

Stock Code : 8935



PONTEX POLYBLEND CO., LTD.

Handbook for the 2023 Annual Meeting of Shareholders

MEETING METHOD: Physical meeting

7 June 2023

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I. Meeting Agenda

PONTEX POLYBLEND CO., LTD.

Meeting Agenda for the 2023 Annual Shareholders' Meeting

Time: 9:00 a.m., 7 June 2023 (Wednesday)

Place: No.23-6, Longxing Ln., Sec. 2, Fengxing Rd., Tanzi Dist., Taichung City
(5F, technology building of the Company)

1. Call the Meeting to Order (Report the total share number representing attendance)

2. Chairperson Remarks

3. Management Presentation

(1) 2022 Business Report

(2) Audit Committee's Review Report on the 2022 Financial Statements

(3) Report on the Distribution of Compensation for Employees and Directors
in 2022

(4) Report on the handling of the private placement of common stock proposal
approved by the Company's 2022 regular shareholders' meeting

4. Proposals

(1) 2022 Business Report and Financial Statements

(2) 2022 Profit Distribution

5. Discussion

(1) Proposal of surplus profit distributed in the form of new shares

(2) Amendments of "Regulation for Director's Election"

(3) Proposal of the handling of the private placement of common stock

6. Elections

Proposal of the Company's director by-election

7. Other Proposals

Proposal of releasing the prohibition on directors from participation in the
competitive business

8. Questions and Motions

9. Adjournment

II. Management Presentation

Report No. 1

2022 Business Report

Explanation:

The 2022 Business Report is attached as p.9, Attachment 1.

Report No. 2

Audit Committee's Review Report on the 2022 Financial Statements

Explanation:

The Company's 2022 financial statements have been audited by the CPA firm. The Financial Statements, Business Report, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee. The Audit Committee's Review Report is attached as p.11, Attachment 2.

Report No. 3

Report on Distribution of Compensation for Employees and Directors in 2022

Explanation:

- (1) According to Article 30 of the Company's Articles of Incorporation, "if the Company's final accounts make profits, no less than 1% should be distributed as employee compensation, and no more than 8% compensation for directors and supervisors". (Note: The 13th session of directors and supervisors before the re-election on 2 June 2022 applies to this compensation distribution during the term in 2022).
- (2) The Company's employees' compensation and directors' and supervisors' compensation in 2022, as recommended by the remuneration committee on 9 March 2023, will be distributed at approximately 6.24% and 3.48% of the profit before tax respectively. The Company's profit before tax in 2022 was NT\$29,862,449 before deducting employees' compensation and directors' and supervisors' compensation. Therefore, the total amount of employees' compensation and directors' and supervisors' compensation was NT\$1,862,326 and NT\$1,039,799 respectively, all paid in cash.

Report No. 4

Report on the handling of the private placement of common stock proposal approved by the Company's 2022 regular shareholders' meeting

Explanation:

- (1) To replenish operating capital, the Company received authorization from the regular shareholders' meeting on 2 June 2022, that the Board of Directors could conduct three private placements of common stocks within one year from the date of the shareholders' meeting, with a maximum limit of 30,000 thousand shares, to raise capital. The private placements will be determined by the board of directors at an appropriate time.
- (2) On 23 March 2023 (the record date of increase of the amount of capital stock), the strategic investor, Macro Wisdom Industrial Co., Ltd., completed the subscription of the first private placement of common stock, a total of 6,666 thousand shares. After deducting this amount, the remaining balance of the Company's private placement of common stock is 23,334 thousand shares.
- (3) According to the shareholders' meeting on 2 June 2022, the Board of Directors was authorized to consider the situation and make necessary changes based on laws, regulations, and market conditions.
- (4) The private placement of common stock will be 1 year in June 2023. Based on objective practical considerations, it is proposed to request the Board of Directors pass a resolution to cease the implementation of the above-mentioned Company's private placement of common stock, which remaining balance is 23,334 thousand shares during the remaining period.

III. Proposals**1. (Proposed by the Board)****Proposal:**

Adoption of the 2022 Business Report and Financial Statements

Explanation:

The CPA firm of Ernst & Young, by CPA HUANG, TZU-PING, and YEN, WEN-PI, was retained to audit the Company's Financial Statements. The 2022 Business Report and the Financial Statements are attached as p.9, Attachment 1, and pp. 9-38, Attachment 3.

Resolution:

2. (Proposed by the Board)

Proposal:

Adoption of the Proposal for Distribution of 2022 Profits

Explanation:

- (1) 2022 net profit after tax is NT\$ 27,356,334. The Profit Distribution Table is attached as p.34, Attachment 4.
- (2) It is proposed to allocate NT\$25,290,000 from the distributable earnings in 2022 as stock dividends at NT\$0.3 per share (i.e. 30 shares per thousand shares).
- (3) After the proposal for distribution is approved by the shareholders' meeting, the Board of Directors will be authorized to set a record date for issuing new shares for a capital increase, as well as the distribution date and other relevant matters.
- (4) If the dividend distribution is subsequently changed due to changes in the Company's capital, which affects the number of outstanding shares, resulting in a change in the payout ratio, it is proposed that the general shareholders' meeting authorizes the Chairman to handle it by the Company Act or related laws and regulations.

Resolution:

IV. Discussion

1. (Proposed by the Board)

Proposal:

Proposal for a new share issue through capitalization of earnings.

Explanation:

- (1) It is proposed to allocate dividends to shareholders of NT\$25,290,000 from the distributable earnings in 2022. The surplus profit was distributed in the form of new shares of 2,529,000, and NT\$10 per share. 30 bonus shares will be issued for every 1,000 shares held by shareholders as listed in the shareholders register on the record date of issuing new stocks. If fractional shares are issued, shareholders may register with Pontex's agent for stock affairs for consolidation of them within 5 days of the ex-rights date. If not consolidated or if still short of 1 share after consolidation, a cash payment will be made by Article 204 of the Company Act. It will be calculated to NT\$1 (less will be discarded). The Chairman of the Board is authorized to negotiate with specific parties or them to purchase such shares at par value. If shareholders are using the book entry-transfer method, proceeds from their fractional shares will be used to cover book entry-transfer fees.
- (2) If the dividend distribution is subsequently changed due to changes in the Company's capital, which affects the number of outstanding shares, resulting in

a change in the payout ratio, it is proposed that the general shareholders' meeting authorize the chairman to handle it by the Company Act or related laws and regulations.

- (3) After the approval of the regular shareholders' meeting and the competent authority, the Board of Directors will be authorized to set a record date for issuing new shares for a capital increase, as well as the distribution date and other relevant matters.
- (4) The shareholder rights and obligations of the new shares are the same as those of existing shares.

Resolution:

2. (Proposed by the Board)

Proposal:

Amendments to "Regulation for Director's Election".

Explanation:

Revised certain articles of the "Regulation for Director's Election" of the Company to align with the actual needs. The comparison table for the "Regulation for Director's Election" is attached as p.47, Attachment 5.

Resolution:

3. (Proposed by the Board)

Proposal: Proposal of the handling of the private placement of common stock

Explanation: The Company plans to handle a private placement of common stock, and the main details are as follows:

1. To replenish operating capital and repay loans, and considering the timeliness of fundraising, the Company plans to request authorization from the 2023 annual shareholders' meeting that the Board of Directors could conduct three private placements of common stocks within one year from the date of the shareholders' meeting to raise capital at an appropriate time by Article 43-6 of the Securities and Exchange Act.
2. Information regarding the private placement of common stock is as follows:
 - (1) issuance condition
 1. Source of private placement funds: Private placement to specific persons by Article 43-6 of the Securities and Exchange Act.
 2. Type of private placement of stock: common stock
 3. Total number of shares: The maximum number of shares to be issued is 20,000,000 shares.
 4. Par value of the shares: NT\$10 per share.
 5. Total amount of private placement: To be determined based on the final private placement price and the actual total number of shares issued.
 - (2) The basis and reasonableness of the private placement pricing:
 1. The determination of the reference price for the private placement of common stock this time is based on (1) The simple average closing price

of the common shares of the TWSE listed or TPEX listed company for either the 1, 3, or 5 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends or capital reduction, or (2) The simple average closing price of the common shares of the TWSE listed or TPEX listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction. Whichever is higher between (1) and (2) shall prevail.

