

**NAN YA PLASTICS CORPORATION AND  
SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Three Months Ended March 31, 2024 and 2023**

Address: 101, Shuiguan Road, Renwu Dist., Kaohsiung City 814, Taiwan  
Telephone: (07)371-1411

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

電話 Tel + 886 2 8101 6666  
傳真 Fax + 886 2 8101 6667  
網址 Web kpmg.com/tw

## Independent Auditors' Review Report

To the Board of Directors of NAN YA PLASTICS CORPORATION:

### Introduction

We have reviewed the accompanying consolidated balance sheets of NAN YA PLASTICS CORPORATION and its subsidiaries ("the Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$90,318,966 thousand and \$93,993,902 thousand, constituting 13.85% and 14.01% of the consolidated total assets; and the total liabilities amounting to \$34,922,367 thousand and \$38,769,969 thousand, constituting 12.80% and 12.98% of the consolidated total liabilities as of March 31, 2024 and 2023, respectively; as well as the total comprehensive income (loss) amounting to \$1,449,816 thousand and \$(1,337,438) thousand, constituting 16.69% and (24.36)% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2024 and 2023, respectively.

Furthermore, as stated in Note 6 (g), the other equity accounted investments of the Group in its investee companies of \$44,309,067 thousand and \$39,099,483 thousand as of March 31, 2024 and 2023, respectively, and its equity in net earnings on these investee companies of \$319,804 thousand and \$63,840 thousand for the three months ended March 31, 2024 and 2023, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

## Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

## Other Matter

We did not review the financial statements of certain subsidiaries of the Group. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The financial statements of those subsidiaries reflect the total assets amounting to \$123,437,022 thousand and \$127,602,919 thousand, constituting 18.93% and 19.02% of the consolidated total assets as of March 31, 2024 and 2023, respectively; and the total operating revenues amounting to \$15,536,956 thousand and \$15,339,873 thousand, constituting 26.50% and 23.32% of the consolidated total operating revenues for the three months ended March 31, 2024 and 2023, respectively.

We did not review the financial statements of certain investee companies, which represented the investment in other entities accounted for using the equity method of the Group. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for those investee companies, is based solely on the review report of another auditor. The aforementioned investments accounted for using the equity method amounted to \$74,071,394 thousand and \$72,710,457 thousand, constituting 11.36% and 10.84% of the consolidated total assets as of March 31, 2024 and 2023, respectively; and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$1,161,073 thousand and \$1,024,526 thousand, constituting 94.71% and 54.13% of the consolidated total profit before tax for the three months ended March 31, 2024 and 2023, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are

Ko, Hui-Chih and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)

May 10, 2024

## Notes to Readers

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

The independent auditors’ review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors’ review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

## Consolidated Balance Sheets

March 31, 2024, December 31 and March 31, 2023

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2024		December 31, 2023		March 31, 2023		Liabilities and Equity		March 31, 2024		December 31, 2023		March 31, 2023	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 80,023,199	12	80,301,186	12	91,243,701	14	2100	Short-term borrowings (notes 6(l), (w) and (z))	\$ 32,700,578	5	31,802,900	5	33,848,000	5
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,731,750	-	1,641,598	-	1,566,437	-	2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	35,680,672	5	36,304,203	6	43,631,370	7
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w) and 8)	28,274,354	5	32,339,271	5	36,801,199	5	2170	Notes and accounts payable (note 6(w))	9,739,887	1	11,305,522	2	14,297,697	2
1150	Notes receivable, net (notes 6(d) and (w))	2,784,397	-	3,411,353	1	3,988,666	1	2180	Accounts payable to related parties (notes 6(w) and 7)	6,121,148	1	5,058,154	1	5,876,576	1
1170	Accounts receivable, net (notes 6(d) and (w))	33,695,624	5	33,821,570	5	38,491,701	6	2200	Other payables (including related parties) (note 7)	29,549,035	5	23,686,698	4	58,043,603	9
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	1,231,098	-	1,121,294	-	1,826,539	-	2280	Current lease liabilities (notes 6(o), (w), (z) and 7)	128,072	-	130,182	-	133,365	-
1200	Other receivables (notes 6(e) and (w))	7,990,553	1	3,476,429	1	8,899,410	2	2321	Current portion of bonds payable (notes 6(n), (w) and (z))	9,271,115	1	9,270,477	1	9,770,259	1
1210	Other receivables due from related parties (notes 6(e), (w) and 7)	2,832,301	1	3,299,420	1	2,646,628	-	2322	Current portion of long-term borrowings (notes 6(m), (w) and (z))	-	-	6,729,400	1	7,718,160	1
130X	Inventories (note 6(f))	50,028,152	8	50,552,031	7	54,347,851	8	2399	Other current liabilities	3,479,612	1	2,920,238	-	3,648,609	1
1470	Other current assets (note 8)	5,169,466	1	5,174,793	1	7,660,915	1		<b>Total current liabilities</b>	<b>126,670,119</b>	<b>19</b>	<b>127,207,774</b>	<b>20</b>	<b>176,967,639</b>	<b>27</b>
	<b>Total current assets</b>	<b>213,760,894</b>	<b>33</b>	<b>215,138,945</b>	<b>33</b>	<b>247,473,047</b>	<b>37</b>		<b>Non-Current liabilities:</b>						
<b>Non-current assets:</b>								2530	Bonds payable (notes 6(n), (w) and (z))	56,475,299	9	56,471,990	9	52,755,241	8
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	692,696	-	665,521	-	753,627	-	2540	Long-term borrowings (notes 6(m), (w) and (z))	53,616,401	8	49,879,126	7	27,309,914	4
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	22,049,458	3	19,537,040	3	16,515,813	2	2570	Deferred tax liabilities	17,823,658	3	18,163,021	3	19,015,099	3
1550	Investments accounted for using equity method (notes 6(g), 7 and 8)	175,190,361	27	176,181,389	27	169,340,162	25	2580	Non-current lease liabilities (notes 6(o), (w), (z) and 7)	198,731	-	202,261	-	254,554	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	219,853,669	34	216,213,265	33	214,780,936	32	2640	Net defined benefit liability-non-current	10,412,559	2	11,239,567	2	12,647,083	2
1755	Right-of-use assets (notes 6(i) and 7)	921,926	-	911,113	-	998,338	-	2645	Guarantee deposits	921,315	-	941,364	-	820,964	-
1782	Intangible assets (note 6(j))	1,472,730	-	1,521,015	-	1,665,874	-	2670	Other non-current liabilities	6,755,782	1	7,338,791	1	9,034,647	1
1812	Technology development expense	10,217	-	11,396	-	14,932	-		<b>Total non-current liabilities</b>	<b>146,203,745</b>	<b>23</b>	<b>144,236,120</b>	<b>22</b>	<b>121,837,502</b>	<b>18</b>
1840	Deferred tax assets	2,934,455	-	3,082,742	1	3,994,789	1		<b>Total liabilities</b>	<b>272,873,864</b>	<b>42</b>	<b>271,443,894</b>	<b>42</b>	<b>298,805,141</b>	<b>45</b>
1915	Prepayments for purchase of equipment	3,501,694	1	3,873,796	1	3,743,124	1		<b>Equity attributable to owners of parent (note 6(r)):</b>						
1937	Overdue receivables (note 6(d))	-	-	-	-	-	-	3110	Ordinary shares	79,308,216	12	79,308,216	12	79,308,216	12
1990	Other non-current assets	11,532,961	2	11,391,731	2	11,482,755	2	3200	Capital surplus	27,727,015	4	27,733,533	4	27,692,598	4
	<b>Total non-current assets</b>	<b>438,160,167</b>	<b>67</b>	<b>433,389,008</b>	<b>67</b>	<b>423,290,350</b>	<b>63</b>	3300	Retained earnings	226,520,153	35	230,801,650	36	224,579,326	33
	<b>Total assets</b>	<b>\$ 651,921,061</b>	<b>100</b>	<b>648,527,953</b>	<b>100</b>	<b>670,763,397</b>	<b>100</b>	3400	Others	29,563,154	5	22,300,880	3	24,395,050	4
								36XX	Non-controlling interests	15,928,659	2	16,939,780	3	15,983,066	2
									<b>Total equity</b>	<b>379,047,197</b>	<b>58</b>	<b>377,084,059</b>	<b>58</b>	<b>371,958,256</b>	<b>55</b>
									<b>Total liabilities and equity</b>	<b>\$ 651,921,061</b>	<b>100</b>	<b>648,527,953</b>	<b>100</b>	<b>670,763,397</b>	<b>100</b>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Consolidated Statement of Comprehensive Income**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)**

