



PONTEX POLYBLEND CO.,LTD.

Handbook for the 2024  
Annual Meeting of Shareholders

Meeting Method: Physical meeting

6 June 2024

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## **I. Meeting Agenda**

### **PONTEX POLYBLEND CO., LTD.**

#### **Meeting Agenda for the 2023 Annual Shareholders' Meeting**

**Time: 9:00 a.m. 6 June 2024(Thursday)**

**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) 2023 Business Report

(2) Audit Committee's Review Report on the 2023 Financial Statements

(3) Report 2023 the status of Endorsement Guarantee Amount.

(4) Report on the handling of private placement of common stock proposal. approved by the Company's 2022 and 2023 regular shareholders meeting and Capital Utilization, Progress in Plan Execution, and Benefit Situation.

##### **4. Proposals**

(1) 2023 Business Report and Financial Statements

(2) 2023 Loss Case

##### **5.Elections**

Proposal of the Company's Independent director by election

##### **6.Other Proposals**

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

##### **7.Questions and Motions**

##### **8.Adjournment**

## **II. Management Presentation**

### **Report No. 1**

2023 Business Report

### **Explanation:**

The 2023 business Report is attached as Pg.6, Attachment 1.

## **Report No. 2**

Audit Committee's Review Report on the 2023 Financial Statements

Explanation:

### **Explanation:**

The company's 2023 financial statements have been audited by the CPA firm. The Financial Statements, Business Report, and Loss Case have been reviewed and determined to be correct and accurate by the Audit Committee. The Audit Committee's Review Report is p.11 as Pg,7, Attachment2.

## **Report No. 3**

Report 2023 Status of Endorsement Guarantee Amount

### **Explanation:**

The company in 2023 100% indirectly invested shareholder of Vietnam Bang Thai Polyblend Co.Ltd., and signed an endorsement guarantee with the Ho Chi Minh City branch of First Bank for short-term financing of 1.2millionUSD. The endorsement guarantee amount is 1.32 million USD, calculated as 1.1 times the financing amount.

## **Report No. 4**

Report on the handling of private placement of common stock proposal. Approved by the Company's 2022 and 2023 regular shareholders meeting and Capital Utilization, Progress in Plan Execution, and Benefit Situation.

### **Explanation:**

1. Report on the handling of private placement of common stock approved by the shareholders' Meeting in the year of 2022 :
  - a. The company resolved at the shareholders' meeting on June2, 2022 to conduct a private placement of common shares in accordance with Article 43-6 of the Securities and Exchange Act, with the maximum total issuance of 30,000 thousand shares. The issuance may be conducted in three tranches within one year from the date of the resolution. Subsequently, the Board of Directors resolved to price per share at NT\$10 on March 9, 2023.
  - b. Houndey enterprise Co., Ltd subscribed 6,666 thousand shares on March 23, 2023, and the amount was NT\$66,666,000.

- c. It resolved by the board of directors on April 27, 2023. The remaining balance of 23,334 thousand shares will no longer be subject to private placement for remaining period of one year from the date of resolution.
- d. The status of 2022 company carried out a private placement of securities

Item	2022 First Private Placement Issue Date: March 9,2023
Securities under private placement	Common Stock
Date of resolution and approved quantity	The company resolved at the shareholders' meeting on June 2, 2022, conducted the private placement of common shares in accordance with Article 43-6 the Securities and Act. The total maximum number of shares to be issued is 30,000 thousand shares, and the issuance may be conducted in three installments within one year from the date of the resolution.
Basis and rationale for price setting	<p>According to the company's shareholders' meeting on June 2, 2022. resolved that the determination of the reference price for this private placement of common shares is based on either (1) the simple arithmetic average of the closing prices of common shares calculated on the first, third, and fifth business days before the pricing date, excluding right issues and ex-dividend dates, plus the price after reverse stock split, or (2) the simple arithmetic average of the closing prices of common shares calculated on the thirty business days before the pricing date, excluding rights issues and ex-dividend dates, plus the price after reverse stock split, whichever is higher. The private placement price is set at no less than eighty percent of the reference price. The actual pricing date and the actual issuance price will be proposed to the shareholders' meeting for authorization by the board of directors within the percentage range specified in the aforementioned shareholders' meeting resolution, taking into account market and company conditions.</p> <p>The pricing method for this private placement of common shares complies with relevant regulations of the competent authority and is deemed reasonable considering the company's operating status, future prospects, and recent stock price performance.</p> <p>The pricing for this private placement of common shares is set at NT\$10, which is no less than eighty percent of the reference price at NT\$12.5.</p>