2. The private placement price of common stock this time will not be lower than 80 percent of the reference price. The actual pricing date and issuance price will be determined by the Board of Directors, authorized by the shareholders' meeting, within the percentage for the private placement pricing approved by the shareholders' meeting and take into account the market and Company's conditions.
 3. The pricing method for the private placement of common stock this time complies with relevant regulations of the competent authority and takes into account the Company's operating condition, prospects, and recent stock price situation. Therefore, the pricing method shall be reasonable.
- (3) The method for selecting the specific persons
1. The selection of placee for the private placement of common stock this time will be conducted by the provisions of Article 43-6 of the Securities and Exchange Act to enhance the feasibility of the private placement process.
 2. If any placee is a strategic investor, the method and objectives of selecting the placee, the necessity for that selection, and the anticipated benefits:
 - A. The method and objectives of selecting the placee:
The selection of the placee shall be any individual or juristic person that, for the purpose of increasing the profit of the investee company, provides assistance to the investee company in terms of enhanced skills, improved quality, reduced cost, increased efficiency, enlarged market, or other benefits, achieved through vertical or horizontal integration in the industry or joint effort in product or market development or otherwise, and using the individual's or juristic person's own experience, skills, knowledge, brand, or channels.
 - B. The necessity:
To enhance the competitive advantage, the Company plans to introduce strategic investors as a necessary strategy for long-term development.
 - C. The anticipated benefits:
Enhance technology, improve products' quality, reduce costs, increase efficiency, expand the market, etc.
- (4) The necessity of handling the private placement:
1. The reasons for not using a public offering: The Company has evaluated the capital market conditions and taken into account the timeliness, convenience, and issuance costs of raising capital, and therefore plans to issue common stock through private placement. The Company also plans to seek authorization from the shareholders' meeting to allow the

Board of Directors to handle based on the actual operational needs of the Company, to improve the efficiency of the Company's fundraising.

2. The use of the funds raised by the private placement, and the anticipated benefits:

The Company will authorize the Board of Directors to conduct three private placements of common stocks within one year from the date of the shareholders' meeting, depending on the market conditions and negotiations with specific persons. The use of the funds raised by the private placement, and the anticipated benefits for each closing are as follows:

A. The number of privately placed shares for each closing: The first private placement will have a maximum limit of 20,000,000 shares; the second private placement will have a maximum limit of the remaining shares after the first private placement; and the third private placement will have a maximum limit of the remaining shares after the first and second private placements.

B. The use of the funds for each closing of the private placement: All of which are intended to enhance the operation capital and repay loans.

C. The anticipated benefits for each closing: Each closing is aimed at strengthening the company's financial structure, improving operational efficiency, and achieving interest savings, which will also have a positive impact on shareholder equity.

(5) The impact of this private placement on the managerial control of the Company: The stable managerial control of the company and the main purpose of cooperation with the placee is to move towards the diversification operations and ensure the long-term development of the Company, thus it will not have a significant impact on the managerial control of the Company.

3. The rights and obligations of the private placement of common shares: Except as provided by law, the rights and obligations of the private placement of common stock are the same as those of the common stocks already issued by the Company. The shares issued in this private placement may not be freely transferred within three years from the date of delivery, except as provided by the relevant laws and regulations of the competent authority. After the three-year transfer restriction period expires, the Company plans to apply with the competent authority for retroactive handling of public issuance by the relevant regulations of the Securities and Exchange Act.
4. The actual issuance price, number of shares, issuance conditions and methods, planned projects, fundraising amount, expected schedule, potential benefits, and other matters not yet covered by the private placement of common stock will be proposed to the shareholders' meeting for approval. Upon approval, the Board of Directors will be authorized to consider the situation and make necessary changes based on laws, regulations, and competent authority, and respond to market conditions, to handle all matters related to the issuance.

Resolution:

V. Elections

Proposal:

Proposal of the Company's director by-election

Explanation:

(1) The director of the Company, LAI, HSING-YI, resigned on 23 March 2023. It is proposed to hold a by-election for one director at the 2023 shareholders' meeting. A candidate nomination system is adopted for the election of the directors.

(2) The newly elected director shall serve the same term as the original director. The term is from 7 June 2023 to 1 June 2025.

(3) The List of Candidates for Directors is attached as p.37, Attachment 6.

Resolution:

VI. Other Proposals

Proposal:

Proposal of releasing the prohibition on directors from participation in the competitive business

Explanation:

According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. The form of directors concurrently holding positions in other companies is attached as p.38, Attachment 7.

Resolution:

VII. Questions and Motions

VIII. Adjournment

IX. Attachment

【Attachment 1】

Business Report

Affected by the two major international negative factors, US Federal Reserve System lifting the rate to curb inflation, and the Russia-Ukraine War, coupled with China's Zero-Covid policy in 2022, not only the economy in 2022 will not be able to continue to recover as expected at the beginning of the year, even dragged down to 2023 and still pessimistic about the bad economy. According to the Directorate General of Budget, Accounting and Statistics (DGBAS) in February, Taiwan's economic growth rate in 2022 will drop sharply from 6.45% in 2021 to 2.45%, and it is expected to drop to 2.12% in 2023, barely maintaining the 2% threshold, and setting the lowest record in eight years. As the U.S. government actively promotes the "Friendshoring" policy of the supply chain, which includes semiconductors as the first promotion target. Taiwan Semiconductor Manufacturing Co., Ltd. has invested in factories in the United States, causing doubts that the industry may be offshoring. Nevertheless, China has suddenly unblocked since 8 January 2023. China's economy has the opportunity to make a big leap forward. Whether it will help the overall global economic development remains to be closely observed.

Due to the recession in the global economy, The major international channel markets have decreased purchases, causing the Company's overseas compound materials clients to readjust the annual procurement plan and schedule, especially since the shipments were significantly reduced in the second half of the year. The company's consolidated revenue in 2022 was about NT\$1.08 billion, slightly higher than the revenue threshold of NT\$1 billion in 2020. Under the unfavorable environment, revenue has declined compared to 2021. However, the management team is well-managed in gross profit and expenses. After covering all accumulated losses in 2021, the consolidated profit after tax this year is approximately NT\$27.36 million and EPS is NT\$0.32, maintaining the ability to make stable profits. After Pontex distributed stock dividends in 2008, after 15 years of effort, the Company finally distributed dividends again. According to the resolution of the board of directors, the Company will distribute stock dividends of NT\$0.3 per share this year. The goal of sharing the profitability would be achieved after submitted to the regular shareholders' meeting for discussion and approval. Pontex's management team shows the most specific breakthroughs and achievements by working hard to transform the company and improve the Company's constitution!

The material supply is located upstream of the industrial chain. Although it will be subject to changes in downstream demand, it has unbeaten business opportunities in economic development. Pontex transformed successfully after 10 years. Pontex has increased the proportion of compound materials revenue to more than 70%. Through the research and development and promotion of high-value and high-performance new materials, these have become the Company's largest operating business. It not only expands the markets of the automobile and motorcycle industry, 3C industry, furniture industry, agricultural machinery industry, and daily products but also expands the raw materials agency and resell business through trade collaboration. Facing the global trend of increasing emphasis on sustainable development of ESG (environmental protection/social responsibility/corporate governance), it could be expected that issues related to environmental protection such as net zero carbon emissions, carbon neutrality, and the plastic reduction will impact and influence all industries' survival and development. After years of forward-looking effort, Pontex has received a high reputation in the industry in plastic recycling, zero-waste production modification solutions, and biodegradable green materials. The Company could rely on grasping eco-friendly material application technology which satisfied the carbon reduction goal of every industry to be

continuously competitive in the market, which is the most critical point to become a century-old enterprise!

