永捷創新科技股份有限公司

U-BEST INNOVATIVE TECHNOLOGY CO.,LTD.

Stock Code: 4714

General Manager
Huang Na-hao

Disclaimer

This presentation summarizes and evaluates our company's past, present, and future operations based on both primary and objective factors at the time of the presentation. It includes forward-looking statements that are subject to risks, uncertainties, and assumptions, some of which may be beyond our control. Actual results may differ significantly from these forward-looking statements.

The provided information (including views on the future) is neither expressly nor implicitly stated or guaranteed to be accurate, complete, or reliable. It also does not represent a comprehensive discussion of the Company, industry conditions, or subsequent significant developments. The Company does not guarantee the accuracy of the data and is not responsible for updating or correcting the content of this presentation.

1.1 Company Overview- Basic Info

Foundation

Aug. 29, 1991.

Capital

NTD 1,421.1 million

Total land area

28,172㎡

Business Items

We can provide customers with high-quality products and collaborate with them to develop their unique product requirements.

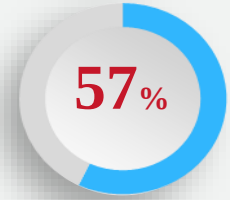
Main Products

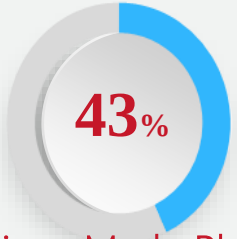
Polyurethane
Synthetic Resin

Chairman : Chang Yu-Ming

General Manager: Huang Na-hao

1.2 Company Overview -Eternal Materials, 100% MIT, Made in Taiwan.





Tainan Anding Headquarters
(Occupancy 7, 203㎡)

2023 Revenue Scale	219,239 thousand NT dollars.
Primary Products	Polyurethane Resin (PU)
Monthly Production Capacity (22 Days)	1,500 tons (7 Reactors)

Tainan Mado Plant
(Occupancy 21, 019㎡)

2023 Revenue Scale	126,085thousand NT dollars.
Primary Products	Polyester Polyol(POLYOL)
Monthly Production Capacity (22 Days)	1300tons (3Reactors)

1.3 Company Overview-Vertical integration of upstream and midstream sectors, mastering core technologies and cost control advantages.

Upstream, midstream, and downstream petrochemical raw materials.

Upstream

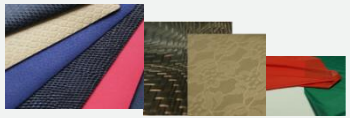
Oil
Recycled materials

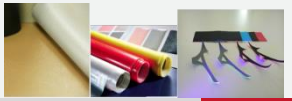
midstream

Polyurethane resin(PU)
Polyester polyol(POLYOL)
Thermoplastic polyurethane elastomer(TPU)

TPU Film and membrane
PU Synthetic leather
PVC Furniture and furnishings materials

信立化學工業股份有限公司
HSIN-LI CHEMICAL INDUSTRIAL CORP.

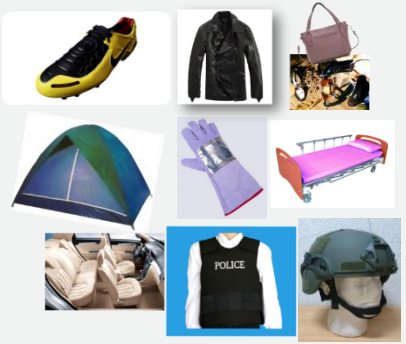




downstream

Shoe industry, leather goods industry, garment industry, outdoor equipment, medical applications, life-saving protection, defense industry, automotive industry, etc.

NIKE、ADIDAS、ASCIS、MIZUNO、UA、NB
UN



01

One-Component Resin (AT Series)

Usage: Primarily used in the production of synthetic leather for making shoes, bags, sofas, and consumer goods such as clothing.

02

Two-Component Resin (BD Series)

Usage: Various adhesives designed for bonding fabrics, films, PU synthetic leather, PVC synthetic leather, as well as bonding of leather, nylon fixation, and various fiber adhesion applications.

03

Water-Based Resin (WT Series)

Usage: Solvent content below 5%. Environmentally friendly resin that complies with environmental trends worldwide.