Selection method of specified parties	The selection of subscribers for this private placement of common shares shall be conducted in accordance with Article 43-6 of the Securities and Exchange Act.				
Reasons for private placement	The company evaluates the conditions of the capital market and considers factors such as the timeliness, convenience, and issuance costs of raising capital. Therefore, it has chosen to issue common shares through private placement to enhance the efficiency of capital raising.				
Share	6,666,000 shares				
Date of payment and completion/ payment deadline	March 23,2023/ March 23,2023				
Date of Capital Increase	March 23,2023				
Information on contribution parties	Target	Eligibility	Quantity Purchased	Relationship with the Company	Participation in Company Operations
	Houndey enterprise Co.,Ltd	Strategic Investor	6,666,000shares	None	Elected as a director of the company at the shareholders' general meeting on June 7,2023
Actual purchase (or conversion) price	NT\$10.00				
Difference between the actual purchase (or conversion) price and the reference price	The actual purchase price is NT\$10.00 per share, which is eighty percent of the reference price of NT\$12.5 per share, and in accordance with the company's shareholders' meeting on June 2, 2022. Resolved that the determination of the regulations of reference price.				
Impact of private placement on shareholders' equity (ex. causing an increase in accumulated losses)	<p>The purpose of the company's private placement is to enrich operation capital, and repaid bank loans. To strengthen company's financial structure, improve operation efficiency, meet the benefits of interest savings, and get assistance from strategic investors to help company operational growth and competitiveness, enhance the profit of the company, and positively impacting shareholder equity.</p> <p>Moreover, the private placement price is set at the normal value at NT\$10 per share without any discount, ensuring it will not lead to increase in the company's accumulated losses.</p>				

Use of funds from private placement and progress of proposed plans	The purpose of this common stock of private placement is to enrich operation capital and repay bank loans, and increase the company's internal capital and flexibility, and reducing financial borrowing. The funds used in different stages to complete the closing on April 14, May 2, May23, May 26, and June 7, 2023.
Effectiveness of private placement	This private placement of common stocks is practically utilized by the company for purchasing materials, repaying letters of credit, and cashing the check payments. This effectively enriched operational internal capita, reduced short-term borrowing from banks, reduced the debt ratio, saved on interest expenses, and improved the company's financial structure.

2. Report on the handling of private placement of common stock approved by the shareholders' Meeting in the year of 2023 :

- a. The company resolved at the shareholders' meeting on June 7, 2023 to conduct a private placement of common shares in accordance with Article 43-6 of the Securities and Exchange Act, with the maximum total issuance of 20,000 thousand shares with NT\$10 per share, and the issuance may be conducted in three tranches within one year from the date of the resolution.
- b. The company resolved at the share holders' meeting on August 3, 2023, to conduct the first private placement of 4,500 thousand new shares at a price of NT\$10 per share. The full subscription payment was received on August 17, 2023, total NT\$45 million.
- c. The company resolved at the share holders' meeting on March 7, 2024, to conduct the second private placement of 15,500 thousand shares at a price of NT\$10 per share. The full subscription payment was received on March 21, 2024, total NT\$155 million.
- d. The maximum number of common stocks of private placement were approved by the shareholders' meeting of 2023 which were 20,000 thousand shares. After two rounds of fundraising and issuance, all shares have been fully completed.

### **III. Proposals**

1. (Proposed by the board of directors)

**Proposal:**

Adoption of the 2023 Business Report and Financial Statements

**Explanation:**

The CPA firm of Lan-Jai CPA's Firm by CPA Ciou, Lang-Min, Jian, Jhih-Hong was retained to audit and issued with an unqualified opinion of the 2023 consolidated Financial Statements and 2023 individual financial statements. For The 2023 Business Report and the Financial Statements are attached as p.6, Attachment 1, and pp.8-26, Attachment 3.

**Resolution:**

2. (Proposed by the board of directors)

**Proposal:**

Adoption of the 2023 Loss Case.

**Explanation:** (1) The company's net loss after tax of the year 2023 is amount to NT\$69,897,626, with accumulated unrecovered losses total is NT\$69,909,417. The loss statement is attached as P.27, Attachement 4.

**Resolution:**

**IV. Elections**

**Proposal:**

Proposal of the Company's independent director by election

**Explanation:**

- (1) The indenpent director of Company, Gau, Tian-Cai, resigned on August 15, 2023. It is proposed to hold a by-election for one independent director at 2024 shareholders' meeting by the candidate nomination system.
- (2) The newly independent director shall serve the same term as the. Current director. The term is from June 6, 2024 to June 1, 2025.
- (3) The List of Candidates for the Independent Director is attached as. p.28, Attchment 5.