In 2023, despite the poor external environment, the Company still set a challenging goal of NT\$1.58 billion with the greatest ambition. Aside from the need to expand more new markets for compound materials, Pontex's other equipment business mainly for shoe injection will be under stable cooperation with clients such as international leading brands, NIKE and CROCS, which will work together to achieve the annual goals. Pontex has a global layout and divides labor among Taiwan, China, and Vietnam. The Company emphasized product quality for a long time, strived to meet customer needs, and controlled the stability of supply at the procurement. In response to the global economic fluctuation and sudden changes in emergencies, Pontex has been prepared with quick fixes.

Thanks to all shareholders for their long-term support and advice. The Company has indeed embarked on a stable and profitable future. The management team has always held firm beliefs and worked tirelessly, hoping to continue to live up to the expectations of shareholders. Sincere respect and thanks!

Wishing you good health and good luck

Chairman: Henry Global Investment Co., Ltd.
Accounting officer: CHUNG, HSIU-CHU

Manager: SHEN, MAO-KEN

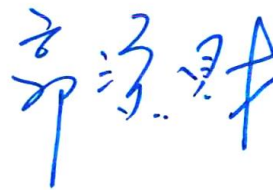
【Attachment 2】

PONTEX POLYBLEND CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young, by CPA HUANG, TZU-PING and YEN, WEN-PI, was retained to audit the Company's Financial Statements and has issued an audited report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Pontex Polyblend Co., Ltd. This report is hereby submitted in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

PONTEX POLYBLEND CO., LTD. 2023 regular meeting of
shareholders



Convener of the Audit Committee: KUO, TIEN-TSAI

9 March 2023

Independent Auditors' Report

To PONTEX POLYBLEND CO.,LTD

Opinion

We have audited the accompanying consolidated balance sheets of PONTEX POLYBLEND CO.,LTD and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion

on these matters.

1. Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Company amounted to NT\$226,933 thousand and NT\$830 thousand, respectively. Net accounts receivable accounted for 13% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of allowance for loss policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; investigating accounts receivable details, recalculating the reasonableness of allowance for loss based on the expected credit companies, and the expected loss rate by management assessing; evaluating individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period.

We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

2. Valuation for inventories

As of 31 December 2022, the net inventories of the Company and its subsidiaries amounted to NT\$277,306 thousand accounting for 17% of the total assets. Due to the highly competitive nature of the market for polyblend materials, the wide range of product applications, the fact that the prices of raw materials, finished goods and products are subject to anticipated future market and economic conditions, and the uncertainty arising from rapid changes in product technology, the allowance for impairment of inventories involves significant management judgement. We therefore determined the inventory valuation a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe

inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management.

We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

Last name, First name [Auditor's Passport Name - printed]

Last name, First name [Auditor's Passport Name - printed]

Ernst & Young, Taiwan

March 09, 2023

Ernst & Young, Taiwan

/s/Yu, Ching-Yuan

/s/Huang, Yu-Ting

March 9, 2023

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2022		31 December 2021	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	\$151,394	9	\$112,146	7
1110	Financial assets at fair value through profit or loss, current		35,272	2	-	-
1150	Notes receivable, net	4,6(2)	13,748	1	23,650	1
1170	Accounts receivable, net	4,6(3)	226,103	13	279,793	16
1200	Other receivables	4	4,050	-	4,043	-
130x	Inventories	4,6(4)	277,306	17	281,387	16
1410	Prepayments		22,857	1	40,890	2
1476	Other current financial assets	6(1),8	30,787	2	31,318	2
1479	Other current assets		1,738	-	1,113	-
11xx	Total current assets		763,255	45	774,340	44
	Non-current assets					
1600	Property, plant and equipment	4,6(5),8	722,405	42	750,642	42
1755	Right-of-use assets	4,6(14)	156,293	9	156,984	9
1760	Investment property	4,6(6)	55,968	3	58,403	3
1780	Intangible assets	4	251	-	229	-
1840	Deferred tax assets	4,6(18)	15,962	1	15,422	1
1900	Other non-current assets	6(7)	3,844	-	10,089	1
1975	Net defined benefit non-current assets	4,6(10)	3,061	-	1,635	-
15xx	Total non-current assets		957,784	55	993,404	56
1xxx	Total assets		<u>\$1,721,039</u>	<u>100</u>	<u>\$1,767,744</u>	<u>100</u>

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2022		31 December 2021	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6(8)	\$427,749	25	\$452,453	26
2150	Notes payable		28,876	2	24,517	1
2170	Accounts payable		38,697	2	67,618	4
2200	Other payables		33,127	2	32,532	2
2230	Current tax liabilities	6(18)	6,354	-	8,462	-
2320	Long-term liabilities-current portion	4,6(9)	72,500	4	73,743	4
2399	Other current liabilities	6(12)	1,890	-	2,193	-
21xx	Total current liabilities		609,193	35	661,518	37
	Non-current liabilities					
2540	Long-term loans	4,6(9)	258,750	15	307,250	17
2570	Deferred tax liabilities	4,6(18)	12,556	1	12,318	1
2610	Long-term notes and accounts payable		-	-	354	-
2645	Other non-current liabilities-others		2,671	-	2,631	-
25xx	Total non-current liabilities		273,977	16	322,553	18
2xxx	Total liabilities		883,170	51	984,071	55
31xx	Equity attributable to the parent company					
3100	Capital					
3110	Common stock	6(11)	843,000	49	843,000	48
3300	Retained earnings	6(11)				
3310	Legal reserve		619	-	-	-
3320	Special reserve		5,569	-	-	-
3350	Unappropriated earnings		28,246	2	6,188	-
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(39,565)	(2)	(65,515)	(4)
3xxx	Total equity		837,869	49	783,673	44
	Total liabilities and equity		\$1,721,039	100	\$1,767,744	99

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Item	Notes	For the years ended 31 December 2022		For the years ended 31 December 2022	
			Amount	%	Amount	%
4000	Operating revenues	4,6(12),7	\$1,079,677	100	\$1,379,203	100
5000	Operating costs	6(4),6(15)	(907,235)	(84)	(1,168,897)	(85)
5900	Gross profit-net		172,442	16	210,306	15
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(48,355)	(4)	(49,187)	(4)
6200	General and administrative expenses		(85,417)	(8)	(82,179)	(6)
6300	Research and development expenses		(17,899)	(1)	(21,272)	(1)
6450	Expected credit loss	4,6(13)	(2,232)	-	(12,301)	(1)
	Total operating expenses		(153,903)	(13)	(164,939)	(12)
6900	Operating income		18,539	3	45,367	3
7000	Non-operating income and expenses					
7100	Interest income		630	-	179	-
7010	Other income	4,6(16)	19,893	2	17,034	1
7020	Other gains and losses	6(16)	4,143	-	(5,585)	-
7050	Finance costs	6(16)	(19,255)	(2)	(18,236)	(1)
7055	Expected credit losses/(gains)	6(13)	-	-	(1,410)	-
	Total non-operating income and expenses		5,411	-	(8,018)	-
7900	(Loss) income from continuing operations before income tax		23,950	3	37,349	3
7950	Income tax (expenses) benefit	4,6(18)	3,406	-	6,115	-
8200	Net (loss) income		27,356	3	43,464	3
8300	Other comprehensive income (loss)	6(17)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurement on defined benefit plan		1,112	-	(385)	-
8349	Income tax related to items that will not be reclassified subsequently		(222)	-	77	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		25,950	2	(27,388)	(2)
8399	Income tax related to items that may be reclassified subsequently		-	-	(3,942)	-
	Total other comprehensive income (loss), net of tax		26,840	2	(31,638)	(2)
8500	Total comprehensive (loss) income		\$54,196	5	\$11,826	1
8600	Net income attributable to:					
8610	Stockholders of the parent		\$27,356		\$(43,464)	
8620	Non-controlling interests		-		-	
			\$27,356		\$43,464	
8700	Comprehensive income (loss) attributable to:					
8710	Stockholders of the parent		\$54,196		\$11,826	
8720	Non-controlling interests		-		-	
			\$54,196		\$11,826	
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		\$0.32		\$0.52	
9850	Earnings per share-diluted		\$0.32		\$0.52	