04

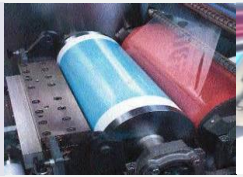
Wet Resin (CP Series)

Usage: Mainly used in the production of synthetic leather for making shoes, bags, sofas, and consumer goods such as clothing. Applied in the wet production process.

05

Nylon Resin (EN Series)

Usage: Mainly used in the production of waterproof nylon fabric for items such as raincoats, suitcases, tents, etc.



06

Surface Treatment Resin (TG Series)

Usage: Primarily employed for surface treatment in order to enhance product hardness, smoothness, brightness, etc.

07

Crosslinking Agent (BL Series)

Purpose: Crosslinking agent for two-component PU resin and acrylic resin.

08

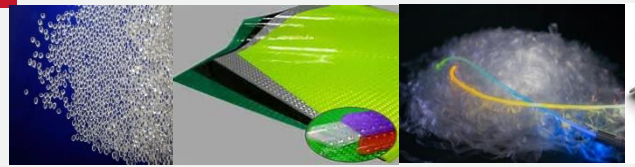
Wet-curing reaction type hot melt adhesive (WP series)

Application: Textile bonding (fabric/fabric, fabric/film), paper products, non-woven fabric, woodworking, PU synthetic leather, foam sponge, metal sheet lamination, and construction adhesive for structural bonding and sealing.

09

Polyester polyol

Applications: TPU, Synthetic Resin Materials



10

Thermoplastic Polyurethane Elastomer (TPU)

Applications: Footwear, Hot Melt Adhesives, Rollers, Pipe, Adhesives, Synthetic Leather, Cables, Film, and other fields.

11

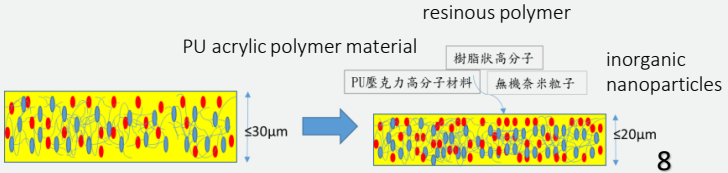
High-performance Polymer Composite Materials

Applications: Primarily developed for high-performance polymer composite materials with excellent conductivity, antistatic properties, and effective heat dissipation

12

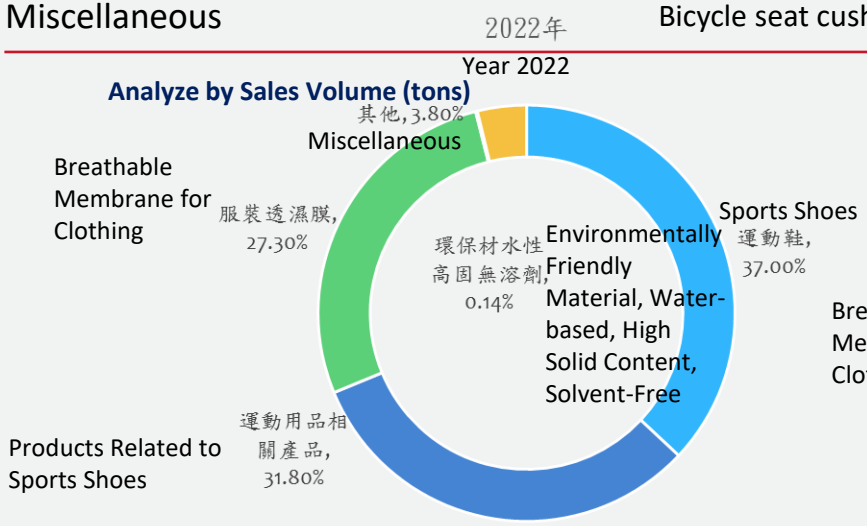
Material for Wear-resistant Coating on AMOLED Display Surfaces