		For the three months ended March 31			
		2024		2023	
		Amount	%	Amount	%
4000	<b>Operating revenue</b> (notes 6(t) and 7)	\$ 58,629,908	100	65,773,776	100
5000	<b>Operating costs</b> (notes 6(f), (p), (u), 7 and 12)	55,299,779	94	60,498,073	92
5910	Less: Unrealized profit from affiliated companies (note 7)	(3,264)	-	10,392	-
	<b>Gross profit from operation</b>	<u>3,333,393</u>	<u>6</u>	<u>5,265,311</u>	<u>8</u>
	<b>Operating expenses</b> (notes 6(p), (u), 7 and 12):				
6100	Selling expenses	2,014,571	3	2,029,839	3
6200	Administrative expenses	2,245,066	4	2,206,345	3
6450	Expected credit gains (note 6(d))	-	-	(10,030)	-
	<b>Total operating expenses</b>	<u>4,259,637</u>	<u>7</u>	<u>4,226,154</u>	<u>6</u>
	<b>Net Operating income</b>	<u>(926,244)</u>	<u>(1)</u>	<u>1,039,157</u>	<u>2</u>
	<b>Non-operating income and expenses</b> (notes 6(g), (o), (v) and 7):				
7010	Other income	529,494	1	730,790	1
7020	Other gains and losses	861,959	1	(317,667)	-
7050	Finance costs	(1,100,415)	(2)	(906,027)	(1)
7060	Shares of profit of associates and joint ventures accounted for using equity method	1,224,058	2	779,681	1
7100	Interest income	637,068	1	566,824	-
	<b>Total non-operating income and expenses</b>	<u>2,152,164</u>	<u>3</u>	<u>853,601</u>	<u>1</u>
	<b>Profit before tax</b>	1,225,920	2	1,892,758	3
7950	Less: Income tax expenses (note 6(q))	61,365	-	230,923	-
	<b>Profit</b>	<u>1,164,555</u>	<u>2</u>	<u>1,661,835</u>	<u>3</u>
8300	<b>Other comprehensive income (loss)</b> (notes 6(g), (q) and (r)):				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(1,564,340)	(3)	1,691,999	3
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	343,825	1	2,173,713	3
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Total items that may not be reclassified subsequently to profit and loss</b>	<u>(1,220,515)</u>	<u>(2)</u>	<u>3,865,712</u>	<u>6</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	8,734,461	15	(44,545)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	8,828	-	7,654	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	<b>Total items that may be reclassified subsequently to profit and loss</b>	<u>8,743,289</u>	<u>15</u>	<u>(36,891)</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>7,522,774</u>	<u>13</u>	<u>3,828,821</u>	<u>6</u>
8500	<b>Total comprehensive income</b>	<u>\$ 8,687,329</u>	<u>15</u>	<u>5,490,656</u>	<u>9</u>
	<b>Profit, attributable to:</b>				
8610	Owners of parent	\$ 1,241,806	2	866,324	2
8620	Non-controlling interests	(77,251)	-	795,511	1
		<u>\$ 1,164,555</u>	<u>2</u>	<u>1,661,835</u>	<u>3</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 8,531,567	15	4,663,410	8
8720	Non-controlling interests	155,762	-	827,246	1
		<u>\$ 8,687,329</u>	<u>15</u>	<u>5,490,656</u>	<u>9</u>
	<b>Basic earnings per share</b> (note 6(s)):	<b>Before Tax</b>	<b>After Tax</b>	<b>Before Tax</b>	<b>After Tax</b>
9710	Income from continuing operations	\$ 0.16	0.15	0.24	0.21
	Income from non-controlling equity	0.01	0.01	(0.21)	(0.10)
9750	Income attributable to shareholders of the parent	<u>\$ 0.17</u>	<u>0.16</u>	<u>0.03</u>	<u>0.11</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

**Consolidated Statement of Changes in Equity**  
**For the three months ended March 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent					Items of other equity interest					Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests	
<b>Balance at January 1, 2023</b>	\$ 79,308,216	27,692,943	81,491,665	112,663,858	53,349,944	(6,503,889)	27,101,700	153	375,104,590	18,996,840	394,101,430
Profit	-	-	-	-	866,324	-	-	-	866,324	795,511	1,661,835
Other comprehensive income	-	-	-	-	-	(74,585)	3,864,017	7,654	3,797,086	31,735	3,828,821
Total comprehensive income	-	-	-	-	866,324	(74,585)	3,864,017	7,654	4,663,410	827,246	5,490,656
Distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(23,792,465)	-	-	-	(23,792,465)	-	(23,792,465)
Reversal of special reserve	-	-	-	(113)	113	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	(345)	-	-	-	-	-	-	(345)	-	(345)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,841,020)	(3,841,020)
<b>Balance at March 31, 2023</b>	<b>\$ 79,308,216</b>	<b>27,692,598</b>	<b>81,491,665</b>	<b>112,663,745</b>	<b>30,423,916</b>	<b>(6,578,474)</b>	<b>30,965,717</b>	<b>7,807</b>	<b>355,975,190</b>	<b>15,983,066</b>	<b>371,958,256</b>
<b>Balance at January 1, 2024</b>	\$ 79,308,216	27,733,533	84,845,185	117,477,138	28,479,327	(8,713,581)	31,006,389	8,072	360,144,279	16,939,780	377,084,059
Profit	-	-	-	-	1,241,806	-	-	-	1,241,806	(77,251)	1,164,555
Other comprehensive income	-	-	-	-	-	8,488,429	(1,207,496)	8,828	7,289,761	233,013	7,522,774
Total comprehensive income	-	-	-	-	1,241,806	8,488,429	(1,207,496)	8,828	8,531,567	155,762	8,687,329
Distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(5,551,575)	-	-	-	(5,551,575)	-	(5,551,575)
Reversal of special reserve	-	-	-	(126)	126	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	(6,518)	-	-	785	-	-	-	(5,733)	-	(5,733)
Disposal of investments accounted for using equity method	-	-	-	-	27,487	-	(27,487)	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(1,166,883)	(1,166,883)
<b>Balance at March 31, 2024</b>	<b>\$ 79,308,216</b>	<b>27,727,015</b>	<b>84,845,185</b>	<b>117,477,012</b>	<b>24,197,956</b>	<b>(225,152)</b>	<b>29,771,406</b>	<b>16,900</b>	<b>363,118,538</b>	<b>15,928,659</b>	<b>379,047,197</b>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

## NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

## Consolidated Statement of Cash Flows

For the three months ended March 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 1,225,920	1,892,758
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	5,315,582	5,084,026
Amortization expense	144,660	326,979
Expected credit gains	-	(10,030)
Gain on disposal of investments accounted for using equity method	(3,934)	-
Net gain on financial assets at fair value through profit or loss	(90,152)	(3,717)
Interest expense	1,100,415	906,027
Interest income	(637,068)	(566,824)
Shares of profit of associates and joint ventures accounted for using equity method	(1,224,058)	(779,681)
Gains on disposal of property, plant and equipment	4,947	35,707
Property, plant and equipment transferred to expenses	11	-
Reversal of impairment loss on non-financial assets	(75)	(9)
Unrealized loss from sales	(3,264)	10,392
Unrealized foreign exchange gains	(412,456)	(8,409)
Other revenue, overdue dividends and compensation of board and directors	4,207	512
<b>Total adjustments to reconcile profit (loss)</b>	<b>4,198,815</b>	<b>4,994,973</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease (increase) in notes receivable	629,235	(483,955)
Decrease in accounts receivable (including related parties)	181,434	6,775,509
Decrease in other receivable	2,486	39,269
Decrease (increase) in inventories	425,045	(1,300,982)
Decrease (increase) in other current assets	5,326	(1,708,473)
<b>Total changes in operating assets</b>	<b>1,243,526</b>	<b>3,321,368</b>
(Decrease) increase in notes and accounts payable (including related parties)	(538,283)	166,424
(Decrease) increase in other payable	(233,046)	1,009,133
Increase in other current liabilities	559,374	1,587,655
Decrease in net defined benefit liability	(829,099)	(1,611,749)
<b>Total changes in operating liabilities</b>	<b>(1,041,054)</b>	<b>1,151,463</b>
<b>Total changes in operating assets and liabilities</b>	<b>202,472</b>	<b>4,472,831</b>
<b>Total adjustments</b>	<b>4,401,287</b>	<b>9,467,804</b>
Cash inflow generated from operations	5,627,207	11,360,562
Interest received	535,010	537,892
Interest paid	(945,223)	(277,497)
Income taxes paid	(141,749)	(684,380)
<b>Net cash flows from operating activities</b>	<b>5,075,245</b>	<b>10,936,577</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	-	(28,471)
Disposal of investments accounted for using equity method	3,934	-
Acquisition of property, plant and equipment	(3,763,889)	(7,074,310)
Proceeds from disposal of property, plant and equipment	45,191	10,638
Decrease (increase) in refundable deposits	15,607	(10,819)
Decrease in other receivables due from related parties	467,119	39,333
Increase in other non-current assets	(783,566)	(806,578)
<b>Net cash flows used in investing activities</b>	<b>(4,015,604)</b>	<b>(7,870,207)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	895,627	(4,927,195)
(Decrease) increase in short-term notes and bills payable	(650,000)	8,250,000
Repayments of bonds	-	(1,800,000)
Proceeds from long-term debt	12,300,000	-
Repayments of long-term debt	(16,245,210)	(609,080)
(Decrease) increase in guarantee deposits received	(20,049)	9,708
Payments of lease liabilities	(34,818)	(35,995)
(Decrease) increase in other non-current liabilities	(586,002)	1,256,807
Cash dividends paid	(7,506)	(177)
Change in non-controlling interests	(1,166,883)	(3,841,020)
<b>Net cash flows used in financing activities</b>	<b>(5,514,841)</b>	<b>(1,696,952)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,177,213</b>	<b>429,770</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(277,987)</b>	<b>1,799,188</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>80,301,186</b>	<b>89,444,513</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 80,023,199</b>	<b>91,243,701</b>

See accompanying notes to Consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**March 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

Nan Ya Plastics Corporation was incorporated on August 22, 1958, and established its factories in Kaohsiung City. The Company engages in the manufacture and sale of plastic products, polyester fibers, petrochemical products, and electronic materials. It has gone through several capital increases and established many divisions. Currently, the Company has the following divisions: plastics, fiber, petrochemical, electronics, and engineering. It also has 10 manufacturing plants across Taiwan, 1 branch office in Mai-Liao and 1 branch office in Sen-Kong.

**(2) Approval date and procedures of the consolidated financial statements:**

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 10, 2024.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the IFRS Accounting Standards endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	<ul style="list-style-type: none"> <li>● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> <li>● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> <li>● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(4) Summary of material accounting policies:**

**(a) Statement of compliance**

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS Accounting Standards endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2023.