**Resolution:**

**Election results :**

**V. 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.29, Attachment 6.



**Resolution:**

**VI. Other proposals**

**VII. Adjournment**

## **VIII. Attachment**

### **【 Attachment 1 】**

#### **1. Business Report**

In the year of 2023, the global economy faced the grey rhinos and black swans. The Federal Reserve of the United States continued increasing its interest rate to combat the inflation while several banks in Europe and America experienced instability crises. China's largest private real estate developer, Country Garden, defaulted on its debts, and the ongoing Russia-Ukraine conflict escalated alongside the Middle East conflict between Israel and Hamas. Despite these adversities and prevailing pessimism leading to a global economic slowdown, the global growth rate was 2.7% only slightly lower than the 3% of the previous year of 2022. However, due to these factors such as deferred effects of interest rate hikes, US-China competition, extreme weather, and geopolitical risks disrupted the consumption momentum and kept the supply chain conservative, indicating a further slowdown in global economic growth expectations for the year of 2024. In the year of 2023 the domestic demand remained strong in Taiwan, investments and exports faltered, largely impacted by the global economic downturn and industrial inventory adjustments. The annual growth rate was merely 1.4%, which was marked one of the weakest performances in recent years. With the expectations of a rebound in exports and investments in the year of 2024, Taiwan's economic performance is expected to grow up and the inflation noticeably decreases. There might be opportunities for the Federal Reserve to cut interest rates this year to boost the economy, and included the outcomes of Russian and American presidential elections which may continue to impact global economic prospects, necessitating cautious consideration.

In the year of 2022, after 15 years of operation, the company was able to distribute dividends to shareholders based on the earning of fiscal year of 2022, and marking a concrete achievement resulting from the long-term efforts of the current management team's transformation. However, in the post-pandemic era, amidst global economic downturn, the company's two major industries, equipment of foot injection component and compound materials faced conservative purchasing from related channels, which leads to excess inventory at the client end. Or it's the decrease in orders from various global footwear brands, it severely hindered the company's sales expansion in the year of 2023. The annual revenue declined to NT\$590million, with compound material accounting for approximately 79%, and equipment for 21%. From the structure, it indicates that both of the company's major industries are facing harsh environment, and exhibiting synchronous decline.

In the year of 2024, there is still full uncertainty in the external environment, the company cautiously sets a basic goal of NT\$10.5 billion, and hope to restore profitability of the company's foundation in the shortest time as possible. In the field of equipment injection, the company successfully secured cooperation with a new shoes factory at the end of 2023 to increase sources of brand orders, and we expected to start to get the orders and supply this year. Moreover, we plan to build a plant of researching molds in both Pontex (Q.Y.) and Vietnam Bang Thai to rebuild the autonomy development of Pontex to seize more opportunities in new models' development. These will support the production needs in both plant of Pontex(Q.Y) and Vietnam Bang Thai in the future. In the field of compound materials, we continue to strengthen research and develop of environmentally friendly materials, aligning with global trends such as plastic reduction and carbon emission reduction, and develop on ESG which we have basic foundation on it, including ongoing enhancement of Pontex renowned biodegradable materials in the industry. The company has also made significant progress in post- customer recycle(PCR) plastic, completing verification for up to 13 products, which will be crucial resources for the company's long-term competitiveness. Besides, at the end of 2023, Pontex established Taiwan's first fully automated recycling fabric hot-pressing line, recycling fabric or textile shredder materials to produce flat panels through heat pressing for use in construction materials and home furnishings.

Targeting the large amounts of waste materials generated annually by domestic and foreign apparel brands and fabric factories, through this new production line, the company is creating a new circular economy, representing a significant new investment for the company in recent years. Together with its core businesses in composite engineering plastics and equipment injection for footwear, these efforts uphold BonTai's resurgence.

Thank you for the long-term support and guidance from all shareholders. In the year of 2023, external conditions temporarily impacted our operations, leading to a brief setback. This prompted our management team to reassess our adaptability to the broader environment. In the year of 2024, it marks a crucial juncture for Pontex resurgence. Despite ongoing economic challenges in the first half of the year, we remain resolute and committed to achieve our annual goals. We strive to meet shareholders' expectations and express our sincerest gratitude.

Wish you good health and good luck.

Chairman: Henry Global Investment Co.,Ltd.      Manager: Shen, Mao-Ken

Accounting officer: Zhung, Xiu-Ju

## **PONTEX POLYBLEND CO., LTD.**

### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and parent company only financial statements and the proposal of loss statement. The CPA firm of Lan-Jai CPA's Firm Ciou, Lang-Min and Jian, Jhih-Hong 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 parent company only financial statements and the proposal of loss statement 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.