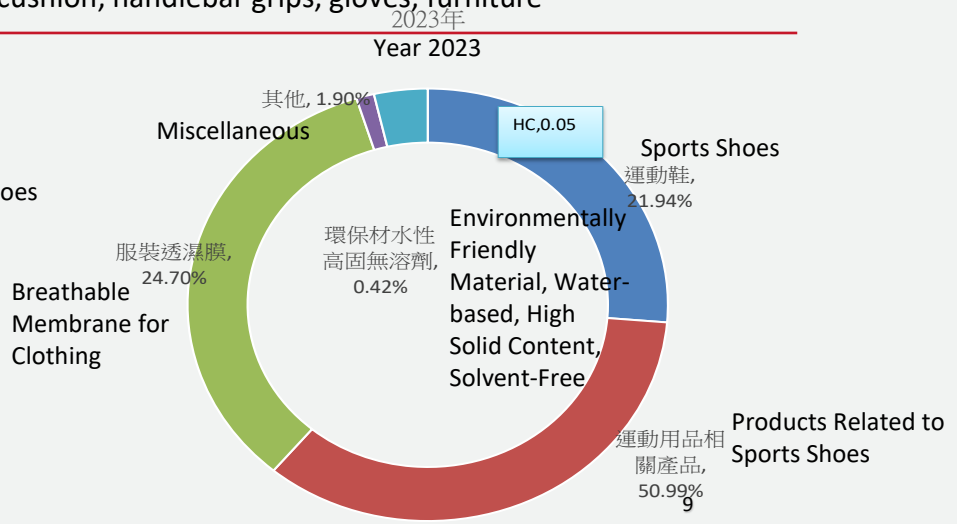
Purpose: Thin-folding hard material development formula optimization.



1.5 Company Introduction - Main Product Applications and Industries

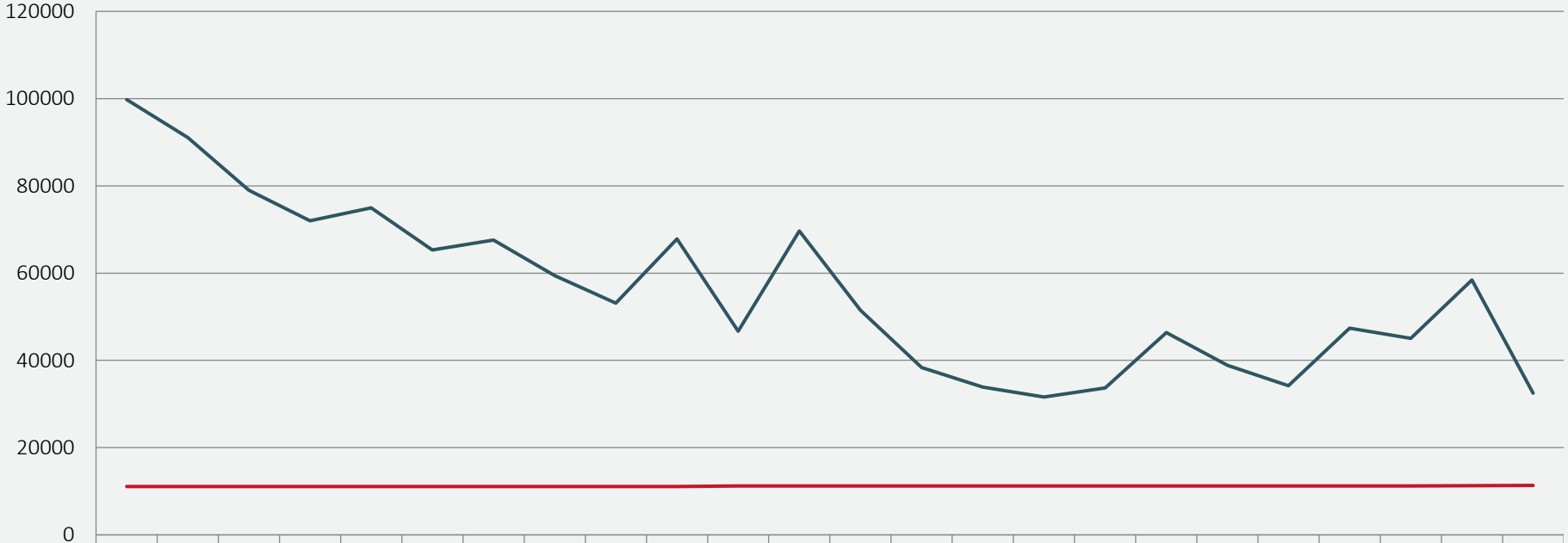
Industrial Sector	Intended Use Explanation
Sports Shoes	Oil-based surface, primer, and wet resin.
Products Related to Sports Shoes	POLYOL Finished Product, Stiffener, Shoe Adhesive
Breathable Membrane for Clothing	Waterproof and Moisture-permeable Resin and Breathable Membrane
Environmentally Friendly Material, Water-based, High Solid Content, Solvent-Free	Water-Based High-Solid and Solvent-Free Resin
Miscellaneous	Bicycle seat cushion, handlebar grips, gloves, furniture





2.1 Analysis of Operating Status - Revenue Trends

Revenue for the 2023 decreased compared to the same period last year, primarily due to customers destocking, resulting in a decrease in orders.