**(b) Basis of consolidation**

**(i) List of subsidiaries in the consolidated financial statements:**

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
The Company	Nan Ya Plastics Corporation U.S.A	production of chemical products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics Corporation America	production of plastic, polyester and chemical products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Formosa Plastics Group Investment Corp.	investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd.	plastics and electronic products trading, investment	100.00 %	100.00 %	100.00 %	
The Company	Superior World Wide Trading Co., Ltd.	plastics trading, investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya PCB Corporation	production of printed circuit board	66.97 %	66.97 %	66.97 %	
The Company	Wen Fung Industrial Co., Ltd.	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Chung Petrochemical Corporation	production of chemical products	50.00 %	50.00 %	50.00 %	Note 1
The Company	PFG Fiber Glass Corporation	production of glass fiber	100.00 %	100.00 %	100.00 %	Note 1
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited	investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	retargeting	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	electronic materials trading, investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	production of printed circuit board	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	production of plastic products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	production of switch gear and control panel	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	China Nantong Huafeng Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nantong Huafu Plastics Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			March 31, 2024	December 31, 2023	March 31, 2023	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	production of copper clad laminate, glass fabrics, steam and electricity, copper clad, epoxy	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	production of fiber	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	production of plastics products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Huizhou) Co., Ltd.	production of plastics products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	production of electronic materials, glass fabrics	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Trading (Huizhou) Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Xiamen) Co., Ltd.	production of plastic products	85.00 %	85.00 %	85.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	production of plastic products and plasticizer	100.00 %	100.00 %	100.00 %	
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	production of chemical products	100.00 %	100.00 %	100.00 %	Note 1
PFG Fiber Glass (Hong Kong) Corporation Limited	PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	100.00 %	100.00 %	100.00 %	

Note 1 : The aforementioned companies are non-significant subsidiaries, their financial statements have not been reviewed.

The Company holds fifty-percent voting shares of Nan Chung Petrochemical Corporation (Nan Chung), therefore, the general manager of Nan Chung has been designated by the Company. As the Company has control over the operations of Nan Chung, hence, the Company included Nan Chung as one of its subsidiaries in its consolidated financial statements.

(ii) Subsidiaries excluded from the consolidated financial statements: None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off event.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management. This should be recognized and allocated to current and deferred taxes based on its proportionate size.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

**(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2023. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2023.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements are as follows:

(a) Judgment of whether the Group has substantive control over its investees-Nanya Technology Corporation

The Group holds 29.28% of the outstanding voting shares of Nanya Technology Corporation, which has a total number of 12 directors in its board, including 3 seats representing the Group. Although the Group is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Group does not have control over Nanya Technology Corporation.

(b) Judgment of whether the Group has substantive control over its investees-Nan YA Photonics Incorporation

The Group holds 23.02% of the outstanding voting shares of Nan YA Photonics Incorporation, which has a total number of 6 directors in its board, including 3 seats representing the Group. However, the Group failed to make an agreement with other shareholders on the collective decision-making which should obtain more than half of the voting rights during a shareholders’ meeting. Therefore, it is determined that the Group does not have control over Nan YA Photonics Incorporation.

(c) Judgment of whether the Group has substantive control over its investees-Formosa Automobile Sales Corporation

The Group holds 45.00% of the outstanding voting shares of Formosa Automobile Sales Corporation, which has a total number of 5 directors, including 2 seats representing the Group. Although the Group is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Group does not have control over Formosa Automobile Sales Corporation.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (d) Judgment of whether the Group has substantive control over its investees-Formosa Plastics Transport Corporation

The Group holds 33.33% of the outstanding voting shares of Formosa Plastics Transport Corporation, which has a total number of 7 directors, including 2 seats representing the Group. Although the Group is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Group does not have control over Formosa Plastics Transport Corporation.

- (e) Judgment of whether the Group has substantive control over its investees-Formosa Environmental Technology Corporation

The Group holds 26.99% of the outstanding voting shares of Formosa Environmental Technology Corporation, which has a total number of 5 directors, including 1 seat representing the Group. Although the Group is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Group does not have control over Formosa Environmental Technology Corporation.

- (f) Judgment of whether the Group has substantive control over its investees-Hwa Ya Technology Park Management Consulting Corporation

The Group holds 34.00% of the outstanding voting shares of Hwa Ya Technology Park Management Consulting Corporation, which has a total number of 3 directors, including 1 seat representing the Group. Although the Group is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Group does not have control over Hwa Ya Technology Park Management Consulting Corporation.

**(6) Explanation of significant accounts:**

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2023 consolidated financial statements. Please refer to Note 6 of the 2023 annual consolidated financial statements.

- (a) Cash and Cash Equivalents

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Cash on hand	\$ 1,280	1,265	1,329
Cash in banks	31,398,524	23,004,655	28,821,890
Time deposits	39,022,401	49,505,101	50,178,104
Cash equivalents	<u>9,600,994</u>	<u>7,790,165</u>	<u>12,242,378</u>
Cash and cash equivalents	<u><b>\$ 80,023,199</b></u>	<u><b>80,301,186</b></u>	<u><b>91,243,701</b></u>

Please refer to note 6(w) for the interest rate risk and fair value sensitivity analysis of the financial assets and liabilities of the Group.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Financial assets at fair value through profit or loss

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current financial assets designated as at fair value through profit or loss:			
Funds	\$ <u>1,731,750</u>	<u>1,641,598</u>	<u>1,566,437</u>
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Non-current financial assets designated as at fair value through profit or loss:			
Foreign Bonds	\$ 485,635	466,584	441,291
Foreign Stocks	<u>207,061</u>	<u>198,937</u>	<u>312,336</u>
Total	\$ <u><u>692,696</u></u>	<u><u>665,521</u></u>	<u><u>753,627</u></u>

Remeasurement at fair value recognized in profit or loss is disclosed in note 6(v).

(c) Financial assets at fair value through other comprehensive income

Current financial assets at fair value through other comprehensive income

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ <u>28,274,354</u>	<u>32,339,271</u>	<u>36,801,199</u>

Non-current financial assets at fair value through other comprehensive income

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ <u>22,049,458</u>	<u>19,537,040</u>	<u>16,515,813</u>

(i) Equity investments at fair value through other comprehensive income

- 1) The Group designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent those investments that the Group intends to hold for long-term for strategic purposes.
- 2) There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2024 and 2023.

(ii) For credit risk and market risk; please refer to note 6(w).

(iii) The financial assets at fair value through other comprehensive income of the Group had been pledged as collateral; please refer to note 8.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Notes and accounts receivable

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Notes receivable from operating activities	\$ 2,793,527	3,422,762	3,996,263
Accounts receivable-measured as amortized cost	35,338,955	35,351,013	40,688,695
Accounts receivable-fair value through profit or loss	20,454	12,651	35,597
Overdue receivables	1,903	2,053	2,502
Less: Loss allowance	<u>(443,720)</u>	<u>(434,262)</u>	<u>(416,151)</u>
	<b><u>\$ 37,711,119</u></b>	<b><u>38,354,217</u></b>	<b><u>44,306,906</u></b>

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2024, December 31 and March 31, 2023. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	<b>March 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 37,433,019	0.37%~1.35%	282,984
1 to 3 months past due	376,598	0.49%~34.61%	14,045
3 to 6 months past due	119,544	1.26%~57.14%	6,093
6 to 12 months past due	97,922	0.68%~90%	12,844
More than 1 year past due	<u>127,756</u>	100%	<u>127,754</u>
	<b><u>\$ 38,154,839</u></b>		<b><u>443,720</u></b>
	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 38,246,645	0.23%~1.52%	253,980
1 to 3 months past due	296,521	1.28%~68.96%	52,231
3 to 6 months past due	74,560	3.08%~88.56%	8,025
6 to 12 months past due	62,942	11.80%~94.98%	12,215
More than 1 year past due	<u>107,811</u>	100%	<u>107,811</u>
	<b><u>\$ 38,788,479</u></b>		<b><u>434,262</u></b>

(Continued)



**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 43,877,585	0%~1.65%	253,411
1 to 3 months past due	623,435	1.21%~20.79%	28,379
3 to 6 months past due	77,690	6.74%~72.61%	16,839
6 to 12 months past due	30,181	8.48%~89.84%	3,356
More than 1 year past due	<u>114,166</u>	100%	<u>114,166</u>
	<u><b>\$ 44,723,057</b></u>		<u><b>416,151</b></u>

The movement in the allowance for notes and accounts receivable were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1, 2024 and 2023	\$ 434,262	426,025
Reversal of impairment losses recognized	-	(10,030)
Foreign exchange (gains) losses	<u>9,458</u>	<u>156</u>
Balance at March 31, 2024 and 2023	<u><b>\$ 443,720</b></u>	<u><b>416,151</b></u>

As of March 31, 2024, December 31 and March 31, 2023, notes and accounts receivable which were overdue or under legal proceedings amounted to \$1,903, \$2,053 and \$2,502. Such receivables were reclassified to overdue receivables under other assets and provided with a full impairment loss provision.

The Group signed without-recourse factoring and financing contracts with financial institutions. According to these contracts, the net accounts receivable that have matured but are still uncollected will be paid by the financial institutions, except for those affected by trade disputes. As of March 31, 2024, December 31 and March 31, 2023, the outstanding accounts receivable factoring transactions between the Group and the financial institutions were as follows:

<b>March 31, 2024</b>					
<b>Purchaser</b>	<b>Factoring Balance</b>	<b>Factoring Line</b>	<b>Advanced Amount</b>	<b>Range of Interest Rate</b>	<b>Guarantee project</b>
EXPAFOL S.L.	HSBC Bank \$ <u>2,890</u>	USD <u>500</u>	<u>-</u>	<u>-</u>	None
Gold Circuit Electronics, Ltd	E. Sun Bank \$ <u>17,564</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	None
<b>December 31, 2023</b>					
<b>Purchaser</b>	<b>Factoring Balance</b>	<b>Factoring Line</b>	<b>Advanced Amount</b>	<b>Range of Interest Rate</b>	<b>Guarantee project</b>
EXPAFOL S.L.	HSBC Bank \$ <u>2,495</u>	USD <u>500</u>	<u>-</u>	<u>-</u>	None
Gold Circuit Electronics, Ltd	E. Sun Bank \$ <u>10,156</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	None

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

March 31, 2023						
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project	
EXPAFOL S.L.	HSBC Bank	\$ <u>4,161</u>	USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	E. Sun Bank	\$ <u>31,436</u>	<u>150,000</u>	-	-	None

## (e) Other receivables

	March 31, 2024	December 31, 2023	March 31, 2023
Other accounts receivable-other	\$ 7,990,553	3,476,429	8,899,410
Other accounts receivable-loans to associates	2,832,301	3,299,420	2,646,628
Less: Loss allowance	-	-	-
Total	<u>\$ 10,822,854</u>	<u>6,775,849</u>	<u>11,546,038</u>

Other receivables are financial assets with low credit risk, thus the Group measured the loss allowance based on 12-month expected credit losses.

