2024 Third Quarter Investor Conference

U-BEST INNOVATIVE TECHNOLOGY CO., LTD.

Stock Code: 4714

Presenter: General Manager
Huang Na-hao

DEC.9,2024

Disclaimer

- U-BEST’ s statements of its current expectations are forward-looking statements subject to significant risks and uncertainties and actual results may differ materially from those contained in the forward-looking statements.

- Expect s required by law, we undertake no obligation to update and forward-looking statement, whether as a result of new information, future events, or otherwise.

Agenda

- Company Profile
- Operation Result
- Financial Review
- Operation Direction

Company Profile

Company Overview: Basic Info

Foundation:

Aug. 29, 1991.

Capital

NTD 1,770.2 million

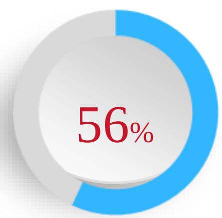
Main Products

Polyurethane Synthetic Resin

Chairman : Chang Yu-Ming

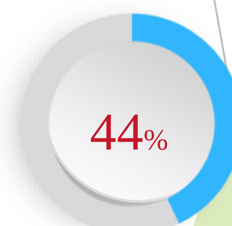
General Manager: Huang Na-hao

Company Overview - Production Facility



Tainan Anding Headquarters

Revenue scale for the first three quarters of 2024	193,085 thousand NT dollars.
Primary Products	Polyurethane Resin (PU)
Monthly Production Capacity (22 Days)	1,500 tons (7 Reactors)



Tainan Mado Plant

Revenue scale for the first three quarters of 2024	151,273thousand NT dollars.
Primary Products	Polyester Polyol(POLYOL)
Monthly Production Capacity (22 Days)	1300tons (3Reactors)

Company Introduction - Main Products (1)

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.

Company Introduction - Main Products (2)

01 Nylon Resin (EN Series)

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

02 Surface Treatment Resin (TG Series)

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

03 Crosslinking Agent (BL Series)

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

04 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.

Company Introduction - Main Products (3)

01

Polyester polyol

Applications: TPU, Synthetic Resin Materials

02

Thermoplastic Polyurethane Elastomer (TPU)

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

03

High-performance Polymer Composite Materials

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

04

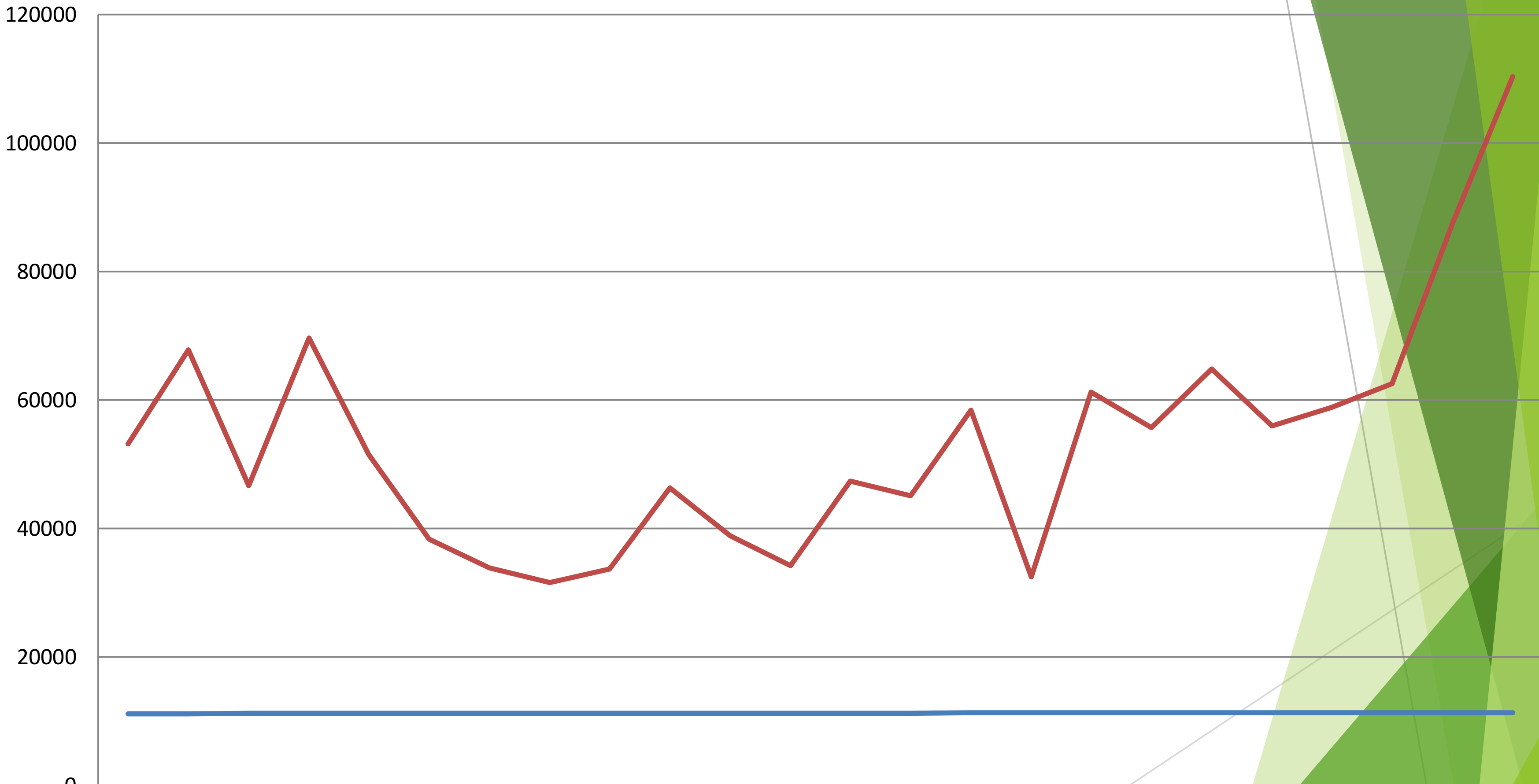
Material for Wear-resistant Coating on AMOLED Display Surfaces