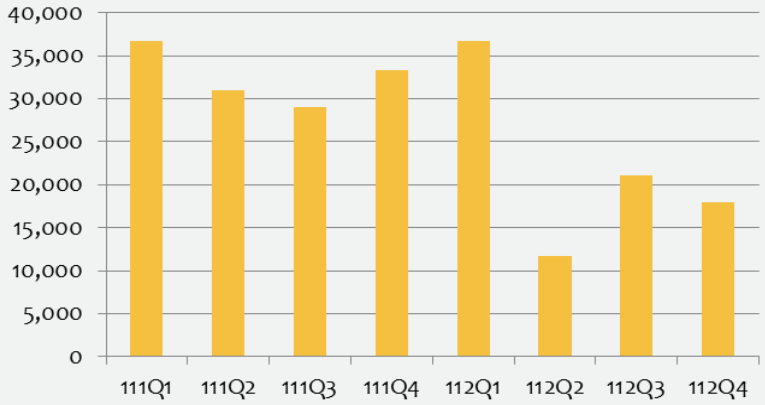


	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
年月	11103	11104	11105	11106	11107	11108	11109	11110	11111	11112	11201	11202	11203	11204	11205	11206	11207	11208	11209	11210	11211	11212	11301	11302
營收	99,760	91,035	79,014	72,007	74,971	65,324	67,587	59,461	53,140	67,820	46,683	69,676	51,496	38,369	33,886	31,613	33,667	46,353	38,830	34,165	47,389	45,074	58,421	32,472

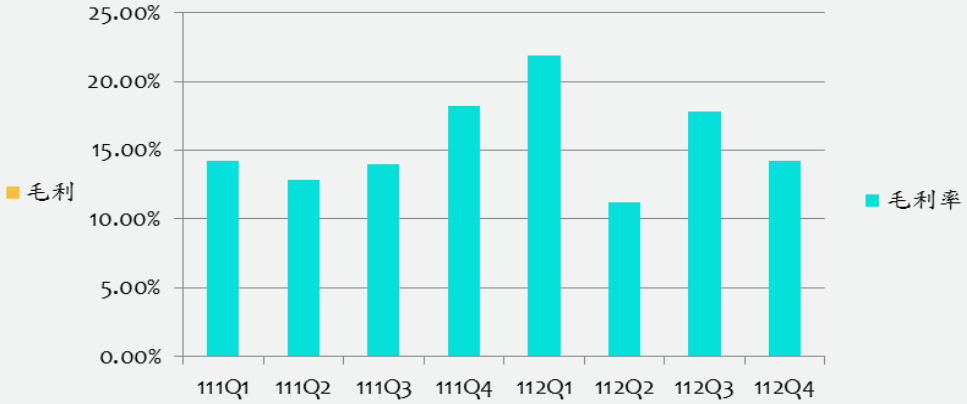
2.2 Analysis of Operating Status - Gross Profit Margin Trends

The decrease in quarterly gross profit is primarily due to the decrease in revenue, while the increase in gross profit margin mainly reflects a reduction in raw material costs.

