of a cross-functional task force made up of senior-level executives. It includes the Sustainability Planning Team and the Environmental Team, which are responsible for establishing environmental management systems, complying with environmental laws and international standards, evaluating the transition toward sustainability, enhancing resource efficiency , and establishing mechanisms to address climate change. The office also continuously monitors the latest climate-related regulations and regularly updates the identification of climate-related risks and opportunities. Dedicated units or personnel have been appointed for environmental management, and cross-departmental meetings are convened periodically to ensure coordination and the achievement of environmental sustainability goals.</p> |
| <p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy, and financials in the short-term, medium-term, and long-term.</p> | <p>In accordance with the TCFD (Task Force on Climate-related Financial Disclosures) framework, the Company has identified how various climate-related risks and opportunities may impact Nan Pao Resins’ business model and value chain. The Company defines short-term (2026), medium-term (2027–2031), and long-term (beyond 2031) time horizons, and the following outlines how each identified climate risk and opportunity may affect the Company’s business operations, strategy, and financial performance:</p>   |

| Items | Implementation Status                |                      |  |
|-------|--------------------------------------|----------------------|--|
|       | Climate Risks and Opportunities      | Time Horizon         | Impact on the Company  |
|       | Policy and Regulation                | Short to Medium Term | The Company continues to monitor relevant climate-related regulations issued by the Ministry of Environment, as well as regulatory requirements imposed by advanced economies on products of the Company's downstream customers. In the future, additional fees or compliance-related costs may be incurred due to regulatory compliance requirements.   |
|       | Technology Development               | Medium Term          | In response to climate change trends, the Company will, as appropriate, invest in the development of low-carbon technologies and low-carbon products. Such investments may lead to an increase in research and development expenses and capital expenditures.  |
|       | Market                               | Short Term           | The Company operates in the specialty chemicals industry, where downstream customers' requirements regarding climate-related issues are increasing. Failure to actively align with this trend and promote transformation may affect certain market positioning. In addition, if some suppliers incur higher compliance costs due to climate-related regulations, such costs may be passed on through raw material pricing, resulting in potential cost fluctuations. |
|       | Reputation                           | Medium Term          | The Company needs to strengthen stakeholder engagement and communication regarding its climate change response outcomes.   |
|       | Acute Risks                          | Short to Medium Term | Operations at the Company's facilities and those of its suppliers may be disrupted by acute climate events, such as heavy rainfall, flooding, or strong winds caused by typhoons, potentially resulting in production halts or supply chain interruptions.   |
|       | Chronic Risks                        | Medium to Long Term  | Changes in rainfall patterns or increasingly frequent extreme high temperatures may potentially affect the Company's water and electricity consumption at its production sites.  |
|       | Resource Efficiency / Energy Sources | Short to Medium Term | By proactively implementing energy efficiency improvements to address climate change and adopting flexible resource and energy consumption strategies—such as solvent recovery technologies used in manufacturing processes—the Company can enhance its operational resilience.  |
|       | Markets / Products and Services      | Medium Term          | The Company actively responds to market demand for low-carbon materials and explores potential new business opportunities, thereby enhancing its overall competitiveness.  |

| Items  | Implementation Status  |   |   |   |
|--|--|---|---|---|
| <p>3. Describe the financial impacts of extreme weather events and transition actions.</p>   | <p>The Company continues to respond to and assess the impacts of extreme climate events and transition actions on its operations. In addition to avoiding production disruptions caused by extreme weather, the Company refers to its "Nan Pao Resins Net Zero Emissions Management Plan" to plan concrete transition actions. These efforts help capture long-term opportunities, reduce operational risks, and support the Company's steady progress toward sustainable development.</p> |   |   |   |
|  | <p><b>Climate Event Impact</b></p>   | <p><b>Impact on Company Operations</b></p>  | <p><b>Impact on Company Financials</b></p>  | <p><b>Response Strategies and Benefits</b></p>  |
|  | <p>Extreme Climate Events</p>  | <ul style="list-style-type: none"> <li>• Increased frequency of equipment maintenance</li> <li>• Some plants are located in areas with higher water stress</li> </ul>   | <ul style="list-style-type: none"> <li>• Maintenance costs are rising, and revenue is decreasing.</li> </ul>  | <ul style="list-style-type: none"> <li>• Real-time monitoring of rainfall, water levels, and water conditions is implemented.</li> <li>• An emergency coordination mechanism for production and sales has been established.</li> <li>• Water-saving processes and projects have been introduced.</li> </ul>   |
|  | <p>Transition Actions</p>  | <p><b><u>Process Side</u></b></p> <ul style="list-style-type: none"> <li>• Improve energy efficiency across various production processes</li> <li>• Increase the proportion of renewable energy used</li> </ul> <p><b><u>Product Side</u></b></p> <ul style="list-style-type: none"> <li>• Growing demand for low-carbon raw materials</li> <li>• Development of emerging lightweight material markets</li> </ul> | <ul style="list-style-type: none"> <li>• Increase in capital expenditures</li> <li>• Increase in operating costs</li> <li>• Increase in research and development expenses</li> <li>• Increase in operating revenue</li> </ul> | <ul style="list-style-type: none"> <li>• Continue to focus on R&amp;D and process improvement as the core strategy.</li> <li>• Proactively respond to customer demand for water-based and low-carbon raw material products.</li> <li>• Invest in the development and testing of products for applications in the lightweight materials market.</li> </ul> |
| <p>4. Describe how the identification, assessment, and management process of climate risks are integrated into the overall risk management system.</p> | <p>In accordance with the Group's "Risk Management Policy and Procedures", the Company has integrated climate change issues into its formal risk management register. Through regular evaluation, control, and monitoring processes, significant climate-related risks identified are incorporated into the Company's overall risk management framework.</p>   |   |   |   |

| Items  | Implementation Status  |  |   |  |
|--|--|--|---|--|
| <p>5. If conducting a resilience analysis to assess the resilience to climate change risks in a given scenario, the following should be outlined: the context, parameters, assumptions, analysis factors, and key financial impacts.</p> | <p>To analyze the impact of climate-related risks on the Company's business strategy, the Company refers to research reports published by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). Taking into account its own operational characteristics and external market dynamics, the Company conducts scenario analysis under two scenarios: the IEA Net Zero Emissions (NZE) scenario and the IPCC high-emissions scenario (SSP5-8.5).<br/>The Company's scenario analysis results for climate-related physical and transition risks indicate the following impacts on its strategy and business model:</p>  |  |   |  |
|  | Type   | Key Assumptions  | Selected Scenario   | Key Financial Impacts  |
|  | Climate Transition Risks   | <p>Key assumptions include:</p> <ol style="list-style-type: none"> <li>1. The carbon fee collection regulations and carbon pricing rates issued by the Ministry of Environment are used as baseline values.</li> <li>2. To achieve net-zero emissions in the energy sector across countries, carbon prices are expected to rise to a certain level; the Company refers to carbon price assumptions for advanced economies under the International Energy Agency World Energy Outlook 2025 for its assessment.</li> </ol> | IEA Net Zero Emissions (NZE) scenario   | <ol style="list-style-type: none"> <li>1. If the Company's greenhouse gas emissions do not significantly decrease, future expansion of regulated entities and increases in carbon pricing rates may lead to higher operating expenses.</li> <li>2. Some upstream raw material suppliers are already subject to regulation. If they pass on related costs, the Company's operating costs may increase.</li> </ol> |
| Climate Physical Risks   | <p>Key assumptions include:</p> <ol style="list-style-type: none"> <li>1. Based on information from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the Company assesses potential heavy rainfall and flooding risks under extreme climate scenarios across its production sites.</li> <li>2. The heavy rainfall risk is evaluated using the maximum daily precipitation change rate as the hazard parameter. Simulation results indicate a change rate ranging from 38.6% to 47.6% (95th percentile), suggesting a potential increase in both the intensity and frequency of extreme rainfall events.</li> <li>3. Flood risk is assessed based on flood depth. The results indicate that certain production sites may face potential flooding when water levels reach approximately 0.3 to 0.5 meters.</li> </ol> | IPCC SSP5-8.5 high emissions scenario  | <p>Based on the high-emissions scenario (SSP5-8.5) developed by the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), simulation results indicate that certain production sites of the Company may face potential flooding risks in the future. If flooding events affect critical production equipment, they may have an impact on manufacturing operations.</p> |  |

| Items  | Implementation Status  |           |  |  |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
|--|--|-----------|--|--|----------------|------------------|--|---|-----------|----------------------------|----------------------------------|-------------------------|--|-----------|--|--|
| <p>6. If there is a transition plan in place to manage climate-related risks, please describe the contents of the plan and the indicators and goals used to identify and manage physical risks and transition risks.</p>   | <p>The Company focuses on an innovation-driven “NextGen” growth strategy, aiming to become a leading enterprise in innovative and green chemical products. To achieve this strategy, the Company has established a carbon neutrality roadmap and manages risks and opportunities through appropriate indicators and targets for monitoring and tracking purposes.</p> <p>For relevant indicators and targets, each department and business division regularly tracks performance in accordance with the risk management process. Detailed information regarding the Company’s material transition risk indicators and targets is outlined as follows:</p> <table border="1" data-bbox="751 475 1940 727"> <thead> <tr> <th data-bbox="751 475 940 508">Type</th> <th data-bbox="940 475 1268 508">Indicator Definition</th> <th data-bbox="1268 475 1451 508">Baseline</th> <th data-bbox="1451 475 1682 508">Interim Target</th> <th data-bbox="1682 475 1940 508">Strategic Target</th> </tr> </thead> <tbody> <tr> <td data-bbox="751 508 940 589"></td> <td data-bbox="940 508 1268 589">Greenhouse Gas Reduction (Carbon Emissions Intensity)</td> <td data-bbox="1268 508 1451 589">Year 2023</td> <td data-bbox="1451 508 1682 589">2030 reduction target: 35%</td> <td data-bbox="1682 508 1940 589">Attain carbon neutrality by 2050</td> </tr> <tr> <td data-bbox="751 589 940 727">Climate Transition Risk</td> <td data-bbox="940 589 1268 727">Installed Capacity of Renewable Energy Systems</td> <td data-bbox="1268 589 1451 727">Year 2023</td> <td data-bbox="1451 589 1682 727">2030 installed capacity target: 3,000 kW</td> <td data-bbox="1682 589 1940 727">Continuously evaluate opportunities for renewable energy installations across production sites</td> </tr> </tbody> </table> | Type      | Indicator Definition                     | Baseline   | Interim Target | Strategic Target |  | Greenhouse Gas Reduction (Carbon Emissions Intensity) | Year 2023 | 2030 reduction target: 35% | Attain carbon neutrality by 2050 | Climate Transition Risk | Installed Capacity of Renewable Energy Systems | Year 2023 | 2030 installed capacity target: 3,000 kW | Continuously evaluate opportunities for renewable energy installations across production sites |
| Type   | Indicator Definition   | Baseline  | Interim Target                           | Strategic Target   |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
|  | Greenhouse Gas Reduction (Carbon Emissions Intensity)  | Year 2023 | 2030 reduction target: 35%               | Attain carbon neutrality by 2050   |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
| Climate Transition Risk  | Installed Capacity of Renewable Energy Systems   | Year 2023 | 2030 installed capacity target: 3,000 kW | Continuously evaluate opportunities for renewable energy installations across production sites |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
| <p>7. If internal carbon pricing is used as a planning tool, it is essential to clarify the basis for price determination.</p>   | <p>The Company has established an internal carbon pricing mechanism, referencing the Ministry of Environment’s “Carbon Fee Collection Regulations” at NT\$300 per metric ton and international literature recommendations. This internal carbon price serves as a governance tool for carbon reduction efforts and is used by Nan Pao Resins as a reference for assessing carbon emission costs, evaluating capital expenditures related to energy conservation and carbon reduction, and formulating long-term carbon neutrality plans.</p>   |           |  |  |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
| <p>8. If climate-related targets are set, it is important to explain the covered activities, scope of greenhouse gas emissions, planning timeline, and annual progress towards achieving the targets. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, it is necessary to specify the source and quantity of carbon offsets or the number of RECs used for emissions reduction.</p> | <p>None.</p>   |           |  |  |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |
| <p>9. Greenhouse gas inventory and assurance as well as the reduction targets, strategies and specific action plans:<br/> 9-1 Greenhouse Gas Inventory and Assurance for the Most Recent Two Years<br/> 9-1-1 Greenhouse Gas Inventory Information</p>   | <p>The following outlines the greenhouse gas (GHG) emissions (in tons CO2e), intensity (tons CO2e per million TWD in revenue), and scope of data coverage for the most recent two years:</p>   |           |  |  |                |                  |  |   |           |                            |                                  |                         |  |           |  |  |

| Items   |                                   | Implementation Status    |   |                          |   |
|---|-----------------------------------|--------------------------|---|--------------------------|---|
| <p>1. The parent company shall conduct GHG inventories since 2025.</p> <p>2. Subsidiaries included in consolidated financial statements shall also conduct GHG inventories since 2026.</p> <p>The consolidated company has established a GHG inventory mechanism based on the ISO 14064-1 standard published by the International Organization for Standardization (ISO). From 2022 onwards, the Company has conducted annual GHG inventories for the parent company and its subsidiaries included in the consolidated financial statements. This process ensures comprehensive monitoring of GHG usage and emissions, as well as verification of emission reduction efforts.</p> <p>The GHG inventory data for the most recent two years have been compiled according to the operational control approach, encompassing GHG emissions from both the parent company and certain subsidiaries included in the consolidated financial statements. The details are as follows:</p> |                                   |                          |   |                          |   |
|   |                                   | 2023                     |   | 2024                     |   |
|   |                                   | Emissions<br>(tons CO2e) | Intensity<br>(tons CO2e per<br>million TWD in<br>revenue) | Emissions<br>(tons CO2e) | Intensity<br>(tons CO2e per<br>million TWD in<br>revenue) |
| Parent Company  | Scope 1 Direct Emissions          | 7,053.70                 | /   | 8,129.20                 | /   |
|   | Scope 2 Energy Indirect Emissions | 10,054.94                |   | 10,478.56                |   |
|   | Scope 3 Other Indirect Emissions  | 165,141.11               |   | 178,486.94               |   |
|   | Subtotal                          | 182,249.75               |   | 197,094.70               |   |
| Certain Subsidiaries Included in Consolidated Financial Statements (Note)   | Scope 1 Direct Emissions          | 4,809.31                 |   | 5,815.99                 |   |
|   | Scope 2 Energy Indirect Emissions | 9,507.03                 |   | 10,138.01                |   |
|   | Scope 3 Other Indirect Emissions  | 316,278.19               |   | 434,828.37               |   |
|   | Subtotal                          | 330,594.53               |   | 450,782.37               |   |
| Total   |                                   | 512,844.28               | 2.06  | 647,877.07               | 1.99  |
| <p>Note : The scope includes Foshan Nan Pao, Foshan Nan Pao Advanced Materials, Dongguan Nan Pao, Dongguan Jiaqin, KunShan Nan Pao, Fuqing Nan Pao, Vietnam Nan Pao, Vietnam Materials, Vietnam Advanced Materials, Vietnam NNV, Indonesia Nan Pao, and Thailand Nan Pao.</p>   |                                   |                          |   |                          |   |
| <p><b>9-1-2 Greenhouse Gas Assurance Information</b></p> <p>This section provides details on the assurance status of greenhouse gases for the most recent two years as of the annual report's publication date. It includes the scope of assurance, assurance provider, assurance standards, and assurance opinions.</p>  |                                   |                          |   |                          |   |

| Items  |  | Implementation Status  |  |
|--|--|--|--|
| 1. The parent company shall implement assurance since 2027.  |  |  |  |
| 2. Subsidiaries included in the consolidated financial statements shall also implement assurance since 2028.   |  |  |  |
| The following is a description of the assurance status of the greenhouse gas (GHG) inventories conducted over the past two years for the Company and certain subsidiaries included in the consolidated financial statements. |  |  |  |
| Scope of Execution Assurance   |  | Emissions in 2023<br>(tons CO2e)   | Emissions in 2024<br>(tons CO2e)   |
| Parent Company   | Scope 1 Direct Emissions                         | 7,053.70   | 8,129.20   |
|  | Scope 2 Energy Indirect Emissions                | 10,054.94  | 10,478.56  |
|  | Scope 3 Other Indirect Emissions                 | 165,141.11   | 178,486.94   |
|  | Total  | 182,249.75   | 197,094.70   |
|  | Percentage of the above 9-1-1 investigation data | 100.00%  | 100.00%  |
| Certain subsidiaries Included in Consolidated Financial Statements (Note 1 )   | Scope 1 Direct Emissions                         | 4,809.31   | 5,815.99   |
|  | Scope 2 Energy Indirect Emissions                | 9,507.03   | 10,138.01  |
|  | Scope 3 Other Indirect Emissions                 | 316,278.19   | 434,828.37   |
|  | Subtotal   | 330,594.53   | 450,782.37   |
|  | Percentage of the above 9-1-1 investigation data | 100.00%  | 100.00%  |
| Assurance Provider   |  | SGS 、CTI 、TUVRh 、BSI   | SGS 、CTI 、TUV SUD 、BSI 、BV   |
| Description of Assurance Engagement  |  | Parent Company : ISO 14064-1:2018;<br>Categories 1 and 2 received reasonable assurance, while Categories 3 to 6 received limited assurance<br>Subsidiaries : ISO 14064-3:2019;<br>Reasonable assurance | Parent Company : ISO 14064-1:2018;<br>Categories 1 and 2 received reasonable assurance, while Categories 3 to 6 received limited assurance<br>Subsidiaries : ISO 14064-3:2019;<br>Reasonable assurance |
| Assurance Opinion / Conclusion   |  | Parent Company: Modified unqualified opinion<br>Subsidiaries: Unqualified opinion  | Parent Company: Modified unqualified opinion<br>Subsidiaries: Unqualified opinion  |

| Items   | Implementation Status |
|---|-----------------------|
| <p>Note 1 : The 2024 inventory scope includes Foshan Nan Pao, Foshan Nan Pao Advanced Materials, Dongguan Nan Pao, Dongguan Jiaqin, KunShan Nan Pao, Fuqing Nan Pao, Vietnam Nan Pao, Vietnam Materials, Vietnam Advanced Materials, Vietnam NNV, Indonesia Nan Pao and Thailand Nan Pao.</p> <p>Note 2 : The GHG assurance report for 2025 covering the Company and the aforementioned consolidated subsidiaries is expected to be obtained by the end of August 2026.</p> |                       |

#### 9-2 GHG Reduction Targets, Strategies, and Specific Action Plans

This section outlines the baseline year and data for GHG reduction, reduction targets, strategies, specific action plans, and progress toward achieving the reduction targets.

##### GHG Reduction Baseline Year and Targets

To plan GHG reduction strategies, the consolidated company completed an inventory with the boundary set to the Certain subsidiaries Included in Consolidated Financial Statements for 2023, thus establishing 2023 as the baseline year. The Company aims to achieve a 10% reduction by 2025 compared to the baseline year and a minimum of a 5% annual reduction starting from the baseline year, with a target to achieve a 35% reduction by 2030.

##### GHG Reduction Strategies and Specific Action Plans

The consolidated company integrates carbon management into its operational strategies, including implementing a carbon management platform and linking ESG performance to manager and employee rewards to find breakthroughs in carbon reduction. The Company has established an internal carbon pricing mechanism with reference to the carbon pricing recommendations set forth in the Ministry of Environment’s “Carbon Fee Collection Regulations” and international literature report. A price of NT\$300 per metric tons has been adopted as a carbon reduction governance tool and is used by Nan Pao Resins as a reference for assessing carbon emission costs, evaluating capital expenditures related to energy conservation and carbon reduction, and formulating long-term carbon neutrality plans. With internal and external pressures and risks brought by the “Renewable Energy Development Act” and requirements to increase the proportion of green electricity, the Company evaluates the opportunities of low-carbon transitions, adjusting policies and plans dynamically. The development of advanced carbon reduction technologies such as process improvements, carbon capture and storage, or low-carbon investments is also considered. In addition, through the carbon management platform, the emissions information of the entire group is systematically integrated, enabling real-time access to the necessary information for carbon management. This facilitates comprehensive supervision of multiple greenhouse gas reduction projects, including enhancing energy efficiency, purchasing energy-saving machinery, establishing solar power generation systems, reducing greenhouse gas emissions at the source, installing high-efficiency equipment, and evaluating the adoption of low-carbon fuels/energy. These measures ensure that reduction targets are met, actively reducing the impact of carbon emissions and enhancing operational competitive advantage.

To ensure that the management, execution teams, and all employees work together to achieve greenhouse gas reduction goals and improve resource efficiency, key project objectives have been incorporated into operational performance indicators. These serve as the basis for employee performance evaluation and bonuses, promoting a culture of accountability in management. In addition, starting from 2021, the consolidated company introduced a mechanism linking ESG performance with employee compensation. When overall corporate performance targets are achieved, an additional bonus is granted at a specified rate, encouraging employees to work together toward the gradual realization of the consolidated company's net-zero emission roadmap and goals.

| Items  | Implementation Status   |
|--|---|
| <p><u>Progress Toward Emission Reduction Targets</u></p> | <p>The Company has set 2023 as the baseline year for greenhouse gas inventory. In 2024, total Scope 1 and Scope 2 greenhouse gas emissions of the Nan Pao Resins Group amounted to 34,561.76 metric tons of CO<sub>2</sub>e, an increase of 3,136.78 metric tons of CO<sub>2</sub>e compared with 2023. The increase was mainly attributable to significant business growth during the year, resulting in higher energy and resource consumption. Although operating revenue also increased compared with the previous year, the Scope 1 and Scope 2 emissions intensity in 2024 decreased to 1.99, representing a 3.40% reduction compared with 2023. However, the Company did not achieve its annual target of a 5% reduction. Going forward, the Company will continue to review manufacturing process efficiency and energy utilization structures, promote energy-saving and carbon reduction measures as well as equipment optimization, and gradually increase the use of low-carbon and renewable energy sources in order to reduce overall greenhouse gas emission intensity and steadily advance toward its established carbon reduction targets.</p> |