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.
Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer: CHUNG, HSIU-CHU

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Equity Attributable to the Parent Company					Total Equity
		Capital	Retained Earnings			Other components of equity	
			Legal Reserve	Special reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	
Balance as of 1 January 2021	6(17)	\$843,000	\$ -	\$ -	\$(36,968)	\$(34,185)	\$771,847
Net income for the year ended 31 December 2021		-	-	-	43,464	-	43,464
Other comprehensive income (loss), net of tax for the year ended 31 December, 2021		-	-	-	(308)	(31,330)	(31,638)
Total comprehensive income (loss)		-	-	-	43,156	(31,330)	11,826
Balance as of 31 December 2021		\$843,000	\$ -	\$ -	\$6,188	\$(65,515)	\$783,673
Balance as of 1 January 2022	6(17)	\$843,000	\$ -	\$ -	\$6,188	\$(65,515)	\$783,673
Appropriation and distribution of 2021 retained earnings							
Legal reserve		-	619	-	(619)	-	-
Special reserve		-	-	5,569	(5,569)	-	-
Net income for the year ended 31 December 2022		-	-	-	27,356	-	27,356
Other comprehensive income (loss), net of tax for the year ended 31 December, 2022		-	-	-	890	25,950	26,840
Total comprehensive income (loss)		-	-	-	28,246	25,950	54,196
Balance as of 31 December 2022		\$843,000	\$619	\$5,569	\$28,246	\$(39,565)	\$837,869

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.
Representative: SHEN, MAO-KEN

Manager: SHEN, MAO-KEN

Accounting Officer: CHUNG, HSIU-CHU

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2022	For the years ended 31 December 2021
Cash flows from operating activities:			
Net (loss) income before tax		\$23,950	\$37,349
Adjustments to reconcile net income before tax to net cash provided by operating activities:			
Depreciation		56,739	56,110
Amortization		142	124
Expected credit loss		2,232	13,711
Interest expense		19,255	18,236
Interest income		(630)	(179)
(Gain) loss on disposal of property, plant and equipment		174	8,065
Reversal of impairment loss on non-financial assets		(174)	(8,796)
Changes in operating assets and liabilities:			
(Increase) decrease in notes receivable		9,902	(4,935)
Decrease (increase) in accounts receivable		53,719	40,405
Increase in other receivables		(290)	(455)
Increase in inventories, net		4,081	(49,219)
(Increase) decrease in prepayments		18,033	(6,712)
(Increase) decrease in other current financial assets		531	(3,701)
(Increase) decrease in other current assets		(625)	5,370
Increase (decrease) in notes payable		4,005	7,788
Increase in accounts payable		(28,921)	(49,625)
Increase in other payables		3,427	38
Increase in other current liabilities		(303)	(5,081)
Increase in net defined benefit non-current assets		(314)	(321)
Cash generated from (used in) operations		164,933	58,172
Interest received		598	178
Interest paid		(19,127)	(18,210)
Income tax paid		582	(845)
Net cash (used in) provided by operating activities		146,986	39,295

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman: HENRY GLOBAL INVESTMENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer: CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

Pontex Polyblend Co., Ltd. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

For the years ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2022	For the years ended 31 December 2021
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(11,810)	(18,808)
Proceeds from disposal of property, plant and equipment		-	920
Acquisition of intangible assets		(160)	(82)
(Increase) decrease in other noncurrent assets		(35,272)	(110)
Acquisition of right-of-use assets		420	-
Net cash used in investing activities		(46,822)	(18,080)
Cash flows from financing activities:			
Increase in short-term loans		955,937	1,111,257
Decrease in short-term loans		(982,124)	(1,045,075)
Proceeds from long-term debt		24,000	-
Repayments of long-term debt		(73,743)	(72,288)
Increase (decrease) in long-term notes and accounts payable		-	354
Increase in other noncurrent liabilities		40	1,189
Net cash used in financing activities		(75,890)	(4,563)
Effect of exchange rate changes on cash and cash equivalents		14,974	(5,174)
Net (decrease) increase in cash and cash equivalents		39,248	11,478
Cash and cash equivalents at beginning of period		112,146	100,668
Cash and cash equivalents at end of period	6(1)	\$151,394	\$112,146

(The accompanying notes form an integral part of the consolidated financial statements)

Chairman: HENRY GLOBAL INVESTMENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer: CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

Independent Auditors' Report Translated from Chinese

To PONTEX POLYBLEND CO.,LTD

Opinion

We have audited the accompanying parent company only balance sheets of PONTEX POLYBLEND CO.,LTD (the “Company”) as of 31 December 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of the Company as of 31 December 2022 and 2021, and their parent company only financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China; Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 the parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Company amounted to NT\$189,627 thousand and NT\$611 thousand, respectively. Net accounts receivable accounted for 10% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the effectiveness of internal control over accounts receivable; assessing the reasonableness of allowance for loss policy, including understanding related information to evaluate expected credit loss ratio according to historical experience, current market and future economic outlook expected; investigating accounts receivable details, recalculating the reasonableness of allowance for loss based on the expected credit companies, and the expected loss rate by management assessing; evaluating individually the reasonableness of the impairment of accounts receivable long overdue and its collection in subsequent period.

We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Inventory valuation

As of 31 December 2022, the Company's net inventories amounted to NT\$196,696 thousand accounting for 11% of the total assets. Due to the highly competitive nature of the market for polyblend materials, the wide range of product applications, the fact that the prices of raw materials, finished goods and products are subject to anticipated future market and economic conditions, and the uncertainty arising from rapid changes in product technology, the allowance for impairment of inventories involves significant management judgement. We therefore determined the inventory valuation a key audit matter.

Our audit procedures included, but were not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management.

We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/ Huang, Tzu Ping

/s/Yen, Wen Pi

Ernst & Young, Taiwan

March 9, 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2022		31 December 2021	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	\$103,901	6	\$86,896	5
1150	Notes receivable, net	4,6(2)	13,748	1	23,650	1
1170	Accounts receivable, net	4,5,6(3)	181,851	10	204,752	11
1180	Accounts receivable, net - related parties	4,5,6(3),7	7,165	-	16,633	1
130x	Inventories	4,6(4)	196,696	11	181,928	10
1410	Prepayments		9,275	1	10,740	1
1476	Other current financial assets	6(1),8	24,174	1	23,713	1
1479	Other current assets	4,7	1,322	-	1,721	-
11xx	Total current assets		<u>538,132</u>	<u>30</u>	<u>550,033</u>	<u>30</u>
	Non-current assets					
1550	Investments accounted for under the equity method	4,6(5)	754,665	42	733,858	40
1600	Property, plant and equipment	4,6(6),8	479,020	27	497,750	28
1780	Intangible assets	4	189	-	121	-
1840	Deferred tax assets	4,6(18)	15,946	1	15,432	1
1900	Other non-current assets	4,6(7)	3,760	-	10,079	1
1975	Net defined benefit non-current assets	4,6(10)	3,061	-	1,635	-
15xx	Total non-current assets		<u>1,256,641</u>	<u>70</u>	<u>1,258,875</u>	<u>70</u>
1xxx	Total assets		<u>\$1,794,773</u>	<u>100</u>	<u>\$1,808,908</u>	<u>100</u>

(Continued)