Sincerely,

PONTEX POLYBLEND CO., LTD. 2024 regular meeting of shareholders

Convener of the Audit Committee: Shen, Xiu-Xiong

March 7, 2024

## 【 Attachment 3 】

### **Independent Auditors' Report Translated from Chinese**

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, 2023 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 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, 2023 and their consolidated financial performance and cash flows for the years ended December 31, 2023 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 Regulations Governing Financial statement Audit and Attestation Engagement of Certified Public Accountant and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 2023 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 2023, gross accounts receivable and loss allowance by the Company amounted to NT\$118,042 thousand and NT\$214 thousand, respectively. Net accounts receivable accounted for 8% 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. Inventory valuation

As of 31 December 2023, the net inventories of the Company and its subsidiaries amounted to NT\$263,988 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.

## **Other Matter**

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, 2023.

The consolidated financial statements of the Company for the year ended December 31, 2022 were audited by the other auditor who expressed an unqualified opinion on those statements on March 9, 2023.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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 The Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2023 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.

CHIU, LANG-MIN

CHIEN, CHIH-HUNG

LAN-JAI CPAs FIRM,

March 7, 2024

#### **Notice to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants 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, LAN-JAI CPAs FIRM 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

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	\$107,758	7	\$151,394	9
1136	Financial assets measured at amortized cost - current		58,078	4	35,272	2
1150	Notes receivable, net	4,6(2)	23,405	2	13,748	1
1170	Accounts receivable, net	4,6(3)	117,828	8	226,103	13
1200	Other receivables	4	4,566	-	4,050	-
130x	Inventories	4,6(4)	263,988	17	277,306	17
1410	Prepayments		24,915	2	22,857	1
1476	Other current financial assets	6(1),8	24,591	1	30,787	2
1479	Other current assets		2,271	-	1,738	-
11xx	Total current assets		<u>627,400</u>	<u>41</u>	<u>763,255</u>	<u>45</u>
	Non-current assets					
1600	Property, plant and equipment	4,6(5),8	684,583	44	722,405	42
1755	Right-of-use assets	4,6(14)	149,327	10	156,293	9
1760	Investment property	4,6(6)	51,692	3	55,968	3
1780	Intangible assets	4	232	-	251	-
1840	Deferred tax assets	4,6(18)	15,206	1	15,962	1
1900	Other non-current assets	6(7)	13,884	1	3,844	-
1975	Net defined benefit non-current assets	4,6(10)	3,207	-	3,061	-
15xx	Total non-current assets		<u>918,131</u>	<u>59</u>	<u>957,784</u>	<u>55</u>
1xxx	Total assets		<u>\$1,545,531</u>	<u>100</u>	<u>\$1,721,039</u>	<u>100</u>

(Continued)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS (Continued)  
31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	4,6(8)	\$296,814	19	\$427,749	25
2150	Notes payable		18,326	1	28,876	2
2170	Accounts payable		50,742	3	38,697	2
2200	Other payables		24,679	2	33,127	2
2230	Current tax liabilities	6(18)	764	-	6,354	-
2320	Long-term liabilities-current portion	4,6(9)	74,666	5	72,500	4
2399	Other current liabilities	6(12)	425	-	1,890	-
21xx	Total current liabilities		<u>466,416</u>	<u>30</u>	<u>609,193</u>	<u>35</u>
	Non-current liabilities					
2540	Long-term loans	4,6(9)	198,075	13	258,750	15
2570	Deferred tax liabilities	4,6(18)	12,676	1	12,556	1
2645	Other non-current liabilities-others		2,613	-	2,671	-
25xx	Total non-current liabilities		<u>213,364</u>	<u>14</u>	<u>273,977</u>	<u>16</u>
2xxx	Total liabilities		<u>679,780</u>	<u>44</u>	<u>883,170</u>	<u>51</u>
31xx	Equity attributable to the parent company					
3100	Capital					
3110	Common stock	6(11)	979,950	63	843,000	49
3300	Retained earnings	6(11)				
3310	Legal reserve		3,443	-	619	-
3320	Special reserve		5,569	-	5,569	-
3350	Retained earnings (accumulated deficit)		(69,909)	(4)	28,246	2
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(53,302)	(3)	(39,565)	(2)
3xxx	Total equity		<u>865,751</u>	<u>56</u>	<u>837,869</u>	<u>49</u>
	Total liabilities and equity		<u>\$1,545,531</u>	<u>100</u>	<u>\$1,721,039</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Item	Notes	For the years ended 31 December 2023		For the years ended 31 December 2022	
			Amount	%	Amount	%
4000	Operating revenues	4,6(12),7	\$594,313	100	\$946,483	100
5000	Operating costs	6(4),6(15)	(526,748)	(89)	(774,041)	(82)
5900	Gross profit-net		67,565	11	172,442	18
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(36,001)	(6)	(48,355)	(5)
6200	General and administrative expenses		(83,904)	(14)	(85,417)	(9)
6300	Research and development expenses		(11,728)	(2)	(17,899)	(1)
6450	Expected credit gain (loss)	4,6(13)	1,970	-	(2,232)	-
	Total operating expenses		(129,663)	(22)	(153,903)	(15)
6900	Operating income		(62,098)	(11)	18,539	3
7000	Non-operating income and expenses					
7100	Interest income		2,256	-	630	-
7010	Other income	6(16)	13,554	2	19,893	2
7020	Other gains and losses	6(16)	(3,581)	(1)	4,143	-
7050	Finance costs	6(16)	(20,383)	(2)	(19,255)	(2)
	Total non-operating income and expenses		(8,154)	(1)	5,411	-
7900	Income from continuing operations before income tax		(70,252)	(12)	23,950	3
7950	Income tax benefit	4,6(18)	354	-	3,406	-
8200	Net income		(69,898)	(12)	27,356	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		(179)	-	1,112	-
8349	Income tax related to items that will not be reclassified subsequently		36	-	(222)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(13,737)	(2)	25,950	3
	Total other comprehensive income (loss), net of tax		(13,880)	(2)	26,840	3
8500	Total comprehensive income		\$(83,778)	(14)	\$54,196	6
8600	Net income attributable to:					
8610	Stockholders of the parent		\$(69,898)		\$27,356	
8620	Non-controlling interests		-		-	
			\$(69,898)		\$27,356	
8700	Comprehensive income attributable to:					
8710	Stockholders of the parent		\$(83,778)		\$54,196	
8720	Non-controlling interests		-		-	
			\$(83,778)		\$54,196	
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		\$(0.75)		\$0.32	
9850	Earnings per share-diluted		\$(0.75)		\$0.31	