(VII) Adherence to the Ethical Corporate Management and Measures

| Assessment Item  | Implementation Status |    | Discrepancy and The Reason  |
|--|-----------------------|----|---|
|  | Yes                   | No |   |
| 1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures  |                       |    |   |
| (1) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?   | V                     |    | <p>(1) 1."Leading, Integrity, Unity, Efficiency" is the business philosophy of Nan Pao. The Company has formulated "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" on April 5, 2017 board meeting. And the latest revision was approved by the resolution of the Board of Directors on December 18, 2025 and August 10, 2022 respectively. In accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," the Board of Directors resolved on December 18, 2025, to adopt the "Ethical Corporate Management Principles" as a higher-level governance policy, thereby strengthening the existing internal regulatory framework and enhancing the internal control system. The enactment of "Procedures for Ethical Management and Guidelines for Conduct", "Code of Ethical Conduct" and "Ethical Corporate Management Principles" has been disclosed on the Company's website.</p> <p>2.In addition to the policies and practices of integrity management explicitly stated in the aforementioned measures, both the members of the Board of Directors and the management team adhere to the principles of integrity management in carrying out business operations have signed a declaration to adhere to the integrity management policy, ensuring the sincere commitment and determination of the Company to integrity management are accurately implemented and demonstrated.</p>   |
| (2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies? | V                     |    | <p>(2) The Company's "Ethical Corporate Management Principles" explicitly establish a risk assessment mechanism for business activities related to dishonest conduct. The scope covers the behaviors set forth for paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," including: ①bribery and acceptance of bribes; ②provision of illegal political contributions; ③improper charitable donations or sponsorships; ④offering or accepting inappropriate gifts, hospitality, or other improper benefits; ⑤infringement of trade secrets, trademarks, patents, copyrights, and other intellectual property rights; ⑥engagement in unfair competitive practices; and ⑦actions that directly or indirectly harm the rights, health, or safety of consumers or other stakeholders during the R&amp;D, procurement, manufacturing, provision, or sale of products and services. The Integrity Management Promotion Team conducts an annual "Risk Assessment Mechanism for Dishonest Conduct", regularly analyzing and evaluating business activities that may involve risks of unethical behavior within the Company's operations. Based on the assessment results, prevention measures are established for potential dishonest conduct, including bribery or acceptance of bribes, illegal political contributions, improper donations or sponsorships, offering or receiving improper benefits, infringement of trade secrets, unfair competition practices, and any actions that may harm stakeholder rights and interests.</p> |

| Assessment Item  | Implementation Status |    | Discrepancy and The Reason  |
|--|-----------------------|----|---|
|  | Yes                   | No |   |
| (3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies? | V                     |    | <p>(3) 1. On December 18, 2025, the Board of Directors resolved to approve the revision of the "Procedures for Ethical Management and Guidelines for Conduct." The revised policy establishes specific practices for ethical business conduct and preventive measures against dishonest behavior, including the following implementation measures:</p> <p>(1) Each year, employees across the Group are required to complete the "Employee Code of Conduct Declaration" and the "Declaration Form for Conflicts of Interest Involving Third-Degree Relatives." In 2025, a total of 2,656 Employee Code of Conduct Declarations were collected, with a Group-wide return rate of 97.4%.</p> <p>(2) The Company promotes the signing of the "Nan Pao Group Code of Conduct" by affiliated enterprises, and also requires key personnel—including insiders, section-level and above managers, and subsidiary general managers—to sign the "Integrity Management Declaration." As of 2025, all 62 subsidiaries within the Group have completed the signing of the Code of Conduct, achieving a 100% return rate. In addition, 110 managers have signed the Integrity Management Declaration, with a return rate of 89.4%.</p> <p>(3) Department/unit heads are required to complete the "Self-Assessment Form for Dishonest Conduct Risks" annually, serving as a basis for identifying and improving integrity-related risks. In 2025, the parent company received 21 completed self-assessment forms, with a return rate of 38.2%. Internal promotion will continue to increase the completion rate.</p> <p>(4) The Company reviews the real-name concurrent employment status of key personnel (including Group management, key operational staff, and directors and general managers of subsidiaries in Mainland China) to ensure no engagement in competing business activities. Through the real-name authentication system of the Ministry of Economic Affairs, the Company obtained concurrent employment information of directors and all Taiwan-based section-level and above managers in the Group, as well as procurement, sales, and R&amp;D personnel of the parent company. In 2025, a total of 352 individuals completed data consent forms and concurrent employment verification, with a return rate of 84.4%. In addition, the Company reviewed concurrent employment information of 17 senior executives and directors across 11 subsidiaries in Mainland China. The review confirmed that none of the relevant personnel were engaged in competing businesses.</p> <p>(5) The Company conducts training and awareness programs on ethical conduct, integrity management, trade secret protection, and insider trading prevention to enhance employee compliance awareness. New employee training programs are conducted annually, including promotion of the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct." In 2025, a total of 166 new employees within the Group participated in training, amounting to 1,148 training hours.</p> |

| Assessment Item   | Implementation Status |    | Discrepancy and The Reason   |
|---|-----------------------|----|--|
|   | Yes                   | No |  |
|   |                       |    | <p>2. To encourage employees to maintain an awareness of integrity behavior, the requirement for new hires to abide by the Company's integrity management policy is explicitly stipulated in the employment contracts. Upon joining the Company, all new employees are required to sign a "Employee Code of Conduct," and annual internal educational training courses are regularly conducted. In addition to publishing the above-mentioned integrity-related codes of conduct on the internal website, the Company also conducts regular and ad hoc communications during weekly meetings or other internal meetings to promote compliance with ethical conduct policies and related case studies among employees.</p> <p>3. Furthermore, to meet the high requirements of compliance with regulations and professional ethics norms, the Company has established the "Regulations Governing Whistle-blowing from Internal and External Parties" for dealing with dishonest behavior. This procedure is publicly disclosed on the Company's official website and internal information sharing platform, clearly specifying the units responsible for receiving reports, reporting channels, and processing procedures. Additionally, a stakeholder communication zone is set up on the Company's official website, where stakeholders can submit suggestions and complaints using the provided communication channels. After receiving feedback, the Company conducts investigations and subsequent actions by the responsible units. The Company established the "Integrity Management Promotion Team" as a dedicated unit to promote corporate integrity management. This team is responsible for the implementation and execution of integrity management policies and preventive measures, as well as regular reviews and revisions of relevant regulations and procedures.</p> |
| 2. Ethic Management Practice  |                       |    |  |
| (1) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?  | V                     |    | (1) 1. When conducting external commercial activities, the Company will consider the integrity record before dealing with the counterparty. The Company's Legal unit also incorporates the terms of good faith into the Company's various types of system contracts, requiring the transaction partners to strictly observe integrity code. If there is any dishonest behavior, the Company may unconditionally terminate or cancel the contract at any time. From 2022, the Company encourages suppliers to sign the "Supplier Code of Ethics and Conduct". The priority is given to those enterprises that sign the integrity commitment. None   |
| (2) Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation? | V                     |    | (2) The Company established the "Integrity Management Promotion Team" at the level of the Board of Directors. The CEO serves as the convener and chairman of the meetings, with the Assistant VP of the Finance Management Division serving as the executive secretary. Additionally, the highest executives from each functional unit serve as members of the promotion team to formulate and supervise the implementation of integrity management policies and preventive measures. In the current year, a meeting was held on June 30, 2025 to present the implementation status for 2024, medium- and long-term promotion plans, and the 2025 action plan. And reports to the Board of Directors on an annual basis. The 2025 promotion plan and the operation of the Integrity Management Promotion Team were subsequently reported to the Board of Directors on December 18, 2025. None  |

| Assessment Item   | Implementation Status |    | Discrepancy and The Reason  |      |
|---|-----------------------|----|---|------|
|   | Yes                   | No |   |      |
| (3) Whether the Company has established policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?   | V                     |    | (3) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" have clearly stipulates that all employees can not receive improper benefits, to avoid damage on company rights. If any violation of the integrity regulations is found, the informant can follow the "Regulations Governing Whistle-blowing from Internal and External Parties" which provide grievance channels. For the accused, the opportunity to express their opinions or appeal is also provided.  | None |
| (4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically? | V                     |    | (4) To ensure the implementation of ethical corporate management, the accuracy of accounting and financial processes, and the effectiveness of internal controls, the Company has established an "Audit Committee" to oversee the Finance Management Division, which is responsible for the dynamic management of financial risks. Additionally, the Internal Auditing Office evaluates compliance with laws and regulations, adherence to the five elements of COSO internal control, and assesses risks at all levels of the Company based on the strategic objectives and past audit experiences. The annual audit plan for the following year is formulated within the existing organizational framework and is presented for approval to the Audit Committee and the Board of Directors in the fourth quarter of each year. The compliance with periodic audit procedures is reported to the Audit Committee and the Board of Directors. The 2026 audit plan was approved by the Audit Committee and the Board of Directors on December 18, 2025. In addition, each year in the fourth quarter, internal units and subsidiaries conduct self-assessments of their internal control systems. The results of the self-assessments are compiled in the first quarter of the following year and reported to the Audit Committee and the Board of Directors. This process is to evaluate the overall control of internal and external environments, operational risks, and the effectiveness of the design and implementation of internal control systems within the Company. The self-assessment results for 2025 were reported to the Audit Committee and the Board of Directors on March 12, 2026.                           | None |
| (5) Does the Company provide internal and external ethical conduct training programs on a regular basis?  | V                     |    | (5) 1. The Company conducts annual training for employees on laws and regulations related to ethical corporate management. In 2025, a physical briefing on the "Ethical Corporate Management Policy" was delivered during weekly meetings, covering the integrity governance framework, annual implementation plan, execution status, and key initiatives. A total of 205 participants attended, with 51 training hours. In addition, an online course on "Code of Ethics and Ethical Corporate Management" was provided via the Nan Pao E-Learning Academy, with 2,245 participants and 399 training hours, achieving a 100% pass rate. Furthermore, an online "Trade Secret Awareness" course was conducted with 1,474 participants and 111 training hours, also achieving a 100% pass rate.<br>2. In addition, in accordance with the "Regulations Governing Prevention of Insider Trading" regulations, the Company arranges education course at least once a year for the directors, managers and employees on laws and regulations related to insider trading prevention procedures. On November 27, 2025, a total of 14 participants of directors, managers and employees were given a total of 14 hours education and publicity on "Insiders' Shareholding Declaration Instructions and Prevention of Insider Trading". The course content includes confidential work of important information. As well as the reasons for the formation of insider trading, the identification process and transaction examples. Additionally, an online course on " Insider Trading Prevention" was conducted through the Nan Pao E-Learning Academy, with 702 participants and 154 hours of training, achieving a pass rate of 100%. | None |

| Assessment Item   | Implementation Status |    | Discrepancy and The Reason  |
|---|-----------------------|----|---|
|   | Yes                   | No |   |
|   |                       |    | 3. The Company, in accordance with the "Procedures for Prevention of Insider Trading and Handling of Internal Material Information," notified directors and insiders on 2025/2/10, 2025/4/22, 2025/7/22, and 2025/10/23 not to trade any issued securities of the Company during the blackout periods prior to the announcement of financial reports (30 days before annual financial report announcements and 15 days before quarterly financial report announcements), thereby ensuring the effectiveness of awareness and reminders.   |
| <b>3. Implementation of Complaint Procedures</b>  |                       |    |   |
| (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?                                       | V                     |    | (1) 1.The Company has established "Procedures for Ethical Management and Guidelines for Conduct" and "Regulations Governing Whistle-blowing from Internal and External Parties" to standardize the standards for employees to conduct business in good faith and conduct ethics. If employees identify any suspected unethical conduct, they may raise concerns at any time. There is also a reporting mailbox (audit@nanpao.com) and a dedicated line for employees, outsiders and suppliers to directly report any financial, legal and integrity-related unfair practices. The acceptance unit is the Auditing Office of the Board of Directors, and the Auditing Office is responsible for handling.<br>2. Whistleblowing channels are as follows:<br>(1) Whistleblowing hotline: 886-6-796-5888<br>(2) Whistleblowing email addresses:<br>①audit@nanpao.com (received by the internal auditing officer and simultaneously forwarded to the Independent Directors' email box);<br>②auditcommittee@nanpao.com (received by all Independent Directors);<br>③or by post to the Auditing Office at the Company's address (No. 519, Zhongshan Rd., Xigang Dist., Tainan City). |
| (2) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? | V                     |    | (2) Articles 4 and 5 of the Company's "Regulations Governing Whistle-blowing from Internal and External Parties" specify the reporting channels and handling procedures, the standard operating procedures for the investigation of reported matters, and the follow-up measures to be taken after the investigation is completed. In addition, a confidentiality mechanism is established in Article 6. Regarding the whistleblower or the personnel involved in the investigation and their contents, the Company adopts the procedures of confidentiality and prudence in accordance with the regulations.   |
| (3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?  | V                     |    | (3) Article 6 of the Company's "Regulations Governing Whistle-blowing from Internal and External Parties" clearly defines the whistleblower protection mechanism. The Company will protect the whistleblower or the personnel involved in the investigation and the contents of the whistleblower. Any form of unfair treatment or retaliation against those who report in good faith or assist in an investigation is strictly prohibited.   |

| Assessment Item  | Implementation Status |    |  | Discrepancy and The Reason |
|--|-----------------------|----|--|----------------------------|
|  | Yes                   | No | Summary  |                            |
| 4. Information Disclosure  |                       |    |  |                            |
| Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website and Market Observation Post System ("MOPS")?   | V                     |    | The Company has placed integrity-related regulations and promotional information on the internal website for employees to access at any time. The external website ( <a href="https://www.nanpao.com.tw">https://www.nanpao.com.tw</a> ) under the "Investor Relations" section contains the Company's annual report (also available on the MOPs), important internal regulations, and detailed disclosure of integrity-related policy requirements, code of conduct, and information in the sustainability report under the "Corporate Sustainability" section. | None                       |
| 5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation:<br>The Company has established a Code of Integrity and Ethics, which has been published on the Company's official website. The Company's operations are consistent with the established code and comply with the regulations of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies."  |                       |    |  |                            |
| 6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices:<br>1. As the basis to fulfilling ethical management in practice, the Company is in compliance with the Company Act, the Securities and Exchange Act, relevant regulations for TWSE/TPEX listed companies, and other legal regulations related to business activities. Any dealings with counterparties that involve dishonest behavior was prohibited.<br>2. The Company's Board of Directors has respectively approved the amendment of the "Code of Ethical Conduct" on August 10, 2022, the "Procedures for Ethical Management and Guidelines for Conduct " on December 18, 2025, and the "Regulations Governing Whistle-blowing from Internal and External Parties" on December 22, 2021. And to newly adopt the "Ethical Corporate Management Principles" on December 18, 2025. |                       |    |  |                            |

(VIII) Other important information that could facilitate the understanding of corporate governance could be disclosed:

1. The important information of the Company is announced on the MOPS in accordance with the regulations of the competent authority.
2. The score of the Company's first corporate governance evaluation in 2020 reached 80.73, and the ranking interval of listed companies was 21-35%. From 2021 to 2023, the Company continuously ranked within the 6–20% tier, in 2024, the Company entered the top 5% tier for the first time, and in 2025, with a total score of 107.29, maintained its position within the top 5% of listed companies, demonstrating continuous improvement in corporate governance and sustained outstanding performance.
3. Succession Planning for the Board of Directors and Key Management:

To ensure the Company's sustainable development and stable succession of its management team, the Company has established succession plans for the Chairman and key management personnel. Through a systematic talent development framework and management development programs, the Company continuously cultivates senior management talents with strong managerial capabilities and alignment with the Company's core values, thereby ensuring the continuity of business strategies and governance mechanisms. The Board of Directors regularly reviews the succession planning and development status of key management personnel. Through performance evaluations and talent development systems, the Board continuously monitors the progress of succession planning to ensure a smooth leadership transition and maintain sound corporate governance.

(1) Succession Planning and Implementation for the Board of Directors (Including the Chairman)

The Company elects its directors in accordance with the Articles of Incorporation and the Corporate Governance Best Practice Principles and adopts a candidate nomination system. In forming the Board, consideration is given not only to the Company's operational needs but also to diversity in professional backgrounds, including industry experience, finance and accounting, business management, and strategic planning, to ensure a diversified and professional Board composition. Succession planning for the Board is carried out by continuously developing senior executives with strong managerial capabilities. These individuals are familiarized with the Company's overall operations and industry development and gradually accumulate governance experience by participating in Board-related meetings, group strategic projects, and key business decisions, thereby serving as a talent pool for future Board members.

The Chairman is elected by and from among the directors in accordance with the Company's Articles of Incorporation and Board governance mechanisms. Upon the expiration of the current Board's term in 2026 and the subsequent re-election, the Board will, in accordance with corporate governance practices and overall Board structure requirements, elect a suitable candidate with industry experience, managerial competence, and leadership capabilities to serve as Chairman.

(2) Succession Planning and Implementation for Key Management (Including the CEO)

The Human Resources Department is responsible for the selection and development of succession candidates. Through performance evaluations, competency assessments, and management development programs, the Company continuously monitors the progress of succession planning.

● Succession Candidates

Currently, the Company's key management personnel primarily include Chairman Mr. Cheng-Hsien Wu and Chief Executive Officer Mr. Ming-Hsien Hsu. Succession candidates for the Chairman and CEO positions are primarily identified and selected from among senior executives across the Company's various business groups, including:

① Mr. Ying-Lin Huang, Executive General Manager, Sports Goods Adhesives and Materials Business Division (since August 2023)

② Mr. Sen-Mao Kuo, Executive General Manager, Adhesives and Specialty Business Division (since April 2020)

③Mr. Shuen-Hsing Wu, Executive General Manager, Paints and Coatings Business Division (since August 2022)

The above executives possess extensive industry experience and comprehensive business management expertise and have been identified as key candidates for future senior leadership positions.

- Expected Timeline for Succession

The current CEO, Mr. Ming-Hsien Hsu, is expected to retire at the end of 2026 upon reaching the age of 65, in accordance with the Company's policies. The Board will select a suitable successor from the pool of candidates to assume the role of CEO. The retiring CEO will transition to an advisory role and assist the incoming CEO during the transition period to ensure a smooth handover of operations and strategic direction. Succession for the Chairman will be conducted in alignment with the Board re-election schedule, with the Board electing a suitable director to serve as Chairman in accordance with corporate governance practices.

- Training and Development Programs and Implementation

To enhance the managerial capabilities of succession candidates, the Company has implemented the following development mechanisms:

- ①High-Potential Talent Identification System

The Company has established a key position succession system to identify high-potential management talent through performance evaluations and competency assessments. Individual Development Programs (IDPs) are formulated to strengthen leadership and management capabilities.

- ②Cross-Business and International Exposure

Through cross-business assignments, overseas market engagement, major client visits, and participation in group investment and strategic projects, the Company cultivates international perspectives and strategic thinking among succession candidates. The Company also encourages participation in executive education programs such as EMBA courses. In 2024, the Company organized "CEO Talk" sessions to facilitate exchanges between senior executives and domestic and overseas managers, enhancing global operations and cross-cultural management capabilities.

- ③360-Degree Leadership Evaluation System

A 360-degree evaluation system is implemented to collect feedback from supervisors, peers, and subordinates, providing a comprehensive assessment of leadership capabilities and management performance. The results are used to further strengthen managerial competencies.

- ④Management Training and Continuous Improvement Mechanism

In recent years, training programs for key management personnel have included:

- 2021: Market-Oriented Management, Financial Statement Analysis, Carbon Management Trends

- 2022: Climate Change Risks, Sustainable Products, Greenhouse Gas Inventory

- 2023: Risk Management Workshops, TCFD Climate Risk, and ESG-related courses

In addition, the Company established a Continuous Improvement Team (CIT) in 2022 to promote cross-departmental improvement projects and knowledge-sharing mechanisms, enhancing organizational innovation and management efficiency.

- ⑤Implementation of Succession Planning

The Company promotes management succession through promotion and job rotation systems. In 2025, Mr. Kun-Chin Lin, Associate VP of the Finance Division, was appointed as CFO of a major investee company, and Mr. Yu-Ping Sun succeeded as the Company's head of finance, successfully completing the transition.

Through the above succession planning framework and development mechanisms, the Company has gradually established a stable management talent pipeline, ensuring the smooth succession of the Board and management team and supporting the Company's long-term strategic development.

(IX) Internal Control System Execution Status

1. Statement of Internal Control System

The Company's 2025 Internal Control System Statement has been disclosed and filed on the information reporting website designated by the Financial Supervisory Commission (FSC). It is also available on the Market Observation Post System (MOPS). Please visit MOPS > List Company Info > Corporate Governance > Company Rules / Internal Control > Internal Control Statement Disclosure for inquiry. Website : <https://mops.twse.com>.

2. Disclosing the review report of independent auditors if they are engaged for reviewing the internal control system: None.

(X) Major Resolutions of Shareholders' Meeting and Board Meetings

1. Implementation of Resolutions made in Annual Shareholders' Meeting on June 17, 2025:

| Number | Resolution   | Implementation  |
|--------|--|---|
| 1.     | Ratification of the 2024 business report and financial statements (Proposed by the Board of Directors) | ※The proposal was approved by the participating Shareholders with 95.77% approved percentage.   |
| 2.     | Ratification of the 2024 earnings distribution (Proposed by the Board of Directors)                    | (1)The proposal was approved by the participating Shareholders with 96.04% approved percentage.<br>(2)The ex-dividend date was set on June 27, 2025. Cash dividends totaled NT\$2,290,844,820 (NT\$19 per share) has been distributed on July 18, 2025. |
| 3.     | To amend "Articles of Incorporation" (Proposed by the Board of Directors)                              | (1)The proposal was approved by the participating Shareholders with 96.04% approved percentage.<br>(2)It has been announced on the Company's website and processed in accordance with the revised regulations.  |

2. Board Meetings

| Date     | Major Resolutions   |
|----------|---|
| 20250114 | 1. Approved the Company's proposal of 2024 performance-based bonuses for managers.<br>2. Approved the Company's proposal to apply for loan facilities from banks.   |
| 20250314 | 1. Approved the Company's proposal of 2024 business report and financial statements.<br>2. Approved the Company's proposal of distribution of cash dividends from 2024 profits.<br>3. Approved the Company's proposal of 2024 earnings distribution plan.<br>4. Approved the Company's proposal of 2024 employee and director's remuneration distribution plan.<br>5. Approved the Company's proposal of 2024 "Statement on Internal Control System."<br>6. Approved the Company's proposal to increase capital in cash for "Nan Pao Materials Resins India Pvt. Ltd."<br>7. Approved the Company's proposal to amend certain provisions of "Articles of Incorporation" and defined the scope of grassroots employees.<br>8. Approved the material topics of the Company's 2024 Sustainability Report.<br>9. Approved the Company's proposal to provide letter of support for subsidiaries.<br>10. Approved the Company's proposal to apply for loan facilities from banks.<br>11. Approved the Company's proposal of the matters related to convene 2025 Annual Shareholders' Meeting and shareholders' proposals. |

| Date     | Major Resolutions  |
|----------|--|
| 20250506 | <ol style="list-style-type: none"> <li>1. Approved the review of the undertakings issued by the Company in connection with its subsidiary's application for listing on an overseas securities market.</li> <li>2. Approved the Company's proposal of the matters related to convene 2025 Annual Shareholders' Meeting and shareholders' proposals. (additional reporting item)</li> </ol>  |
| 20250509 | <ol style="list-style-type: none"> <li>1. Approved the Company's proposal of consolidated financial statements for the first quarter of 2025.</li> <li>2. Approved the Company's proposal of earnings distribution for the first quarter of 2025.</li> <li>3. Approved the Company's proposal to provide letter of support for subsidiaries.</li> <li>4. Approved the Company's proposal to apply for loan facilities from banks.</li> </ol>   |
| 20240808 | <ol style="list-style-type: none"> <li>1. Approved the Company's proposal of consolidated financial statements for the second quarter of 2025.</li> <li>2. Approved the Company's proposal of earnings distribution for the second quarter of 2025.</li> <li>3. Approved the Company's 2024 Sustainability Report and Sustainability Development Implementation Results.</li> <li>4. Approved the adjustment to the Group's greenhouse gas inventory and verification timeline plan.</li> <li>5. Approved the amendments to the Company's Tax Policy and Stakeholder Engagement Policy.</li> <li>6. Approved the Company's 2025 Corporate Value Enhancement Plan.</li> <li>7. Approved the Company's proposal to provide endorsements or guarantees for subsidiaries.</li> <li>8. Approved the Company's proposal to provide letter of support for subsidiaries.</li> <li>9. Approved the Company's proposal to apply for loan facilities from banks.</li> </ol> |
| 20250828 | <ol style="list-style-type: none"> <li>1. Approved the Company's proposal to joint venture with Advanced Echem Materials Company Limited and Trusval Technology Co., Ltd.</li> </ol>   |
| 20251110 | <ol style="list-style-type: none"> <li>1. Approved the Company's proposal of consolidated financial statements for the third quarter of 2025.</li> <li>2. Approved the Company's proposal of earnings distribution for the third quarter of 2025.</li> <li>3. Approved the Company's proposal of additional investment for " Nanpao New Materials Technology (Huaian) Co., Ltd. "</li> <li>4. Approved the amendments to the Company's Sustainability Development Policy List.</li> <li>5. Approved the Company's proposal to amend "Sustainable Development Best Practice Principle" of internal control system.</li> <li>6. Approved the Company's proposal to amend "Payroll Cycle" of internal control system.</li> <li>7. Approved the Company's proposal to provide letter of support for subsidiaries.</li> <li>8. Approved the Company's proposal to apply for loan facilities from banks.</li> </ol>  |
| 20251218 | <ol style="list-style-type: none"> <li>1. Approved the Company's proposal of 2026 Business Plan.</li> <li>2. Approved the Company's proposal of 2026 internal audit plan.</li> <li>3. Approved the changes to the Company's accounting, finance officer, corporate governance supervisor, and spokesperson.</li> <li>4. Approved the establishment of an alternate spokesperson for the Company.</li> <li>5. Approved the Company's 2025 Sustainability Implementation Report and the 2026 Sustainability Promotion Plan.</li> <li>6. Approved the Company's proposal of donation to the affiliate "Nan Pao Social Welfare Foundation".</li> <li>7. Approved the list of non-assurance services and the independence assessment.</li> </ol>  |

| Date     | Major Resolutions   |
|----------|---|
| 20251218 | 8. Approved the Company's proposal to amend "Procedures for Ethical Management and Guidelines for Conduct " and to establish the "Integrity Management Code" of internal control system.<br>9. Approved the Company's proposal to amend "Risk Management Policies and Procedures" of internal control system.<br>10. Approved the Company's proposal to amend "Sales Cycle" of internal control system.<br>11. Approved the Company's proposal to amend "Articles of Sustainability Development Committee " of internal control system.<br>12. Approved the Company's proposal to establish "Major Topic Investigation and Management Procedures" of internal control system.<br>13. Approved the Company's proposal to provide letter of support for subsidiaries.<br>14. Approved the Company's proposal to apply for loan facilities from banks. |

(XI) Major Issues of Record or Written Statements Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in 2025 and as of the Date of this Annual Report: None.