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2022		31 December 2021	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6(8)	\$407,044	23	\$432,523	24
2150	Notes payable		28,876	2	24,517	1
2170	Accounts payable		21,791	1	54,089	3
2180	Accounts receivable, net - related parties	7	131,178	7	96,038	6
2200	Other payables		22,685	1	22,308	1
2320	Current portion of long-term loans	6(9)	72,500	4	73,743	4
2399	Other current liabilities	4,6(12)	1,473	-	2,146	-
21xx	Total current liabilities		<u>685,547</u>	<u>38</u>	<u>705,364</u>	<u>39</u>
	Non-current liabilities					
2540	Long-term loans	6(9)	258,750	14	307,250	17
2570	Deferred tax liabilities	4,6(18)	12,599	1	12,259	1
2611	Long-term notes payable		-	-	354	-
2645	Guarantee deposits		8	-	8	-
25xx	Total non-current liabilities		<u>271,357</u>	<u>15</u>	<u>319,871</u>	<u>18</u>
2xxx	Total liabilities		<u>956,904</u>	<u>53</u>	<u>1,025,235</u>	<u>57</u>
	Capital					
3100	Common stock	6(11)	843,000	47	843,000	47
3300	Retained earnings	6(11)				
3310	Legal reserve		619	-	-	-
3320	Special reserve		5,569	-	-	-
3350	Retained earnings(accumulated deficit)		28,246	2	6,188	0
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(39,565)	(2)	(65,515)	(4)
3xxx	Total equity		<u>837,869</u>	<u>47</u>	<u>783,673</u>	<u>43</u>
	Total liabilities and equity		<u>\$1,794,773</u>	<u>100</u>	<u>\$1,808,908</u>	<u>100</u>

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

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenues	4,6(12),7	\$788,908	100	\$1,079,643	100
5000	Operating costs	6(4),6(15)	(711,139)	(90)	(940,394)	(87)
5900	Gross profit		77,769	10	139,249	13
5910	Unrealized profit or loss on sales		177	-	364	-
5920	Realized profit or loss on sales		(364)	-	(539)	-
5950	Gross profit-net		77,582	10	139,074	13
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(30,512)	(4)	(38,468)	(4)
6200	General and administrative expenses		(48,233)	(6)	(44,402)	(4)
6300	Research and development expenses		(17,235)	(2)	(20,551)	(2)
6450	Expected credit loss	4,6(13)	(2,232)	-	(12,096)	(1)
	Subtotal		(98,212)	(12)	(115,517)	(11)
6900	Operating income		(20,630)	(2)	23,557	2
7000	Non-operating income and expenses					
7100	Interest income		320	-	77	-
7010	Other income	4,6(16)	9,129	1	9,862	1
7020	Other gains and losses	6(16)	1,827	-	(6,784)	(1)
7050	Finance costs	6(16)	(18,610)	(2)	(17,576)	(1)
7060	Share of profit of subsidiaries, associates and joint ventures	4,6(6)	54,924	7	33,785	3
	Subtotal		47,590	6	19,364	2
7900	Net income before tax		26,960	4	42,921	4
7950	Income tax benefit	4,6(18)	396	-	543	-
8200	Net income		27,356	4	43,464	4
8300	Other comprehensive income (loss)	4, 6(10),6(17)				
8310	Items that will not be reclassified subsequently to profit or loss					
8311	Remeasurements of defined benefit plans		1,112	-	(385)	-
8349	Income tax related to items that will not be reclassified subsequently		(222)	-	77	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		25,950	3	(27,388)	(3)
8399	Income tax related to items that may be reclassified subsequently		-	-	(3,942)	-
	Total other comprehensive income, net of tax		26,840	3	(31,638)	(3)
8500	Total comprehensive income		\$54,196	7	\$11,826	1
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		\$0.32		\$0.52	
9850	Earnings per share-diluted		\$0.32		\$0.52	

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	Capital	Legal Reserve	Special reserve	Retained earnings (accumulated deficit)	Other components of equity	Total Equity
						Exchange Differences on Translation of Foreign	
Balance as of 1 January 2021	6(17)	\$843,000	\$ -	\$ -	\$(36,968)	\$(34,185)	\$771,847
Net income for the year ended 31 December 2021			-	-	43,464		43,464
Other comprehensive income (loss), net of tax for the year ended 31 December 2021			-	-	(308)	(31,330)	(31,638)
Total comprehensive income		-	-	-	43,156	(31,330)	11,826
Balance as of 31 December 2021		<u>\$843,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$6,188</u>	<u>\$(65,515)</u>	<u>\$783,673</u>
Balance as of 1 January 2022	6(17)	\$843,000	\$ -	\$ -	\$6,188	\$(65,515)	\$783,673
Appropriation and distribution of 2021 retained earnings							
Legal reserve			619		(619)		-
Special reserve				5,569	(5,569)		-
Net income for the year ended 31 December 2022					27,356		27,356
Other comprehensive income (loss), net of tax for the year ended 31 December 2022					890	25,950	26,840
Total comprehensive income		-	-	-	28,246	25,950	54,196
Balance as of 31 December 2022		<u>\$843,000</u>	<u>\$619</u>	<u>\$5,569</u>	<u>\$28,246</u>	<u>\$(39,565)</u>	<u>\$837,869</u>

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	2022	2021	Item	Notes	2022	2021
Cash flows from operating activities:				Cash flows from investing activities:			
Net income before tax		\$26,960	\$42,921	Acquisition of property, plant and equipment		\$(6,464)	\$(10,637)
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:				Proceeds from disposal of property, plant and equipment		-	199
Depreciation		24,318	25,230	Acquisition of intangible assets		(159)	(66)
Amortization		91	69	Increase in other noncurrent assets		420	(185)
Expected credit loss		2,232	12,096	Dividends received		59,880	-
Finance costs		18,610	17,576	Net cash used in investing activities		53,677	(10,689)
Interest income		(320)	(77)	Cash flows from financing activities:			
Share of profit of subsidiaries, associates and joint ventures		(54,924)	(33,785)	Increase in short-term loans		922,666	1,065,535
(Gain) loss on disposal of property, plant and equipment		174	(10)	Decrease in short-term loans		(948,145)	(1,003,448)
Reversal of impairment loss on non-financial assets		(174)	-	Increase in long-term loans		24,000	-
Unrealized profit or loss on sales		(177)	(364)	Cash payment for long-term loans		(73,743)	(68,142)
Realized profit or loss on sales		364	539	Increase (decrease) in long-term notes and accounts payable		-	354
Other		-	2,261	Net cash (used in) provided by financing activities		(75,222)	(5,701)
Changes in operating assets and liabilities:				Net increase (decrease) in cash and cash equivalents		17,005	37,385
Decrease (increase) in notes receivable		9,902	(4,935)	Cash and cash equivalents at beginning of period		86,896	49,511
(Increase) decrease in accounts receivable		25,192	61,515	Cash and cash equivalents at end of period	6(1)	103,901	86,896
Decrease (increase) in receivables - related parties		9,468	(15,512)				
Decrease (increase) in inventories, net		(14,768)	(29,308)				
Decrease (increase) in prepayments		1,465	(8,683)				
Decrease (increase) in other current financial assets		(461)	(1,085)				
Increase in other current assets		399	(474)				
Increase in notes payable		4,005	7,787				
Increase (decrease) in accounts payable		(32,298)	(41,325)				
Increase (decrease) in payables - related parties		35,140	37,655				
Increase (decrease) in other payables		2,537	4,527				
Increase (decrease) in other current liabilities		(673)	(5,041)				
Decrease in net defined benefit non-current assets		(314)	(321)				
Cash generated from (used in) operations		56,748	71,256				
Interest received		320	77				
Interest paid		(18,518)	(17,558)				
Net cash provided by (used in) operating activities		38,550	53,775				

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

【Attachment 4】

PONTEX POLYBLEND CO., LTD.