Gross Profit
毛利

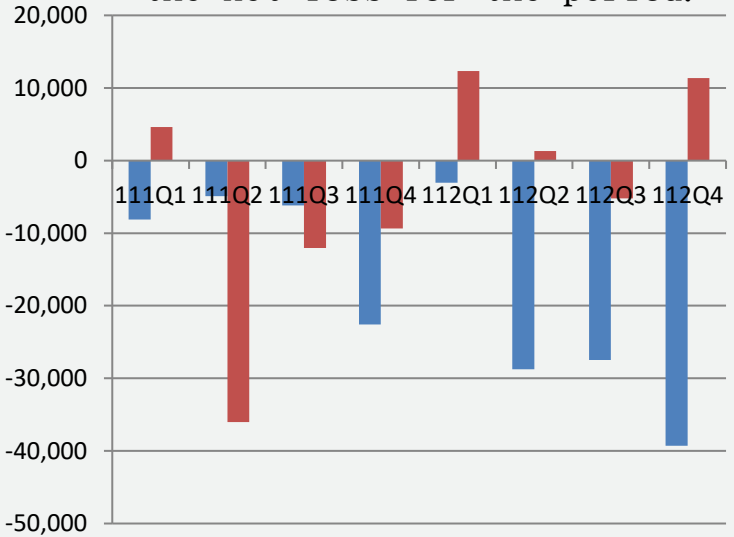


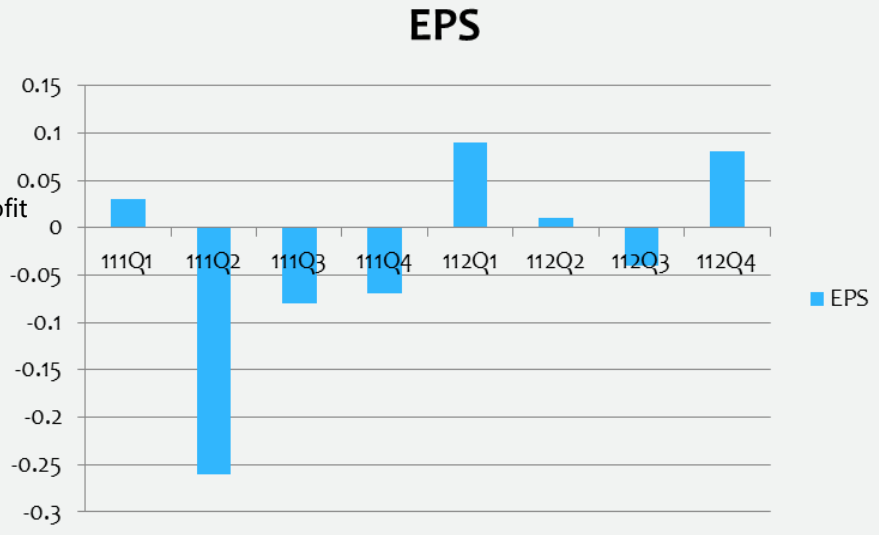
Gross Profit Margin
毛利率



2.3 Analysis of Operating Status - Profit Trends

In the 2023, decreased orders resulting from customers destocking led to a reduction in revenue and gross profit, resulting in widespread operating losses. However, the recognition of unrealized valuation gains on investment securities by subsidiary companies under equity method contributed to a slight reduction in the net loss for the period.





2.3 Analysis of Operating Status -Consolidated Statement of Comprehensive Income

	Year2023	Year2022	YOY
Operating Revenue	516,505	888,893	-41.89%
Operating cost	428,978	758,898	-43.47%
Gross Profit（or Loss)	87,527	129,995	-32.67%
Gross margin	16.95%	14.62%	
Operating expenses	186,116	171,765	8.36%
Operating profit（or Loss)	(98,589)	(41,770)	-
Non-operating income and expenses	174,356	(118,646)	Turnaround from loss to profit
Income before Tax（or Loss)	75,767	(160,416)	Turnaround from loss to profit
Income tax expense（or benefit)	3,019	(2,566)	-
Net Income (Loss)	72,748	(157,850)	Turnaround from loss to profit
Profit (loss), attributable to owners of parent	19,886	(52,813)	Turnaround from loss to profit
Basic earnings per share（NT Dollar)	0.14	(0.38)	Turnaround from loss to profit

2.3Analysis of Operating Status - Consolidated balance sheet

	2023/12/31	2022/12/31
Current assets	3,686,582	3,471,647
Non-current assets	2,624,233	2,514,291
Total assets	6,310,815	5,985,938
Current liabilities	2,217,418	1,882,586
Non-current liabilities	162,523	723,134
Total liabilities	2,379,941	2,605,720
Capital stock	1,421,145	1,394,638
Additional paid-in capital	143,769	135,531
Retained earnings	104,653	86,239
Other equity interest	-114,999	-138,504
Treasury stock	-5,983	-6,799
Total equity attributable to owners of parent	1,548,585	1,477,904
Total equity	3,930,874	3,380,218
Net Asset Value per Share(NTD)	10.9	10.6
Current ratio	166.26%	184.41%
Debt ratio	37.71%	43.53%

3.1 Future Development (1) - ESG as an Indicator of Corporate Sustainable Development

社會責任（S．social）

U-BEST aims to ensure that suppliers fully comply with applicable laws and adhere to internationally recognized environmental, social, and corporate governance standards (ESG standards) by signing the "Supplier Code of Conduct" with them.