#### IV. Information on CPA Professional Fees

(I) Table of Brackets for CPA Fees

Unit: NT\$1,000

| Name of Accounting Firm  | Name of CPA    | Audit Period | Auditing Fee | Non-auditing Fee | Total  | Remark |
|--------------------------|----------------|--------------|--------------|------------------|--------|--------|
| Deloitte & Touche Taiwan | Chao-Chin Yang | 20250101~    | 6,550        | 5,775            | 12,325 | Note   |
|                          | Chi-Chen, Lee  | 20251231     |              |                  |        |        |

Note: The above-mentioned non-audit fee is mainly for three-tiered TP reporting, tax services and due diligence for managers and acquisitions, etc.

(II) In case of switching accounting firms and the audit fees for the new accounting firm being lower than the previous year's audit fees: No such situation.

(III) In case of a decrease of more than 10% in audit fees compared to the previous year: No such situation.

V. Replacement of the CPA: None.

VI. Information on the Company's chairman, general manager, and financial or accounting managers who has held positions at the accounting firm or its affiliates that provide auditing services within the past year: None.

**VII. Equity transfer or changes to equity pledge of directors, managerial officers, or shareholders holding more than 10% of Company shares during the past year prior to the publication date of this Report.**

**(I) Changes in Shareholding of Directors, and Managers**

Unit: shares

| Job Title  | Name  | 2025                               |                                       | As of March 31, 2026               |                                       |
|--|---|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
|  |   | Increase (decrease) of Shares Held | Increase (decrease) of Shares Pledged | Increase (decrease) of Shares Held | Increase (decrease) of Shares Pledged |
| Chairman   | Cheng-Hsien, Wu   | 0                                  | 0                                     | 0                                  | 0                                     |
| Director   | Guang Rong Investment Ltd.                                  | 0                                  | 0                                     | 0                                  | 0                                     |
|  | Representative:<br>Ming-Hsien, Hsu                          | (8,000)                            | 0                                     | 0                                  | 0                                     |
|  | Representative:<br>Ying-Lin, Huang                          | 0                                  | 0                                     | 0                                  | 0                                     |
| Director   | Pou Chien Enterprise Co., Ltd.                              | 0                                  | 0                                     | 0                                  | 0                                     |
| Independent Director   | Yun, Chen   | 0                                  | 0                                     | 0                                  | 0                                     |
| Independent Director   | Yung-Cheng, Chiang  | 0                                  | 0                                     | 0                                  | 0                                     |
| Independent Director   | Chin-Jung, Kuo  | 0                                  | 0                                     | 0                                  | 0                                     |
| CEO  | Ming-Hsien, Hsu   | (8,000)                            | 0                                     | 0                                  | 0                                     |
| Executive General Manager of Sports Goods Adhesives and Materials Business Division            | Ying-Lin, Huang   | 0                                  | 0                                     | 0                                  | 0                                     |
| Executive General Manager of Paints and Coatings Business Division                             | Shuen-Hsing, Wu   | 0                                  | 0                                     | 0                                  | 0                                     |
| Executive General Manager of Adhesives and Specialty Business Division                         | Sen-Mao, Kuo  | 0                                  | 0                                     | 0                                  | 0                                     |
| General Manager of Operation Management Division   | Yi-Jen, Fang  | 0                                  | 0                                     | 0                                  | 0                                     |
| Deputy General Manager of Executive Office, Adhesives and Specialty Business Division          | Kuo-Chin, Liu   | (4,405)                            | 0                                     | 0                                  | 0                                     |
| R&D Deputy General Manager of R&D & Innovation Division  | Yong-Ching, Shen  | 0                                  | 0                                     | 0                                  | 0                                     |
| R&D Technical Deputy General Manager of Sports Goods Adhesives and Materials Business Division | Sen-Pei, Hung   | (5,000)                            | 0                                     | 0                                  | 0                                     |
| Deputy General Manager of Planning Department, Strategic Management Division                   | Ping-Feng, Lai<br>Date of dissolution: 20250228<br>(Note 1) | 0                                  | 0                                     | 0                                  | 0                                     |
| Deputy General Manager of Planning Department, Strategic Management Division                   | Jung-Wen, Kuo<br>Date of dissolution: 20260116<br>(Note 1)  | 0                                  | 0                                     | 0                                  | 0                                     |
| Deputy General Manager of Footwear Production Dept., Operation Management Division             | Ming-Ding, Tsai   | 0                                  | 0                                     | 0                                  | 0                                     |

| Job Title  | Name   | 2025                               |                                       | As of March 31, 2026               |                                       |
|--|--|------------------------------------|---------------------------------------|------------------------------------|---------------------------------------|
|  |  | Increase (decrease) of Shares Held | Increase (decrease) of Shares Pledged | Increase (decrease) of Shares Held | Increase (decrease) of Shares Pledged |
| Assistant VP of Overseas Sales Division  | Chin-Fu, Hsu   | 0                                  | 0                                     | 0                                  | 0                                     |
| Assistant VP of Footwear Second Business Dept., Sports Goods Adhesives and Materials Business Division | Cheng-Hao, Kuo   | 0                                  | 0                                     | 0                                  | 0                                     |
| Assistant VP of Polyester Polyol Technology R&D Dept., R&D & Innovation Division                       | Yan-Cheng, Chen  | 0                                  | 0                                     | 0                                  | 0                                     |
| Assistant VP of Financial Management Division  | Kun-Chin, Lin<br>Date of dissolution: 20251218<br>(Note 1) | 0                                  | 0                                     | 0                                  | 0                                     |
| Assistant VP of Financial Management Division  | Yu-Ping, Sun<br>On board date: 20251218<br>(Note 1)        | 0                                  | 0                                     | 0                                  | 0                                     |
| Assistant VP of IT Dept., Strategic Development Division   | Pei-Yi, Kuo  | 0                                  | 0                                     | 0                                  | 0                                     |

Note 1: Only information during terms of office were disclosed.

(II) Shares Transfer with Related Parties

Unit: shares; NT\$

| Name            | Reason of Transfer | Date of Transaction | Transferee     | Relationship with the Transferee | Shares | Transaction Price |
|-----------------|--------------------|---------------------|----------------|----------------------------------|--------|-------------------|
| Ming-Hsien, Hsu | Gifting            | 20250325            | Ting-Chen, Hsu | Father and son                   | 8,000  | 335.50            |

(III) Shares Pledged with Related Parties: None.

### VIII. Relationship Among the Top Ten Shareholders

As of March 31, 2026 / Unit: Shares

| Name  | Shareholding |      | Spouse & Minor |      | Shareholding by Nominee Arrangement |      | The relationship between any of the Company's Top Ten Share holders |          | Remarks |
|---|--------------|------|----------------|------|-------------------------------------|------|---|----------|---------|
|   | Shares       | %    | Shares         | %    | Shares                              | %    | Name  | Relation |         |
| Ding-Feng Investment Co., Ltd.  | 11,138,947   | 9.24 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Guan-Jie, Fang  | 260          | 0.00 | 100            | 0.00 | -                                   | -    | None  | None     | -       |
| Chuan-De Investment Co., Ltd.   | 10,065,298   | 8.35 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Wan-Hsin, Tu  | 12,796       | 0.01 | -              | -    | -                                   | -    | None  | None     | -       |
| Guang Rong Investment Ltd.  | 8,868,132    | 7.35 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Ming-Hsien, Hsu   | 75,211       | 0.06 | 113,554        | 0.09 | 400,000                             | 0.33 | None  | None     | -       |
| Yue Dean Technology Corporation   | 8,234,000    | 6.83 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Yu-Jyun, Chen   | -            | -    | -              | -    | -                                   | -    | None  | None     | -       |
| Pao-Wang Investment Co., Ltd.   | 7,958,068    | 6.60 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Ding-Chiang, Chou   | -            | -    | -              | -    | -                                   | -    | None  | None     | -       |
| CTBC Entrusted Custodian Investment Account of Blue Cross Development Co., Ltd.                             | 7,850,523    | 6.51 | -              | -    | -                                   | -    | None  | None     | -       |
| Pou Chien Enterprise Co., Ltd.  | 5,920,248    | 4.91 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Hui-Tzu, Huang  | -            | -    | -              | -    | -                                   | -    | None  | None     | -       |
| The Bank of Taiwan Entrusted Custodian Investment Account of Yuanta Taiwan High Dividend Low Volatility ETF | 4,329,000    | 3.59 | -              | -    | -                                   | -    | None  | None     | -       |
| Ching Lin International Development Co., Ltd.   | 3,709,000    | 3.08 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Ying-Lin, Huang   | 1,000,936    | 0.83 | -              | -    | 3,709,000                           | 3.08 | None  | None     | -       |
| Hanstars Investment Co., Ltd.   | 2,289,813    | 1.90 | -              | -    | -                                   | -    | None  | None     | -       |
| Representative: Meng-Wei, Chen  | -            | -    | -              | -    | -                                   | -    | None  | None     | -       |

## IX. Long-term Investment Ownership

As of December 31, 2025 / Units: Share; %

| Investee                                       | Ownership by the Company |        | Ownership by Directors, Managers and Directly/Indirectly Owned Subsidiaries |       | Total Investment |        |
|--|--------------------------|--------|---|-------|------------------|--------|
|  | Shares                   | %      | Shares  | %     | Shares           | %      |
| Nan Pao Chemical Co., Ltd.                     | 15,000,000               | 100.00 | -   | -     | 15,000,000       | 100.00 |
| Nan Pao Application Material Co., Ltd.         | 200,000                  | 100.00 | -   | -     | 200,000          | 100.00 |
| ITLS International Development Co., Ltd.       | 14,600,000               | 100.00 | -   | -     | 14,600,000       | 100.00 |
| Prince Pharmaceutical Co., Ltd.                | 18,151,198               | 48.52  | -   | -     | 18,151,198       | 48.52  |
| Phymed Bio-Tec Co., Ltd.                       | 2,400,000                | 100.00 | -   | -     | 2,400,000        | 100.00 |
| Biorich Biotechnology Co., Ltd.                | 391,462                  | 57.10  | -   | -     | 391,462          | 57.10  |
| Nan Pao Advanced Materials Co., Ltd.           | 350,000                  | 70.00  | -   | -     | 350,000          | 70.00  |
| Nanpao Fine Materials Co., Ltd.                | 1,375,000                | 55.00  | -   | -     | 1,375,000        | 55.00  |
| FlexUP Technologies Corp.                      | 18,880,000               | 100.00 | -   | -     | 18,880,000       | 100.00 |
| Perfect & Outstanding Technology Inc.          | 2,500,000                | 16.70  | -   | -     | 2,500,000        | 16.70  |
| Yun Teh Industrial Co., Ltd.                   | 3,220,000                | 70.00  | -   | -     | 3,220,000        | 70.00  |
| Advanced Pao Trusval Technology Co., Ltd.      | 12,580,000               | 34.00  | -   | -     | 12,580,000       | 34.00  |
| Fuqing Nan Pao Investment Ltd.                 | 4,990,000                | 100.00 | -   | -     | 4,990,000        | 100.00 |
| Thai Nan Pao Investments Ltd.                  | 5,282,000                | 100.00 | -   | -     | 5,282,000        | 100.00 |
| Nan Pao Resins India Pvt. Ltd.                 | 22,124,340               | 100.00 | -   | -     | 22,124,340       | 100.00 |
| Nan Pao Materials Resins India Pvt. Ltd.       | 41,151,000               | 100.00 | -   | -     | 41,151,000       | 100.00 |
| Nan Pao Materials Vietnam Co., Ltd.            | Note                     | 100.00 | Note  | -     | Note             | 100.00 |
| Nanpao Advanced Materials Vietnam Co., Ltd.    | Note                     | 100.00 | Note  | -     | Note             | 100.00 |
| Nan Pao Overseas Holdings Ltd.                 | 16,154                   | 100.00 | -   | -     | 16,154           | 100.00 |
| Profit Land Ltd.                               | 983,333                  | 73.75  | 350,000   | 26.25 | 1,333,333        | 100.00 |
| All Saints Enterprises Ltd.                    | 5,452,549                | 54.53  | 4,547,451   | 45.47 | 10,000,000       | 100.00 |
| Ongoing Profits Ltd.                           | 1,560,000                | 32.18  | 3,287,546   | 67.82 | 4,847,546        | 100.00 |
| PT. Indo Nan Pao Resins Chemical Co., Ltd.     | 7,425,000                | 67.50  | -   | -     | 7,425,000        | 67.50  |
| Nan Pao Philippines Export Inc.                | 25,750,000               | 100.00 | -   | -     | 25,750,000       | 100.00 |
| Nan Pao Resins Chemical (Bangladesh) Co., Ltd. | 930,045                  | 100.00 | -   | -     | 930,045          | 100.00 |
| Earnest Wealth Co., Ltd.                       | 920,000                  | 51.11  | -   | -     | 920,000          | 51.11  |
| Nan Pao Resins International Ltd.              | 1,000                    | 100.00 | -   | -     | 1,000            | 100.00 |
| Nan Pao Resins (HK) Ltd.                       | 13,400,000               | 100.00 | -   | -     | 13,400,000       | 100.00 |
| Spark Foamtech Enterprise Com. Ltd.            | Note                     | 100.00 | Note  | -     | Note             | 100.00 |
| Contact Biosolutions Pty Ltd.                  | 3,805                    | 38.11  | -   | -     | 3,805            | 38.11  |

Note: Not applicable for limited companies.

### III. Fundraising Status

#### I. Capital and Shares

##### (I) Source of Capital

##### 1. Formation of Capital

As of April 30, 2026

| Date    | Issue Price | Authorized Capital |               | Paid-in Capital  |               | Remarks                                     |                        |  |
|---------|-------------|--------------------|---------------|------------------|---------------|---|------------------------|--|
|         |             | Number of Shares   | Amount        | Number of Shares | Amount        | Source of Capital                           | Non-cash Consideration | Approval Reference                       |
| 2015/08 | 10          | 200,000,000        | 2,000,000,000 | 92,848,500       | 928,485,000   | Capital Reserve Transfer<br>NT\$ 44,213,590 | -                      | MOEA Letter No. 10401197620 (2015/09/21) |
| 2016/08 | 10          | 200,000,000        | 2,000,000,000 | 97,490,961       | 974,909,610   | Capital Reserve Transfer<br>NT\$ 46,424,270 | -                      | MOEA Letter No. 10501228350 (2016/09/22) |
| 2016/12 | 70          | 200,000,000        | 2,000,000,000 | 103,490,961      | 1,034,909,610 | Conversion of Warrants<br>NT\$ 60,000,000   | -                      | MOEA Letter No. 10601007990 (2017/01/20) |
| 2017/06 | 180         | 200,000,000        | 2,000,000,000 | 106,490,961      | 1,064,909,610 | Cash Capital Increase<br>NT\$ 30,000,000    | -                      | MOEA Letter No. 10601083750 (2017/06/27) |
| 2017/08 | 10          | 200,000,000        | 2,000,000,000 | 108,620,780      | 1,086,207,800 | Capital Reserve Transfer<br>NT\$ 21,298,190 | -                      | MOEA Letter No. 10601115930 (2017/08/18) |
| 2018/12 | 76.8        | 200,000,000        | 2,000,000,000 | 120,570,780      | 1,205,707,800 | Cash Capital Increase<br>NT\$ 119,500,000   | -                      | MOEA Letter No. 10701156590 (2018/12/18) |

##### 2. Types of Shares

As of April 30, 2026/ Unit: Shares

| Share Type                    | Authorized Capital |                 |              | Remarks |
|-------------------------------|--------------------|-----------------|--------------|---------|
|                               | Outstanding Shares | Unissued Shares | Total Shares |         |
| Common Share (Listed Company) | 120,570,780        | 79,429,220      | 200,000,000  | -       |

##### 3. Shelf Registration System Information: Not applicable.

##### (II) List of Major Shareholders

As of March 31, 2026 / Unit: Shares

| Shareholders' Name  | Shares | Shares     | Percentage |
|---|--------|------------|------------|
| Ding-Feng Investment Co., Ltd.  |        | 11,138,947 | 9.24%      |
| Chuan-De Investment Co., Ltd.   |        | 10,065,298 | 8.35%      |
| Guang Rong Investment Ltd.  |        | 8,868,132  | 7.35%      |
| Yue Dean Technology Corporation   |        | 8,234,000  | 6.83%      |
| Pao-Wang Investment Co., Ltd.   |        | 7,958,068  | 6.60%      |
| CTBC Entrusted Custodian Investment Account of Blue Cross Development Co., Ltd.                             |        | 7,850,523  | 6.51%      |
| Pou Chien Enterprise Co., Ltd.  |        | 5,920,248  | 4.91%      |
| The Bank of Taiwan Entrusted Custodian Investment Account of Yuanfa Taiwan High Dividend Low Volatility ETF |        | 4,329,000  | 3.59%      |
| Ching Lin International Development Co., Ltd.   |        | 3,709,000  | 3.08%      |
| Hanstars Investment Co., Ltd.   |        | 2,289,813  | 1.90%      |

(III) Dividend Policy and Execution Status

1. Dividend Policy Specified in the Company's Articles of Incorporation

The Company shall distribute earnings in the following order:

- (1) Payment of taxes.
- (2) Offset of accumulated losses.
- (3) Allocation of 10% of earnings as legal reserve; however, this requirement may be waived once the legal reserve has reached the Company's paid-in capital.
- (4) Allocation or reversal of special reserves as required by law or the competent authority.
- (5) Any remaining earnings, combined with undistributed retained earnings, shall be used for the distribution plan.

As the Company is in a stable growth phase and to support future business expansion plans, the amount of dividends distributed shall not be less than 10% of the current year's remaining earnings. Dividends may be distributed in the form of cash or stock, with cash dividends as the priority. However, the ratio of stock dividends shall not exceed 80% of the total dividends.

To maintain the Company's earnings per share (EPS), and considering the impact of stock dividends on operational performance, if EPS for the current year decreases by 20% or more compared to the previous year, the Board of Directors shall propose an adjusted dividend distribution plan, which will be implemented upon approval at the Shareholders' Meeting.

2. On March 12, 2026, the Board of Directors resolved to distribute a cash dividend of NT\$18 per share, which will be distributed in accordance with the operating procedure upon determination of the ex-dividend date.

(IV) Impact of the Proposed Bonus Share Issuance (Without Consideration) on the Company's Operating Performance and EPS: Not applicable.

(V) Employee and Director Compensation

1. Percentage or Range of Compensation as Stipulated in the Articles of Incorporation:

Before distributing earnings, the Company shall allocate 2% to 6% of the annual pre-tax profits (before employee and director remuneration) as employee remuneration. Of this, not less than 20% shall be allocated to grassroots employees. In addition, up to 3% shall be allocated as director remuneration.

2. Estimated Compensation for Employees and Directors This Period:

(1) Basis for Estimation:

The estimated amount is based on the net profit of the current period and in accordance with the specified percentages in the Articles of Incorporation, and past distribution practices.

(2) Basis for Calculating Number of Shares for Stock Compensation: Not applicable.

(3) If the Actual Distribution Differs from the Estimate: The difference shall be recognized in the profit or loss of the following year.

3. Compensation Distribution Approved by the Board of Directors:

(1) Cash or Stock Distribution Amounts:

A: Employee Cash Compensation: NT\$77,064 thousand

B: Employee Stock Compensation: NT\$0 thousand

C: Director Compensation: NT\$32,604 thousand

D: There was no difference between the approved and estimated amounts.

(2) Employee Stock Compensation and Its Proportion of Net Profit After Tax and Total Employee Compensation: Not applicable.

4. Actual Compensation Distributed for the Previous Year:

Unit: NT\$1,000

| Distribution Items           | Amount Distributed as per Board of Directors' Resolution |
|------------------------------|--|
| Employee Compensation (Cash) | 77,923   |
| Director Compensation (Cash) | 34,320   |
| Total                        | 112,243  |

The actual distributed amount was NT\$3,197 thousand lower than the amount recognized in the accounts, and the difference was recorded in the 2025 profit or loss.

(VI) Status of the Company's Share Buyback: None.

**II. Status of Corporate Bonds:** None.

**III. Status of Preferred Shares:** None.

**IV. Status of Global Depositary Receipts:** None.

**V. Status of Employee Stock Warrants:** None.

**VI. Status of New Restricted Employee Shares:** None.

**VII. Status of Issuing New Shares for Merger or Acquisition of Other Companies' Shares:** None.

**VIII. Status of Capital Allocation Plan Execution:** Not applicable.

## IV. Operational Overview

### I. Business Activities

#### (I) Business Scope

##### 1. Main Content of Business

- (1) C801060 Synthetic Rubber Manufacturing.
- (2) C801100 Synthetic Resin and Plastic Manufacturing.
- (3) C802120 Industrial Catalyst Manufacturing.
- (4) C802200 Coating, Paint, Dyeing and Dyestuff Manufacturing.
- (5) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

##### 2. Sales Ratio of Main Products

Unit: NT\$1,000

| Item         | 2024              |               | 2025              |               |
|--------------|-------------------|---------------|-------------------|---------------|
|              | Salea Amounts     | Sales %       | Salea Amounts     | Sales %       |
| Adhesives    | 16,877,046        | 73.43         | 16,153,469        | 69.62         |
| Coatings     | 1,528,637         | 6.65          | 1,771,755         | 7.64          |
| Others       | 4,576,915         | 19.92         | 5,275,078         | 22.74         |
| <b>Total</b> | <b>22,982,598</b> | <b>100.00</b> | <b>23,200,302</b> | <b>100.00</b> |

##### 3. Current Product (Service) Categories of the Company

- (1) Adhesives: Primarily used in athletic footwear and apparel, industrial applications, and other consumer products.
- (2) Coatings: Mainly categorized into powder coatings, liquid coatings, industrial coatings, and construction chemicals.

##### 4. New Products Development

| Items     | No. | New R&D Technology Or Improvement Project                                 |
|-----------|-----|---|
| Adhesives | 1   | NIKE Mini Foam 3.0 Water-Based Treatment Agent                            |
|           | 2   | Zero-VOC Water-Based Vulcanizing Adhesive System                          |
|           | 3   | Solvent-Based ZoomX 2-in-1 Treatment Agent                                |
|           | 4   | 1K Water-Based Hydrolysis-Resistant Matte Adhesive                        |
|           | 5   | Water-Based Nylon Treatment Agent   |
|           | 6   | Water-Based Thickener   |
|           | 7   | Chemicals Compliant with Brand RSL Requirements                           |
|           | 8   | Flexible OCA Development  |
|           | 9   | UV Solvent-Free PSA   |
|           | 10  | Antistatic High-Elongation UV Debonding PSA                               |
|           | 11  | Ultra High-Temperature Resistant Protective Film PSA                      |
|           | 12  | Environmentally Friendly Water-Soluble PSA                                |
|           | 13  | Single-Component High Heat-Resistant Screen Printing Yellow Adhesive      |
|           | 14  | Carbon Steel Lining Adhesive for Chemical Tanks                           |
|           | 15  | High Heat-Resistant Solvent-Based Benzene-Free Woodworking Spray Adhesive |
|           | 16  | High-Performance Industrial Flexible Packaging Adhesive                   |
|           | 17  | Waterproof and Moisture-Permeable 10K/10K PUD for Functional Fabrics      |
|           | 18  | High Bulk, Moisture-Absorbing, Quick-Drying Textile Resin                 |
|           | 19  | Water-Based Resin for Fire-Resistant Coatings                             |
|           | 20  | Acrylic UV Adhesive for Carbon Steel                                      |

| Items    | No. | New R&D Technology Or Improvement Project                                  |
|----------|-----|--|
| Coatings | 1   | Bio-based Epoxy Flooring Coating   |
|          | 2   | Bio-based Epoxy Repair Material  |
|          | 3   | Scale-Removal Peelable Adhesive  |
|          | 4   | Recycled Material Coatings   |
|          | 5   | Energy-Saving Thermal Insulation Mortar for Buildings                      |
|          | 6   | Water-Based Epoxy Flooring   |
|          | 7   | Recycled Toner-Based Green Building Material Coating                       |
|          | 8   | C5 Water-Based Epoxy Anti-Corrosion Coating System (Primer + Intermediate) |
|          | 9   | Water-Based Magnetic Enamel Coating  |
|          | 10  | Two-Component Low-Gloss Outdoor Powder Coating                             |
| Others   | 1   | Fluorine-Free Water-Repellent and Anti-Wicking Additive                    |
|          | 2   | Eco-Friendly Water-Based Adhesive for Shoe Tongues                         |
|          | 3   | High-Transparency Colorless PI Resin for Copper Foil Coating               |
|          | 4   | High-Frequency, High-Speed FCCL Materials                                  |
|          | 5   | Semiconductor Packaging Materials  |
|          | 6   | Debonding PI Resin   |
|          | 7   | NIL (Nanoimprint Lithography) UV Materials                                 |
|          | 8   | Photoresist Materials for Micro LED  |
|          | 9   | Flame-Retardant Epoxy Resin for Composite Materials                        |
|          | 10  | High-Strength, High-Temperature Resistant Resin for Aerospace Applications |

## (II) Industry Overview

The chemical industry serves as the foundation for both consumer goods and high-tech industries. Based on their characteristics, chemicals can be broadly categorized into two main types: bulk chemicals and specialty chemicals.