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
For the years ended 31 December 2023 and 2022  
(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 (accumulated deficit)	Exchange Differences on Translation of Foreign Operations	
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, 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		\$843,000	\$619	\$5,569	\$28,246	\$(39,565)	\$837,869
Balance as of 1 January 2023	6(17)	\$843,000	\$619	\$5,569	\$28,246	\$(39,565)	\$837,869
Appropriation and distribution of 2022 retained earnings							
Legal reserve		-	2,824	-	(2,824)	-	-
Stock dividends of Common Stock		25,290	-	-	(25,290)	-	-
Net loss for the year ended 31 December 2023		-	-	-	(69,898)	-	(69,898)
Other comprehensive income, net of tax for the year ended 31 December 2023		-	-	-	(143)	(13,737)	(13,880)
Total comprehensive income		-	-	-	(70,041)	(13,737)	(83,778)
Issuance of Common Stock		111,660	-	-	-	-	111,660
Balance as of 31 December 2023		\$979,950	\$3,443	\$5,569	\$(69,909)	\$(53,302)	\$865,751

(The accompanying notes are an integral part of the consolidated financial statement)

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

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

English Translation of Consolidated Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from operating activities:			
Net income(loss) before tax		\$(70,252)	\$23,950
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			
Depreciation		49,914	56,739
Amortization		91	142
Expected credit (gain)loss		(1,970)	2,232
Finance costs		20,383	19,255
Interest income		(2,256)	(630)
loss on disposal of property, plant and equipment		1	174
Reversal of impairment loss on non-financial assets		-	(174)
Changes in operating assets and liabilities:			
Decrease (increase) in notes receivable		(9,657)	9,902
Decrease in accounts receivable		108,295	53,719
Increase in other receivables		(173)	(290)
Decrease in inventories, net		13,318	4,081
Decrease (increase) in prepayments		(2,058)	18,033
Decrease in other current financial assets		6,196	531
Increase in other current assets		(533)	(625)
Increase (decrease) in notes payable		(10,550)	4,005
Increase (decrease) in accounts payable		12,045	(28,921)
Increase (decrease) in other payables		(8,709)	3,427
Decrease in other current liabilities		(1,465)	(303)
Decrease in net defined benefit non-current assets		(325)	(314)
Cash generated from operations		102,295	164,933
Interest received		2,093	598
Interest paid		(20,552)	(19,127)
Income tax paid (return)		(4,330)	582
Net cash provided by operating activities		79,506	146,986
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(20,852)	(11,810)
Acquisition of intangible assets		(73)	(160)
Increase in financial assets measured at amortized Cost - current		(22,806)	(35,272)
Decrease increase in other non-current assets		4,721	420
Net cash provided by (used in) investing activities		(39,010)	(46,822)
Cash flows from financing activities:			
Increase in short-term loans		786,855	955,937
Decrease in short-term loans		(917,781)	(982,124)
Increase in long-term loans		13,991	24,000
Cash payment for long-term loans		(72,500)	(73,743)
Issuance of Common Stock		111,660	-
Increase in other non-current liabilities		-	40
Net cash used in financing activities		(77,775)	(75,890)
Effect of exchange rate changes on cash and cash equivalents		(6,357)	14,974
Net increase in cash and cash equivalents		(43,636)	39,248
Cash and cash equivalents at beginning of period		151,394	112,146
Cash and cash equivalents at end of period	6(1)	\$107,758	\$151,394