## (f) Inventories

The components of inventories were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Finished goods	\$ 14,014,142	14,552,060	14,841,620
Work in process	12,181,928	13,175,227	13,033,719
Machinery and accessories in process	7,066,536	7,513,389	7,993,361
Raw materials	12,502,740	11,751,541	14,451,373
Supplies	1,746,353	1,745,931	2,818,006
Consigned-out raw materials	1,556,209	1,006,273	370,879
Consigned-out finished goods	21,356	21,334	13,200
Goods in transit	<u>938,888</u>	<u>786,276</u>	<u>825,693</u>
Inventories, net	<u>\$ 50,028,152</u>	<u>50,552,031</u>	<u>54,347,851</u>

The details of the cost of sales were as follows:

	For the three months ended March 31	
	2024	2023
Inventory that has been sold	\$ 52,819,600	58,577,679
Write-down of inventories (Reversal of write-downs)	(100,036)	(70,146)
Unallocated production overheads	<u>2,580,215</u>	<u>1,990,540</u>
	<u>\$ 55,299,779</u>	<u>60,498,073</u>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
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For the three months ended March 31, 2024 and 2023, the amounts of inventories recovery benefit recognized due to changes in inventories prices and the loss of inventories decline recognized due to inventory write-down to net realizable value were recognized as cost of revenue.

As of March 31, 2024, December 31 and March 31, 2023, the Group did not provide any inventory as collateral for its loans.

(g) Investments accounted for using equity method

The components of the investments accounted for using equity method at the reporting date were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates	\$ 174,598,011	175,618,957	168,757,426
Joint ventures	592,350	562,432	582,736
	<b><u>\$ 175,190,361</u></b>	<b><u>176,181,389</u></b>	<b><u>169,340,162</u></b>

(i) Associates

The Group's share of net income of associates was as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
The Group's share of net income of associates	<b><u>\$ 1,216,709</u></b>	<b><u>753,709</u></b>

- 1) The unrealized translation gain or loss arising from the investment in foreign entities, which was based on exchange rates as of March 31, 2024, December 31 and March 31, 2023, were recognized in comprehensive income.
- 2) The unrealized sales profits from downstream transactions with investees under the equity method are treated as deductions from gross income. The realized sales profits from downstream sales are added to gross income. Details of these transactions are disclosed in note 7.
- 3) In March 2024, the Group disposed its holdings in Formosa Fairway Corporation, at the fair value and net disposal amounting to \$0 and \$3,934, respectively, resulting in the amount of \$3,934 to be recognized as gain on disposal of investment and the amount of \$27,487 to be reclassified from accumulated unrealized gains from financial assets measured at FVOCI using equity method to undistributed earnings.
- 4) The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Carrying amount of individually insignificant associates' equity	<b><u>\$ 174,598,011</u></b>	<b><u>175,618,957</u></b>	<b><u>168,757,426</u></b>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		<b>For the three months ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Attributable to the Group:			
Net Income	\$	1,216,709	753,709
Other comprehensive income		1,888,342	1,870,651
Total comprehensive income	<b>\$</b>	<b>3,105,051</b>	<b>2,624,360</b>

(ii) Joint ventures

The Group's share of net income of joint venture was as follows:

		<b>For the three months ended March 31</b>	
		<b>2024</b>	<b>2023</b>
The Group's share of net income of joint ventures	<b>\$</b>	<b>7,349</b>	<b>25,972</b>

The Group's financial information on investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. This financial information is included in the consolidated financial statements.

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
The carrying value of joint ventures that were not individually material	<b>\$</b>	<b>592,350</b>	<b>562,432</b>

		<b>For the three months ended March 31</b>	
		<b>2024</b>	<b>2023</b>
Attributable to the Group:			
Net income	\$	7,349	25,972
Other comprehensive income		-	-
Total comprehensive income	<b>\$</b>	<b>7,349</b>	<b>25,972</b>

(iii) Collateral

As of March 31, 2024, December 31 and March 31, 2023, the Group provide investment accounted for using equity method as collaterals to any financial institutions or court for its loans; please refer to note 8.

(iv) The unreviewed financial statements of investments accounted for using equity method

For the three months ended March 31, 2024 and 2023, except for Formosa Petrochemical Corporation, Nan Ya Technology Corporation, Formosa Advanced Technologies Co.,LTD, Nan Ya Kyowa Plastics (Nantong) Corporation and Nan Ya Plastics (Zhengzhou) Corporation, which were reviewed by other auditors, investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(h) Property, Plant and Equipment

The cost, depreciation, and impairment of property, plant and equipment of the Group were as follows:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:							
Balance on January 1, 2024	\$ 19,255,598	78,610,727	443,259,505	1,655,767	17,754,798	30,712,051	591,248,446
Additions	-	148	382,423	5,460	48,671	3,327,187	3,763,889
Disposals	-	(5,364)	(1,269,046)	(13,860)	(122,673)	-	(1,410,943)
Reclassification	423	187,870	916,211	(20,030)	417,680	(2,014,451)	(512,297)
Effect of movements in exchange rates	2,965	1,530,338	7,886,194	23,363	258,559	491,711	10,193,130
Balance on March 31, 2024	<u>\$ 19,258,986</u>	<u>80,323,719</u>	<u>451,175,287</u>	<u>1,650,700</u>	<u>18,357,035</u>	<u>32,516,498</u>	<u>603,282,225</u>
Balance on January 1, 2023	\$ 19,198,613	77,046,486	416,548,705	1,661,912	15,425,545	43,042,874	572,924,135
Additions	-	794	455,226	3,869	91,620	6,522,801	7,074,310
Disposals	-	(2,889)	(1,645,171)	(9,426)	(33,786)	-	(1,691,272)
Reclassification	-	70,581	9,348,755	5,316	106,498	(8,617,088)	914,062
Effect of movements in exchange rates	(600)	(19,374)	20,625	(763)	12,586	64,315	76,789
Balance on March 31, 2023	<u>\$ 19,198,013</u>	<u>77,095,598</u>	<u>424,728,140</u>	<u>1,660,908</u>	<u>15,602,463</u>	<u>41,012,902</u>	<u>579,298,024</u>
Depreciation and impairment loss:							
Balance on January 1, 2024	\$ -	45,229,310	316,824,433	1,414,703	11,566,735	-	375,035,181
Depreciation for the period	-	643,940	4,344,909	16,259	267,937	-	5,273,045
Reversal of impairment	-	-	(75)	-	-	-	(75)
Disposals	-	(5,364)	(1,237,520)	(13,861)	(104,049)	-	(1,360,794)
Disposals	-	-	(1,537,771)	(25,621)	25,189	-	(1,538,203)
Effect of movements in exchange rates	-	777,345	5,061,289	18,294	162,474	-	6,019,402
Balance on March 31, 2024	<u>\$ -</u>	<u>46,645,231</u>	<u>323,455,265</u>	<u>1,409,774</u>	<u>11,918,286</u>	<u>-</u>	<u>383,428,556</u>
Balance on January 1, 2023	\$ -	42,986,796	305,568,396	1,392,161	11,009,760	-	360,957,113
Depreciation for the period	-	582,892	4,217,266	17,989	221,832	-	5,039,979
Reversal of impairment	-	-	(9)	-	-	-	(9)
Disposals	-	(2,889)	(1,598,348)	(9,339)	(34,351)	-	(1,644,927)
Reclassification	-	-	(270)	2,319	(2,049)	-	-
Effect of movements in exchange rates	-	27,875	122,663	(356)	14,750	-	164,932
Balance on March 31, 2023	<u>\$ -</u>	<u>43,594,674</u>	<u>308,309,698</u>	<u>1,402,774</u>	<u>11,209,942</u>	<u>-</u>	<u>364,517,088</u>
Carrying amounts:							
Balance on March 31, 2024	<u>\$ 19,258,986</u>	<u>33,678,488</u>	<u>127,720,022</u>	<u>240,926</u>	<u>6,438,749</u>	<u>32,516,498</u>	<u>219,853,669</u>
Balance on January 1, 2024	<u>\$ 19,255,598</u>	<u>33,381,417</u>	<u>126,435,072</u>	<u>241,064</u>	<u>6,188,063</u>	<u>30,712,051</u>	<u>216,213,265</u>
Balance on March 31, 2023	<u>\$ 19,198,013</u>	<u>33,500,924</u>	<u>116,418,442</u>	<u>258,134</u>	<u>4,392,521</u>	<u>41,012,902</u>	<u>214,780,936</u>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Collateral

Please refer to note 8 for the property, plant and equipment pledged to secure bank loans as of March 31, 2024, December 31 and March 31, 2023.

(ii) Property, plant and equipment under construction

For the three months ended March 31, 2024 and 2023, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Group amounted to \$88,743 and \$73,354, respectively. The capitalized interest rate ranged from 1.321%~6.85% and 1.168%~5.361% for the three months ended March 31, 2024 and 2023, respectively.

(i) Right-of-use assets

The Group leases many assets including land and buildings, machinery and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:					
Balance at March 31, 2024	\$ <u>609,956</u>	<u>70,018</u>	<u>52,450</u>	<u>189,502</u>	<u>921,926</u>
Balance at January 1, 2024	\$ <u>594,378</u>	<u>76,248</u>	<u>53,580</u>	<u>186,907</u>	<u>911,113</u>
Balance at March 31, 2023	\$ <u>628,519</u>	<u>87,348</u>	<u>51,681</u>	<u>230,790</u>	<u>998,338</u>

The right-of-use assets of the Group have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2024 and 2023. Please refer to note 12 for the amount of depreciation, and for other related information, please refer to note 6(i) of the consolidated financial statement for the year ended December 31, 2023.