PROFIT DISTRIBUTION TABLE

2022

Unit: NT\$

Item	Amount
Beginning retained earnings	\$0
Add: 2022 net profit after tax	27,356,334
Other comprehensive income – Remeasurements of existing benefit plans	889,894
Distributable net profit	28,246,228
Less: legal reserve	(2,824,623)
Distributable items	(25,290,000)
Dividend to shareholders (NT\$0.3/per share)	\$131,605
Unappropriated retained earnings	

Chairman: Henry Global Investment Co., Ltd.

Manager: SHEN, MAO-KEN

Representative: SHEN, MAO-KEN

Accounting Officer: CHUNG, HSIU-CHU

【Attachment 5】

Comparison Table for the “Regulation for Director’s Election”

Article after Amendment	Current Article	Explanation
<p>Article 10</p> <p>Electors must indicate <u>the name</u> or account name of the candidate in the "Candidate" column of the ballot.</p> <p>However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>Article 10</p> <p><u>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number.</u></p> <p>However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</p>	<p>Following the nomination system for directors and supervisors of listed (or OTC) companies, the shareholders shall elect directors from the list of candidates. The shareholders have already been informed of the candidate's information before the shareholders' meeting. Therefore, the requirement to identify candidates by shareholder account number or ID number is no longer necessary and will be deleted from relevant regulations.</p>
<p>Article 11</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by a <u>person with the right to convene</u>. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. The candidate whose name is entered in the ballot does not conform to the director candidate list. 	<p>Article 11</p> <p>A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> 1. The ballot was not prepared by the Board of Directors. 2. A blank ballot is placed in the ballot box. 3. The writing is unclear and indecipherable or has been altered. 4. <u>The name, and shareholder account number do not match the roster of shareholders if the nominated candidate is a shareholder. The name, and ID number do not match if the nominated</u> 	<p>Following the revision of Article 10, adjust the content of Article 11.</p>

Article after Amendment	Current Article	Explanation
<p>5. Other words or marks are entered in addition to the name or account name.</p> <p>6. Marking two or more candidates on the same ballot.</p>	<p>candidate is a non-shareholder.</p> <p>5. Other words or marks are entered in addition to the <u>account name</u> (name) or <u>shareholders' account number (ID number)</u>.</p> <p>6. <u>The name of the candidate filled in is the same as that of another shareholder, but could not be identified by other means, such as providing the shareholder account number or identification number.</u></p> <p>7. Marking two or more candidates on the same ballot.</p> <p>8. <u>Writing a candidate who is not nominated in accordance with Article 6 of the Regulation.</u></p>	
<p>Article 15 The regulation was established on 1 January 1999.</p> <p>1st Amendment on 15 June 2007, 2nd Amendment on 2 June 2017, 3rd Amendment on 2 June 2022, 4th Amendment on 7 June 2023.</p>	<p>Article 15 The regulation was established on 1 January 1999.</p> <p>1st Amendment on 15 June 2007, 2nd Amendment on 2 June 2017, 3rd Amendment on 2 June 2022.</p>	<p>Add 4th Amendment record</p>
<p>Approval</p>	<p>The revised “Regulation for Director’s Election” will be submitted to the 2023 annual shareholders' meeting for discussion, after being reviewed and approved by the Board of Directors.</p>	

【Attachment 6】**List of Candidates for Directors**

Nominator: Account No. 201 YU, YU-FA

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Shareholding	Reason for whether served as an independent director continuously for three terms.
Director	Houndey Enterprise Co., Ltd.'s	Not applicable	Not applicable	Not applicable		Not applicable

【Attachment 7】

Form of Directors Concurrently Holding Positions in Other Companies

Position	Name	The company's name and position in other companies
Juristic director representative	Jiajie Heyi Co., Ltd. Representative: HSU, YIN-JU	Supervisor of the business department, Daily-Polymer Corp. Independent director, Jia Jie Biomedical Co., Ltd.
Juristic director representative	Bangtai Investment Co., Ltd Representative: CHEN, ZONG-YI	Independent director, Daily-Polymer Corp. Independent director, NewSoft Technology Corporation. Independent director, United Fiber Optic Communication Inc. Independent director, Taiwan Wax Company Ltd. Chairman, Chien Yeu Enterprise Co., Ltd.
Independent director	LEE, WEN-PIN	PT.Shoetown Footwear Industrial Indonesia. Director.
Juristic director	Houndey Enterprise Co., Ltd.	Director, LJ Innovation Co., Ltd.

VIII. Appendices

【Appendix 1】

PONTEX POLYBLEND CO.,LTD. Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Company shall be incorporated under the Company Act of the Republic of China, and its name shall be PONTEX POLYBLEND CO., LTD. (hereinafter “the Company”).

Article 2: The business of the Company is as follows:

- (1) C801100 Synthetic Resin and Plastic Manufacturing
- (2) C801990 Other Chemical Materials Manufacturing
- (3) C805070 Reinforced Plastic Products Manufacturing
- (4) C805050 Industrial Plastic Products Manufacturing
- (5) C801030 Precision Chemical Material Manufacturing
- (6) C805990 Other Plastic Products Manufacturing
- (7) F107200 Wholesale of Chemical Feedstock
- (8) F207200 Retail Sale of Chemical Feedstock
- (9) F107990 Wholesale of Other Chemical Products
- (10) F207990 Retail Sale of Other Chemical Products
- (11) CK01010 Footwear Manufacturing
- (12) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (13) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (14) CF01011 Medical Devices Manufacturing
- (15) F108031 Wholesale of Medical Devices
- (16) F208031 Retail Sale of Medical Apparatus
- (17) CA04010 Surface Treatments
- (18) CQ01010 Mold and Die Manufacturing
- (19) F106030 Wholesale of Molds
- (20) F206030 Retail Sale of Die
- (21) CC01080 Electronics Components Manufacturing
- (22) F119010 Wholesale of Electronic Materials
- (23) F219010 Retail Sale of Electronic Materials
- (24) CE01030 Optical Instruments Manufacturing
- (25) F113030 Wholesale of Precision Instruments
- (26) F213040 Retail Sale of Precision Instruments
- (27) CN01010 Furniture and Decorations Manufacturing
- (28) F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures
- (29) F205040 Retail Sale of Furniture, Bedding Kitchen Utensils and Fixtures
- (30) F107030 Wholesale of Cleaning Supplies
- (31) F207030 Retail Sale of Cleaning Supplies
- (32) CB01010 Mechanical Equipment Manufacturing
- (33) F113010 Wholesale of Machinery
- (34) F213080 Retail Sale of Machinery and Tools
- (35) CB01990 Other Machinery Manufacturing
- (36) F113990 Wholesale of Other Machinery and Tools
- (37) F213990 Retail Sale of Other Machinery and Tools
- (38) C802100 Cosmetics Manufacturing
- (39) F108040 Wholesale of Cosmetics

- (40) F208040 Retail Sale of Cosmetics
- (41) CC01110 Computer and Peripheral Equipment Manufacturing
- (42) F113050 Wholesale of Computers and Clerical Machinery Equipment
- (43) F118010 Wholesale of Computer Software
- (44) F218010 Retail Sale of Computer Software
- (45) CH01010 Sporting and Athletic Articles Manufacturing
- (46) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (47) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (48) C701010 Printing
- (49) H701010 Housing and Building Development and Rental
- (50) H701040 Specific Area Development
- (51) F401010 International Trade
- (52) F199990 Other Wholesale Trade
- (53) F299990 Retail Sale of Other Retail Trade Not Elsewhere Classified
- (54) F399990 Retail sale of Other Integrated
- (55) C111010 Tea Manufacturing
- (56) F102050 Wholesale of Tea Leaves
- (57) F102030 Wholesale of Tobacco Products and Alcoholic Beverages
- (58) F203020 Retail Sale of Tobacco and Alcohol
- (59) C110010 Beverage Manufacturing
- (60) F102040 Wholesale of Nonalcoholic Beverages
- (61) F102170 Wholesale of Foods and Groceries
- (62) F203010 Retail Sale of Food, Grocery and Beverage
- (63) C901010 Ceramic and Ceramic Products Manufacturing
- (64) F106050 Wholesale of Pottery, Porcelain and Glassware
- (65) F301020 Supermarkets
- (66) F399010 Convenience Stores
- (67) F501030 Beverage Shops
- (68) I103060 Management Consulting
- (69) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Article 4: Public announcements of the Company shall be made according to Article 28 of the Company Act.