(The accompanying notes are an integral part of the consolidated financial statement)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN



## 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 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023, 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 2023, and their parent company only financial performance and cash flows for the years ended 31 December 2023, 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 Financial statement Audit and. Attestation Engagement of Certified Public Accountant and the Standards on Auditing of the Republic of China; Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (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 2023 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.

#### 1. Impairment of accounts receivable

As of 31 December 2023, gross accounts receivable and loss allowance by the. Company amounted to NT\$78,460 thousand and NT\$0 thousand, respectively. Net accounts receivable accounted for 5% 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. Inventory valuation

As of 31 December 2023, the Company's net inventories amounted to NT\$192,092 thousand accounting for 12% 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.

### **Other Matter**

The only financial statements of the Company for the year ended December 31, 2022 were audited by the other auditor who expressed an unqualified opinion on those statements on March 9, 2023.

### **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 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 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2023 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.

CHIU,LANG-MIN

CHIEN,CHIH-HUNG

LAN-JAI CPAs FIRM,

March 7, 2024

**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, LAN-JAI CPAs FIRM 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.

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

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4,6(1)	\$59,834	4	\$103,901	6
1136	Financial assets measured at amortized cost - current	4	6,142	-	-	-
1150	Notes receivable, net	4,6(2)	23,405	1	13,748	1
1170	Accounts receivable, net	4,5,6(3)	77,001	5	181,851	10
1180	Accounts receivable, net - related parties	4,5,6(3),7	1,459	-	7,165	-
130x	Inventories	4,6(4)	192,092	12	196,696	11
1410	Prepayments		8,589	1	9,275	1
1476	Other current financial assets	6(1),8	21,195	1	24,174	1
1479	Other current assets	4,7	991	-	1,322	-
11xx	Total current assets		390,708	24	538,132	30
	Non-current assets					
1550	Investments accounted for under the equity method	4,6(5)	717,495	45	754,665	42
1600	Property, plant and equipment	4,6(6),8	467,981	29	479,020	27
1780	Intangible assets	4	207	-	189	-
1840	Deferred tax assets	4,6(18)	15,206	1	15,946	1
1900	Other non-current assets	4,6(7)	13,874	1	3,760	-
1975	Net defined benefit non-current assets	4,6(10)	3,207	-	3,061	-
15xx	Total non-current assets		1,217,970	76	1,256,641	70
1xxx	Total assets		\$1,608,678	100	\$1,794,773	100

(Continued)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

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

Pontex Polyblend Co., Ltd.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			31 December 2023		31 December 2022	
Code	Item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(8)	\$291,483	18	\$407,044	23
2150	Notes payable		18,326	1	28,876	2
2170	Accounts payable		42,769	3	21,791	1
2180	Accounts receivable, net - related parties	7	87,164	5	131,178	7
2200	Other payables		17,381	1	22,685	1
2320	Current portion of long-term loans	6(9)	74,666	5	72,500	4
2399	Other current liabilities	4,6(12)	389	-	1,473	-
21xx	Total current liabilities		532,178	33	685,547	38
	Non-current liabilities					
2540	Long-term loans	6(9)	198,075	12	258,750	14
2570	Deferred tax liabilities	4,6(18)	12,674	1	12,599	1
2645	Guarantee deposits		-	-	8	-
25xx	Total non-current liabilities		210,749	13	271,357	15
2xxx	Total liabilities		742,927	46	956,904	53
	Equity					
3100	Capital					
3110	Common stock	6(11)	979,950	61	843,000	47
3300	Retained earnings	6(11)				
3310	Legal reserve		3,443	-	619	-
3320	Special reserve		5,569	-	5,569	-
3350	Retained earnings (accumulated deficit)		(69,909)	(4)	28,246	2
3400	Other components of equity					
3410	Exchange differences on translation of foreign operations		(53,302)	(3)	(39,565)	(2)
3xxx	Total equity		865,751	54	837,869	47
	Total liabilities and equity		\$1,608,678	100	\$1,794,773	100