[Table: Categories and Characteristics of Chemicals]

| Product Category    | Product Characteristics   |
|---------------------|---|
| Bulk Chemicals      | <ul style="list-style-type: none"> <li>• Sold primarily based on their chemical composition</li> <li>• Typically single chemical entities</li> <li>• Easily interchangeable among suppliers</li> <li>• Mass-produced with relatively low added value</li> </ul>   |
| Specialty Chemicals | <ul style="list-style-type: none"> <li>• Rarely single chemical substances; often complex compounds or formulations</li> <li>• Typically batch-produced for industrial use</li> <li>• Represent a small portion of customer cost</li> <li>• Sold based on functionality</li> <li>• Offer the highest added value</li> </ul> |

*Source: IEK, Industrial Economics and Knowledge Center (June 2025)*

As shown in the table above, bulk chemicals are characterized by their simple composition, high production volume, and relatively low profit margins—examples include commodity plastics. Due to their simple composition, users of bulk chemicals can more easily switch suppliers without affecting product performance. On the other hand, specialty chemicals are high value-added products with specific performance characteristics. They are often complex compounds or formulations whose functionality depends on their composition. Since end users typically require only small quantities, specialty chemicals are usually produced in batches. In many cases, specialty chemicals represent only a small portion of the total cost of the end user's product, which makes customers less inclined

to risk switching suppliers. Therefore, customer loyalty in the specialty chemicals market is generally higher than in the bulk chemicals market.

Synthetic resins are one of the most important segments of Taiwan’s specialty chemicals industry. They are widely used in paints, coatings, inks, adhesives, plastics, textiles, aerospace, healthcare, electronics, and information technology. The synthetic resin and plastic manufacturing industry belongs to the mid and downstream segments of the petrochemical value chain. The five most commonly used general-purpose resins are polyethylene (PE), polypropylene (PP), polystyrene (PS), polyvinyl chloride (PVC), and acrylonitrile butadiene styrene (ABS).

The main sources of revenue for the Company are adhesives and coatings. Below is an overview of the adhesive and coating industries relevant to the core business:

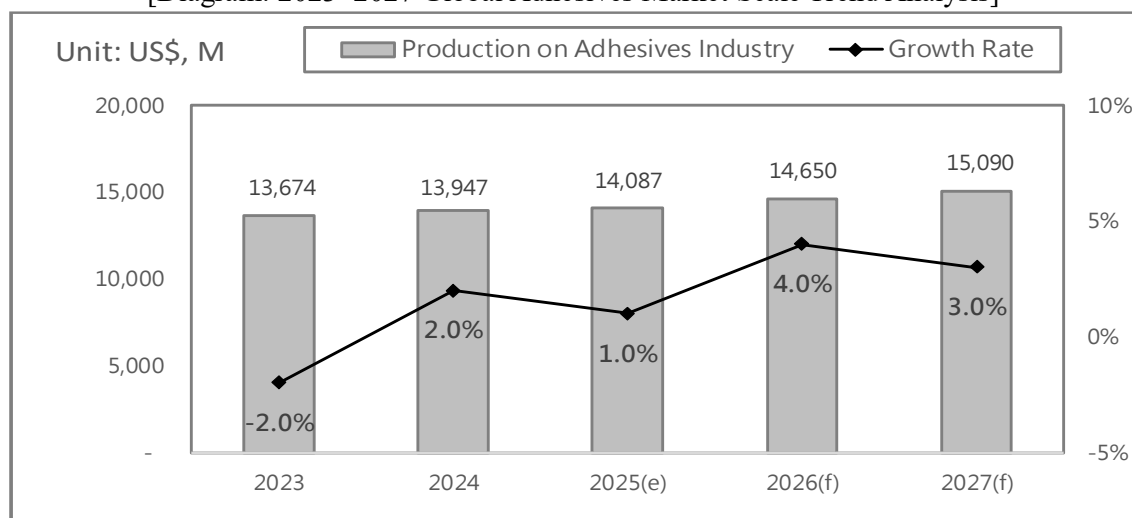
## 1. Industry Overview and Development

### (1) Overview of the Adhesives Market

Adhesives are widely used due to their broad range of applications, ease of use, high economic efficiency, and rapid development. They are essential supporting products in many industries, including textiles, packaging, footwear, construction, paper, woodworking, aerospace, automotive, electronics, metallurgy, machinery processing, and healthcare.

According to 2025 statistics from the Industrial Economics and Knowledge Center (IEK) of ITRI, the slow recovery of domestic demand in Mainland China in 2024 led to weaker growth in demand for consumer products across food, clothing, housing, and transportation, indirectly affecting the demand for adhesives. As a result, the global adhesives market size increased only slightly from 2023 to reach USD 13,947 million in 2024. Looking ahead to 2025, the United States has proposed reciprocal tariffs on goods from various regions worldwide, including production areas of downstream consumer products that utilize adhesives. This is expected to affect trade between these regions and the United States, thereby indirectly impacting adhesive demand. Meanwhile, consumer demand in Mainland China remains subdued, with no strong growth momentum observed. Overall, the global adhesives market is projected to experience only modest growth in 2025.

[Diagram: 2023~2027 Global Adhesives Market Scale Trend Analysis]

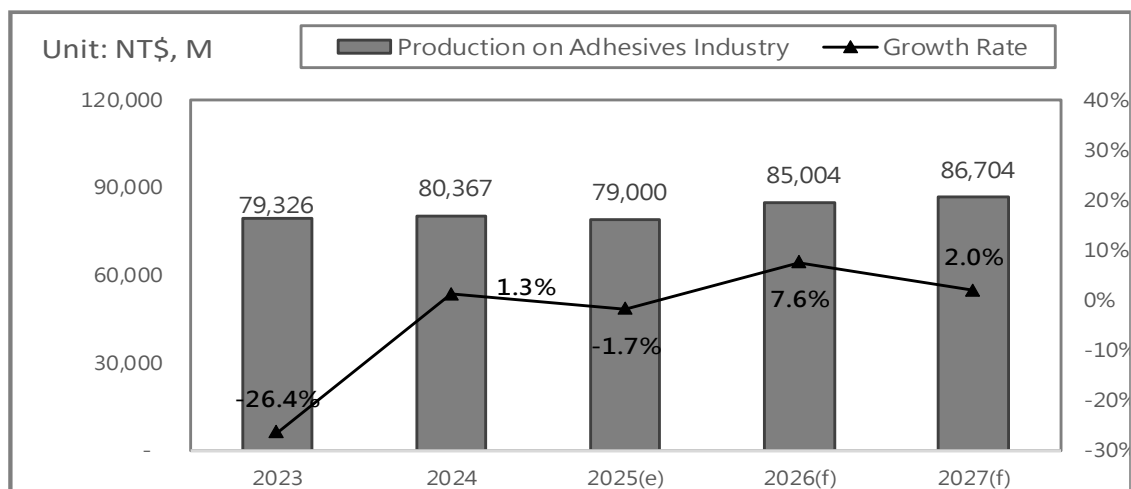


Source: IEK, Industrial Economics and Knowledge Center (June 2025)

According to 2025 statistics from the Industrial Economics and Knowledge Center (IEK) of ITRI, in 2024, escalating global military conflicts and the expansion of hostilities in the Middle East led to higher international crude oil prices compared with 2023, thereby driving up adhesive product prices. On the demand side, global consumption of adhesives remained at a low level due to continued monetary tightening in most regions and the property market crisis in Mainland China. Despite higher prices, demand remained weak. As a result,

Taiwan's adhesive industry output value in 2024 remained at a low level but increased by 1.3% compared with 2023, reaching NT\$80,367 million. Looking ahead to 2025, although there is a possibility of ceasefire agreements in global conflicts, the United States has proposed reciprocal tariff policies targeting multiple regions, which may affect global consumption demand and international trade. While Taiwan's direct adhesive exports to the U.S. account for a relatively small proportion, downstream industries such as footwear and textiles rely heavily on the U.S. as a key export destination. Therefore, Taiwan's adhesive production is expected to be indirectly affected, and the industry output value in 2025 is projected to slightly decline compared with 2024.

[Diagram: 2023~2027 Production Trend Analysis of Adhesives in Taiwan]



Source: IEK, Industrial Economics and Knowledge Center (June 2025)

The Company is a leading manufacturer of PVAc adhesives in Taiwan and is well recognized in the industry for its 815 waterproof acrylic resin coating. Historically, its focus has been on independent research and development, with major R&D efforts centered on PU resins, water-based PVAc, EVA, acrylic resins, powder coatings, liquid coatings, yellow glue, paste adhesives, epoxy, phenolic resins, and various footwear materials and treatment agents. To achieve further breakthroughs, the Company has begun incorporating external technologies and engaging in collaborations with industry, government, and academia, as well as employing external consultants to enhance its technological capabilities. Current R&D investments focus on high-performance adhesives for footwear, functional adhesives for textiles, adhesives for hygiene products, low-VOC and hot-melt adhesives for automotive applications, adhesives for flexible packaging materials, pressure-sensitive adhesives for optical applications, construction chemicals, and functional coatings.

Adhesives are widely applied across global industries, and with the continuous innovation of end-use consumer products, their application fields are also steadily expanding. Present-day adhesive R&D emphasizes environmentally friendly, non-toxic, and high-performance characteristics. In response to market demand and sustainable development trends, products featuring low carbon footprints, low VOC emissions, the absence of restricted substances, weather resistance, high-temperature resistance, thermal conductivity, and high strength have become focal points for development among major manufacturers. In addition, the promotion of the circular economy is creating new opportunities for innovation in adhesive technology. The Company's adhesive product development is also aligning with green and sustainable goals. Key future development areas include reversible thermosetting resins, detachable adhesives, biodegradable adhesives, non-toxic adhesives, and adhesives with low carbon footprints.

## (2) Overview of the Coatings Market

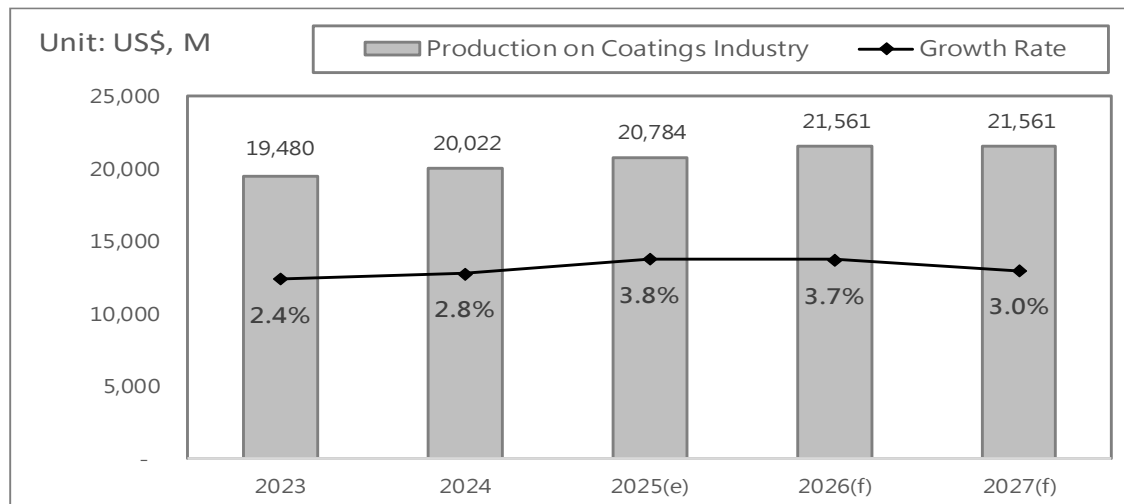
The coatings industry is primarily applied in three major sectors: construction, industrial, and specialty uses. Architectural coatings are closely tied to the construction and manufacturing industries, industrial coatings are mainly associated with automobiles, home appliances, and industrial equipment, while specialty coatings encompass a wide range of applications.

As of 2025, the global coatings industry is influenced by multiple factors, including environmental regulations, digital transformation, product innovation, and evolving market demand, driving diversified growth and technological advancement. However, raw material supply also faces challenges. For example, the European Union has imposed provisional anti-dumping duties of up to 39.7% on titanium dioxide imports from Mainland China, which may lead to increased costs and reduced competitiveness for certain coatings manufacturers, and could even force a number of producers to relocate their manufacturing operations outside the EU.

In terms of market demand, the construction and automotive industries remain the primary application sectors. Due to a slowdown in the real estate markets in the United States and Europe, companies such as PPG Industries reported weaker-than-expected performance in the fourth quarter of 2024, reflecting continued pressure on demand. In terms of regional development, the Asia-Pacific region—particularly Mainland China and India—has become a key growth driver for the green coatings market. According to market research, the green coatings market is projected to reach USD 213.83 billion by 2033, mainly driven by construction industry development and the implementation of environmental regulations.

According to 2025 statistics from the Industrial Economics and Knowledge Center (IEK) of ITRI, the global coatings market reached USD 20,022 million in 2024. The rapid growth of the residential and construction sectors, along with increases in gross domestic product (GDP) and disposable income, has further driven market development. In addition, technological advancements in end-use industries such as automotive, marine, aerospace, wood, and general industrial applications have also supported continued growth. Looking ahead to 2025, the global coatings market is expected to reach USD 20,784 million, representing a growth of 3.8% compared with 2024.

[Diagram: 2023~2027 Global Coatings Market Scale Trend Analysis]



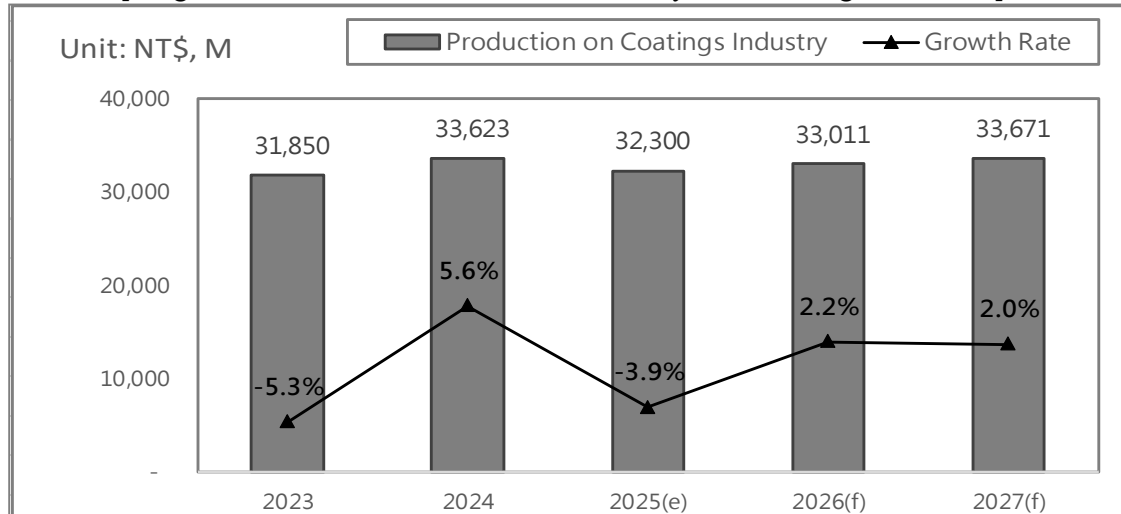
Source: IEK, Industrial Economics and Knowledge Center (June 2025)

Taiwan's coatings market is showing a steady growth trend driven by environmental regulations, technological innovation, and diversified market demand. With the advancement of environmental regulations and increasing consumer awareness of health and environmental issues, demand for low-VOC and solvent-free coatings is expected to rise. At the same time, the application of smart coatings and digitalized services will enhance product value-added and improve consumer experience.

Taiwan's coatings industry is primarily driven by the domestic market, with domestic sales accounting for over 60% of total output. In the export market, Mainland China remains Taiwan's largest export destination for coatings. As Chinese coatings manufacturers have improved their production technology and quality in recent years, Taiwanese manufacturers have also enhanced their own quality and technological capabilities in response.

According to 2025 statistics from the Industrial Economics and Knowledge Center (IEK) of ITRI, Taiwan's coatings market in 2024 demonstrated steady growth driven by environmental regulations, technological innovation, and diversified market demand. The market is primarily divided into architectural coatings and industrial coatings, with architectural coatings accounting for a larger market share. Within architectural coatings, demand for water-based coatings has increased year by year, mainly used for interior and exterior wall decoration in residential and commercial buildings. Industrial coatings are primarily applied in the automotive, electronics, and machinery sectors for protective purposes. As a result, Taiwan's coatings industry output value rose to NT\$33,623 million in 2024, representing a 5.6% increase compared with 2023. Looking ahead to 2025, Taiwan's coatings output value is expected to decline to NT\$32,300 million, a decrease of 3.9% compared with 2024, due to reduced domestic construction demand leading to lower coatings consumption.

[Diagram: 2023~2027 Production Trend Analysis of Coatings in Taiwan]



Source: IEK, Industrial Economics and Knowledge Center (June 2025)

Due to the impact of the COVID-19 pandemic, the development of antimicrobial coatings has begun to attract increasing attention. In addition, the coatings industry is subject to environmental regulations imposed by various countries. As a result, eco-friendly water-based coatings and solvent-free coatings for building applications, along with functional coatings that offer energy saving, fire resistance, and self-cleaning properties, are expected to continue driving global market growth. In addition, the development of PFAS-free coating products has also become a key focus in recent years. The Company's product strategy emphasizes coatings that reduce environmental impact and improve energy and resource efficiency. Its R&D direction focuses on industrial coatings with non-toxic anti-corrosion pigments, multifunctionality, integrated coating systems, and water-based formulations, as well as energy-saving coatings, bio-based coatings, high-performance coatings, and smart coatings.

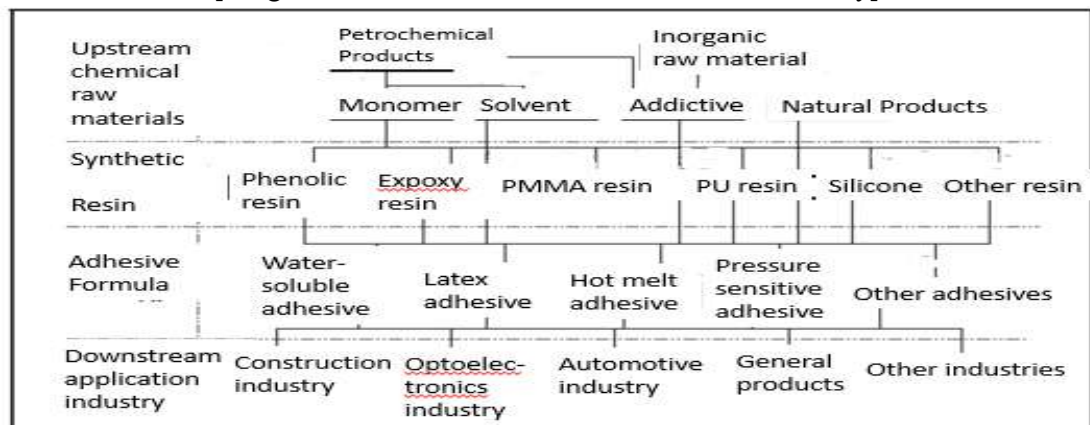
## 2. Industrial Interrelationships

### (1) Adhesives Industry

Taiwan's adhesive manufacturers exhibit a trend of backward integration, expanding toward the upstream synthetic resin industry to achieve vertical integration. This strategy is a key factor enabling further development for companies, making the growth of synthetic resins and adhesives mutually reinforcing. Due to the slowdown of market growth in Taiwan and the rise of the Chinese market, many manufacturers have begun relocating operations overseas, triggering a reshuffling within the industry. However, the Chinese market does not guarantee success, whether foreign manufacturers thrive or struggle in Mainland China will have a decisive impact on overall competitiveness.

Adhesives are composed of polymers, additives, solvents, and other materials derived from upstream petrochemical raw materials or natural substances. They are widely applied across various industries, including footwear manufacturing, plywood, electronics and electrical engineering, automotive and motorcycle, construction, textile processing, tapes, furniture, paper, and aerospace.

[Diagram: Vertical Structure of the Adhesives Industry]



Source: IEK, *Industrial Economics and Knowledge Center* (June 2025)

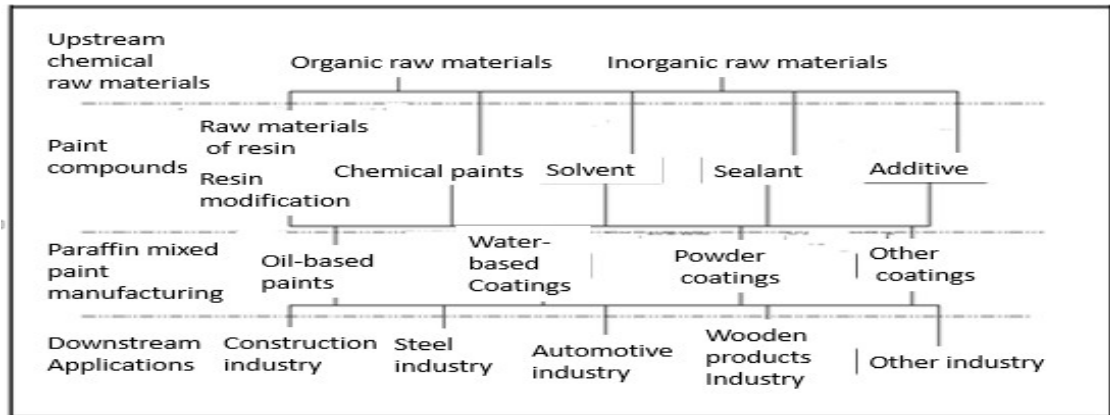
### (2) Coatings Industry

Coatings are formulated products composed of a mixture of various raw materials. It is generally understood that the primary components of coatings include resins, pigments, solvents, fillers, and additives. Although these five components constitute the content of coatings, they are considered part of the upstream industry and are not classified as part of the coatings industry itself under industrial definitions.

In terms of downstream applications, coatings are widely used in construction, ships, bridges, machinery, toys, wood products, and more. With technological advancements, new applications for coatings are continuously being developed, allowing coatings to be extensively utilized in industries such as engineering, transportation equipment, machinery, and steel products. Therefore, the paint and coatings industry evolves in tandem with the broader industrial landscape.

With rising environmental awareness and increasingly stringent regulations, companies are gradually shifting their R&D focus toward low volatile organic compound (VOC) and non-toxic coating products. This transition not only meets market demand but also aligns with global environmental sustainability trends.

[Diagram: Vertical Structure of the Coatings Industry]



Source: IEK, Industrial Economics and Knowledge Center (June 2025)

### 3. Development Trends of Various Products

#### (1) Adhesives Products

Nan Pao continues to invest in green and low-carbon sustainable material applications, expanding from consumer sectors such as woodworking, textiles, footwear, flexible packaging, and hygiene products to electronic, optoelectronic, and industrial structural applications.