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group were as follows:

	<u>Trademark</u>
Carrying value :	
Balance at March 31, 2024	\$ <u>1,472,730</u>
Balance at January 1, 2024	\$ <u>1,521,015</u>
Balance at March 31, 2023	\$ <u>1,665,874</u>

The intangible assets of the Group have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2024 and 2023. For the related information, please refer to note 6(j) of the consolidated financial statement for the year ended December 31, 2023.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
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## (k) Short-term notes and bills payable

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Short-term notes and bills payable	\$ 35,750,000	36,400,000	43,750,000
Discount on short-term notes and bills payable	(69,328)	(95,797)	(118,630)
Total	<u>\$ 35,680,672</u>	<u>36,304,203</u>	<u>43,631,370</u>
Range of interest rates	<u>1.42%~1.57%</u>	<u>1.42%~1.57%</u>	<u>1.28%~1.41%</u>

## (l) Short-term borrowings

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Unsecured bank short-term debts	<u>\$ 32,700,578</u>	<u>31,802,900</u>	<u>33,848,000</u>
Unused short-term credit lines	<u>\$ 155,231,643</u>	<u>144,842,818</u>	<u>127,557,930</u>
Range of interest rates	<u>1.07%~1.775%</u>	<u>1.62%~1.76%</u>	<u>0.80%~1.69%</u>

For the three months ended March 31, 2024, the Group issued short-term borrowings amounting to \$895,627, and there were no significant repurchase or repayment on short-term borrowings. For the three months ended March 31, 2023, the Group repaid short-term borrowings amounting to \$4,927,195, and there were no significant issuance on short-term borrowings. For information concerning interest expense, please refer to note 6(v).

As of March 31, 2024, December 31 and March 31, 2023, The Group did not provide any assets as collaterals for its short-term borrowings.

## (m) Long-term debts

Long-term debts consisted of the following:

<u>March 31, 2024</u>				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	6.7011%~6.6977%	2026	\$ 21,572,621
Unsecured bank long-term debts	TWD	1.7300%~1.7895%	2025~2027	32,043,780
Total				<u>\$ 53,616,401</u>
Unused long-term credit lines				<u>\$ 15,038,800</u>
<u>December 31, 2023</u>				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	6.7013%~6.9602%	2024~2026	\$ 24,865,924
Unsecured bank long-term debts	TWD	1.6250%~1.7895%	2024~2025	31,742,602
Less: current portion				(6,729,400)
Total				<u>\$ 49,879,126</u>
Unused long-term credit lines				<u>\$ 16,832,975</u>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>			
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	1.4100%~6.0200%	2023~2026	\$ 23,028,074
Unsecured bank long-term debts	TWD	1.5000%~1.6677%	2023~2024	12,000,000
Less: current portion				<u>(7,718,160)</u>
Total				<u>\$ 27,309,914</u>
Unused long-term credit lines				<u>\$ 4,218,160</u>

- (i) Please refer to note 6(w) for information on the Group's exposure to liquidity risk, and risk of changes in interest rates and liquidation risk.
- (ii) The Group issued the amounts of \$12,300,000 and \$0 on long term loans for the three months ended March 31, 2024 and 2023, respectively. The amounts of \$16,245,210 and \$609,080 were redeemed for the three months ended March 31, 2024 and 2023, respectively. For information on interest expenses, please refer to note 6(v).

- (iii) Pledged assets for bank loans

For the collateral for long-term borrowings, please refer to note 8.

- (iv) Financial covenants of significant loans and borrowings

The Company entered into a syndicated credit agreement with different financial institutions, with Bank of Taiwan being the lead bank, wherein the Company shall maintain certain financial ratios on the balance sheet date. (i.e. current ratio, debt ratio, etc.) If, however, the Company breach the contract, it should enhance its performance by increasing its cash capital or other means during the improvement period. Otherwise, the loans will be considered due and the Company will be required to pay the remaining amount of loan immediately.

- (n) Bonds payable

	<u>March 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	<u>March 31,</u> <u>2023</u>
Domestic unsecured nonconvertible corporate bonds	\$ 65,800,000	65,800,000	62,575,000
Costs of issuing bonds	(53,586)	(57,533)	(49,500)
Current portion	<u>(9,271,115)</u>	<u>(9,270,477)</u>	<u>(9,770,259)</u>
Total	<u>\$ 56,475,299</u>	<u>56,471,990</u>	<u>52,755,241</u>

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The terms of domestic corporate bonds as of March 31, 2024 were as follows:

	<b>The second domestic unsecured nonconvertible corporate bond in 2013</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2014</b>	<b>The second domestic unsecured nonconvertible corporate bond in 2014</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2017</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2018</b>
Issued amount	TWD10,400,000	TWD10,000,000	TWD5,000,000	TWD9,500,000	TWD10,500,000
Balance, end of year	4,198,656	9,991,154	749,864	1,499,831	5,247,517
Current portion	2,099,328	-	749,864	1,499,831	1,524,279
Issuance date	December 18, 2013	June 24, 2014	November 11, 2014	July 10, 2017	September 6, 2018
Issuance period	10 years and 12 years	14 years and 15 years	5 years and 10 years	5 years and 7 years	5 years, 7 years and 10 years
Coupon rate	1.98% and 2.08%	2.04%	1.45% and 1.93%	1.03% and 1.25%	0.83%, 0.91% and 1.07%
Interest payment date	December 18	June 24	November 11	July 10	September 6
Repayment method	Payable in 2 equal installments for each coupon rate in 2022~2023 and 2024~2025, respectively	Payable in 2 equal installments for each coupon rate in 2028 and 2029, respectively	Payable in 2 equal installments for each coupon rate in 2018~2019 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2021~ 2022 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2022~2023, 2024~2025 and 2027~2028 respectively
	<b>The first domestic unsecured nonconvertible corporate bond in 2019</b>	<b>The second domestic unsecured nonconvertible corporate bond in 2019</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2020</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2021</b>	<b>The first domestic unsecured nonconvertible corporate bond in 2023</b>
Issued amount	TWD6,300,000	TWD5,100,000	TWD10,000,000	TWD11,500,000	TWD13,000,000
Balance, end of year	5,447,023	4,147,606	9,992,656	11,490,721	12,981,386
Current portion	849,536	949,452	1,598,825	-	-
Issuance date	June 17, 2019	October 15, 2019	September 24, 2020	June 3, 2021	October 5, 2023
Issuance period	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years and 7 years	5 years and 10 years
Coupon rate	0.74%, 0.82% and 0.91%	0.71%, 0.75% and 0.84%	0.49%, 0.58% and 0.62%	0.45% and 0.53%	1.57% and 1.77%
Interest payment date	June 17	October 15	September 24	June 3	October 5
Repayment method	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026 and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026 and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2024~2025, 2026~2027 and 2029~2030, respectively	Payable in 2 equal installments for each coupon rate in 2025~2026 and 2027~2028, respectively	Payable in 2 equal installments for each coupon rate in 2027~2028 and 2032~2033, respectively

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
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(o) Lease liabilities

The carrying values of lease liabilities were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Current	\$ <u>128,072</u>	<u>130,182</u>	<u>133,365</u>
Non-current	\$ <u>198,731</u>	<u>202,261</u>	<u>254,554</u>

For information on the maturity analysis, please refer to note 6(w).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>2,010</u>	<u>2,422</u>
Expenses relating to short-term leases	\$ <u>46,749</u>	<u>41,359</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>83,577</u>	<u>79,776</u>

(i) Real estate leases

The Group leases land and buildings for its office space and plants. The leases of land typically run for a period of 4 to 20 years, of office space for 2 to 20 years, and of plants for 3 years. Besides, the rights-of-use for land in mainland China typically run for 50 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases require the Group to make payments that relate to the property taxes levied on the lessor and insurance payments made by the lessor; these amounts are generally determined annually.

The Group expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

(ii) Other leases

The Group leases transportation equipment, with lease terms of 2 to 7 years. In some cases, the Group has options to purchase the assets at the end of the contract term.

The Group also leases buildings with contract terms of one year or less. These leases are short-term. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(p) Employee Benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2023 and 2022.

The expenses recognized in profit or loss for the Group were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating costs	\$ 59,937	72,275
Selling expenses	3,193	3,882
Administrative expenses	14,592	19,259
	<b>\$ 77,722</b>	<b>95,416</b>

(ii) Defined contribution plan

The Labor Pension Act (“The Act”) prescribes a defined contribution plan. Pursuant to the Act, the Company, and its subsidiaries namely, Nan Ya PCB Corp., Wen Fung Industrial Corp., Nan Chung Petrochemical Corp., Wellink Technology Corp. and PFG Fiber Glass Corporation have made monthly contributions equal to 6% of each employee’s monthly salary to employees’ pension accounts.

Nan Ya Plastics Corporation, America and Nan Ya PCB (U.S.A.) Corporation adopt a Defined Contribution Plan and periodically provide contributions thereon according to local law. Those contributions are recognized as an expense on an accrual basis.

Subsidiaries in China are governed by China laws and regulation. Based on China laws and regulation, those companies contribute for employees’ pension benefits at rates ranging from 6% to 20% of salary every month and remit those contributions to the related authority.

The Group’s expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Operating costs	\$ 317,480	337,390
Selling expenses	19,656	18,985
Administrative expenses	51,350	52,753
	<b>\$ 388,486</b>	<b>409,128</b>

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(q) Income taxes

(i) Income tax expense

The components of income tax expense were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Current income tax expense		
Current period	\$ 638,433	917,718
Adjustment for prior periods	-	28,730
Deferred tax expense		
Origination and reversal of temporary differences	(577,068)	(715,525)
Total income tax expense	<b>\$ 61,365</b>	<b>230,923</b>

(ii) Assessment of tax

The Corporation's income tax return for the year 2022 had been examined by the tax authorities.

(iii) Global minimum top-up tax

As of March 31, 2024, there have been no legislative or substantive legislative enactments on supplementary taxes in any country where the location of operations; hence, no related deferred income taxes have been recognized. Although the retrospective application of Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules" has no impact on its consolidated financial statements, the Group is closely monitoring the legislative developments related to the introduction of the Global minimum top-up tax in the jurisdictions where it operates.