Chapter 2 Capital Stock

Article 5: The total capital stock of the Company shall be in the amount of NT\$3,500,000,000, divided into 350,000,000 shares at NT\$10. The unissued shares were authorized to be issued by the board of directors in installments. A total of NT\$150,000,000 among the above total capital stock which amounted to 15,000,000 should be reserved for stock warrants, preferred stocks with warrants or corporate bonds with equity warrants for exercising stock option warrants.

Article 5-1: The Company may transfer shares to employees at less than the average actual share repurchase price or its issuance of employee stock warrants, the exercise price may be lower than the closing price of the company stocks as of the issuing date., after

obtaining the consent of at least two-thirds of the voting rights present at the most recent shareholders meeting attended by shareholders representing a majority of total issued shares.

Article 6: The shares of the Company are registered, which shall be affixed with the signatures or personal seals of the director representing the company, and shall be duly certified or authenticated by the bank which is competent to certify shares under the laws before issuance.

The shares issued by the Company may be exempted from printing any share certificate for the shares; nonetheless, the issued shares shall be registered with a centralized securities depositary enterprise.

Article 7: The Company handles shareholder services in accordance with the " Regulations Governing the Administration of Shareholder Services of Public Companies" and related regulations promulgated by the competent authority.

Article 8: Deleted

Article 9: Deleted

Article 10: Deleted

Article 11: Assignment/transfer of shares shall be stopped within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the issuing company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

Article 12: Shareholders' meetings of the Company are of two kinds: (1) regular meeting of shareholders and (2) special meeting of shareholders. Regular meetings of shareholders shall be convened at least once a year within six months after the close of each fiscal year. Special meetings shall be convened whenever necessary according to the laws and regulations.

Article 12-1: The Company may hold its shareholders' meeting through video conferencing or other methods announced by the central competent authority. The adoption of video conferencing for shareholders' meetings shall comply with the relevant regulations, operating procedures, and other requirements, and shall also follow any additional regulations formulated by the securities competent authority.

Article 13: According to Article 177 of the Company Act, if a shareholder is unavailable to attend a shareholders' meeting, he/she may appoint a proxy to attend a shareholders' meeting on his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.

Article 14: The chairman of the shareholders' meeting shall be in accordance with the provisions of Article 182-1 of the Company Act.

Article 15: Except in the circumstances otherwise provided for in this Act, a shareholder shall have one voting power in respect of each share in his/her/its possession.

Article 16: The shareholders' meeting shall proceed exactly in accordance with the agenda unless changed by the shareholders' meeting. Unless otherwise provided by the Company Act, a resolution shall be passed if it is agreed by the majority of the attending shareholders, and such attending shareholders shall present more than half of the number of shares issued.

Article 17: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within 20 days after the close of the meeting.

The distribution of the minutes of shareholders' meetings in the preceding paragraph may be effected by means of public notice. The minutes of the shareholders' meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The minutes, the attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept according to Article 183 of the Company Act.

Chapter 4 Directors and Audit Committee

Article 18: The Company has 5 to 11 directors. A candidates nomination system is adopted for the election of the directors of the Company, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates according to Article 192-1 of the Company Act. The term of a director shall not exceed three years, but he/she may be eligible for re-election. The percentage of shareholdings of all the directors is subject to the provisions separately prescribed by the competent authority in charge of securities affairs, such provisions shall prevail.

The Company has established an audit committee according to Article 14-4 in the Securities and Exchange. The audit committee shall be composed of the entire number of independent directors, and execute the duties and powers of supervisors in accordance with the Company Act, Securities and Exchange Act and other laws and regulations. One of whom shall be convener, and at least one of whom shall have accounting or financial expertise. The audit committee's duties, organizational regulations, exercise of powers and other matters to be followed shall be handled in accordance with the regulations of the competent authority.

Article 18-1: The number of directors shall not be less than three in number and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the Competent Authority.

Article 19: When the number of vacancies in the board of directors of a company equals one-third of the total number of directors are discharged, the board of directors shall call a special meeting of shareholders to elect succeeding directors to fill the vacancies according to the Article 201 of the Company Act and the Article 14-2 of the Securities and Exchange Act. If the number of independent directors is less than the provisions of the Articles of Incorporation, a by-election shall be held at the most recent shareholders' meeting.

Article 20: In case no election of new directors is effected after the expiration of the term of office of existing directors, the term of office of outgoing directors and supervisors shall be extended until the time new directors and supervisors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors and supervisors within a given time limit; and if no re-election is effected after the expiry of the given time limit, the out-going directors and supervisors shall be discharged ipso facto from the such expiration date.

Article 21: The board of directors is composed of directors. The Board of Directors shall elect a Chairman of the Board from among themselves by a majority at a meeting attended by over two-thirds of the Directors. The Chairman shall externally represent the Company.

Article 22: The company's business policy and other important matters shall be resolved by the board of directors. For a board of directors by the chairman, the chairman of the meeting shall be the Chairman of the board. However, the first meeting of each term of the board of directors shall be convened by the director who received a ballot representing the largest number of votes. The chairman of the meeting shall be the convener. If there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

According to Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act, the majority or more of the directors may convene a meeting of the Board of Directors on their own. The chairman of the meeting shall be elected from among themselves.

Where there the Chairman is on leave or for any reason unable to exercise the powers, his/her proxy shall comply with Article 208 of the Company Act.

Article 23: Unless otherwise provided in the Company Act, the Board meetings shall be attended by a majority of the directors. When a director cannot attend the meeting, he/ she may appoint another director to act on his/ her behalf, by presenting a power of attorney stating the scope of authorization regarding each matter proposed to be dealt with at the meeting, provided that such appointment shall be limited to one director only. If the meeting of the board of directors is conducted in the form of videoconference, those directors who attend the videoconference via the webcam shall be deemed attendance in person.

Article 23-1: In calling a meeting of the board of directors, a notice shall be set forth therein the subject(s) to be discussed at the meeting. Notice shall be given to each director no later than 7 days prior to the scheduled meeting date. However, in the case of an emergency, a meeting of the board of directors may be convened at any time.
The notice may be effected by means of writing, fax, or electronic transmission.

Article 24: The minutes of a board meeting shall bear the signature or seal of the meeting chairperson; a copy of the minutes shall be distributed to each director within 20 days after the meeting according to Article 183 in the Company Act.

Article 25: Deleted

Article 26: The Board of Directors is authorized to determine the remuneration for the directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry.

Chapter 5 Managers and Employees

Article 27: The Company may have managerial personnel. The appointment, discharge and remuneration of the managerial personnel shall be decided in accordance with Article 29 of the Company Act.

Article 28: Deleted.

Chapter 6 Accounting

Article 29: At the close of each fiscal year, the board of directors shall prepare the following statements and records and shall forward the same to the general meeting of shareholders for adoption.

1. The business report.
2. The financial statements.
3. The surplus earning distribution or loss off-setting proposals.

Article 30: In case this Company gains profit in the year, no less than 1% of the profit shall be allocated as compensation for employees and no more than 8% as compensation for directors. However, if the company still has the accumulated loss, the profit shall be reserved beforehand to make up for the figures.

Article 30-1: The Company is growing. Considering the company's long-term financial planning and capital needs, the distribution of earnings is the company's annual settlement. The company shall after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. Additionally, after contributing or reversing the special reserve by the regulations of the authority, the Board of Directors shall propose distribution for the net remainder and the accumulated undistributed earnings of the previous year and submit to the shareholders' meeting for a resolution on shareholder dividends.