#### A · Pressure-Sensitive Adhesives for Consumer and Industrial Applications and Electronics & Optoelectronics

Among these applications, Pressure-Sensitive Adhesives (PSA) have expanded from consumer and industrial uses into electronics and optoelectronic applications. PSAs are widely used in labels, tapes, and stickers. In recent years, the adhesive industry has experienced significant growth, driven primarily by technological advancements and increasing demand across various sectors. Among different types of adhesives, UV-curable adhesives have rapidly emerged due to their fast curing speed, high efficiency, and superior performance. In particular, solvent-free UV-curable PSAs have shown steady growth. Under the trend of sustainability, removable and recyclable PSAs have gained increasing attention, especially water-soluble or debondable products that can effectively remove adhesive residues after use and improve substrate recyclability, aligning with circular economy principles and ESG requirements. These materials are being rapidly adopted in the labeling industry, where the key development challenge lies in balancing strong adhesion during use with easy removability during recycling. In addition, as brand owners demand greener materials, recyclability compatibility and low-pollution design have become important product differentiation factors. With the continuous expansion of digital technologies across industries, requirements for electronic component functionality and performance have also increased. From early-stage focus on thinness, development has evolved toward flexible and foldable devices. Such PSAs must possess both high flexibility and stable adhesion to maintain bonding performance under repeated bending without affecting display quality. In the semiconductor industry, PSAs used in wafer dicing and grinding processes, such as dicing tapes, have different technical requirements. These materials require high initial tack to securely fix wafers, and must be able to transition to a low-tack state after process conditions such as UV exposure or thermal treatment, enabling controlled debonding to ensure clean wafer release without contamination. As wafer sizes shrink and manufacturing processes become more advanced, future PSAs will need to further enhance anti-static properties and elongation to improve pick-up yield and reduce wafer breakage risk.

## B、Sustainable Functional Textile Applications

Water-based resins replacing solvent-based systems have become a global development trend in the functional textile industry and play a particularly important role in market positioning. The core of these products lies in high-performance water-based resins and functional textile finishing applications. This product series aims to upgrade existing industrial applications—such as bag materials, footwear uppers, printing, and stiffening resins replacing formaldehyde-containing melamine resins—toward higher-value applications in sustainability, smart manufacturing, and extreme environment usage. The forward-looking application directions include Sustainability & Bio-based materials, as well as Advanced Industrial & Medical Protection, such as high-performance protective garments for semiconductor cleanrooms. These resins enhance fabric durability and anti-static performance through physical property modification. In addition, the development of gravure ink resins is oriented toward reducing carbon footprint and enabling high-precision coating and printing technologies. In textile applications, this extends to fabric surface coating and functional finishing, transforming resin technology into sprayable systems suitable for automated production lines. This enables on-demand manufacturing, reduces inventory levels, and minimizes water consumption in dyeing and finishing processes, thereby supporting high-end fashion and customized industrial textile markets. In response to market demand, the Company has developed water-based resins for high hydrostatic pressure continuous processing, applied in industrial bag materials. Gravure ink resins are applied in apparel, footwear upper fabric patterns, and logos. Enhanced resin systems for textile yarn bonding have been developed for bag linings and shoe upper reinforcement applications. Furthermore, fabric impregnation and stiffening technologies are applied to improve material performance for both domestic and overseas markets. The core competitiveness of this product portfolio lies in high functionality and water-based environmental compatibility. These resins are positioned as fundamental enabling materials for the high-performance textile industry in the Net Zero era, supporting the transition toward low-carbon and sustainable manufacturing systems.

### (2)Coatings Products

In liquid coatings, as global environmental regulations become increasingly stringent, water-based systems and low-VOC formulations have evolved from being alternative solutions to becoming the core technological focus of the coatings industry. The industry's development emphasis is no longer limited to VOC reduction alone but has advanced toward high-performance and functional water-based systems. Water-based coatings are primarily developed around water-based resin technologies, including water-based epoxy, water-based polyurethane (PUD), water-based acrylic, water-based fluorocarbon, and water-based silicone resin systems. These technologies have been widely applied across construction, industrial, and electronic material sectors.

However, water-based systems still face challenges in film formation mechanisms. Since most water-based resins exist in an emulsion or dispersion form rather than a true solution system, film formation relies on coalescing agents or particle fusion technologies. Based on different film-forming materials, common water-based coatings include alkyd resin coatings, water-based epoxy coatings, water-based polyurethane coatings, water-based acrylic coatings, water-based fluorocarbon coatings, water-based silicone coatings, and water-based inorganic coatings. Future development directions include: ①Low minimum film formation temperature (Low MFFT) resin design ②Coalescent-free or low-coalescent technology (to reduce TVOC emissions) ③Green additive substitution (e.g., dispersants, defoamers, and thickeners) ④Polyurethane modification technologies with high weather resistance and hydrolysis resistance.

Powder coatings are an advanced coating technology compared with conventional liquid coatings, with the key difference lying in their physical form. Powder coatings exist as 100% solid fine powders and contain no organic solvents, whereas conventional coatings typically contain volatile organic compounds (VOCs). With rising environmental awareness, Europe and the United States have actively promoted the development and application of powder coating products in response to the need to reduce VOC emissions and address environmental concerns. Powder coatings offer multiple advantages, including low pollution, high material utilization efficiency, and energy savings, providing both environmental and economic benefits. As a result, they are increasingly becoming the preferred alternative to traditional coating materials across industries. Driven by ESG sustainability requirements, carbon emissions management, and seismic safety considerations in construction, the application of powder coatings is expected to expand into five key areas: ①Anti-corrosion coatings for solar mounting systems and components ②Low-temperature curing powder coating applications ③Internal coatings for potable water pipelines ④Coatings for building materials in new construction and urban renewal projects ⑤Dedicated powder coatings for automotive components. These application areas are expected to jointly drive further market expansion and technological advancement of powder coatings.

In building materials applications, water-based coatings are evolving toward multifunctional integration, including waterproofing, sound insulation, abrasion resistance, and antibacterial properties, while also enhancing indoor air quality (IAQ) and promoting healthy building material characteristics.

### (3) Forward-looking Product Development Plans

#### A. Semiconductor Packaging Materials

Taiwan accounts for approximately 65% of global wafer foundry output and 53% of global IC packaging and testing. However, key advanced packaging materials are still predominantly supplied by Japanese manufacturers such as Namics Corporation and Resonac Holdings Corporation, which together account for over 85% of the market, while domestic material suppliers remain limited. In view of geopolitical risks and cost control considerations, there is an urgent need to accelerate the localization of semiconductor packaging materials in order to reduce reliance on imports from Japan and the United States and ensure the integrity of Taiwan's semiconductor supply chain. To address the demand in advanced packaging markets, Nan Pao is actively developing underfill materials for semiconductor packaging. In particular, the Company is focusing on low-viscosity underfill adhesives for fine-pitch applications to enhance material performance and product reliability. These developments not only meet market demand but also facilitate the Company's transition toward high-value-added electronic applications, strengthening its technological capabilities and market competitiveness in the semiconductor packaging materials sector.

#### B. Development of Key Materials for High-Frequency and High-Speed CCL/FCCL

High-frequency and high-speed flexible copper-clad laminate (FCCL) materials are critical substrates for current 5G/6G communications, AI servers, automotive millimeter-wave radar, and high-speed data transmission applications. Liquid crystal polymer (LCP) offers advantages in millimeter-wave (mmWave) and higher-frequency ranges due to its extremely low moisture absorption and stable dielectric properties. However, traditional processing requires specialized thermal pressing or film-blowing technologies and is dominated by a limited number of Japanese suppliers. To address these processing bottlenecks and market concentration issues, Nan Pao has initiated the development of coating-type LCP materials for high-frequency and high-speed applications. This approach aims to resolve inherent issues of strong molecular orientation and anisotropy, thereby achieving more balanced mechanical, dimensional, and electrical performance.

In addition, this development helps reduce market monopolization and significantly lowers the entry barrier for LCP film processing equipment. It is particularly well-suited for applications requiring high isotropy and high-frequency stability, such as 5G millimeter-wave antennas and flexible high-frequency FCCL. With benefits in cost optimization, capacity expansion, and application diversification, this technology is expected to continuously drive new momentum for industry development.

C. Fluorine-Free Eco-Friendly Products Compliant with ZDHC and Global Trends

To align with international PFAS regulatory trends, Nan Pao has developed a fluorine-free water-repellent technology with anti-wicking functionality. This technology utilizes polymer structural design to achieve ordered molecular arrangement, thereby imparting water-repellent properties to textiles. At the same time, nano-scale particle design is applied to effectively fill the gaps between fibers, preventing water penetration and enabling anti-wicking performance. In addition, the formulation does not contain siloxane-based hydrophobic structures such as D4/D5/D6, which are substances of high concern under European Union regulations. This product is suitable for eco-friendly apparel, leather, textiles, shoelaces, and webbings, and meets brand owners' requirements for non-toxic and sustainable manufacturing processes.

D. Quantum Dot (QDs) Photoresist-Related Technologies

With Micro LED entering its mass production phase, the core competitiveness of display technology has shifted from simple chip miniaturization to material innovation aimed at overcoming yield and cost bottlenecks. Among these materials, negative photoresist has become a key medium supporting precision transfer processes due to its stability in high-resolution patterning and the formation of fine pillar structures. The development of Micro LED photoresist materials is currently advancing along four major directions: high resolution, high-precision patterning, improved color conversion efficiency, and compatibility with maskless and inkjet printing processes. These directions not only address the physical limitations of increasing pixel density (PPI), but also aim to significantly reduce equipment depreciation and production costs through process simplification, such as inkjet printing. Photoresist materials have evolved from early-stage development tools into production-grade materials that integrate both structural definition and functional performance. In full-color solutions, the combination of blue Micro LED with red/green quantum dot color conversion films (QDCC) is regarded as a key approach for achieving high color purity and high luminous efficiency. Current technological trends focus on developing quantum dot materials with high stability and high conversion efficiency, and integrating them deeply with photoresist matrices. Such multifunctional photoresists must not only provide excellent mechanical strength, but also maintain the fluorescence properties of quantum dots after curing, directly influencing display contrast, brightness, and final production yield. In summary, breakthroughs in photoresist materials are a decisive factor in enabling Micro LED technology to transition from laboratory development to commercial applications. By optimizing the rheological and optical properties of negative photoresists, the industry can establish a more efficient and stable manufacturing process, laying the foundation for the commercialization of next-generation display technologies.

4. Competitive Landscape

(1) Adhesives Business

Adhesives have a wide range of applications, covering everyday consumer goods, construction engineering, and electronic materials. Due to the diverse downstream industries served by this business, adhesive sales are significantly influenced by demand fluctuations in these sectors. The primary source of competition arises from substitute products, particularly in industrial processing materials where overlapping functionalities may result in external competition. Therefore, differentiation in customer service and value-added products are key to maintaining competitiveness.

From an industry perspective, woodworking is considered a traditional industry with numerous and fierce competitors. Enhancing market share and advancing technology are crucial for achieving a favorable balance between performance and cost, as well as a strong brand reputation. In the textile industry, brands and manufacturers are increasingly emphasizing environmental sustainability, reducing the use of solvent-based and fluorinated products, and increasing the share of eco-friendly products. Competitors are developing functional PUDs and PURs along similar lines; thus, product functionality and pricing are critical to maintaining a competitive edge. Nan Pao is also actively developing bio-based and recycled materials to align with the broader circular economy trend. In the hygiene product segment, competitors continue to pursue low pricing strategies despite rising raw material costs. Combined with declining birth rates and economic downturns, the traditional hygiene market has contracted compared to the previous year and is expected to remain subdued through at least 2025. Adhesives for flexible packaging represent a new growth area, with opportunities for supply and distribution throughout the Asia-Pacific region, mainly dominated by local enterprises. Over the coming years, this segment is expected to contribute significantly to group revenues. Regarding footwear adhesives, the Company continues investing in R&D and global deployment to meet customer expectations in quality, cost, service, and delivery, ensuring flexible production capacity and stable global supply.

Globally, the adhesives market is benefiting from ESG initiatives, carbon neutrality goals, and tightening environmental regulations. The industry is shifting toward bio-based, low-VOC, solvent-free systems and functional applications. Major international players are expanding capacity and regional footprints. For example, Henkel is building a new high-end adhesive plant in Yantai, Mainland China, focused on automotive, electronics, and medical applications. BASF is expanding its MDI and TPU plants in the U.S. and Guangdong, respectively, targeting Asian markets. Other major players, including IKEA, Covestro, Celanese, and Evonik, are investing in bio-based raw materials, recycling technologies, and biodegradable materials. In addition, in response to the EU's proposed PFAS ban by 2026-2027, global brands are urging suppliers to transition toward fluorine-free products.

To address global supply chain restructuring and trade barrier challenges, the Company will further strengthen its global presence and accelerate the development of localized supply systems. Through the expansion of its new plant in India, the Company aims to enhance production capacity allocation. The Company will continue to leverage its localized technical support advantages and flexibly adjust operations to meet customer requirements, thereby building long-term global competitiveness.

## (2) Coatings Business

Taiwan's coatings industry is led by several major enterprises, including Nippon Paint and Taiwan-based paint manufacturers such as Yung Chi Paint & Varnish, Hsin Mei Hua Paint, and Shan Yeh Paint, while numerous small and medium-sized enterprises also participate in market competition. These companies focus on different market segments, including architectural coatings, industrial coatings, and automotive coatings. Large enterprises generally possess stronger R&D capabilities and greater market influence, whereas SMEs are more flexible in responding to market changes and provide diversified products and services. The coatings industry encompasses powder coatings and construction chemical applications, with intense market competition and rapidly changing technologies and trends. In 2025, Taiwan's construction chemicals market continues to remain highly competitive, with participation not only from local SMEs but also from multinational brands such as Sika, BASF, and Dow. Competition has evolved from focusing solely on product performance to broader capabilities such as system integration, sustainable materials, and smart construction solutions. As some products have relatively low technical barriers, market entry thresholds are not high, resulting in frequent price competition and significant quality differences. Large manufacturers leverage their brand strength and economies of scale to secure distribution channels and expand internationally, while the Company focuses on group-based customers by providing integrated solutions and stable supply services to establish long-term partnerships and create mutual value.

In terms of exports, the Mainland China market is affected by intense “involution” competition, leading manufacturers to shift toward Southeast Asia and compete primarily on low prices, thereby compressing overall profitability. Liquid coatings are mainly applied in interior and exterior walls as well as flooring. Among these, the exterior wall segment continues to show stable growth, while the flooring segment is gradually breaking the dominance of foreign brands, with Taiwanese companies actively increasing their market share.

In industrial coatings, the recovery of infrastructure investment in Mainland China has driven growth in anti-corrosion demand; however, the sector also faces pressures from product upgrading and environmental regulations. Flooring and coating products are evolving toward high abrasion resistance, chemical resistance, antibacterial performance, and energy efficiency. Demand is further supported by the expansion of logistics centers, semiconductor fabs, and cold chain facilities. Nevertheless, post-pandemic investment momentum has slowed, leading to short-term market consolidation, with a clear trend toward increased industry concentration and intensified competition.

The building materials chemicals sector covers a wide range of applications, including waterproofing systems, flooring materials, silicones, and coatings, and is characterized by broad applications and high technical requirements. Waterproofing materials are evolving toward water-based polymer systems, polyurea, and low-carbon polyurethane (PU) systems. In flooring materials, in addition to epoxy and PU systems, demand for high-performance products such as conductive, anti-static, high-cleanliness, and chemical-resistant flooring has increased significantly. These products are widely used in cleanrooms, food processing plants, and high-specification industrial facilities. With rising food safety standards, the strengthening of HACCP requirements, and the expansion of semiconductor, AI, and precision manufacturing industries, demand for high-performance flooring continues to grow. Silicone materials have also experienced rapid growth in recent years across electronics, solar energy, and electric vehicle applications, offering key properties such as electrical insulation, waterproofing, and thermal management, making them a highly promising strategic material. From a policy perspective, the government’s initiatives to promote urban renewal of aging buildings, public infrastructure development, and net-zero emissions policies—along with the introduction of green building materials and carbon inventory systems—are driving growth in demand for waterproofing, flooring, and weather-resistant coatings. In addition, the localization of manufacturing facilities in the technology industry is further increasing demand, while also raising requirements for low-VOC, high-durability, and high-cleanliness products.

Overall, the coatings industry is moving toward environmental sustainability, high efficiency, system integration, and sustainable development. Companies that possess comprehensive solution capabilities, cost-effective application systems, and integrated technical service capabilities will have stronger competitive advantages in the future. The Company will continue to deepen collaboration with group-level customers and strengthen its presence in the technology and high-end engineering markets. Through a strategy of stable supply and shared growth, it aims to further consolidate its market position.

(III) Technology and R&D Overview

1. R&D Expenses incurred in the most recent fiscal year and up to the date of annual report publication:

Unit: NT\$1,000

| Items        | 2025    | 2026 Q1 |
|--------------|---------|---------|
| R&D Expenses | 555,813 | 141,785 |

2. Technologies or products successfully developed in the most recent fiscal year:

| Items     | No. | New R&D Technology Or Improvement Project   |
|-----------|-----|---|
| Adhesives | 1   | ZDHC-compliant shoe adhesive and chemical system  |
|           | 2   | Eco-friendly water-based NUV treatment agent  |
|           | 3   | LED-based cold light irradiation treatment agent  |
|           | 4   | Bio-based waterborne hardener   |
|           | 5   | Water-based rubber treatment two-in-one system  |
|           | 6   | Low-temperature drying PUD development  |
|           | 7   | Low-residue protective film PSA   |
|           | 8   | Polarizer protective film PSA   |
|           | 9   | PSA for automotive display polarizers   |
|           | 10  | Heat-resistant UV debonding PSA   |
|           | 11  | High-performance air duct adhesive  |
|           | 12  | High heat-resistant solvent-based woodworking spray adhesive                            |
|           | 13  | Water-based resin for continuous processing of high water-pressure (1.5K) bag materials |
|           | 14  | Gravure ink resin   |
|           | 15  | Enhanced performance resin for textile bag yarn bonding                                 |
|           | 16  | Eco-friendly adhesive for PVC lamination in woodworking applications                    |
|           | 17  | High-solid-content PUD for printing inks  |
|           | 18  | Solvent-free two-component hook-and-loop (Velcro) adhesive system                       |
|           | 19  | High heat-resistant two-component PU potting compound for automotive lamps              |
|           | 20  | Low-carbon emission LPUR for woodworking lamination                                     |
| Coatings  | 1   | Water-based secondary cylinder coating  |
|           | 2   | Flooring sound insulation adhesive  |
|           | 3   | Sealant for aluminum frames   |
|           | 4   | Acrylic polyurethane weather-resistant topcoat  |
|           | 5   | Low-VOC water-based coatings for indoor and outdoor green building materials            |
|           | 6   | Water-based epoxy anti-static flooring coating  |
|           | 7   | Energy-saving thermal insulation mortar for buildings                                   |
|           | 8   | Green building exterior cement paint  |
|           | 9   | Epoxy flooring material incorporating recycled wafer silicon powder                     |
|           | 10  | Water-based chloroprene waterproof intermediate coating                                 |
|           | 11  | Special epoxy dip coating resin primer  |
|           | 12  | Epoxy conductive putty (defect repair material for powder-coated parts)                 |
|           | 13  | Powder coating for laptop casings   |
|           | 14  | Insulating powder coating for passive electronic components                             |
|           | 15  | Powder coating for potable water piping (drinking water applications)                   |
| Others    | 1   | Fluorine-free water-repellent agent for textiles  |
|           | 2   | Fluorine-free anti-wicking additive for shoelaces and webbings                          |
|           | 3   | Eco-friendly water-based polyurethane coating for high-durability automotive leather    |
|           | 4   | Coating-type LCP material for high-frequency applications                               |

| Items  | No. | New R&D Technology Or Improvement Project         |
|--------|-----|---|
| Others | 5   | Food-grade plastic-free paper coating             |
|        | 6   | High-solid-content water-based resin for textiles |
|        | 7   | Reactive PU-based waterproof primer resin         |
|        | 8   | Solvent-free UV protective coating for metals     |
|        | 9   | Materials for 5G and electronic applications      |
|        | 10  | Bio-based polyester polyols                       |

(IV) Long and Short-term Business Development Plans

1. Short-Term Development Plan

(1) Marketing Strategy

- A. Establish a profit mapping and sales analysis mechanism, focusing on core and high value-added products to enhance product portfolio competitiveness and market share.
- B. Strengthen distribution network layout by integrating agents and local distributors to expand into emerging markets (such as Southeast Asia and South Asia), while implementing localized real-time technical support services.
- C. Promote customized services and dedicated product development mechanisms to accelerate product introduction and enhance customer stickiness.
- D. Integrate digital marketing (advertising campaigns and social media engagement) with offline promotion (technical seminars and customer visits) to enhance brand visibility and reinforce technological leadership positioning.
- E. Develop a "One-Stop Material Solution" strategy and multi-functional product portfolio to deepen technical collaboration with key customers (such as sports brands).
- F. Establish an application case database and knowledge management system (e.g., waterproofing, flooring, energy-saving coatings) to improve bidding efficiency and market promotion effectiveness.
- G. Consolidate existing application markets (such as woodworking and packaging) while developing niche and differentiated products to expand market coverage.

(2) Supply Chain

- A. Establish a diversified supplier system and broaden raw material sourcing (including bio-based and recyclable materials) to reduce supply disruption risks and enhance bargaining power.
- B. Promote local procurement of key raw materials and implement safety stock mechanisms to reduce logistics and tariff risks, ensuring supply stability.
- C. Implement a digitalized supply chain management system to enhance transparency, flexibility, and responsiveness of the supply chain.
- D. Integrate Group-wide procurement demand and adopt a centralized purchasing mechanism to improve economies of scale and cost competitiveness.
- E. Strengthen collaboration with suppliers and industry peers (including low-carbon raw material development) to enhance supply chain support capabilities.
- F. Establish compliance and quality control mechanisms from raw materials to finished products (e.g., Restricted Substances List (RSL) management) to ensure regulatory compliance across the supply chain.
- G. Support local partner manufacturers in implementing consistent quality control and delivery management systems to improve overall supply chain quality and efficiency.

(3) Production Policy

- A. Establish global manufacturing bases and flexible capacity allocation mechanisms to respond to external environmental changes and optimize regional supply efficiency and cost structure.
- B. Promote the introduction of smart manufacturing and automation equipment, combined with process optimization and data analytics, to enhance production efficiency, yield, and quality stability.

- C. Continuously optimize product cost structure and production line configuration by adopting a combination of mass production and outsourced manufacturing to improve capacity utilization and operational efficiency.
  - D. Establish a product portfolio review mechanism to timely adjust low-margin products (including phase-out or outsourcing) to optimize product mix and profitability.
  - E. Strengthen the quality management system (including outsourced production and overseas sites) to ensure consistent global product quality and reduce defects and returns.
  - F. Promote green manufacturing practices (energy-saving equipment, solvent recovery, and waste reduction) to reduce carbon emissions and comply with environmental regulations.
  - G. Establish consistent testing and compliance standards across regions (e.g., Restricted Substances List (RSL)) to ensure compliance with international brand and regulatory requirements.
  - H. Allocate production capacity and product lines based on regional advantages (e.g., shifting specific products for localized manufacturing) to enhance market competitiveness and profit margins.
- (4) R&D Directions
- A. Develop new materials, processes, and cross-disciplinary applications in response to market and brand requirements, thereby expanding the product portfolio.
  - B. Focus on green and sustainable materials (such as water-based, solvent-free, bio-based, and recyclable materials) to promote low-carbon development and circular economy initiatives.
  - C. Strengthen R&D for electronics and new energy applications (e.g., battery modules, FPC, thermal management, and anti-static materials) to capture high-growth markets.
  - D. Develop environmentally friendly packaging products (e.g., compostable and recyclable adhesive materials) to support customers in achieving sustainability goals.
  - E. Continuously optimize existing products (performance enhancement and environmental improvement) and develop high-durability products (e.g., hydrolysis-resistant materials).
  - F. Develop high-performance specialized materials tailored to specific applications (such as urban renewal and old building renovation) to improve construction efficiency.
  - G. Establish industry-academia collaboration and cross-functional R&D mechanisms to foster technological innovation and strengthen patent portfolio development.
  - H. Enhance market demand research and rapid response capabilities to improve the linkage between R&D and market needs.
2. Long-term Development Plan
- (1) Accelerate the development of Tier 1 and Tier 2 customers, integrating cross-border channels and digital marketing (including big data and AI applications) to continuously expand overseas markets.
  - (2) Deepen global market presence (Southeast Asia, India, and Central and South America) by expanding production capacity and establishing local technical service centers to provide real-time technical support and customized solutions.
  - (3) Leverage existing technologies to extend into diversified application markets, combined with the Group's cross-border channel marketing to enhance market penetration.
  - (4) Integrate and vertically consolidate supply chain resources to strengthen core industry competitiveness and profitability.
  - (5) Optimize formulations and introduce cost-competitive raw materials, while increasing the proportion of low-carbon and locally sourced materials.
  - (6) Promote supplier ESG evaluation systems and gradually establish a sustainable supply chain framework.
  - (7) Collaborate with recycling material suppliers to develop recycled applications, promoting the reuse of production scraps and idle materials to reduce waste disposal costs and carbon footprint.