Purpose: Thin-folding hard material development formula optimization.

Operation Result

Revenue Trend

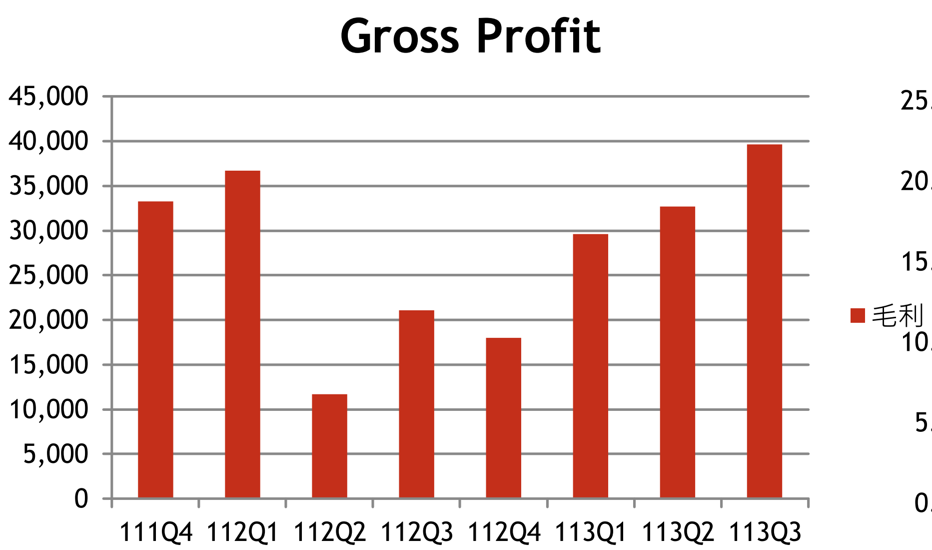
The consolidated revenue for 2014 increased compared to the same period last year, mainly due to an increase in customer orders and the revenue growth from subsidiary mergers.