The Group has applied the deferred tax accounting based on the temporary mandatory relief policy. Due to the impacts of the top-up tax, the income tax incurred by the Group during the year will be recognized as current tax. For the accounting policy, please refer to note 4(s) of the consolidated financial statement for the year ended December 31, 2023.

(r) Capital and other equity

As of March 31, 2024 and 2023, the Group's government registered total authorized capital and issued capital stock both amounted to \$79,308,216, divided into 7,930,822 thousand shares of stock with \$10 par value per share.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Capital surplus

The components of capital surplus were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Paid-in capital from conversion of corporate bond to common stock in excess of par value	\$ 8,997,136	8,997,136	8,997,136
Gains on acquisition of Taiwan Plasticizer Corporation	74,474	74,474	74,474
Other	<u>18,655,405</u>	<u>18,661,923</u>	<u>18,620,988</u>
Total	<u><u>\$ 27,727,015</u></u>	<u><u>27,733,533</u></u>	<u><u>27,692,598</u></u>

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 “First-time Adoption of International Financial Reporting Standards” during the Company’s first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of \$6,277,052, which were previously recognized in shareholders’ equity were reclassified to retained earnings. According to Ruling by FSC, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, these special reserves can be reverted to distributable earnings proportionately. As the amount appropriated exceeds the increase in retained earnings arising from the adoption of IFRSs, only \$6,243,060 is appropriated in compliance to the IFRSs as endorsed by the FSC. The balance of special reserve amounted to \$6,105,007, \$6,105,133 and \$6,109,676 as of March 31, 2024, December 31 and March 31, 2023, respectively.

Pursuant to the Regulatory Permit mentioned above, the Company is also required to set aside an additional special reserve from current-period earnings and undistributed prior-period earnings during earnings distribution. The amount to be set aside should be equal to the difference between net current-period reduction of the other stockholders’ equity and the amount of above-mentioned special reserve. The accumulated prior-period reduction of the other stockholders’ equity shall be set aside as an additional special reserve, which does not qualify for earnings distribution, from undistributed prior-period earnings. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Earnings distribution

According to the Company's Articles of Association, the Company's annual net earnings, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof, and if necessary, may set aside a special reserve, followed by dividends. If there is any unappropriated earnings in the current year, the Board of Directors shall prepare a proposal for the distribution of dividends to shareholders, of which the proposal for cash dividends is authorized to be distributed by the Board of Directors with the attendance of at least two-thirds of the directors and the resolution of a majority of the directors who attend the meeting, and shall be reported to the shareholders' meeting; the proposal for stock dividends shall be submitted to the shareholders' meeting for resolution. Special reserve referred to in the preceding paragraph includes reserve for special purposes, the profit accounted for using equity method, and net appraisal profit recognized for financial instruments transactions. However, when the accumulated amount decreases, special reserve shall be reduced by the same amount, limited to the amount listed in this item, and other special reserve set aside in accordance with laws.

The Company belongs to a mature industry, in which the annual profit is stable. It adopts three kinds of dividend distribution policies, which are cash dividends, capitalization of earnings, and capital surplus. The net earnings after deducting the legal reserve and special reserve may first be distributed by way of cash dividends which shall be equal to at least fifty percent of the Company's total dividend distribution every year. The capitalization of earnings and capital surplus shall not exceed fifty percent of the total dividends.

The amounts of cash dividends for the 2023 earnings distribution had been approved and proposed by the board meeting held on March 12, 2024, and the 2022 earnings distribution had been approved and proposed by the board meeting held on March 8, 2023, respectively; while other items of the 2022 earnings distribution had been approved by the stockholders' meeting held on May 31, 2023, as follows:

	2023	2022
Dividends per share:		
Cash dividends	\$ 0.70	3.00

The aforementioned earnings distributions did not differ from those proposed by the board of directors and those estimated and accrued amount in the financial statements. The related information can be obtained from the Market Observation Post System website.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2024	\$ (8,713,581)	31,006,389	8,072	22,300,880
Exchange differences arising on translation of foreign operations	6,913,324	-	-	6,913,324
Exchange differences on associates / joint ventures accounts for using equity method	1,575,105	-	-	1,575,105
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(1,551,321)	-	(1,551,321)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	343,825	-	343,825
Share of cash flow hedge of associates / joint ventures	-	-	8,828	8,828
Disposal of investments accounted for using equity method	-	(27,487)	-	(27,487)
Balance at March 31, 2024	<u>\$ (225,152)</u>	<u>29,771,406</u>	<u>16,900</u>	<u>29,563,154</u>
Balance at January 1, 2023	\$ (6,503,889)	27,101,700	153	20,597,964
Exchange differences arising on translation of foreign operations	241,266	-	-	241,266
Exchange differences on associates / joint ventures accounted for using equity method	(315,851)	-	-	(315,851)
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	1,690,304	-	1,690,304
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	2,173,713	-	2,173,713
Share of cash flow hedge of associates / joint ventures	-	-	7,654	7,654
Balance at March 31, 2023	<u>\$ (6,578,474)</u>	<u>30,965,717</u>	<u>7,807</u>	<u>24,395,050</u>

(s) Earnings Per Share

	For the three months ended March 31	
	2024	2023
Net income attributable to the Company	<u>\$ 1,241,806</u>	<u>866,324</u>
Number of weighted average outstanding shares	<u>7,930,822</u>	<u>7,930,822</u>
	<u>\$ 0.16</u>	<u>0.11</u>

(t) Revenue from contracts with customers

	For the three months ended March 31, 2024					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,345,158	4,501,218	4,558,928	2,586,670	823,071	16,815,045
China	2,115,919	3,235,160	13,509,540	655,619	144,143	19,660,381
Other	3,004,206	5,059,488	5,932,696	8,123,798	34,294	22,154,482
	<u>\$ 9,465,283</u>	<u>12,795,866</u>	<u>24,001,164</u>	<u>11,366,087</u>	<u>1,001,508</u>	<u>58,629,908</u>

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

For the three months ended March 31, 2024						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Main Products						
PVC sheet	\$ 1,204,201	-	-	-	-	1,204,201
Rigid sheet	1,656,885	-	-	-	-	1,656,885
Pipes	1,606,822	-	-	-	-	1,606,822
Phthalate Plasticizers	-	2,199,785	-	-	-	2,199,785
BPA	-	3,424,302	-	-	-	3,424,302
EG	-	2,353,420	-	-	-	2,353,420
CCL	-	-	6,093,492	-	-	6,093,492
Epoxy	-	-	4,926,008	-	-	4,926,008
PCB	-	-	7,100,446	-	-	7,100,446
Polyester Staple Fiber	-	-	-	1,973,288	-	1,973,288
PET Resin	-	-	-	5,418,192	-	5,418,192
DTY	-	-	-	2,581,158	-	2,581,158
Machinery and Switchgear	-	-	-	-	905,423	905,423
Others	4,997,375	4,818,359	5,881,218	1,393,449	96,085	17,186,486
	<u>\$ 9,465,283</u>	<u>12,795,866</u>	<u>24,001,164</u>	<u>11,366,087</u>	<u>1,001,508</u>	<u>58,629,908</u>
For the three months ended March 31, 2023						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,241,218	5,293,702	7,846,176	2,325,848	957,491	20,664,435
China	2,289,120	3,467,207	15,300,271	655,342	242,418	21,954,358
Other	2,650,439	4,439,500	7,600,874	8,375,089	89,081	23,154,983
	<u>\$ 9,180,777</u>	<u>13,200,409</u>	<u>30,747,321</u>	<u>11,356,279</u>	<u>1,288,990</u>	<u>65,773,776</u>
Main Products						
PVC sheet	\$ 1,152,711	-	-	-	-	1,152,711
Rigid sheet	1,513,268	-	-	-	-	1,513,268
Pipes	1,676,858	-	-	-	-	1,676,858
Phthalate Plasticizers	-	2,179,078	-	-	-	2,179,078
BPA	-	2,956,889	-	-	-	2,956,889
EG	-	2,105,145	-	-	-	2,105,145
CCL	-	-	6,242,204	-	-	6,242,204
Epoxy	-	-	5,873,896	-	-	5,873,896
PCB	-	-	12,580,419	-	-	12,580,419
Polyester Staple Fiber	-	-	-	2,195,338	-	2,195,338
PET Resin	-	-	-	5,446,659	-	5,446,659
DTY	-	-	-	2,346,158	-	2,346,158
Machinery and Switchgear	-	-	-	-	1,204,829	1,204,829
Others	4,837,940	5,959,297	6,050,802	1,368,124	84,161	18,300,324
	<u>\$ 9,180,777</u>	<u>13,200,409</u>	<u>30,747,321</u>	<u>11,356,279</u>	<u>1,288,990</u>	<u>65,773,776</u>

(Continued)



**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(u) Employee compensation

According to the specifications of the Company's article, 0.05% to 0.5% of the earnings before tax and bonuses should be appropriated to employees as bonuses. However, certain amounts of the earnings should be reserved if there is an accumulated loss from the operations in the previous years in advance of the appropriation of the employee bonuses.

The remunerations to employees amounted to \$1,335 and \$251, respectively, for the three months ended March 31, 2024 and 2023, respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, multiplied by the proposed percentage of remunerations of employees as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2023 and 2022, the remunerations to employees amounted to \$5,743 and \$33,497, respectively, which were paid in cash. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 551,472	504,620
Other interest income	85,596	62,204
	<b><u>\$ 637,068</u></b>	<b><u>566,824</u></b>

(ii) Other income

The details of other income were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Other income	\$ <b><u>529,494</u></b>	<b><u>730,790</u></b>

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Losses on disposal of property, plant and equipment	\$ (4,947)	(35,707)
Gains on disposal of investment	3,934	-
Foreign currency exchange gains (losses)	806,454	(235,772)
Gains on financial assets at fair value through profit or loss	90,152	3,717
Gains on reversal of impairment losses on plant, property, and equipment	75	9
Others	(33,709)	(49,914)
	<b>\$ 861,959</b>	<b>(317,667)</b>

(iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Interest expense	\$ 1,189,158	979,381
Less: interest capitalized	(88,743)	(73,354)
	<b>\$ 1,100,415</b>	<b>906,027</b>

(w) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2023.