- (8) Invest in low-carbon processes and energy-saving equipment (such as heat recovery systems and solar photovoltaics) to improve overall production efficiency and reduce carbon emissions.
- (9) Establish a materials R&D center to develop bio-based raw materials, solvent-free formulations, waterborne resins, and graphene composites, while applying for international patents.
- (10) Promote sustainable material applications (recycled, bio-based, and CO<sub>2</sub>-based materials), increasing product share to over 30%, and develop recyclable and easy-disassembly adhesives to build a circular product life cycle management model.
- (11) Focus on high-value and smart material development (such as self-healing PUD and high-thermal-conductivity 2K PU), and expand into emerging technology applications such as AI, 5G, and IoT (including conductive and sensing adhesives for flexible electronics and wearables).
- (12) Develop fully degradable and smart disassembly technologies (such as material separation for end-of-life footwear) to address recycling challenges in composite materials.
- (13) Continuously optimize digital marketing strategies by integrating AI and data analytics to improve marketing efficiency.
- (14) Strengthen collaboration with academic institutions and industry partners to promote technology transfer, innovation, and practical application development.

## II. Market and Production/Sales Overview

### (I) Market Analysis

#### 1. Sales Regions of Main Products

Unit: NT\$1,000

| Region \ Year | 2024       |        | 2025       |        |
|---------------|------------|--------|------------|--------|
|               | Amount     | %      | Amount     | %      |
| Taiwan        | 3,210,772  | 13.97  | 3,719,357  | 16.03  |
| Asia          | 16,075,911 | 69.95  | 15,553,879 | 67.04  |
| Oceania       | 3,172,252  | 13.80  | 3,430,558  | 14.79  |
| Others        | 523,663    | 2.28   | 496,508    | 2.14   |
| Total         | 22,982,598 | 100.00 | 23,200,302 | 100.00 |

#### 2. Market Share

NanPao Group is committed to developing and manufacturing products tailored to customer needs, continuously improving formulations and reducing costs to remain competitive. Over the years, the Group has established strong and stable business partnerships with many international and regional footwear brands and their OEM/ODM factories. With a comprehensive product line, stable quality, and excellent service, Nan Pao enjoys a solid market share and visibility in various regional markets, along with a strong reputation and positive word-of-mouth.

According to 2025 statistics from the Industrial Economics and Knowledge Center (IEK) of ITRI, the global market size for adhesives and coatings reached USD 14,087 million and USD 20,784 million, respectively. NanPao's adhesives accounted for 3.65% of the global market, while coatings made up 0.27%.

#### 3. Future Supply-Demand Trends and Growth Potential

High value-added adhesives represent an attractive market. As adhesives and coatings are applied directly or indirectly to both essential and non-essential consumer goods, their industrial cycles are not particularly volatile. Compared to upstream bulk chemical manufacturers, this sector offers more opportunities for differentiation and added value. Capital expenditure by leading global adhesive companies typically ranges from 2% to 6% of revenue, highlighting the industry's low capital intensity. Some large enterprises use mergers and acquisitions to quickly enter new product fields and regions, especially where their current market presence is limited. The rise of the middle class and continued urban migration in emerging markets is also driving long-term urbanization, increasing consumer willingness to purchase high-value products.

According to research estimates, the global adhesives and sealants market is experiencing steady growth, with the market size projected to be approximately USD 60 to 75 billion in 2024. It is expected to continue expanding over the next decade at a compound annual growth rate (CAGR) of around 4.6% to 6.5%. The growth is driven by increasing demand from the construction, packaging, automotive, and electronics industries, while environmentally friendly and high-performance products (such as hot-melt adhesives) are gaining increasing preference. In the global athletic footwear market, the market size is projected to reach USD 11.6 billion in 2025 and is expected to grow to USD 190.87 billion by 2034, with a CAGR of approximately 5.76%. The market is currently dominated by major players such as Nike and Adidas, while emerging and performance-focused brands such as On, Hoka, and ASICS are rapidly gaining traction. Key growth drivers include demand for high functionality, fashion-oriented design, and rising health consciousness.

The coatings industry is not highly concentrated, with many global manufacturers. High-end products are mainly produced in the U.S. and Europe. In recent years, suppliers have expanded their geographic reach through investments, mergers, and acquisitions. Product innovation and R&D in production technology have become key strategies for market leadership. Taiwan mainly imports coatings from countries like Japan and the U.S., with unit import prices over ten times the average domestic sales price. Conversely, around 10% of Taiwan's coatings are exported annually to regions such as Mainland China and Vietnam. As a result, Taiwan's coating industry has historically focused on balancing cost and performance. However, under the guidance of the Ministry of Economic Affairs to promote high-value products and align with global trends in environmental protection and energy efficiency, Taiwanese coatings are gradually entering different market segments.

According to market research, the global coatings market is projected to grow from approximately USD 226.9 to 248.0 billion in 2025, with a compound annual growth rate (CAGR) of around 4.5% to 5.4%. It is expected to surpass USD 300 billion during the period of 2026 to 2035. The primary growth drivers include the recovery of the construction industry, increased automotive production (OEM demand), and technology upgrades driven by environmental regulations, particularly the transition toward waterborne and powder coating systems.

#### 4. Competitive Advantages

- (1) Collaborate with internationally renowned brands and manufacturing facilities to co-develop new technologies and products, continuously enhancing product quality and competitiveness while strengthening long-term partnerships.
- (2) Establish a comprehensive global footprint and localized technical service network, providing on-site technical support to meet customers' short lead-time requirements and reduce overall costs.
- (3) Maintain a diversified customer base across different industries and regions, effectively reducing exposure to single-industry or regional economic fluctuations.
- (4) Serve as a designated supplier for major sports footwear brands, leveraging technological advantages in water-based processes to simplify manufacturing steps and maintain industry leadership.
- (5) Ensure products comply with multiple international certifications, raising market entry barriers and creating competitive advantages.
- (6) Possess integrated material development capabilities and cross-technology platforms (including emulsion polymerization, PU synthesis, and pressure-sensitive adhesive design), enabling rapid response to market demand and providing one-stop system solutions from single materials to integrated systems.
- (7) Deeply cultivate the construction and urban renewal markets, with established track records in public infrastructure, social housing, school projects, and private developments, continuously strengthening brand trust and market influence.
- (8) Demonstrate strong project implementation and customization capabilities, providing tailored formulations and technical solutions based on different application scenarios, thereby reinforcing technical service advantages.

- (9) Maintain flexible global production and supply chain allocation capabilities to respond to trade barriers and tariff fluctuations, enhancing supply chain resilience and supporting restructuring in the footwear industry supply network.
  - (10) Promote process simplification and automation technologies to help customers address labor shortages and manufacturing transformation challenges, thereby improving production efficiency.
5. Favorable and Unfavorable Factors for Future Development and Countermeasures
- (1) Favorable Factors
    - A. Sufficient Capacity and Economies of Scale
 

The Group possesses decades of experience in the design, development, and manufacturing of adhesives. Backed by a strong R&D team and rigorous production and quality control systems, it can promptly adjust production processes to meet customer needs and help optimize existing products. With manufacturing bases in Thailand, Fuqing (Mainland China), Indonesia, Kunshan (Mainland China), Vietnam, Foshan (Mainland China), Dongguan (Mainland China), Australia, Malaysia, and Huai'an (Mainland China), the Group continuously expands capacity. Its large-scale operations, flexible production allocation, and specialized technical capabilities make it difficult for new entrants to compete and provide a key advantage in securing large international orders.
    - B. Globally Coordinated Production Model
 

The Group adopts a globally coordinated service model, offering not only high-quality products but also logistical support. Its strong production management and flexibility allow it to serve customers nearby in Taiwan, Mainland China, Southeast Asia, and Australia. Amid shifts in the global footwear industry, the Group leverages its broad deployment to offer seamless service. Its multinational presence and comprehensive product lines meet customer demands for short lead times, lower costs, and one-stop purchasing.
    - C. Strong Partnerships with Global Brands
 

Since its inception, the Group has focused on R&D for adhesives and coatings. In footwear adhesives, its product quality and consistency are widely recognized, securing orders from major international brands. With a strong R&D team, the Group continuously develops new products aligned with market trends to maintain its competitive edge. It conducts product testing and innovation projects with top-tier global footwear brands and manufacturers, using customer relationships to gain early market insights and refine specifications during product certification and development. The Group's long-standing relationships across the value chain enable it to co-develop new technologies and products with global brands and factories, ensuring ongoing product quality improvements and competitive positioning.
    - D. Decades of Key Technology and Product Development & Mass Production Capabilities
 

High product quality is essential for business sustainability, especially in the chemical industry where standards are stringent. The Group follows a comprehensive quality system and prioritizes product quality and customer service. It has built a strong R&D team and actively recruits and nurtures professionals in R&D and project management. On the foundation of existing technologies and materials, the Group continues to innovate and develop key technologies and new products.
    - E. Policy-Driven Demand Growth
 

Government policies such as "net-zero emissions," "urban renewal," "green building labeling," and "carbon footprinting for public construction projects" support the adoption of low-carbon, high-performance building materials.
    - F. Expansion into Emerging Application Scenarios
 

Silicone-based materials are expanding into applications such as electric vehicles, energy storage, and solar module packaging and sealing, opening up new opportunities for traditional building material companies to transform through advanced technologies.

(2) Unfavorable Factors and Countermeasures

| Unfavorable Factors   | Countermeasures   |
|---|---|
| <p>A. Significant fluctuations in raw material prices (affected by international crude oil and polymer monomers), increasing cost pressures</p> | <p>a. Maintain long-term partnerships with high-quality suppliers to secure better commercial terms.<br/>           b. Implement Group-wide bulk procurement to reduce overall purchasing costs through centralized negotiation.<br/>           c. Build a diversified supplier base and introduce regional sourcing to reduce single-supplier risks.<br/>           d. Develop alternative raw materials and optimize formulations to mitigate supply shortages and price volatility.<br/>           e. Establish a pricing adjustment mechanism to enable timely quotation updates or material substitution in response to raw material fluctuations.</p>   |
| <p>B. Intense price competition (price wars among peers and pressure from imported brands)</p>  | <p>a. Optimize product mix to reduce pricing pressure from single products.<br/>           b. Strengthen R&amp;D to develop high value-added and high-margin products.<br/>           c. Provide integrated solutions and technical services to enhance customer stickiness and differentiation.<br/>           d. Continuously improve manufacturing processes to increase yield and shorten lead time.<br/>           e. Establish a technical advisory team to support bidding, on-site training, and material selection.<br/>           f. Collaborate with academia and public institutions to enhance brand technical image and market visibility.<br/>           g. Flexibly utilize overseas capacity and outsourced manufacturing to strengthen supply allocation capability.<br/>           h. Strengthen customer relationship management and upstream collaboration to enhance loyalty and reduce price competition impact.</p> |
| <p>C. Increasingly stringent environmental requirements</p>   | <p>a. Shift from solvent-based to water-based products to reduce VOC emissions.<br/>           b. Develop bio-based and recyclable materials to reduce dependence on fossil resources.<br/>           c. Reduce the use of high-concern chemicals and actively seek alternative raw materials.<br/>           d. Implement product carbon footprint management to meet public procurement, export environmental requirements, and sustainability disclosure needs.<br/>           e. Establish regulatory early-warning systems to respond to SVHC and other high-risk substance updates and accelerate alternative formulation development.<br/>           f. Obtain third-party green certifications (e.g., Bluesign, ZDHC) to enhance compliance and market competitiveness.</p>   |
| <p>D. Growing demand in high-end markets (e.g., energy-saving, low-carbon, emerging applications)</p>   | <p>a. Invest in the development of energy-efficient coatings and low-carbon material products.<br/>           b. Expand into emerging applications such as electric vehicles and electronic potting adhesives.<br/>           c. Leverage industry-academic collaboration and overseas distribution networks to gain third-party certifications and accelerate market adoption.<br/>           d. Promote successful case studies to strengthen the brand's positioning in the high-end engineering market.</p>   |
| <p>E. Risks arising from global trade barriers and tariff fluctuations</p>  | <p>a. Promote local sourcing, local production, and local supply to reduce tariffs and cross-border trade costs.<br/>           b. Establish a global flexible capacity allocation mechanism to respond agilely to geopolitical risks and tariff fluctuations.</p>  |

(II) Primary Applications and Production Processes of Main Products

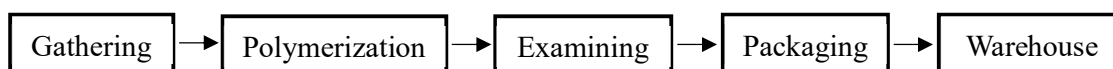
1. Primary Applications of Main Products

| Category  | Main Products  | Application Description  |
|-----------|--|--|
| Adhesives | High-performance footwear adhesives  | Various water-based and solvent-based PU adhesives for footwear, surface treatment agents, and adhesives designed for automated applications with reduced VOC content. Mainly supplied to brand clients. |
|           | Primers  | Surface primers tailored for different shoe materials to enhance subsequent adhesive bonding.  |
|           | Footwear outsole or midsole additives  | Used in footwear outsole and midsole applications to enhance athletic performance and meet brand requirements.   |
|           | Low-residue protective film PSA  | Used in advanced electronic manufacturing processes as a protective film, featuring low initial tack, stable adhesion, and low contamination characteristics.  |
|           | Polarizer protective film PSA  | Exhibits controlled peel behavior across different speeds, low tackiness, anti-static properties, low peel charge, and stable adhesion performance.  |
|           | PSA for automotive display polarizers  | Used for polarizer lamination as a PSA, providing high refractive index, excellent weather resistance, and superior optical properties, suitable for automotive displays and IPS LCD panels.             |
|           | Heat-resistant UV debonding PSA  | Applied in wafer dicing tape, featuring high initial adhesion and post-process heat-induced debonding, enabling easy removal without residue contamination.  |
|           | High-performance air duct adhesive   | Used in HVAC duct applications, providing excellent bonding strength between high-density specialty foam and galvanized steel sheets.  |
|           | High heat-resistant solvent-based woodworking spray adhesive                     | Spray-type adhesive enables fast application for woodworking lamination, with heat resistance up to 140°C, suitable for kitchen and high-temperature interior applications.                              |
|           | Water-based resin for high water-pressure (1.5K) continuous processing materials | Applied in industrial bag materials.   |
|           | Gravure Ink Resin  | Applied in apparel, footwear upper fabric patterns, and logo printing applications.  |
|           | Enhanced-Performance Resin for Textile Bag Yarn Bonding                          | Applied in bag linings and footwear upper yarn bonding applications.   |
|           | Low-Carbon LPUR for Woodworking Lamination                                       | Used in woodworking lamination and assembly applications, featuring solvent-free and low-carbon emission characteristics, and widely adopted in overseas woodworking markets.                            |
|           | Benzene-free PU adhesives for decorative board lamination (KD)                   | Used for bonding PP boards. After lamination, customers use the boards for decorative surfaces in indoor and outdoor furniture.  |

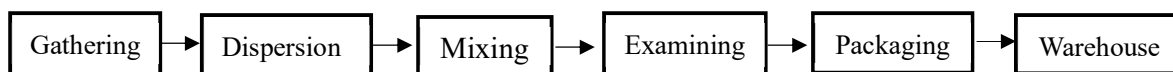
| Category                   | Main Products   | Application Description  |
|----------------------------|---|--|
| Adhesives                  | Organic tin-free and benzene-free solvent-based PU resin for hook-and-loop (Velcro) applications  | Used for hook-and-loop (Velcro) back coating, providing strong fiber adhesion and excellent weather resistance, and complies with Bluesign and ZDHC standards.   |
| Coatings                   | Flooring coatings   | Protective coatings for industrial flooring and parking lot flooring applications  |
|                            | Soundproof flooring materials   | Applied to concrete layers in residential floors/walls (living rooms, kitchens, bedrooms, etc.) as a multi-functional composite material offering sound insulation, noise reduction, and basic waterproofing.  |
|                            | Interior/exterior wall decoration and waterproof coatings   | Architectural coatings serve decorative, protective, and environmental enhancement functions. Water-based waterproofing systems also provide weather resistance and aesthetic appeal.  |
|                            | Industrial coatings   | Coatings for various industrial products   |
|                            | Food can coatings   | Prevent corrosion of can walls and inhibit the leaching of metal ions.   |
|                            | T43 series powder coatings  | Formulated primarily with epoxy resin for chemical and corrosion resistance. Applied to oil and gas pipeline valves, construction rebar, large/small diameter pipe coatings, drums, and internal/external water pipelines and valves.  |
|                            | T75 series powder coatings  | Formulated with polyester and epoxy resin blends. Used for post-processing applications such as office furniture, hardware, machine tools, machine tool housings, home appliance shells, electrical cabinets, storage racks, sporting equipment, and automotive parts like aluminum wheels and roof racks. |
| T90 series powder coatings | Formulated with PVDF (polyvinylidene fluoride) fluorocarbon resin for superior weather resistance. Applied to aluminum windows, curtain walls, panels, high-end fences, handrails, and heat transfer printing on aluminum or iron products. |  |

## 2. Production process

### (1) Adhesives



### (2) Coatings



### (III) Supply Status of Main Raw Materials

The Group's main raw materials include adipic acid, banana oil, butanediol, methyl ethyl ketone, VAE latex, vinyl acetate, toluene, hydrogenated petroleum resin, hexamethylene diisocyanate, and chloroprene rubber. These materials are supplied by reputable domestic and international manufacturers, ensuring sufficient supply and stable quality. The Group has established strong relationships with its key suppliers and maintains at least two sources for each material to ensure uninterrupted production.

### (IV) Major Suppliers and Customers

- Suppliers accounting for over 10% of total purchases in any of the past two years, along with their purchase amounts and ratios, and reasons for any changes: None.
- Customers accounting for over 10% of total sales in any of the past two years, along with their sales amounts and ratios, and reasons for any changes: None.

### III. Employee Information

| Year   |                    | 2024  | 2025  | As of March 31,<br>2026 |
|--|--------------------|-------|-------|-------------------------|
| Number of employees                            | Sales              | 614   | 653   | 653                     |
|  | Administration     | 817   | 849   | 860                     |
|  | R&D                | 346   | 354   | 354                     |
|  | Direct             | 931   | 1,024 | 1,042                   |
|  | Indirect           | 628   | 669   | 666                     |
|  | Total              | 3,336 | 3,549 | 3,575                   |
| Average Age                                    |                    | 38.64 | 38.89 | 38.07                   |
| Average Work Tenure                            |                    | 7.71  | 7.21  | 8.33                    |
| Percentage Distribution Academic Qualification | Ph. D.             | 0.21  | 0.20  | 0.20                    |
|  | Master's Degree    | 7.37  | 7.18  | 7.24                    |
|  | University/College | 40.59 | 40.97 | 40.76                   |
|  | High School        | 36.12 | 34.43 | 34.52                   |
|  | Below High School  | 15.71 | 17.22 | 17.29                   |

### IV. Environmental Protection Expenditures

For the most recent fiscal year and up to the date of this annual report, losses resulting from environmental pollution are disclosed below, along with any estimated amounts and response measures currently or potentially incurred in the future.

Unit: NT\$1,000

| Event Description  | Fine | Response Measures   | Expenditure |
|--|------|---|-------------|
| 1. Penalized Entity: Nan Pao Resins (Vietnam) Enterprise Ltd.<br>2. Penalty Date: June 12, 2025<br>3. Penalty Reference No.: 240/QD-XPHC<br>4. Violated Regulation: Pursuant to Clause 5(a), Article 14 of Decree No. 45/2022/ND-CP issued by the Government dated 7 July 2022; and Clause 7(b), Article 9 of Decree No. 118/2021/ND-CP issued by the Government dated 23 December 2021<br>5. Nature of Violation: Failure to obtain an environmental permit within the issuance authority of the District-level People's Committee as required by regulations<br>6. Penalty Details: VND 65,000,000 fine (approximately NT\$ 78,000). | 78   | 1. The environmental permit was obtained on 24 June 2025. | -           |

**V. Labor Relations**

(I) Employee Welfare Measures, Training, Retirement System, and Labor Relations Agreements:

1. Employee Welfare Measures

- (1)The Company’s year-end bonus policy is based on annual profitability. After considering the performance evaluation results, bonuses are distributed to all employees as motivation to work together toward the Group’s goals.
- (2)The Company has established a comprehensive and legally compliant leave policy and enforces effective leave management. In addition to legally mandated leave, the Company monitors the use of annual leave across departments and encourages employees to maintain a work-life balance.
- (3)To help employees balance work and family responsibilities and ensure commuting safety, the Company adopts a flexible work schedule during commute hours. This improves punctuality, reduces absenteeism, and enhances employee autonomy.
- (4)An Employee Welfare Committee is established to plan and offer a wide range of benefits, including travel subsidies, holiday gifts or vouchers, birthday gifts, marriage allowances, housewarming gifts, childbirth subsidies, as well as consolation payments for illness or bereavement. The Company also provides free health checkups during paid leave.
- (5)To strengthen employee cohesion, improve performance, and encourage savings and financial planning, since 2019 all employees have been eligible to participate in the Employee Stock Ownership Trust in accordance with its charter. The Company provides matching contributions to encourage employees to hold Company shares for the long term and foster a partnership relationship where employees are also shareholders. As of 2025, the participation rate of the headquarters employee stock ownership trust has reached 73.29%.

2. Employee Education and Training

To cultivate proactive and innovative talent and to provide a platform for employees to achieve their potential within the Company, in addition to comprehensive onboarding training and support for new employees, the Company also ensures open career development pathways. The relevant initiatives are as follows:

- (1)From the beginning of employment, new employees receive onboarding training that introduces the Company’s corporate philosophy, including its CSR policies. “Nan Pao e-Learning Academy” is the Company’s primary employee learning platform. Through this system, employees participate in various training programs tailored to different professional fields, supporting a comprehensive talent development plan.
- (2)The Company’s training system is categorized into five main areas: New Employee Training, Personal Competency Development, Professional Knowledge Enhancement, External Training Programs, and Management Training. These categories support structured development of role-specific and level-specific professional skills. Based on individual job requirements, performance evaluations, and career development needs, employees are offered diverse training opportunities, such as on-the-job training, classroom sessions, coaching, mentoring, and job rotation.