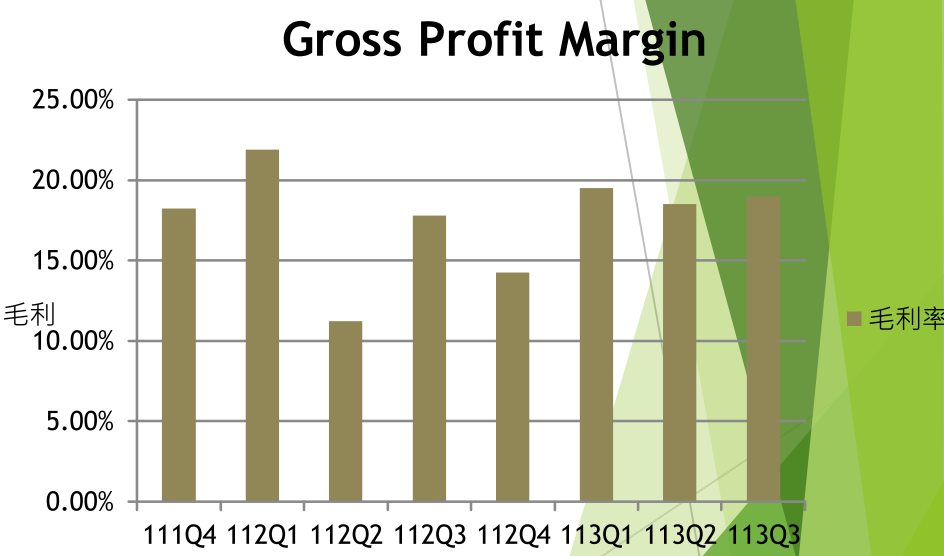


	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
年月	11111	11112	11201	11202	11203	11204	11205	11206	11207	11208	11209	11210	11211	11212	11301	11302	11303	11304	11305	11306	11307	11308	11309	11310
營收	53,140	67,820	46,683	69,676	51,496	38,369	33,886	31,613	33,667	46,353	38,830	34,165	47,389	45,074	58,421	32,472	61,273	55,707	64,833	56,012	58,861	62,590	87,464	110,352

Gross profit margin trend

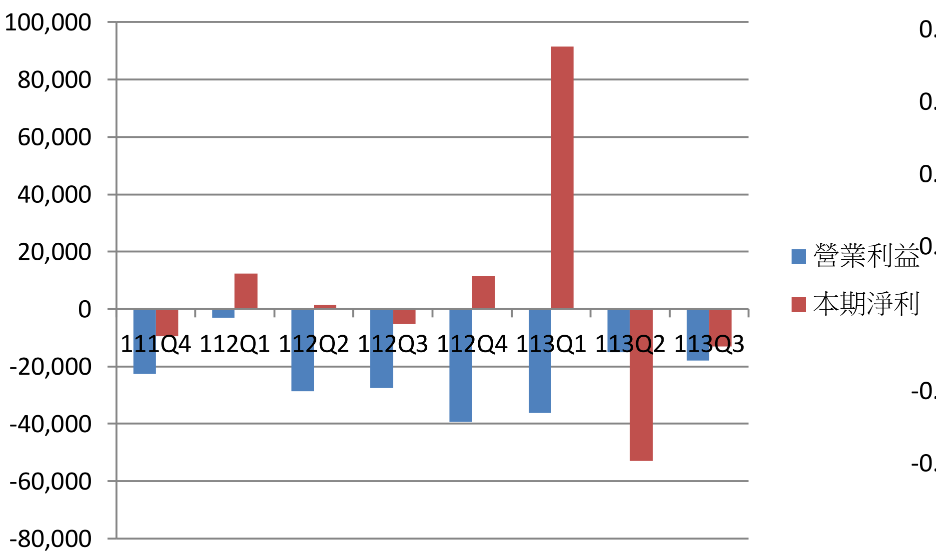
The increase in quarterly gross operating profit is mainly due to the rise in revenue. The gross profit margin has increased and stabilized compared to the previous period, primarily reflecting the stabilization of raw material costs.

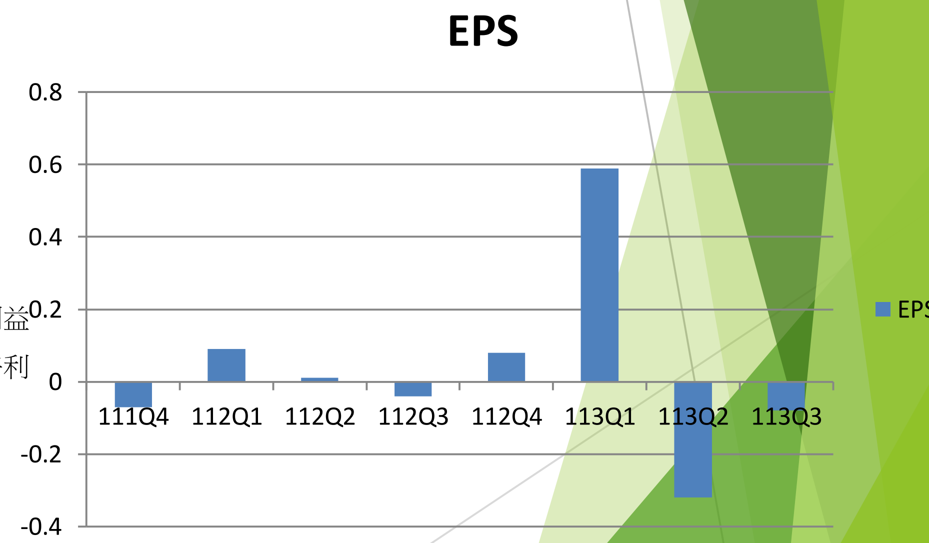




Profit Trend

In 2024, due to the return of customer orders, revenue and gross profit increased, leading to a gradual reduction in operating losses. However, the recognition of unrealized gains and losses from investments in securities by subsidiaries caused fluctuations in this period's profit and loss.