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

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese  
Pontex Polyblend Co., Ltd.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
For the years ended 31 December 2023 and 2022  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Item	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenues	4,6(12),7	\$454,749	100	\$655,714	100
5000	Operating costs	6(4),6(15)	(398,316)	(88)	(577,945)	(88)
5900	Gross profit		56,433	12	77,769	12
5910	Unrealized profit or loss on sales		357	-	177	-
5920	Realized profit or loss on sales		(177)	-	(364)	-
5950	Gross profit-net		56,613	12	77,582	12
6000	Operating expenses	6(15)				
6100	Sales and marketing expenses		(26,401)	(6)	(30,512)	(5)
6200	General and administrative expenses		(47,765)	(11)	(48,233)	(7)
6300	Research and development expenses		(10,935)	(2)	(17,235)	(3)
6450	Expected credit gain(loss)	4,6(13)	1,970	-	(2,232)	-
	Subtotal		(83,131)	(19)	(98,212)	(15)
6900	Operating (loss) income		(26,518)	(7)	(20,630)	(3)
7000	Non-operating income and expenses					
7100	Interest income		1,318	-	320	-
7010	Other income	4,6(16)	3,198	1	9,129	1
7020	Other gains and losses	6(16)	(4,627)	(1)	1,827	-
7050	Finance costs	6(16)	(18,805)	(3)	(18,610)	(3)
7060	Share of profit of subsidiaries, associates and joint ventures	4,6(15)	(23,613)	(5)	54,924	8
	Subtotal		(42,529)	(8)	47,590	6
7900	Net income before tax		(69,047)	(15)	26,960	3
7950	Income tax (expense)benefit	4,6(18)	(851)	-	396	-
8200	Net income (loss)		(69,898)	(15)	27,356	3
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		(179)	-	1,112	-
8349	Income tax related to items that will not be reclassified subsequently		36	-	(222)	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign operations		(13,737)	(3)	25,950	4
	Total other comprehensive income, net of tax		(13,880)	(3)	26,840	4
8500	Total comprehensive income		\$(83,778)	(18)	\$54,196	7
	Earnings per share (NTD)	4,6(19)				
9750	Earnings per share-basic		\$(0.75)		\$0.32	
9850	Earnings per share-diluted		\$(0.75)		\$0.31	

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

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

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

## PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(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 2022		\$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, net of tax for the year ended 31 December 2022	6(17)	-	-	-	890	25,950	26,840
Total comprehensive income		-	-	-	28,246	25,950	54,196
Balance as of 31 December 2022		\$843,000	\$619	\$5,569	\$28,246	\$(39,565)	\$837,869
Balance as of 1 January 2023		\$843,000	\$619	\$5,569	\$28,246	\$(39,565)	\$837,869
Appropriation and distribution of 2022 retained earnings							
Legal reserve		-	2,824	-	(2,824)	-	-
Stock dividends of Common Stock		25,290	-	-	(25,290)	-	-
Net loss for the year ended 31 December 2023		-	-	-	(69,898)	-	(69,898)
Other comprehensive income, net of tax for the year ended 31 December 2023	6(17)	-	-	-	(143)	(13,737)	(13,880)
Total comprehensive income		-	-	-	(70,041)	(13,737)	(83,778)
Issuance of Common Stock		111,660	-	-	-	-	111,660
Balance as of 31 December 2023		\$979,950	\$3,443	\$5,569	\$(69,909)	\$(53,302)	\$865,751

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

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KEN

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

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 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from operating activities:			
Net income(loss) before tax		\$(69,047)	\$26,960
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:			
Depreciation		18,110	24,318
Amortization		55	91
Expected credit (gain)loss		(1,970)	2,232
Finance costs		18,805	18,610
Interest income		(1,318)	(320)
Share of profit of subsidiaries, associates and joint ventures		23,613	(54,924)
loss on disposal of property, plant and equipment		1	174
Reversal of impairment loss on non-financial assets		-	(174)
Unrealized profit or loss on sales		(357)	(177)
Realized profit or loss on sales		177	364
Changes in operating assets and liabilities:			
Decrease (increase) in notes receivable		(9,657)	9,902
Decrease in accounts receivable		109,570	25,192
Decrease in receivables - related parties		5,706	9,468
Decrease in other receivables		602	-
Decrease (increase) in inventories, net		4,604	(14,768)
Decrease in prepayments		686	1,465
Decrease (increase) in other current financial assets		2,979	(461)
Decrease (increase) in other current assets		(91)	399
Decrease in current contract liabilities		(1,121)	-
Increase (decrease) in notes payable		(10,550)	4,005
Increase (decrease) in accounts payable		20,978	(32,298)
Increase (decrease) in payables - related parties		(44,014)	35,140
Increase (decrease) in other payables		(5,614)	2,537
Increase (decrease) in other current liabilities		38	(673)
Decrease in net defined benefit non-current assets		(325)	(314)
Cash generated from operations		61,860	56,748
Interest received		1,138	320
Interest paid		(18,925)	(18,518)
Net cash provided by operating activities		44,073	38,550