A.New Employee Training: Divided into two stages. The first includes mandatory EHS courses and an overview of the Company’s development strategy, management policies, and department introductions, helping new hires integrate quickly into the culture and work environment. The second stage provides professional training specific to job roles.

|                       |  |
|-----------------------|--|
| New Employee Training | <ul style="list-style-type: none"> <li>● Objective: Help new employees quickly integrate into the Company and its culture, build a sense of belonging and identification, and understand occupational safety, health, and chemical-related regulations.</li> <li>● Target Audience: New employees</li> <li>● 2025 Training Data: 70 hours of courses; 70 participants</li> <li>● Training Focus: Introduction to corporate culture, practical exercises, and interactive learning to enhance awareness of safety, health, and chemical regulations.</li> </ul> |
|-----------------------|--|

- B. Personal Competency Development: Based on shared employee competencies, this category offers primarily in-person and some online courses to enhance skills like cross-functional communication, project management, sales techniques, and risk management. Advanced elective courses are also provided based on years of service.
- C. Professional Knowledge Enhancement: Aligned with the Company’s strategic development plans, employees are assigned annually to participate in domestic and international industry and management seminars and forums. Combined with technical guidance from consulting firms and suppliers, these programs help enhance the Company’s technological capabilities, support new product development, introduce innovative concepts, and strengthen management competencies.
- D. External Training Programs: To support employees’ job requirements and professional skill development needs, the Company provides information on external training programs for employees to apply for participation. These programs are intended to strengthen employees’ professional knowledge and capabilities, enhance organizational competitiveness, and achieve organizational objectives.
- E. Management Training: For managerial-level employees, the Company designs a series of management training courses based on management competencies, with the objective of cultivating high-quality management talent and enhancing overall management effectiveness.

|                                   |   |
|-----------------------------------|---|
| Leadership<br>Excellence Training | <ul style="list-style-type: none"> <li>● Objective : To cultivate managers with a forward-looking perspective and high-impact leadership capabilities by strengthening strategic thinking, decision-making, cross-functional communication, and talent development, thereby enhancing overall team performance.</li> <li>● Target Participants : Middle and senior managers as well as first-line supervisors</li> <li>● 2025 Training Scale : Total training hours of 982 hours, with 110 participants.</li> <li>● Development Focus : Through leadership courses, participants enhance decision-making and judgment capabilities; case-based simulations are used to strengthen problem-solving skills; scenario-based role-playing develops core competencies in communication, coordination, and team motivation. In addition, the program integrates individual career planning and reflective feedback mechanisms to support continuous managerial growth and enable leaders to guide their teams toward excellence.</li> </ul> |
|-----------------------------------|---|

- (3) Since 2022, the Company has incorporated continuous improvement expertise into its training programs and integrated the Company’s core values and objectives, coordinated by management, into employees’ annual performance targets (KPIs). Through continuous improvement initiatives, systematic approaches are adopted to address workplace issues and solve problems based on the PDCA framework. In addition, the Company holds achievement presentation sessions twice annually to encourage employees to share their problem-solving experiences and apply these systematic solutions to their daily work.
- (4) The Company emphasizes cross-functional collaboration to establish key tasks as well as short-, medium-, and long-term objectives, and provides corresponding training programs aimed at enhancing employees’ professional capabilities. A case management and experience-sharing mechanism has also been established to facilitate knowledge transfer and experience inheritance. To further stimulate employees’ innovative potential, the Company actively organizes annual R&D competitions, reading and discussion sessions, seminars, and other activities to foster an innovative culture and encourage employees to incorporate innovative concepts and ideas into their daily work.

- (5) To help both the Company and employees rapidly enhance capabilities and adapt to the fast-changing business environment, the Company has actively promoted digital learning in recent years. Through digital systems such as the Nan Pao e-Learning Academy platform and online English learning platforms, the Company creates an innovative and diversified learning environment that enables employees to engage in learning activities without time or location constraints, while applying learning outcomes to the workplace to continuously improve work efficiency.
- (6) In 2025, a total of 21,157 training participations were recorded across the various academies on the Company's learning and development platform, representing an average of 27.06 training sessions per employee annually, with total training hours amounting to 20,411 hours.
3. Retirement System and Implementation:
- (1) The Company has established a "Labor Retirement Regulations."
- (2) In accordance with applicable laws and regulations, the Company has established a Labor Pension Reserve Supervisory Committee and makes monthly pension contributions in full, which are deposited into the trust department account at the Bank of Taiwan.
- (3) Since July 2005, the Company has implemented the new labor pension system in accordance with the law. Based on the monthly labor pension contribution wage grading table, the Company contributes 6% of each employee's monthly salary as labor pension contributions, which are deposited into employees' individual pension accounts maintained by the Bureau of Labor Insurance.
- (4) In accordance with International Accounting Standard No. 19, the Company engages actuaries to evaluate and calculate labor pension reserves and to issue actuarial valuation reports.

| Pension System         | Old System  | New system  |
|------------------------|---|---|
| Applicable Legal Basis | Labor Standards Act   | Labor Pension Act   |
| Contribution Method    | Monthly contributions are made to the labor retirement reserve fund (at a contribution rate of 15%) deposited with the Central Trust Bureau | Monthly contributions are made at 6% of the labor pension wage grading table and deposited into individual accounts administered by the Bureau of Labor Insurance |
| Contribution Amount    | As of 1 January 2026, the balance of the labor retirement reserve account was NTD 382,991 thousand  | The Company contributed NTD 27,472 thousand in 2025   |

4. Labor-Management Agreements Implementation

- (1) The Company maintains harmonious labor-management relations. To uphold workplace order and discipline, the Company has established work rules to provide employees with clear guidelines and standards for compliance. In addition, employees may communicate with the Company regarding various policies, systems, and workplace environment matters through multiple communication channels. Such feedback also serves as an important reference for administrative management while helping maintain positive interaction between labor and management.

| Communication Channel         | Target Audience                      | Content  | Frequency       |
|-------------------------------|--------------------------------------|--|-----------------|
| HR Director Mailbox           | All employees                        | Reporting of fraud and sexual harassment complaints  | Anytime         |
| CEO Hotline                   | Employees and investors              | Issues related to the Company's operations   | Anytime         |
| Website Customer Service Line | All employees and external personnel | Any issues or inquiries  | Anytime         |
| Bi-weekly Meetings            | All employees                        | Senior management and supervisors report on the Company's operational policies, strategic direction, and business performance to employees | Every two weeks |

| Communication Channel      | Target Audience                    | Content   | Frequency   |
|----------------------------|------------------------------------|---|-------------|
| Labor Union Forums         | Union members                      | Communication and discussion regarding employee welfare, labor-management issues, and matters concerning union members  | Once a year |
| Toolbox Meetings           | Production units                   | Employees may raise any issues, including work-related questions or workplace concerns, during meetings, with supervisors and responsible personnel providing clarification and support | Weekly      |
| Welfare Committee Meetings | Employee Welfare Committee members | Explanation of employee welfare activities and the status of fund utilization to welfare representatives appointed by each plant/site   | Quarterly   |

(2) Employee Experience Survey

In August 2025, the Company’s Human Resources Department conducted an Employee Experience Survey for headquarters staff to understand the organizational climate and address key issues through in-depth discussions, interviews, and improvement plans. The survey covered seven dimensions: compensation, development, promotion, collaboration, work engagement, leadership, and sustainability. The survey achieved a 79% employee response rate, and 74% of headquarters employees expressed strong identification with the Company. The Company plans to formally implement a recognition tracking mechanism, using 2026 data as the baseline to establish annual, incremental quantitative targets, aiming to achieve sustained improvement in organizational identification over time.

|                           |  |
|---------------------------|--|
| Target Audience           | All Headquarters Employees   |
| Survey Dimensions         | Compensation, Development, Promotion, Collaboration, Work Engagement, Leadership, Sustainability   |
| Number of Respondents     | 630  |
| Coverage Rate             | 79%  |
| Survey Frequency          | Annual   |
| Overall Satisfaction      | 4.43 (Scale: 1–6)  |
| Survey Findings           | The overall employee experience at the Company is above industry benchmarks, with 74% of headquarters employees expressing strong identification with the Company.   |
| Improvement Measures Plan | Based on the survey results, the following initiatives will be continuously implemented in 2026 : <ul style="list-style-type: none"> <li>● Targeted Benefits Optimization: Develop projects to improve benefit items that received lower satisfaction scores in the survey, ensuring that resources are precisely aligned with employees’ core needs.</li> <li>● Effectiveness Tracking: Establish an annual comparison mechanism to monitor satisfaction improvements after benefit optimizations, using the results as a basis for future adjustments to policies and programs.</li> </ul> |

(3) Work Rules and Employee Code of Conduct

To maintain workplace order and clearly define the rights and obligations between the employer and employees, the Company has established the “Employee Work Rules” in accordance with applicable laws. The rules have been approved by the competent authority and publicly disclosed, serving as the basis for personnel management. The Work Rules clearly stipulate matters including position, job title, appointment, service conditions, leave, salary, rewards and penalties, performance evaluation, promotion, benefits, layoff, occupational injury compensation, and retirement.

The Company also expects every employee to strive toward achieving the highest business objectives and to enhance personal ethical standards. Accordingly, the “Nan Pao Resins Group Employee Code of Conduct” has been established, the key principles of which are summarized as follows:

- ① Prevention of conflicts of interest: Employees shall prioritize the Company's interests when performing duties, maintain objectivity and impartiality, and shall not use their authority or opportunities to obtain improper benefits for themselves or any third party.
- ② Prohibition of competing activities: Without Company approval, employees shall not engage in any concurrent employment, investment, or positions in competing businesses, and must truthfully report family relationships to avoid conflicts of interest.
- ③ Confidentiality obligation: Employees are required to maintain confidentiality of all information obtained through their duties and shall not disclose or release such information externally without authorization.
- ④ Fair dealing: Employees shall treat all business counterparts fairly and shall not offer or accept improper benefits, nor use false or unfair means to influence transactions.
- ⑤ Protection and proper use of Company assets: Company assets must be properly safeguarded and used solely for legitimate business purposes, and shall not be misused, abused, or wasted.
- ⑥ Legal compliance: Employees shall comply with applicable laws and Company regulations, uphold integrity and fair competition, and management personnel shall also comply with insider trading regulations.
- ⑦ Safety and fair treatment: The Company provides a safe and non-discriminatory workplace, prohibits harassment, discrimination, and inappropriate behavior, and encourages reporting of unsafe conditions.
- ⑧ Accounting and internal control: Employees shall comply with accounting standards and internal control systems to ensure accurate and complete transaction records, and shall not impair the integrity of financial statements.

#### 5. Measures for the Protection of Employee Rights and Interests

- (1) In accordance with the Personal Data Protection Act, the Company safeguards job applicants' personal information and ensures that such data is not used for purposes beyond recruitment without the applicant's consent. All hiring practices and employment systems comply with labor laws and Company policies, upholding fairness and non-discrimination, prohibiting child labor, and banning forced or compulsory labor.
- (2) The Company actively promotes and implements gender equality by narrowing the gender gap through institutional measures. Regarding gender diversity indicators, in 2025 female employees account for 30.06% of the workforce, female managers represent 18.12% of all management positions, and women in senior management account for 10.87% of all senior management roles. The Company is committed to continuously setting improvement targets to foster a gender-friendly workplace.
- (3) The Company values employees' rights and welfare and shares operational profits with staff. It also provides a supportive work environment with holistic physical and mental care for employees of all backgrounds:
  - A. Employment of persons with disabilities has reached 100% of the legal target, with job roles and workplace facilities tailored to individual needs.
  - B. For foreign employees, the Company has implemented specific programs for recruitment, integration, cultural inclusion, and occupational health and safety.
  - C. The Company empowers female employees in a supportive work environment, ensuring that all genders feel secure and respected at work.
- (4) To acknowledge the hard work of employees, the Company provides job allowances based on the specific nature of work. To motivate performance, various incentive bonuses such as sales bonuses, production bonuses, R&D bonuses, and proposal bonuses are offered. Additionally, the Company has established comprehensive reward systems to retain talented employees by offering competitive compensation and benefits.

- (5) To ensure smooth labor-management communication, the Company regularly conducts labor-management meetings, bi-weekly meetings, department head exchanges, forums, and toolbox meetings to address issues related to policies and the work environment.
  - (6) The Company has established whistleblower mailboxes and hotlines for employees, external parties, and vendors to report any misconduct related to financial matters, legal violations, or integrity concerns. A whistleblower protection mechanism is in place to safeguard the identities and information of whistleblowers and participants in investigations, strictly prohibiting any unfair treatment or retaliation against those who report in good faith or assist in investigations.
- (II) Disclosure of Losses Due to Labor Disputes for the Most Recent Year and up to the Annual Report Publication Date, Including Potential Future Estimates and Response Measures: None.

## VI. Information and Communication Security Management

### (I) Description of Information and Communication Security Risk Management Framework, Policies, Specific Management Plans, and Resource Investment:

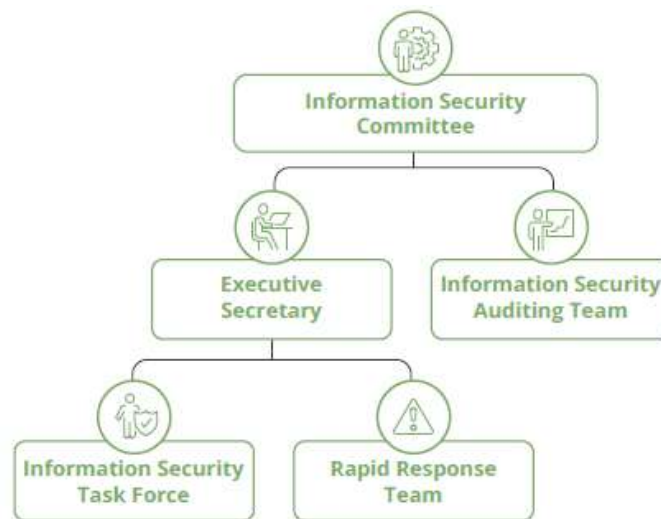
#### 1. Information and Communication Security Risk Management Framework

In 2021, the Company established the “Information Security Committee” responsible for planning and executing information operations security management, building and maintaining the information security management system (ISMS), formulating and implementing related policies, overseeing risk management, and ensuring compliance. The committee is chaired by the CEO, with IT Department’s Assistant VP, Mr. Pei-Yi Kuo, serving as Chief Information Security Officer (CISO) and Executive Secretary. Members of the committee include senior executives from all major functional units such as the Adhesives and Specialty Business Division, Sports Goods Adhesives and Materials Business Division, Paints and Coatings Business Division, Operation Management Division, Financial Management Division, R&D Innovation Division, HR, Legal, IT, and Auditing Office. Additionally, the “Information Security Audit Task Force” and the “Information Security Implementation Task Force” were formed to oversee the Company’s information and physical security planning and audits, and also lead the committee’s operations.

Responsibilities of the Information Security Committee:

- (1) Formulate and periodically review the information security management policies and regulations.
- (2) Convene regular review meetings to ensure smooth operation of the management mechanisms, and report annually to the Board of Directors.
- (3) The IT department includes a Chief Information Security Officer, security officers, and staff who oversee all cybersecurity policies and the design and implementation of the cybersecurity defense structure.

[Diagram: Organizational Structure for Information Security]



#### 2. Information and Communication Security Policy

The Company’s Information Security Policy applies to both the parent company and all domestic and overseas subsidiaries. It is guided by the following principles:

- (1) Strengthen information security management to ensure the confidentiality, integrity, and availability of information assets.
- (2) Provide an information environment that ensures business continuity.
- (3) Comply with applicable regulations to avoid internal and external threats, whether intentional or accidental.

The objectives of the Company's Information Security Policy are:

- (1) Ensure the confidentiality, integrity, and availability of the Company's information, as well as compliance of management systems and processes with applicable regulations.
- (2) Strengthen defense-in-depth capabilities across four key dimensions—organization, personnel, processes, and technology—thereby enhancing the resilience of core information and communication systems and ensuring business continuity.
- (3) Regularly review the effectiveness of risk management measures and information security incident response procedures in response to changes in internal and external cybersecurity conditions.
- (4) Implement robust protection of sensitive information and data backup/recovery operations in order to prevent improper use, alteration, or damage to information assets caused by human error, malicious acts, or natural disasters, thereby avoiding disruptions to business operations and safeguarding the Company's interests and competitiveness.
- (5) Properly protect customer information and privacy regardless of the customer's region or country, irrespective of whether local legislation is in place.

To further strengthen information security management, the Company has implemented and established a comprehensive Information Security Management System (ISMS) to reduce cybersecurity threats from the perspectives of systems, technology, and procedures, thereby creating an information security protection environment that meets customer requirements. The Company obtained ISO 27001:2022 certification in 2025, with the certificate valid from July 22, 2025 to July 22, 2028.

Through the establishment of this Information Security Management System and the implementation of the PDCA (Plan-Do-Check-Act) methodology, the Company continues to enhance daily information security management and incident response capabilities, safeguard the security of information assets, and ensure the Company's competitiveness.

- (1) Plan--Emphasis is placed on information security risk management. To strengthen information security, the Company introduced the ISO 27001 Information Security Management System certification in 2022, ensuring that all information systems operate under standardized management procedures. This reduces security vulnerabilities and operational disruptions caused by human error, while continuous improvement is achieved through annual surveillance audits.
  - (2) Do--Established multi-layered information security protection mechanisms and continues to introduce new cybersecurity risk control technologies to improve the efficiency of detection and response procedures for various cybersecurity incidents. In addition, information security and network security protection processes are continuously strengthened to safeguard the Company's critical assets.
  - (3) Check--Regularly monitors the effectiveness of information security management indicators and undergoes annual third-party surveillance audits of the management system. In addition, external cybersecurity service providers are engaged to conduct vulnerability scanning on servers and systems to ensure the continuous enhancement of information security management and defense capabilities.
  - (4) Act--Conducts ongoing review and continuous improvement. Employees and contractors who violate information security regulations and procedures are subject to disciplinary actions in accordance with relevant policies. In addition, the Company continuously provides information security education and training for all employees to strengthen cybersecurity awareness.
3. Specific Management Plans
- (1) Security Awareness Training  
Regularly conducts information security education and awareness programs and has also developed online training courses to enhance employees' awareness of information security and promote proper cybersecurity practices.

- A. In 2025, all 48 newly hired employees at headquarters completed a one-hour pre-employment information security training course. In addition, information security supervisors and personnel participated in the “2025 Information Security Video Training Program for Listed Companies” organized by the Taiwan Stock Exchange. The program consisted of six hours of online courses covering the following topics: a. Impact of AI on Information Security and Countermeasures (2 hrs); b. Cyberattack Methods and Key Defense Strategies (2 hrs); c. Cybersecurity Attack and Defense Techniques, Incident Handling, and Remediation Measures (2 hrs). The course completion and examination pass rate reached 100%.
  - B. The Company distributes information security policy awareness announcements via email twice per month. In addition, during the weekly meeting held on March 12, 2025, an “Information Security Awareness Session” was arranged to communicate important cybersecurity protection requirements and precautions. A total of 356 participations were recorded, amounting to 89 training hours. Furthermore, the Group conducted a social engineering phishing email simulation exercise in December, involving a total of 500 participants.
- (2) Information System Security Management
- A. All company servers, personal computers, and laptops are installed with antivirus software with automatic virus definition updates, and their update status is regularly reviewed. In addition, endpoint detection and response (EDR) software is deployed to monitor abnormal behaviors.
  - B. Security patch updates for system vulnerabilities are promptly deployed to all servers, personal computers, and laptops to ensure that security patch management is properly implemented.
  - C. The email system is equipped with information security modules, including spam filtering, malicious email detection, and email archiving and audit functions, to enhance overall email security.
  - D. For application systems and databases, daily data backups are performed in accordance with the 3/2/1 backup principle (three copies of data, stored on two different media types, with one copy stored offsite). System data restoration drills are conducted annually, and daily backup results are monitored to ensure data storage security.
  - E. Administrative privileges are removed from departmental users, and only Company-authorized legitimate software is permitted. Unauthorized or non-business-related software cannot be installed or used, ensuring compliance with software licensing regulations and reducing the risk of malware or backdoor infections from illegal software.
  - F. When outsourcing information system services, potential security risks are carefully assessed in advance, and appropriate information security and confidentiality agreements are signed with vendors.
  - G. Internal information security audits are conducted annually, and external ISO 27001 audits are also performed to ensure the implementation and continuous improvement of management procedures.
- (3) Network Security Management
- A. External service application systems are isolated from the public internet through firewalls. Access ports are restricted to block malicious connections, and abnormal connection reports are regularly reviewed.
  - B. Firewalls are deployed at the Company’s external network perimeter to filter all incoming and outgoing traffic. Any network traffic that violates security policies is blocked, and abnormal activity reports are regularly reviewed for analysis and response.
  - C. Personal computing devices is strictly controlled. Non-company-authorized devices are detected and blocked to prevent unauthorized access via personal equipment and to avoid leakage of confidential corporate information.

- D. Internal firewalls are implemented to achieve a defense-in-depth security architecture, protecting critical information across departments from external cyberattacks, while also enabling application-level access control.
- (4) System Access Control
- A. When employees are newly hired, transferred, or resigned, they are required to submit requests through the system. The Information Security personnel are notified to create, modify, or delete user access rights accordingly, ensuring system access security.
  - B. All information systems are required to implement account and password controls. User passwords must comply with security policies, including minimum length and complexity requirements, and users are required to change passwords periodically.
  - C. Access to internal application systems is granted based on job requirements. Users must submit IT service requests through the system, which are then reviewed by the relevant supervisors. The IT Department subsequently configures system access rights upon approval.
  - D. For vendor system development and maintenance activities, access privileges are strictly limited to the necessary scope. Long-term system accounts and passwords are strictly prohibited. When necessary, short-term or temporary accounts and passwords are issued after system application approval and are immediately revoked upon completion of the assigned tasks.

(5) Security Operations and Sustainability

- A. An Information Security Committee has been established to formulate and promote information security policies and management procedures, review cybersecurity issues and response measures, and require all employees to comply in order to safeguard the Company's information security. Day-to-day information security operations and maintenance are managed by the IT Department.
  - B. The Company obtained ISO 27001:2022 certification in 2025. Its subsidiary Vietnam Nan Pao, also obtained re-certification under ISO 27001:2022 in 2025. Through comprehensive management procedures and effective implementation, the Company further strengthens its information security management system to protect both corporate and customer information assets. Annual external audits are conducted to ensure compliance and continuous improvement of management processes.
  - C. In compliance with Article 9-1 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission, and as a Tier 2 listed company under the classification standards, the Company has appointed two dedicated information security personnel, including one Chief Information Security Officer and one information security specialist, since 2022.
  - D. The Company has established and implemented daily information security monitoring procedures. In the event of an information security incident, the designated information security incident management procedures are followed to promptly notify relevant supervisors and information security personnel, enabling appropriate response actions and rapid system recovery.
  - E. The Information Security Committee regularly assesses the potential financial impact of cybersecurity risks. Where necessary, appropriate cyber risk insurance is arranged to mitigate potential losses arising from information security incidents.
4. Resource Investment in Information Security Management

The Company has established a defense-in-depth cybersecurity protection mechanism to mitigate operational disruption risks caused by information security incidents, ensure business continuity, and effectively support operational performance. The cybersecurity protection is implemented across multiple layers, including network, endpoint, data, and cloud. Key investments and measures at each layer include:

- (1) Deployment of firewalls, blocking of non-company devices from network access, and strengthening of encryption certificates to establish a secure remote working (WFH) connection architecture that complies with information security standards.
- (2) Implementation of software vulnerability patch management for both servers and user endpoints, restriction of data-sharing channels between endpoints to prevent malware propagation, and establishment of a Storage High Availability (HA) architecture for critical systems to ensure service availability.
- (3) Deployment of Endpoint Detection and Response (EDR) mechanisms to effectively monitor abnormal endpoint behaviors, identify potential cyber intrusion incidents, and enable timely response and risk mitigation.
- (4) Enhancement of backup infrastructure, implementation of the 3/2/1 backup strategy and disaster recovery (DR) drills, and planning for the introduction of a sensitive data protection platform.

In accordance with ISO 27001 management procedures, in addition to strengthening the information security management system, the Company also implements the following measures:

- (1) Annual vulnerability scanning is conducted, and remediation actions are taken for identified high-risk items to continuously improve cybersecurity protection effectiveness.
- (2) To enhance employees' cybersecurity awareness and reduce the risk of phishing email attacks targeting personal computers, social engineering drills are conducted to assess employees' security awareness, followed by corresponding cybersecurity training and education.

The Company is committed to continuously strengthening the implementation of information security management. In 2025, the cost of information equipment procurement and related personnel investment amounted to NT\$4,141 thousand, and the planned investment for 2026 is NT\$5,180 thousand. In addition, to promptly access cybersecurity intelligence, the Company has joined the TWCERT/CC (<https://www.twcert.org.tw/>) corporate membership program to obtain cybersecurity threat intelligence and experience sharing through domestic and international cybersecurity alliances and organizations.

- (II) Disclosure of Significant Losses, Potential Impacts, and Response Measures Due to Major Information Security Incidents in the Most Recent Year and up to the Date of this Annual Report: None.