Financial Review

Consolidated Statement of Comprehensive Income

	January to September 2024	January to September 2023	YOY
Operating Revenue	537,131	390,051	37.71%
Operating cost	435,149	320,532	35.76%
Gross Profit (or Loss)	101,982	69,519	46.70%
Gross margin	18.99%	17.82%	
Operating expenses	171,162	128,814	32.88%
Operating profit (or Loss)	(69,180)	(59,295)	-
Non-operating income and expenses	339,450	67,779	400.82%
Income before Tax (or Loss)	270,270	8,484	3085.64%
Income tax expense (or benefit)	(413)	(175)	-
Net Income (Loss)	270,683	8,659	3026.03%
Profit (loss), attributable to owners of parent	25,569	8,504	200.67%
Basic earnings per share (NT Dollar)	0.16	0.06	166.67%

Consolidated balance sheet

	2024/09/30	2023/09/30
Current assets	5,407,967	3,514,765
Non-current assets	3,627,386	2,597,681
Total assets	9,035,353	6,112,446
Current liabilities	3,217,316	1,915,931
Non-current liabilities	222,467	448,523
Total liabilities	3,439,783	2,364,454
Capital stock	1,770,246	1,400,485
Additional paid-in capital	324,238	138,068
Retained earnings	130,222	93,663
Other equity interest	-32,069	-153,958
Treasury stock		-6,405
Total equity attributable to owners of parent	2,192,637	1,471,853
Total equity	5,595,570	3,747,992
Net Asset Value per Share(NTD)	12.39	10.51
Current ratio	168.09%	183.45%
Debt ratio	38.07%	38.68%

Operation Direction

Future Development-Direction of PU Related Product Development

The new products are primarily based on European eco-friendly water-based materials. Starting from Q2 of this year, we have begun receiving orders for production and have gradually invested in new equipment. There has been significant growth in production capacity from Q3 to Q4, and shipments are expected to increase in 2025.

Due to the rising awareness of environmental protection, eco-friendly water-based and high-solid solvent-free resins are being developed by customers. The demand for water-based eco-friendly resins has grown several times compared to the same period last year. These resins are widely used in sports shoe materials, automotive applications, furniture, electronic materials, fitness equipment, and clothing. Additionally, water-based foam coating will be applied to the substrates of sports shoes and clothing, and we are closely collaborating with customers to develop mass production samples, with plans to invest in new equipment.

Under the national defense self-manufacturing policy, shipments of bulletproof fiber-related products are gradually increasing as we collaborate with customers on development. Additionally, new products are continuously being ordered for verification. 。

Collaborating with subsidiaries to develop specialized dyes for sports shoes in metallic color schemes to meet the demands of major global brands.

Flexible HC materials can now be used for foldable phones, and we are also collaborating with customers to develop optical films to meet applications on mobile devices.

Future Development - Completed and upcoming projects

Area	Location	Project Type	Project Assessment
Lixiang Area (Ha Jiu Kyung)	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 (Evergreen 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.
Chengguang Area (THE KING)	No. 365, Section 5, Hewei Road, Anping District, Tainan City	condominium 	This project is a collaboration between our company and SUN YAD CONSTRUCTION CO.,LTD, and it has been completed. The exterior continues the classic 17th-century Baroque architectural style of SUN YAD. The public facilities are designed for residents and include a private lounge, an infinity starlit swimming pool, and Taiwan's first aerial glass hanging walkway, along with various top-tier bathroom amenities, all of which are unprecedented in Tainan's

Summarize

Our company expects to have 5 growth drivers in 2025. :

1. The two major real estate projects under our umbrella, Evergreen Taishan and Ha Jiu Kyung, are entering the peak season for completion and handover, which will contribute to operational growth in 2025.

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

3. Mobile phone manufacturers are actively promoting foldable phones, and new products are continuously being validated, which will enhance the shipping opportunities for flexible HC materials.

4. The continuous development of new products in bulletproof fiber products, eco-friendly water-based, and solvent-free resins will contribute to revenue and profit growth.

5. Collaborating with group companies for vertical integration to develop sports shoe materials that meet the demands of major brands.

Q & A

THANK YOU

- For more information regarding U-BEST https://www.u-best-inno.com/
- For all inquiries, suggestions, and comments ub1234@ms12.hinet.net