The company's dividend policy should take into account the profit situation, capital structure, and future operational needs. Every year, the Company will allocate no less than 10% of distributable earnings to distribute to shareholders as dividends. However, if the dividend per share based on the distributable earnings is less than NT\$0.5, it may not be distributed. The dividends may be distributed in cash or stock, but the maximum limit for stock dividends is 10% of the total dividend amount.

Chapter 7 Supplementary Provisions

Article 31: In accordance with Article 13 of the Company Act, the Company is authorized to make outward reinvestments exceeding 40% of its paid-in capital, which shall be executed by the Board of Directors.

Article 32: The Company shall offer a guarantee to other companies in the same industry.

Article 33: The organizational regulations and the operational bylaws of this Company shall be separately established by the Board of Directors.

Article 34: Any matters not covered in this Articles of Incorporation shall be handled in accordance with the regulations of the Company Act and other relevant laws and regulations.

Article 35: This Articles of Incorporation was established on 10 December 1982.

The 1st amendment was made on 30 September 1984. The 2nd amendment was made on 15 January 1986. The 3rd Amendment was made on 5 July 1986. The 4th amendment was made

on 20 August 1987. The 5th Amendment was made on 20 June 1989. The 6th Amendment was made on 10 July 1990. The 7th Amendment was made on 1 April 1991. The 8th Amendment was made on 30 March 1996. The 9th Amendment was made on 15 August 1996. The 10th Amendment was made on 22 August 1997. The 11th Amendment was made on 23 May 1998. The 12th Amendment was made on 7 August 1998. The 13th Amendment was made on 23 April 1999. The 14th Amendment was made on 30 June 2000. The 15th Amendment was made on 22 June 2001. The 16th Amendment was made on 8 April 2002. (The 1st time) The 17th Amendment was made on 8 April 2002. (The 2nd time) The 18th Amendment was made on 20 June 2003. The 19th Amendment was made on 28 June 2004. The 20th Amendment was made on 16 June 2005. The 21st Amendment was made on 25 April 2006. The 22nd Amendment was made on 15 June 2007. The 23rd Amendment was made on 13 June 2008. The 24th Amendment was made on 27 May 2009. The 25th Amendment was made on 4 June 2010. The 26th Amendment was made on 10 January 2012. The 27th Amendment was made on 6 June 2012. The 28th Amendment was made on 12 June 2014. The 29th Amendment was made on 2 June 2015. The 30th Amendment was made on 2 June 2016. The 31st Amendment was made on 2 June 2017. The 32nd Amendment was made on 3 June 2020. The 33rd Amendment was made on 22 July 2021. The 34th Amendment was made on 2 June 2022.

【Appendix 2】

Regulation for Director's Election (Before Amendment)

Article 1: Fair, impartial, and open election of directors. This procedure is formulated in accordance with Articles 21 and 41 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

Article 2: The selection and appointment of directors of the company shall be handled in accordance with these procedures unless otherwise stipulated by laws and regulations.

Article 3: All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1) Ability to make operational judgments.
- (2) Ability to perform accounting and financial analysis.
- (3) Ability to conduct management administration.
- (4) Ability to conduct crisis management.
- (5) Knowledge of the industry.
- (6) An international market perspective.
- (7) Ability to lead.
- (8) Ability to make policy decisions.

Article 4: The qualifications of the independent directors of the company shall comply with the provisions of Articles 2,3 and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The selection and appointment of independent directors of the Company shall comply with the provisions of Articles 5,6,7,8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and matters to be followed and shall be based on Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies

Article 5: The election of directors of the company shall adopt the candidate nomination system in accordance with the articles of association and Article 192-1 of the Company Act.

Article 6: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 7: The board of directors shall prepare a ballot equal to the number of directors and supervisors to be elected, fill in their weights, and distribute it to shareholders attending the shareholders' meeting. The name of the electors may be replaced by the attendance certificate number printed on the ballot.

Article 8: The number of directors of the company shall be calculated according to the number of

independent directors and non-independent directors shall be calculated respectively. At the time of the election, the vote shall be decided by the votes of those who have the same number of votes. Those who don't attend shall be drawn by lot on behalf of the chairman.

Article 9: Before the election, the chairman shall designate a scrutineer with the status of a shareholder. The ballot boxes are prepared by the board of directors and open for inspection by the scrutineers before voting.

Article 10: If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number.

However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by the Board of Directors.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The name, and shareholder account number do not match the roster of shareholders if the nominated candidate is a shareholder. The name, and ID number do not match if the nominated candidate is a non-shareholder.
5. Other words or marks are entered in addition to the account name (name) or shareholders' account number (ID number).
6. The name of the candidate filled in is the same as that of another shareholder, but could not be identified by other means, such as providing the shareholder account number or identification number.
7. Marking two or more candidates on the same ballot.
8. Writing a candidate who is not nominated in accordance with Article 6 of the Regulation.

Article 12: The voting rights shall be calculated on site immediately after the end of the poll, and the results of the list of persons elected as directors shall be announced by the chair on the site.

Article 13: The elected directors and supervisors shall be notified by the Board of Directors of the Company.

Article 14: These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

Article 15: The regulation was formulated on 1 1 1999.

The 1st Amendment was made on 15 June 2007.

The 2nd Amendment was made on 2 June 2017.

The 3rd Amendment was made on 2 June 2022.

【Appendix 3】

PONTEX POLYBLEND CO., LTD.

Rules of Procedure for Shareholders' Meetings

Article 1: The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 2: The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in.

Article 3: The attendance and voting at the shareholders' meeting shall be based on the calculation of shares.

Article 4: The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.

Article 5: If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.

Article 6: The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.

Article 7: The entire meeting process of the shareholders' meeting shall be audio or video-recorded, and shall be kept for at least one year.

Article 8: The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 9: If a shareholders meeting is convened by the board of directors, the meeting agenda shall

be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the adjournment, shareholders are not allowed to elect another chairman to continue the meeting at the same location or any other location.

Article 10: Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken.

When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 11: Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 12: When a juristic person is appointed to attend as a proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13: After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14: When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, and call for a vote.

Article 15: Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Corporation. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

Article 16: When a meeting is in progress, the chair may announce a break based on time considerations.

Article 17: Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

When voting, if there is no objection from the attending shareholders after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by poll.

Article 18: When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When anyone among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 19: The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

Article 20: These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.

Article 21: The rules were formulated on 30 June 2000.

The 1st Amendment was made on 2 June 2016.

【Appendix 4】

Current Shareholding of Directors

1. The minimum requirements for the shareholding and registered shares in the shareholders' list of all directors:

Title	Minimum requirements for the shareholding	Registered shares in the shareholders' list
Director	7,277,280 shares	8,763,699 shares

Note 1: The book closure date: 9 April 2023

Note 2: The shareholding of independent directors shall not be included in the shareholding of all directors according to law.

Note 3: If elected two or more independent directors, the share ownership figures calculated shall be decreased by 20 percent.

2. Current Shareholding of Directors:

Title	Name	Registered shares in the shareholders' list
Chairman	Henry Global Investment Co., Ltd. Representative: SHEN, MAO-KEN	5,000,000 shares
Director	Fortune Ever Investment Co., Ltd Representative: SHONE, DE-GENT	1,275,294 shares
Director	Peace Ever Investment Co., Ltd. Representative: JENG, RONG-JUH	843,409 shares
Director	Bangtai Investment Co., Ltd Representative: CHEN, ZONG-YI	10,000 shares
Director	Jiajie Heyi Co., Ltd. Representative: HSU, YIN-JU	1,000 shares
Director	CHANG, MING-TUNG	1,633,996 shares
Independent Director	SHEN, HSIU-HSIUNG	594,728 shares
Independent Director	KUO, TIEN-TSAI	0 shares
Independent	HSU, CHI-SHAN	0 shares

Director		
Independent Director	LEE, WEN-PIN	0 shares

Note: The book closure period was from 9 April 2023 to 7 June 2023.