## VII. Material Contracts

| Company Name                | Contract Type | Counterparty                       | Contract Period   | Key Terms  | Restrictive Clauses                                |
|-----------------------------|---------------|------------------------------------|-------------------|--|--|
| Taiwan Nan Pao Resins       | Credit Line   | Mizuho Bank                        | 20251215-20271215 | Working capital; NT\$2 billion; revolving credit, principal repaid at maturity   | None   |
| Taiwan Nan Pao Resins       | Credit Line   | Taipei Fubon Bank                  | 20241211-20261211 | Working capital; NT\$400 million; revolving credit, principal repaid at maturity   | Subject to certain financial ratios and conditions |
| Taiwan Nan Pao Resins       | Credit Line   | Mega International Commercial Bank | 20251106-20271105 | Working capital; NT\$100 million; revolving credit, principal repaid at maturity   | None   |
| Taiwan Nan Pao Resins       | Credit Line   | DBS Bank                           | 20250531-20270531 | Working capital; NT\$1.2 billion; revolving credit, principal repaid at maturity   | None   |
| Taiwan Nan Pao Resins       | Credit Line   | CTBC Bank                          | 20251031-20271031 | Working capital; NT\$400 million; revolving credit, principal repaid at maturity   | Subject to certain financial ratios and conditions |
| Taiwan Nan Pao Resins       | Credit Line   | Export-Import Bank of R.O.C.       | 20240911-20310911 | Mid-term loan; Overseas investment loan of NT\$300 million; to be fully drawn within 30 months from signing; 10 equal principal repayments every 6 months starting from 30 months after first drawdown | None   |
| Vietnam Nan Pao Materials   | Credit Line   | CTBC Bank                          | 20251031-20291031 | Mid-term loan; USD 3.8 million; 9 equal principal repayments every 3 months, starting 24 months after first drawdown   | Subject to certain financial ratios and conditions |
| Vietnam Nan Pao Materials   | Credit Line   | CTBC Bank                          | 20251031-20291031 | Mid-term loan; USD 4.6 million; 9 equal principal repayments every 3 months, starting 24 months after first drawdown   | Subject to certain financial ratios and conditions |
| Vietnam Nan Pao Materials   | Credit Line   | Cathay United Bank                 | 20251209-20291209 | Mid-term loan; USD 7 million; repayment structure includes a 2-year grace period, followed by repayment of principal in 8 equal quarterly installments   | None   |
| Nan Pao Advanced Investment | Credit Line   | Kunshan Rural Commercial Bank      | 20250728-20300512 | Mid-term loan; RMB 31,767,983.65; repayment schedule starts on 21 December 2025 as the first installment; 10 principal repayments every 6 months, with the remaining principal due on 12 May 2030      | None   |
| Prince Pharmaceutical       | Credit Line   | Taiwan Cooperative Bank            | 20200629-20350629 | Secured loan; NT\$320 million; 180 equal monthly repayments including principal and interest   | None   |
| Huaian Nan Pao              | Credit Line   | E.SUN Bank                         | 20251224-20291223 | Mid-term loan; RMB 20 million; quarterly interest payments; 8 principal repayments every 6 months, with first 7 repayments at 8% and final at 44%  | None   |

| Company Name     | Contract Type     | Counterparty                 | Contract Period   | Key Terms   | Restrictive Clauses   |
|------------------|-------------------|------------------------------|-------------------|---|---|
| Huaian Nan Pao   | Credit Line       | Fubon Bank (China)           | 20241024-20301031 | Mid-term loan; RMB 40 million; 10 principal repayments every 6 months after first drawdown, with repayment ratio of 1% for the 1st to 4th installments, 5% for the 5th to 7th installments, 10% for the 8th to 9th installments, and the remaining principal for the 10th installment | Subject to certain financial ratios and conditions  |
| Nan Pao Chemical | Purchase and sale | Zhong Mei Industry Co., Ltd. | 20250715          | Purchase and sale of real estate at the Changbin Plant site.  | 1.Price escrow arrangement;<br>2. Handover after demolition of existing structures on the land. |

## V. Review of Financial Status, Operating Results, and Risk Management

### I. Financial Status

#### (I) Financial Status Analysis

Unit: NT\$1,000; %

| Item \ Year                             | 2024/12/31        | 2025/12/31        | Difference       | %          | Remark |
|---|-------------------|-------------------|------------------|------------|--------|
| Current Assets                          | 16,906,412        | 17,526,191        | 619,779          | 4          |        |
| Property, Plant, and Equipment          | 5,840,228         | 5,768,005         | (72,223)         | (1)        |        |
| Intangible Assets                       | 820,383           | 1,087,432         | 267,049          | 33         | Note1  |
| Other Assets                            | 3,699,525         | 3,350,716         | (348,809)        | (9)        |        |
| <b>Total Assets</b>                     | <b>27,266,548</b> | <b>27,732,344</b> | <b>465,796</b>   | <b>2</b>   |        |
| Current Liabilities                     | 7,640,439         | 7,465,665         | (174,774)        | (2)        |        |
| Non-current liabilities                 | 3,689,677         | 4,836,236         | 1,146,559        | 31         | Note2  |
| <b>Total Liabilities</b>                | <b>11,330,116</b> | <b>12,301,901</b> | <b>971,785</b>   | <b>9</b>   |        |
| Equity Attributable to Owners of Parent | 14,491,589        | 13,794,492        | (697,097)        | (5)        |        |
| Capital Stock                           | 1,205,707         | 1,205,707         | -                | -          |        |
| Capital Surplus                         | 2,123,816         | 2,149,362         | 25,546           | 1          |        |
| Retained Earnings                       | 9,722,870         | 9,881,165         | 158,295          | 2          |        |
| Other Equity                            | 1,439,196         | 558,258           | (880,938)        | (61)       | Note3  |
| Non Controlling Interests               | 1,444,843         | 1,635,951         | 191,108          | 13         |        |
| <b>Total Stockholders' Equity</b>       | <b>15,936,432</b> | <b>15,430,443</b> | <b>(505,989)</b> | <b>(3)</b> |        |

Note 1: Mainly due to an increase in goodwill and other intangible assets.

Note 2: Mainly due to an increase in long-term borrowings.

Note 3: Mainly due to a decrease in unrealized gains/losses on financial assets measured at fair value through other comprehensive income, and a decrease in exchange gains arising from the translation of financial statements of foreign operations in the current year.

(II) Impact of financial position changes over the past two years: There was no significant impact on the financial position.

(III) Future response plans: Not applicable.

## II. Financial Performance

### (I) Analysis of Financial Performance

Unit: NT\$1,000; %

| Item                              | Year       |            | Difference  | %     | Remark |
|-----------------------------------|------------|------------|-------------|-------|--------|
|                                   | 2024       | 2025       |             |       |        |
| Sales Revenue                     | 22,982,598 | 23,200,302 | 217,704     | 1     |        |
| Operating Costs                   | 15,460,340 | 15,284,268 | (176,072)   | (1)   |        |
| Gross Profit                      | 7,522,258  | 7,916,034  | 393,776     | 5     |        |
| Operating Expenses                | 3,929,509  | 4,099,827  | 170,318     | 4     |        |
| Operating Profit                  | 3,592,749  | 3,816,207  | 223,458     | 6     |        |
| Non-operating Income and Expenses | 164,101    | (185,934)  | (350,035)   | (213) | Note1  |
| Profit Before Income Tax          | 3,756,850  | 3,630,273  | (126,577)   | (3)   |        |
| Tax Expense                       | 969,970    | 984,912    | 14,942      | 2     |        |
| Net Income                        | 2,786,880  | 2,645,361  | (141,519)   | (5)   |        |
| Other Comprehensive Income        | 477,399    | (902,146)  | (1,379,545) | (289) | Note2  |
| Total Comprehensive Income        | 3,264,279  | 1,743,215  | (1,521,064) | (47)  | Note2  |

Note 1: Mainly due to the recognition of accident-related losses, compensation losses, and impairment losses of certain assets totaling approximately NT\$ 225 million in the current year, as well as an increase in net foreign exchange losses of approximately NT\$ 90 million due to exchange rate fluctuations.

Note 2: Mainly due to the recognition of valuation losses on financial assets measured at fair value through other comprehensive income, and a decrease in exchange gains arising from the translation of financial statements of foreign operations in the current year.

(II) Expected Sales Volume and Basis for the Next Year: Please refer to "I、Letter to Shareholders."

(III) Impact of Financial Performance Changes in the Past Two Years: There is no significant impact on financial performance.

(IV) Future Plans and Responses: Not applicable.

### III. Cash Flow

Changes in Consolidated Cash Flows for 2025

Unit: NT\$1,000

| Cash Balance<br>2024/12/31 | Net Cash Flow<br>from Operating<br>Activities | Net Cash Flow<br>from Investing<br>Activities | Net Cash Flow<br>from Financing<br>Activities | Effect of<br>Exchange<br>Rate Changes | Cash Balance<br>2025/12/31 |
|----------------------------|---|---|---|---------------------------------------|----------------------------|
| 6,910,148                  | 3,365,299                                     | (937,512)                                     | (1,753,857)                                   | (237,927)                             | 7,346,151                  |

(I) Cash Flow Analysis for 2025:

1. Operating Activities: Mainly attributable to net profit for the year.
2. Investing Activities: Mainly due to the acquisition of property, plant and equipment during the current year, the acquisition of a subsidiary, Yun Teh Industrial Co., Ltd., the establishment of an associate, Advanced Pao Trusval Technology Co., Ltd., and additional investment in the associate Contact Biosolutions Pty Ltd.
3. Financing Activities: Mainly due to the distribution of cash dividends and increased borrowings during the year.

(II) Improvement Plan for Insufficient Liquidity: There is no cash liquidity shortage.

(III) Cash Liquidity Analysis for the Coming Year: Not applicable.

### IV. Financial and Business Impact from Major Capital Expenditure

(I) Major capital expenditures in the most recent fiscal year:

Unit: NT\$1,000

| Plan   | Actual or Planned<br>Source of Capital | Actual or<br>Planned Date of<br>Completion | Total<br>Amount | Actual Use of Capital |           |
|--|--|--|-----------------|-----------------------|-----------|
|  |  |  |                 | 2025                  | 2026      |
| 2025 new equipment,<br>equipment renewal and<br>capacity expansion | Working Capital                        | 2025/12/31                                 | 1,310,000       | 1,310,000             | -         |
| 2026 new equipment,<br>equipment renewal and<br>capacity expansion | Working Capital                        | 2026/12/31                                 | 1,180,000       | -                     | 1,180,000 |

(II) Expected Benefits

Following the above capital expenditures and equipment upgrades, not only will product output increase, but production costs will also be reduced and product quality improved.

### V. Investment Policy in Recent Year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

The Company's equity-method investments are made in accordance with the Company's development strategy and operational needs, seeking suitable strategic partners. In 2025 the investment loss recognized under the equity method amounted to NT\$40,449 thousand, compared to an investment loss of NT\$51,223 thousand in 2024, resulting in a decrease of NT\$10,774 thousand in investment losses. In the future, the Company will continue to follow a long-term strategic investment approach when using the equity method for investment, while maintaining ongoing prudent evaluations.

## VI. Risk Assessment and Analysis



### (I) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

#### 1. Interest Rate Fluctuations

The Company's interest rate risk mainly arises from fixed and floating interest rate borrowings, both short-term and long-term, used to support operational and investment activities. Changes in market interest rates cause fluctuations in future interest payment cash flows. To mitigate the potential adverse impact of interest rate changes on operating results, the Company manages interest rate risk by maintaining an appropriate mix of fixed- and floating-rate debt. In addition, the Company continuously monitors domestic and international interest rate trends and optimizes capital allocation by adjusting the composition of NTD and foreign currency deposits and borrowings, as well as loan tenors, to reduce the impact of interest rate fluctuations on profit or loss.

In 2025, interest expense amounted to NT\$149,073 thousand, representing 0.64% of net operating revenue. Based on the Company's interest-bearing financial liabilities exposed to cash flow interest rate risk in 2025, a 1 basis point (0.25%) increase in market interest rates would reduce pre-tax net profit by NT\$9,373 thousand.

#### 2. Exchange Rate Fluctuations

The Company's exchange rate risk primarily arises from foreign currency-denominated cash and cash equivalents, accounts receivable, borrowings, and accounts payable. Exchange rate fluctuations may impact foreign currency-denominated revenues, costs, and overall profitability. To mitigate the impact of exchange rate fluctuations, the Company and its subsidiaries conduct part of their purchases and sales transactions in U.S. dollars, creating a natural hedge to reduce the effect of exchange rate changes on profit and loss.

Looking ahead to this year, countries have revised down their full-year economic growth forecasts, while the impacts of geopolitical tensions and trade conflicts remain uncertain. Exchange rates are expected to fluctuate within a wider range. In addition to closely monitoring currency movements, the Company has implemented the following measures to mitigate the impact of exchange rate risk on profit or loss.

- A. Conduct natural hedging through the allocation of foreign currency assets and liabilities.
- B. Maintain close communication between the finance department and financial institutions' foreign exchange teams to continuously gather exchange rate information and closely monitor global currency trends, enabling timely responses to adverse fluctuations.
- C. The finance department regularly prepares internal assessment reports on hedgeable positions of net foreign currency assets (liabilities) for management's evaluation and decision-making on appropriate hedging strategies.

In 2025, the net foreign exchange loss was NT\$61,179 thousand, accounting for 0.26% of net operating revenue. Based on foreign currency-denominated monetary items in 2025, a 1% appreciation of the functional currency against the U.S. Dollar and Vietnamese Dong would decrease pre-tax net profit by NT\$4,590 thousand and NT\$7,267 thousand, respectively.

### 3. Inflation

According to Taiwan's Directorate-General of Budget, Accounting and Statistics, the annual CPI growth rate for 2025 was 1.66%. The Company's major raw materials include adipic acid, vinyl acetate, hydrogenated petroleum resin, chloroprene rubber, and VAE latex. These materials are mostly procured through contract negotiations, allowing the Company to negotiate prices with suppliers in response to rising prices. Therefore, fluctuations in raw material prices are not expected to have a significant adverse impact on profit and loss. Nonetheless, the Company will continue to monitor trends in raw material prices and formulate optimal procurement strategies in line with operational needs.

## (II) Policies, Major Reasons for Gains or Losses, and Future Response Measures Regarding High-Risk, High-Leverage Investments, Loans to Others, Endorsements and Guarantees, and Derivatives Transactions

1. In 2025 and up to the publication date of this annual report, the Company has not engaged in high-risk, high-leverage financial investments.
2. For loans to others, endorsements and guarantees, and derivatives transactions, the Company and its subsidiaries follow relevant operating procedures and comply with regulatory disclosure requirements:
  - (1) Loans to Others: As of the publication date, the Company only provides loans to subsidiaries in which it holds more than 100% of the shares. All transactions comply with applicable laws and regulations.
  - (2) Endorsements and Guarantees: As of the publication date, the Company provides guarantees only to subsidiaries with more than 50% ownership, all of which comply with relevant legal requirements and are processed accordingly.
  - (3) Derivative Transactions: As of the publication date, the Company and its subsidiaries have not engaged in derivatives transactions.
  - (4) To manage financial transaction risks, the Company has established internal management policies and procedures in accordance with regulations set by the Financial Supervisory Commission. These include "Loan and Endorsement Guarantee Operating Procedures" and "Asset Acquisition or Disposal Processing Procedures."

## (III) Future R&D Plans and Estimated R&D Expenditures

1. In 2025, the Company's R&D expenses totaled NT\$555,813 thousand, accounting for 2.40% of revenue. To ensure and enhance its competitive advantage, the Company will continue investing in R&D and will flexibly adjust the budget based on current operations and future needs. It is estimated that R&D expenses for 2026 will account for 2%-4% of revenue.
2. For future R&D plans, please refer to the "I、Letter to Shareholders / R&D Achievements" and "IV、Operational Overview / (III) Technology and R&D Overview."

- (IV) Impact of Domestic and International Policy and Legal Changes on the Company's Financial and Business Operations and Response Measures  
The Company continuously monitors domestic and international policy and legal changes that may affect its financial and business operations and has established risk management procedures. As of the most recent fiscal year and the publication date of this report, no such changes have had a significant impact on the Company.
- (V) Impact of Technological Changes and Industry Transformation on the Company's Financial Operations and Response Measures  
To address technological changes, the Company established the Information Security Committee under the Board of Directors in November 2021. Chaired by the CEO, the committee oversees information security policy and governance. The Company's Information Security Management System (ISMS) obtained ISO 27001:2022 certification in June 2022. Its subsidiary, Vietnam Nan Pao, also achieved recertification under the updated ISO 27001:2022 standard in 2025, enhancing policies and procedures for information security. Moving forward, the Company will strengthen its cybersecurity framework in areas such as endpoint detection and response, network traffic monitoring, intrusion detection and prevention, full system backup, and security monitoring platforms. These measures will deepen defense both technically and administratively, reducing cybersecurity risks. As of the most recent fiscal year and publication date, technological and industry changes have not had a significant impact on the Company's financial or business operations.
- (VI) Impact of Changes in Corporate Image on Crisis Management and Response Measures  
Since its founding, the Company has adhered to principles of integrity, prudence, and solid corporate governance, maintaining a strong corporate image. This positive image reflects operational excellence, strict corporate governance, and a strong sense of corporate social responsibility. The Company continues to pursue innovation across economic, environmental, and social dimensions. As of the most recent fiscal year and the publication date of this report, there have been no changes in corporate image that have affected the Company's crisis management.
- (VII) Expected Benefits, Potential Risks, and Response Measures for Mergers and Acquisitions  
As of the most recent fiscal year and up to the date of this annual report, the Company has not engaged in any mergers or acquisitions.
- (VIII) Expected Benefits, Potential Risks, and Response Measures of Plant Expansion  
The Company evaluates plant expansion plans based on existing capacity and projected operational growth. Investment benefits and potential risks are carefully assessed. All major capital expenditures are submitted to the Board of Directors for review and approval.
- (IX) Risks and Response Measures for Procurement or Sales Concentration
1. Procurement Concentration  
The Company currently does not face procurement concentration risk. All key raw materials are sourced from at least two suppliers, and the Company maintains stable and cooperative relationships with its suppliers. In addition to securing sufficient material sources, the Company implements strict quality and delivery controls. Over the past two fiscal years, no supplier accounted for more than 10% of total purchases.
  2. Sales Concentration  
There is currently no sales concentration risk. With the expansion of business scale, the development of new products and new customers has helped diversify revenue sources. Over the past two fiscal years, no single customer accounted for more than 10% of total sales.
- (X) Impact, Risks, and Response Measures Regarding Large Transfers or Changes in Shareholding by Directors or Major Shareholders Holding Over 10%  
As of the most recent fiscal year and the publication date of this report, there have been no large-scale transfers or changes in shareholding by directors or major shareholders holding more than 10%.

(XI) Impact, Risks, and Response Measures Regarding Changes in Control of the Company

As of the most recent fiscal year and the publication date of this report, there have been no risks related to changes in control of the Company.

(XII) Disclosure of significant litigation, non-litigation, or administrative disputes involving the Company, its directors, general manager, substantial responsible persons, major shareholders holding over 10% of the shares, and subsidiaries, which been finalized or are still pending, and whose outcomes may have a material impact on shareholders' equity or stock prices. The details to be disclosed include the facts in dispute, the amount involved, the date the litigation started, the major parties involved, and the status of the case as of the publication date of the annual report.

1. The following litigation is currently pending involving the Company. However, the result of the litigation is not expected to have a significant adverse impact on the Company's financials or operations:

The Company is involved in lawsuits regarding overdue receivables from certain customers. In order to protect the Company's rights, the Company have filed lawsuits to compel the customers to repay the debts. Some cases have already been ruled in favor of the Company by the court and are in the process of being enforced, while others are still pending. The Company has made provisions for bad debts in accordance with the policy on bad debt allowances. Some overdue receivables have already been collected from customers.

2. The following litigation is currently pending involving the Company's subsidiaries. However, the result of the litigation is not expected to have a significant adverse impact on the Company's financials or operations:

- (1) Some subsidiaries are involved in lawsuits regarding overdue receivables from certain customers. In order to protect the Company's rights, the subsidiaries have filed lawsuits to compel the customers to repay the debts. Some cases have already been ruled in favor of the subsidiaries by the court and are in the process of being enforced, while others are still pending. The subsidiaries have made provisions for bad debts in accordance with their policies on bad debt allowances. Some overdue receivables have already been collected from customers.

- (2) In 2007, the Company won the bid for the ownership of land, buildings, and machinery equipment owned by Ho Kuei Chemicals Co., Ltd. (hereinafter referred to as "Ho Kuei Chemicals") through the Changhua District Court's auction. The assets were later sold to its subsidiary, Nan Pao Chemical Co., Ltd., for production purposes. On January 31, 2008, a third party, Fu Chien Management Consulting Company (hereinafter referred to as "Fu Chien Management"), reported to the Changhua District Court that it was the mortgage holder of the machinery equipment as collateral for a debt, and it subsequently seized the equipment. The subsidiary Nan Pao Chemical Co., Ltd. filed a third-party objection lawsuit, claiming that Fu Chien Management's debt was fictitious and non-existent. However, a fire broke out in Nan Pao Chemical Co., Ltd.'s factory in January 2010, destroying the machinery equipment. The lawsuit was modified to determine whether the equipment belonged to Nan Pao Chemical Co., Ltd. and if the court ruled that it did not, Nan Pao Chemical Co., Ltd. would be liable for damages due to negligence. This civil lawsuit was concluded by the Taiwan Supreme Court in June 2017, ruling that the machinery did not belong to Nan Pao Chemical Co., Ltd.

Ho Kuei Chemicals, according to the Changhua District Court's judgment, claimed ownership of the machinery equipment in the factory and sued Nan Pao Chemical Co., Ltd. for damages, requesting NT\$53,102 thousand based on the purchase price of the equipment, without considering depreciation according to the asset's useful life. Given the equipment was purchased from the 1990s to the 2000s, the residual value was likely less than NT\$53,102 thousand. The consolidated company has already set aside a provision of NT\$38,445 thousand for this liability. On May 18, 2022, the Changhua

District Court ruled that Nan Pao Chemical Co., Ltd. should pay NT\$15,267 thousand in damages, along with 5% interest from March 8, 2012, until full payment, totaling NT\$23,246 thousand. Nan Pao Chemical Co., Ltd. appealed this decision on June 27, 2022, and deposited the payment amount as ordered. In response to the first-instance judgment, the provision for liabilities was reversed by NT\$15,199 thousand. On January 24, 2024, the Taiwan High Court Taichung Branch ruled that Nan Pao Chemical Co., Ltd. should pay NT\$12,892 thousand in damages, plus 5% interest from March 8, 2012, until full settlement. Nan Pao Chemical Co., Ltd. has appealed the decision of the Taiwan High Court Taichung Branch. After the Supreme Court remanded the case on November 27, 2024, the amount confirmed against Nan Pao Chemical Co., Ltd. was NT\$4,067 thousand. However, the Supreme Court also pointed out that Ho Kuei Chemicals lacked proper supporting documents. The case is currently still under judicial review.

3. As of the most recent fiscal year and the publication date of this report, there have been no finalized or ongoing litigation, non-litigation, or administrative disputes involving the Company's directors, general manager, substantial responsible persons, or major shareholders holding over 10% of shares that could materially affect shareholder rights or stock prices.

(XIII) Other Significant Risks and Response Measures:

As of the most recent fiscal year and the publication date of this report, the Company is not aware of any other significant risks that could potentially have a material impact on its financial condition.

**VII. Other Important Matters:** None.

## VI. Special Disclosure

### I. Summary of Affiliated Companies

#### (I) The Consolidated Business Report of Affiliated Enterprises

The Company's 2025 Consolidated Business Report of Affiliated Enterprises, prepared in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises" issued by the Financial Supervisory Commission (FSC), have been filed and disclosed on the information reporting website designated by the Financial Supervisory Commission (FSC), and are available on the Market Observation Post System (MOPS). Please visit MOPS > Listed Company Info > Electronic Books > Affiliated Enterprises' Three Reports Area. Website: <https://mops.twse.com.tw>.

#### (II) Affiliated Company Consolidated Financial Statements:

For the year 2025, the companies required to be included in the preparation of the Consolidated Financial Report of Affiliated Enterprises in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Affiliation Reports of Affiliated Enterprises" issued by the Financial Supervisory Commission (FSC) are the same as those required to be included in the preparation of the parent-subsidiary consolidated financial statements under International Financial Reporting Standard (IFRS) 10. Furthermore, the relevant information that should be disclosed in the Consolidated Financial Report of Affiliated Enterprises has already been disclosed in the aforementioned parent-subsidiary consolidated financial statements. Therefore, no separate consolidated financial reports of related enterprises will be prepared. Please visit MOPS > Listed Company Info > Electronic Books > Financial Statements. Website: <https://mops.twse.com.tw>.

(III) Affiliated Company Report: None.

### II. Private Placement Securities in the Most Recent Years: None.

### III. Other necessary supplementary explanations: None.

### VII. In the most recent year and up to the date of publication of the annual report, if any event that has a significant impact on shareholders' equity or securities prices as specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.