In terms of employee care responsibilities, we are committed to safeguarding employee rights, encouraging innovation, and fostering learning. It is our responsibility to establish a harmonious working environment between labor and management, providing employees with comprehensive benefits and educational training.

In terms of social engagement, we actively participate in social welfare activities. We serve as advisors for the local Changxing Temple Emergency Relief Charity Foundation, supporting orphan care and contributing to emergency relief funds. Additionally, we have long been involved as advisors for the local volunteer fire brigade and sponsor their participation in firefighting and disaster prevention drills, as well as related awareness campaigns.

U-BEST also collaborates with the Joyful Angel Social Welfare Foundation to provide employment opportunities and more.

環境保護（E．environment）

Developing water-based non-toxic products to reduce carbon emissions from raw materials and manufacturing processes.

Replacing old and outdated boilers, switching from heavy oil to natural gas as fuel to reduce direct carbon emissions.

Waste sorting and energy resource management.

In 2023, investments were made to establish self-built solar power systems totaling 2,302KW at the HSINLI Fourth plant and the U-BEST Anding plant.

In 2024, around 400KW of additional solar power capacity will be installed at the MaDou Plant.

The total installed capacity of the solar power system will reach 2,702 KW.

公司治理（G．governance）

We adhere to transparent operations, prioritize shareholder rights, and believe that a sound and efficient board of directors is the foundation of good corporate governance.

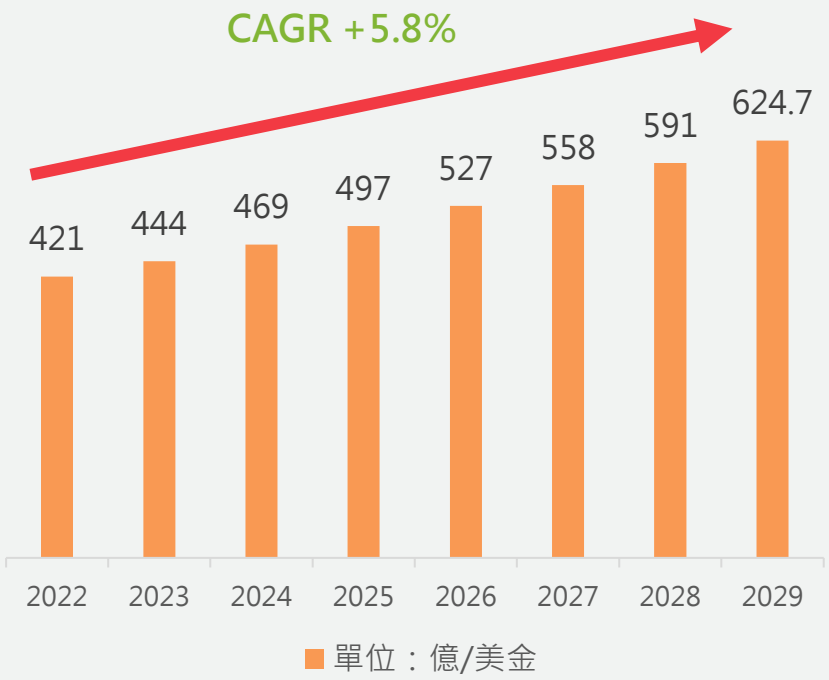
3.1 Future Development (1) -nventory levels of major players in the sports industry have been gradually reduced, which will help boost future sales momentum.

NIKE End-of-quarter inventory levels(Unit: 100 million/USD)

Adidas End-of-quarter inventory levels(Unit: 100 million/USD)

Adidas

Global water-based resin market size



The global water-based resin market is expected to grow from $42.1 billion in 2022 at a compound annual growth rate (CAGR) of 5.8%, reaching over $624.7 billion by 2029.

In response to the issues of net-zero carbon emissions and environmental sustainability, the use of water-based products, compared to oil-based products, can reduce the harm of solvents to both human health and the environment. It can also lower the carbon emissions associated with products. Promoting the future development momentum in the field of water-based coatings is vital. In various application areas such as packaging, automotive, industrial, and construction sectors, water-based coatings are widely used.