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 6 months</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>March 31, 2024</b>							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 35,680,672	35,819,328	35,819,328	-	-	-	-
Notes and accounts payable	9,739,887	9,739,887	9,739,887	-	-	-	-
Accounts payables to related parties	6,121,148	6,121,148	6,121,148	-	-	-	-
Short-term borrowings	32,700,578	32,764,504	32,764,504	-	-	-	-
Long-term borrowings (including current portion)	53,616,401	58,248,169	2,294,638	990,849	28,907,535	26,055,147	-
Bonds payable	65,746,414	69,393,803	5,907,545	4,149,110	11,294,998	32,281,185	15,760,965
Lease liabilities	326,803	355,487	73,001	61,757	72,058	84,361	64,310
	<b>\$ 203,931,903</b>	<b>212,442,326</b>	<b>92,720,051</b>	<b>5,201,716</b>	<b>40,274,591</b>	<b>58,420,693</b>	<b>15,825,275</b>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 36,304,203	36,495,797	36,495,797	-	-	-	-
Notes and accounts payable	11,305,522	11,305,522	11,305,522	-	-	-	-
Accounts payables to related parties	5,058,154	5,058,154	5,058,154	-	-	-	-
Short-term borrowings	31,802,900	31,897,130	31,897,130	-	-	-	-
Long-term borrowings (including current portion)	56,608,526	62,055,483	3,999,437	7,160,229	29,220,224	21,675,593	-
Bonds payable	65,742,467	69,393,803	1,156,180	8,900,475	11,294,998	32,281,185	15,760,965
Lease liabilities	332,443	350,764	71,330	62,065	79,918	69,833	67,618
	<u>\$ 207,154,215</u>	<u>216,556,653</u>	<u>89,983,550</u>	<u>16,122,769</u>	<u>40,595,140</u>	<u>54,026,611</u>	<u>15,828,583</u>
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 43,631,370	43,868,630	43,868,630	-	-	-	-
Notes and accounts payable	14,297,697	14,297,697	14,297,697	-	-	-	-
Accounts payables to related parties	5,876,576	5,876,576	5,876,576	-	-	-	-
Short-term borrowings	33,848,000	33,933,321	32,933,231	1,000,090	-	-	-
Long-term borrowings (including current portion)	35,028,074	39,827,585	7,886,499	1,332,527	8,084,832	22,523,717	-
Bonds payable	62,525,500	65,370,285	5,454,373	5,015,810	9,840,755	25,045,787	20,013,560
Lease liabilities	387,919	411,412	73,493	66,230	108,362	89,057	74,270
	<u>\$ 195,595,136</u>	<u>203,585,506</u>	<u>110,390,499</u>	<u>7,414,657</u>	<u>18,033,949</u>	<u>47,658,561</u>	<u>20,087,830</u>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(ii) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	<b>March 31, 2024</b>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 627,143	31.9900	20,062,305
JPY	290,640	0.2110	61,325
EUR	3,458	34.4645	119,178
HKD	578	4.1013	2,371
CNY	1,444,408	4.5090	6,512,836
<u>Non-monetary items</u>			
USD	116,222	31.9900	3,717,942
CNY	64,981	4.5090	292,999
IDR	148,865,723	0.0020	297,731
VND	4,022,095,568	0.0013	5,228,724

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

				<b>March 31, 2024</b>		
				<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>TWD</b>
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	\$	40,367		31.9900		1,291,340
JPY		2,771,671		0.2110		584,823
EUR		3,904		34.4645		134,549
CNY		18,156		4.5090		81,865
				<b>December 31, 2023</b>		
				<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>TWD</b>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	700,267		30.7350		21,522,706
JPY		197,307		0.2172		42,855
EUR		1,445		33.9755		49,095
HKD		886		3.9404		3,491
CNY		37,341		4.3396		162,045
<u>Non-monetary items</u>						
USD		116,976		30.7350		3,959,257
CNY		66,388		4.3396		288,097
IDR		154,459,272		0.0020		308,919
VND		4,184,706,161		0.0013		5,440,118
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		65,766		30.7350		2,021,318
JPY		2,212,642		0.2172		480,586
EUR		2,965		33.9755		100,737
CNY		14,493		4.3396		62,894

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>March 31, 2023</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>TWD</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 794,873	30.4540	24,207,062
JPY	675,253	0.2293	154,836
EUR	2,094	33.1576	69,432
HKD	974	3.9044	3,803
CNY	9,643	4.4319	42,737
<u>Non-monetary items</u>			
USD	120,311	30.4540	3,663,951
CNY	69,664	4.4319	308,744
IDR	140,112,178	0.0020	280,224
VND	5,820,162,998	0.0013	7,566,212
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	75,837	30.4540	2,309,540
JPY	4,431,934	0.2293	1,016,242
EUR	4,920	33.1576	163,135
CNY	115	4.4319	510

2) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are dominated in foreign currency. The overall effects to net income before tax for the three months ended March 31, 2024 and 2023 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR, HKD and CNY as of March 31, 2024 and 2023 were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
Appreciation in value of 1%	\$ (246,691)	(209,828)
Depreciation in value of 1%	246,691	209,828

This analysis is performed on the same basis for the two periods.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2024 and 2023, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain \$806,454 and loss \$235,772, respectively.

(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the liabilities bearing variable interest rates are outstanding for the whole year. A 1% increase or decrease in interest rate is assessed by management to be a reasonable possible change in interest rate.

An increase or decrease of 1% in interest rates mainly from loans with floating interest rates at the reporting date would have increased or decreased net income by \$21,110 and \$16,256 for the three months ended March 31, 2024 and 2023, respectively.

(iv) Other market price risks

For the three months ended March 31, 2024 and 2023, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
<b>Prices of securities at the reporting date</b>	<b>Other comprehensive income after tax</b>	<b>Other comprehensive income after tax</b>
Increasing 1%	\$ 282,744	368,012
Decreasing 1%	\$ (282,744)	(368,012)

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(v) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	March 31, 2024				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 2,424,446	-	1,731,750	692,696	2,424,446
Accounts receivable	20,454	-	-	-	-
Total	<u>\$ 2,444,900</u>	<u>-</u>	<u>1,731,750</u>	<u>692,696</u>	<u>2,424,446</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 28,274,354	28,274,354	-	-	28,274,354
Unquoted equity instruments	22,049,458	-	-	22,049,458	22,049,458
Total	<u>\$ 50,323,812</u>	<u>28,274,354</u>	<u>-</u>	<u>22,049,458</u>	<u>50,323,812</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 80,023,199	-	-	-	-
Notes and accounts receivable (including related parties)	37,690,665	-	-	-	-
Other receivables (including related parties)	10,822,854	-	-	-	-
Total	<u>\$ 128,536,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 32,700,578	-	-	-	-
Short-term notes and bills payable	35,680,672	-	-	-	-
Notes and accounts payable (including related parties)	15,861,035	-	-	-	-
Bonds payable	65,746,414	-	-	-	-
Long-term borrowings (including due within on year)	53,616,401	-	-	-	-
Lease liabilities	326,803	-	-	-	-
Total	<u>\$ 203,931,903</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

		<b>December 31, 2023</b>			
		<b>Fair Value</b>			
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 2,307,119	-	1,641,598	665,521	2,307,119
Accounts receivable	12,651	-	-	-	-
<b>Total</b>	<b>\$ 2,319,770</b>	<b>-</b>	<b>1,641,598</b>	<b>665,521</b>	<b>2,307,119</b>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 32,339,271	32,339,271	-	-	32,339,271
Unquoted equity instruments	19,537,040	-	-	19,537,040	19,537,040
<b>Total</b>	<b>\$ 51,876,311</b>	<b>32,339,271</b>	<b>-</b>	<b>19,537,040</b>	<b>51,876,311</b>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 80,301,186	-	-	-	-
Notes and accounts receivable (including related parties)	38,341,566	-	-	-	-
Other receivables (including related parties)	6,775,849	-	-	-	-
<b>Total</b>	<b>\$ 125,418,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 31,802,900	-	-	-	-
Short-term notes and bills payable	36,304,203	-	-	-	-
Notes and accounts payable (including related parties)	16,363,676	-	-	-	-
Bonds payable	65,742,467	-	-	-	-
Long-term borrowings (including due within on year)	56,608,526	-	-	-	-
Lease liabilities	332,443	-	-	-	-
<b>Total</b>	<b>\$ 207,154,215</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
		<b>March 31, 2023</b>			
		<b>Fair Value</b>			
	<b>Book Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 2,320,064	-	1,566,437	753,627	2,320,064
Accounts receivable	35,597	-	-	-	-
<b>Total</b>	<b>\$ 2,355,661</b>	<b>-</b>	<b>1,566,437</b>	<b>753,627</b>	<b>2,320,064</b>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 36,801,199	36,801,199	-	-	36,801,199
Unquoted equity instruments	16,515,813	-	-	16,515,813	16,515,813
<b>Total</b>	<b>\$ 53,317,012</b>	<b>36,801,199</b>	<b>-</b>	<b>16,515,813</b>	<b>53,317,012</b>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	March 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 91,243,701	-	-	-	-
Notes and accounts receivable (including related parties)	44,271,309	-	-	-	-
Other receivables (including related parties)	11,546,038	-	-	-	-
<b>Total</b>	<b>\$ 147,061,048</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 33,848,000	-	-	-	-
Short-term notes and bills payable	43,631,370	-	-	-	-
Notes and accounts payable (including related parties)	20,174,273	-	-	-	-
Bonds payable	62,525,500	-	-	-	-
Long-term borrowings	35,028,074	-	-	-	-
Lease liabilities	387,919	-	-	-	-
<b>Total</b>	<b>\$ 195,595,136</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

a) Financial assets measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

b) Financial liabilities measured at amortized cost

If there is quoted price generated by transactions, the recent transaction price and quoted price data are used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

Financial instruments traded in active markets are measured at fair value based on the quoted market prices. Quoted prices are the prices announced by the main stock exchanges and over-the-counter markets. They are the basis for recognizing the fair value of the listed and over-the-counter equity instruments.