(Continued)

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KE

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN



## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	Notes	For the years ended 31 December 2023	For the years ended 31 December 2022
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(19,507)	(6,464)
Acquisition of intangible assets		(73)	(159)
Decrease in other non-current assets		-	420
Dividends received		-	59,880
Increase in financial assets measured at amortized cost - current		(6,142)	-
Net cash provided by (used in) investing activities		(25,722)	53,677
Cash flows from financing activities:			
Increase in short-term loans		759,634	922,666
Decrease in short-term loans		(875,195)	(948,145)
Increase in long-term loans		(72,500)	(73,743)
Cash payment for long-term loans		13,991	24,000
Decrease in Guarantee deposits		(8)	-
Issuance of Common Stock		111,660	-
Net cash used in financing activities		(62,418)	(75,222)
Net increase (decrease) in cash and cash equivalents		(44,067)	17,005
Cash and cash equivalents at beginning of period		103,901	86,896
Cash and cash equivalents at end of period	6(1)	\$59,834	\$103,901

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

Chairman : HENRY GLOBAL INVEST MENT CO., LTD.

Manager: SHEN, MAO-KE

Accounting Officer : CHUNG, HSIU-CHU

Representative: SHEN, MAO-KEN

【 Attachment 4 】

PONTEX POLYBLEND CO., LTD.

Loss statement for the years ended December 31,2023

Unit: NT\$

Item	Amount
Beginning retained earnings	\$131,605
Less : 2023 net loss	(69,897,626)
Other comprehensive income –Remeasurements of defined benefit plans	(143,396)
Deficit yet to be compensated	\$(69,909,417)

Chairman: Henry Global  
Investment Co., Ltd.

Manager: Shen, Mao-Ken

Accounting officer: Zhung, Xiu-Ju

Representative: Shen, Mao-Ken

【 Attachment 5 】

List of Candidates for Directors

Nominator: Account No.201 Yu,,You-Fa

Type of Nominee	Name of Nominee	Education	Experience	Current Position	Reason for whether served as and independent director continuously for three terms
Independent Director	Lin,Zhi-Hong	Department of Finance, Province University  Master Master of Business Administration (MBA) Pacific University in Hawaii, USA.	1.Chairman of JIUJU MARBLE CO., LTD 2.Chairman of Siang-Shun Investment Co.,Ltd.	1.Chairman of JIUJU MARBLE CO., LTD 2.Chairman of Siang-Shun Investment Co.,Ltd.	Not applicable( First-time nominee of the candidate)

【 Attachment 6 】

Form of Directors Concurrently Holding Positions in Other Companies

Position	Name	The company's name and position in other companies
Director representative	Huang, Qi-Wen	Director, Houndey Enterprise Co., Ltd Chairman, Pin Huang Investment Co., Ltd
Independent director	Lin, Zhi-Hong	Chairman, JIUJU MARBLE CO., LTD Chairman, Siang-Shun Investment Co., Ltd.

## **IX 、Appendieces**

### **【Appendix 1】**

# **PONTEX POLYBLEND CO.,LTD.**

## **Articles of Incorporation**

### **Chapter 1 General Provision**

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 depository 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 candidate 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.

- a. The business report.
- b. The financial statements.
- c. 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】

### **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 3】

### **Regulation for Director's Election** **Chapter 3**

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: A voter must enter the candidate's name and account name in the "candidate" column of the ballot.

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 names of the nominated candidates and the list of director candidates who were filled in do not match.
5. Other words or marks are entered in addition to the name or the account name.
6. Marking two or more candidates on the same ballot.

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 11 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.

The 4th Amendment was made on 7 June 2023.

## 【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	8,000,000 shares	15,838,444 shares

Note 1: The book closure date: 8 April 2024

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

Note 3: If elected two and more independent directors, the shareownership 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	5,132,455 shares
Director	Teng Tsai investment Co., Ltd. Representative: Xiong, Di-Jun	1,309,077 shares
Director	Jung-Shiung Investment Co., Ltd. Representative: Zheng, Rong-Zhu	865,751 shares
Director	Bang- Tai Investment Co. Ltd. Representative: Chen, Zong-Yi	10,264 shares
Director	Jia-Jie Approachable Co., Ltd. Representative: Xu, Yin-Zhu	1,026 shares
Director	Houndey enterprise Co., Ltd Representative: Huang, Qi-Wen	6,842,589 shares
Director	Chang, Ming-Tung	1,677,282 shares
Independent Director	Shen, Xiu-Xiong	610,483 shares
Independent Director	Xu, Ji-Shan	0 shares
Independent Director	Li, Wen-Bin	0 shares

Note: The book closure period was from April 8, 2024 to June 6, 2024.