3.1Future Development (1) -Direction of PU Related Product Development

The new product planning is primarily focused on environmentally friendly water-based formulations, with order production scheduled to begin in Q2 of this year. Furthermore, in March, the addition of a six-ton reaction vessel will enable a doubling or more of the monthly production capacity of the Equipment. Anticipated growth in production capacity during Q3-Q4 is expected to be exponential, leading to a significant increase in shipments in 2024.

With the rise in environmental consciousness, there is a growing trend among customers to develop eco-friendly water-based and high-solid solvent-free polyurethane (PU) resins. The demand for water-based environmentally friendly resins has increased by 20 times compared to the same period last year's Q1. These environmentally friendly PU resins find wide applications in various industries such as sports footwear materials, automotive, furniture, electronic materials, fitness equipment, and clothing, among others. Water-based foam coating will be utilized for sports shoe substrates and clothing. We are currently in close collaboration with customers to develop production samples and plan to invest in additional equipment for further improvement.

The original polyester products have been developed and introduced into mass production with major domestic manufacturers. New products are also undergoing verification one by one. In addition to the current equipment capacity, we will evaluate and plan to invest in another 10-ton reaction vessel to further increase the monthly production capacity in response to the future demands of our customers.

Under the policy of national defense self-sufficiency, we are collaborating with customers to develop bulletproof fiber-related products. In addition to small-scale shipments, new products are being gradually ordered and verified.

3.2 Future Development (2)- Direction of Flexible OLED Development

Chart 1: Estimated Global Shipments of Foldable Smartphones
圖一、全球折疊式手機2021~2027 年出貨量預估

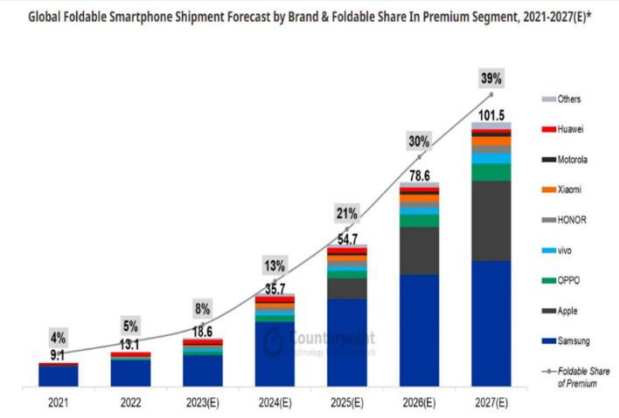
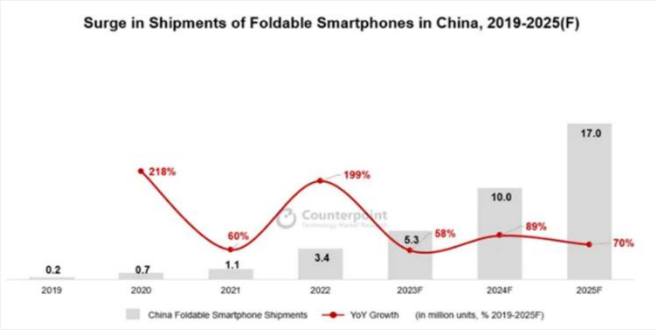


Chart 2: Shipments of Foldable Smartphones in China from 2019 to 2025.
圖二、2019~2025 年中國摺疊手機出貨量



Outside of the Apple ecosystem, foldable smartphones have emerged as a new battleground in the smartphone market. Samsung has consistently been the leader in the foldable smartphone market. In September, Huawei launched the Mate X5 foldable device, priced at approximately 74,500 TWD per unit, making it the most expensive smartphone in history. This has sparked significant discussion and interest in the foldable smartphone market.

By 2027, global shipments of foldable smartphones are projected to surpass 100 million units. According to estimates from Counterpoint Research, the global foldable smartphone market's shipment volume will grow steadily from 13 million units in 2022. It is expected to reach the milestone of over 100 million units in 2027, with the penetration rate increasing from 5% in 2022 to 39%. Samsung, the pioneer in foldable smartphones, will continue to dominate the market, while Chinese smartphone brands will also enter the market gradually. As for Apple, whether and when they will officially enter the foldable smartphone market remains one of the key points to observe in the future.

3.2 Future Development (2)-Direction of Flexible OLED Development

The new generation display protector film combines both flexibility and hardness, providing excellent impact and scratch resistance.

Not only in smartphones or computers, but also in automotive dashboards, display screens, and even advertising walls in department stores, there is a growing demand for transparent displays with flexible properties. However, the application scope of displays may be limited by the condition of their materials.

The next-generation durable impact-resistant display protector film consists of three different material layers, akin to a "sandwich". **The first layer is a surface anti-fog and scratch-resistant hard coating material (Hard Coating, HC), which prevents fogging at low temperatures.** The middle layer is a highly rigid and flexible transparent film, providing both the hardness of glass and the flexibility of plastic, allowing it to bend without breaking. The bottom layer is a high-damping transparent shock-absorbing material capable of withstanding impacts from a 135g/35cm ball drop test (equivalent to a half pear falling from the height of 3 cans of canned cola), designed to protect the underlying Mini-LED or OLED emitter. Through the combination of high damping and high rigidity materials, this structure achieves stress support and dispersion effects, providing optimal protection for the display.

Source: Article from the Industrial Development Bureau, Ministry of Economic Affairs.
New Electronics Technology Magazine

According to market research, the global flexible display market was valued at $36.76 billion in 2017 and is expected to reach **$219.56 billion** by 2023, with a compound annual growth rate exceeding 30%. With smart devices increasingly focused on interactive and touch-based applications in the future, it is crucial to enhance the scratch resistance, durability, and impact resistance of transparent display modules to improve the overall environmental tolerance and operational reliability of displays. This is particularly important for applications in automotive, wearable, outdoor, and other fields.

3.3 Future Development (3)-Proposal for Redevelopment of Aging Buildings

Area	Location	Project Type	Project Assessment
Lixiang Area (Hokkyu-Tei)	Near 13, Lane 86, Yiji Street, Annan District, Tainan City.	condominium 	The site of this project is flat, located opposite a park, and adjacent to luxurious standalone houses and a plot of land that passed the "Commercial 60" urban planning review in August 2017. Moreover, the convenience of transportation to and from the city center and the proximity to the Haitian Road commercial district ensure that we can develop diverse and well-sized two-bedroom and three-bedroom units here. The potential for future appreciation is unlimited, making these advantages of the project.
Dong-an Area (Chang Jung Taishan)	32 Lane, Alley 46, Section 2, Changrong Road, East District, Tainan City	condominium 	This project is located in the East District of Tainan City, with convenient access to the city center. It boasts a comprehensive array of public facilities, excellent transportation, and well-rounded living functions. It is also close to major amenities such as the Nangang Shopping Center, National Cheng Kung University, Chang Jung Senior High School, and Shengli Elementary School, all of which contribute to the advantages of this project.
Beihua Area (Liu.Jin)	184, Beihua Street, North District, Tainan City	condominium 	This project is situated on Beihua Street, boasting flat and well-proportioned land. Coupled with excellent transportation and living facilities in the area, and a comprehensive array of public amenities nearby, such as the Chihkan Tower Cultural Area, Chenggong Elementary School, Park Elementary School, and Tainan Park, all of which contribute to the advantages of this project.

4.1 Summarize Our company expects to have five growth drivers in 2024. :

01 The upcoming Paris Olympics in July is expected to drive growth in orders for PU shoe materials and breathable membranes, thanks to the active demand from sports product customers.

02 The competition among smartphone manufacturers to promote foldable phones is expected to increase shipment opportunities for flexible HC (hard coating) materials.

03 The completion and turnover of two major real estate projects under our umbrella, Chang Jung Taishan and Hokkyu-Tei, entering the peak season, are expected to contribute to the growth of operations in 2024.

04 The mass production of environmentally friendly water-based products for European customers will inject stable production capacity growth into the company's long-term orders.

05 The ongoing development of bullet-resistant fiber products, environmentally friendly water-based, and solvent-free resins will contribute to revenue and profit growth.

Thank You

Company website

https://www.u-best-inno.com/

ESG Corporate Social Responsibility Sustainable Report for the Year 2022https://drive.google.com/file/d/1de_LT4ndLJHYWkImNtKFLySxz4Id__RA/view