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## NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

Financial instrument possesses a quoted price in the active markets if the trading prices fairly represent the frequent and orderly transactions for financial instrument, and are readily available from trade centers, security brokers, underwriters, trade unions, pricing service institutes or other related authorities. The market for the said financial instrument shall be seen as inactive should the aforementioned requirements have not been met. Large or significantly increasing gap between the purchase and the exit prices of a financial instrument, or low trade volume, are general indicators of an inactive market.

If the financial instrument of the Group possesses an active market, its fair value should be recognized according to different categories and characteristics as follows:

For listed and over-the-counter stocks with standard terms and are publicly traded in active markets, their fair value are calculated by the market's quoted prices.

Other financial instruments that are not traded in active markets are measured with fair values provided by using the valuation techniques via market approach or the discounted cash flow method or other available methods.

If the financial instruments held by the Group are not traded in active markets, the valuation of their fair value is categorized as follows:

Bond investments that has no quoted prices: Fair value is measured with the income approach by applying the discounted cash flow method that convert future cash flow amounts to a single current amount on the basis of the value indicated by current market expectations about those future amounts.

4) Transfers between levels of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the three months ended March 31, 2024 and 2023.

5) Reconciliation of Level 3 fair value

	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>
	<b>Bond investment and others</b>	<b>Unquoted equity instruments</b>
Balance at January 1, 2024	\$ 665,521	19,537,040
Total gains and losses recognized:		
In other comprehensive income	-	2,509,136
Effect of exchange rate changes	27,175	3,282
Balance at March 31, 2024	<u>\$ 692,696</u>	<u>22,049,458</u>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>Fair value through profit and loss</b>	<b>Fair value through other comprehensive income</b>
	<b>Bond investment and others</b>	<b>Unquoted equity instruments</b>
Balance at January 1, 2023	\$ 759,912	16,106,851
Total gains and losses recognized:		
In other comprehensive income	-	409,624
Effect of exchange rate changes	(6,285)	(662)
Balance at March 31, 2023	<b>\$ 753,627</b>	<b>16,515,813</b>

- 6) The valuation procedures for fair value measurements being categorized within Level 3 is to ensure the valuation results are reasonable by applying independent information to make results close to the current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price. According to the Group's accounting policy, the analysis of value changes on remeasured or reevaluated assets and liabilities at the reporting date is performed to ensure the reasonability of the evaluation results.
- 7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Most of the Group's financial instruments that use Level 3 inputs involve only one significant unobservable input. Only equity investment with no-active markets involves multiple significant unobservable inputs.

Quantified information of significant unobservable inputs was as follows:

<b>Item</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Financial assets at fair value through other comprehensive income - equity instruments without an active market	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	The higher the multiple, the higher the fair value
	Net Asset Value Method	Not applicable	Not applicable

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- 8) Fair value measurement in Level 3 - sensitivity analysis of the possible alternative assumptions

The valuation models and assumptions used to measure the fair value of the financial instruments is reasonable. However, the use of different valuation models or assumptions may result in different measurements. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
<b>March 31, 2024</b>				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 186,411</u>	<u>(186,411)</u>
<b>December 31, 2023</b>				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 157,387</u>	<u>(157,387)</u>
<b>March 31, 2023</b>				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 126,753</u>	<u>(126,753)</u>

- (x) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2023.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2023. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2023. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2023 for further details.

(z) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	Short-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2024	\$ 31,802,900	36,304,203	56,608,526	65,742,467	332,443	190,790,539
Change in cash from financing activities	895,627	(650,000)	(3,945,210)	-	(34,818)	(3,734,401)
Non-cash changes	-	26,469	11,007	3,947	19,928	61,351
Influence due to fluctuation of exchange rate	2,051	-	942,078	-	9,250	953,379
Balance as of March 31, 2024	<u>\$ 32,700,578</u>	<u>35,680,672</u>	<u>53,616,401</u>	<u>65,746,414</u>	<u>326,803</u>	<u>188,070,868</u>
Balance as of January 1, 2023	\$ 38,775,000	35,449,361	35,825,562	64,321,492	410,466	174,781,881
Change in cash from financing activities	(4,927,195)	8,250,000	(609,080)	(1,800,000)	(35,995)	877,730
Non-cash changes	-	(67,991)	8,650	4,008	15,519	(39,814)
Influence due to fluctuation of exchange rate	195	-	(197,058)	-	(2,071)	(198,934)
Balance as of March 31, 2023	<u>\$ 33,848,000</u>	<u>43,631,370</u>	<u>35,028,074</u>	<u>62,525,500</u>	<u>387,919</u>	<u>175,420,863</u>

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Group and its subsidiaries.

(b) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates
Formosa Smart Energy Tech Corporation	Associates
Nan Ya Photonics Incorporation	Associates
Formosa Fairway Corporation	Associates (Note)
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Formosa Environmental Technology Corporation	Associates

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Group</u>
Formosa Advanced Technologies Co., Ltd.	Associates
Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures
Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures
P.T. Indonesia Nanya Indah Plastics Co.	Joint ventures
Formosa Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Formosa Taffeta Co., Ltd	Other related parties
Formosa Taffeta Viet Nam Co.,Ltd	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
China Man-made Fiber Corporation	Other related parties
Formosa Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties
Xiamen Haicang Investment Group Co., Ltd.	Other related parties
Formosa Plastics Marine Corporation	Other related parties
Formosa Plastics Corporation U.S.A.	Other related parties
Formosa Industries Corporation, U.S.A.	Other related parties
Formosa Electronic (Ningbo) Co., Ltd.	Other related parties
Formosa Ineos Chemicals Corporation	Other related parties
Ming Chi University Of Technology	Other related parties

Note : Formosa Fairway Corporation was previously an investee company accounted for by the Company using the equity method. However, the Company's entire equity shares in Formosa Fairway Corporation has been divested as of March 31, 2024. Hence, it is no longer considered as an affiliated of the Company thereafter.

(c) Significant related-party transactions

(i) Sales to related parties

The amounts of significant sales by the Group to related parties were as follows:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates and joint ventures	\$ 852,536	750,505
Other related parties	<u>2,010,475</u>	<u>3,396,846</u>
	<b><u>\$ 2,863,011</u></b>	<b><u>4,147,351</u></b>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The receivables from related parties were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates and joint ventures	\$ 461,143	474,421	534,691
Other related parties	769,955	646,873	1,291,848
	<b><u>\$ 1,231,098</u></b>	<b><u>1,121,294</u></b>	<b><u>1,826,539</u></b>

The selling prices and collection terms of sales to related parties are not significantly different from those of third-party customers. The accounts receivable arising from sales of machinery and equipment, and machine parts are collected after the delivery inspection, and the accounts receivable arising from sales of other products are collected on the 30th day of the following month.

The Group sells mainly machinery and provides engineering services to related parties in China and Vietnam. Payment is made after the test run of machinery sold. Also, it sells other products to these related parties. Selling prices and collection terms of other products sold to these associates are not materially different from those to non-related general buyers. Payments are collected 30 to 180 days after shipping of these other products.

(ii) Purchase from related parties

The amounts of significant purchases by the Group from related parties were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates and joint ventures		
Formosa Petrochemical Corporation	\$ 3,449,665	5,590,564
Other associates and joint ventures	31,727	11,589
Other related parties		
Formosa Chemicals and Fiber Corporation	5,740,301	5,850,508
Other related parties	6,348,462	4,745,404
	<b><u>\$ 15,570,155</u></b>	<b><u>16,198,065</u></b>

The payables to related parties were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ 1,424,171	998,957	2,047,874
Other associates and joint ventures	20	136,650	-
Other related parties			
Formosa Chemicals and Fiber Corporation	2,227,411	1,993,408	1,970,404
Other related parties	2,467,630	1,928,995	1,838,983
	<b><u>\$ 6,119,232</u></b>	<b><u>5,058,010</u></b>	<b><u>5,857,261</u></b>

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Purchase prices and payment terms of purchases from related parties are not materially different from those of non-related general suppliers. Payment shall be paid within 30 to 180 days of the month following the month of purchase with checks which are due and payable immediately.

(iii) Unrealized sales profit

Significant unrealized (realized) profits from sales to related parties were as follows:

Investee	For the three months ended March 31, 2024			For the three months ended March 31, 2023		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Associates and joint ventures	\$ 47,511	(3,264)	44,247	37,814	10,392	48,206

(iv) Construction

The Group contracted with associates to construct and expand the factory. The construction costs were as follows:

	For the three months ended March 31	
	2024	2023
Associates and joint ventures		
Formosa Heavy Industries Corporation	\$ 253,493	143,571

The payables to related parties were as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Formosa Heavy Industries Corporation	\$ 1,916	144	19,315

(v) Utility expenses

Part of the utilities of the Group's Lin-Yuan plant and all of the utilities of the Group's Ren-Wu plant, including power, water and steam, are supplied by or paid on behalf of the Group by the utility plants of Formosa Plastics Corporation. The utilities of the Group's Mai Liao plant, including power, water and steam, are supplied by Formosa Petrochemical Corporation. The expenses for utilities were as follows:

	For the three months ended March 31	
	2024	2023
Associates and joint ventures		
Formosa Petrochemical Corporation	\$ 980,900	1,832,274
Other related parties		
Other related parties	25,058	29,194
	\$ 1,005,958	1,861,468

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**Notes to the Consolidated Financial Statements**

The payables to related parties were as follows:

	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ <u>593</u>	<u>839</u>	<u>92,130</u>
(vi) Loans to related parties			

The loans to related parties were as follows:

	<u>Other receivables from related parties</u>		
	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Associates and joint ventures			
Formosa Steel IB PTy Ltd	\$ 1,622,500	1,622,500	-
Other associates and joint ventures	85,670	157,452	101,933
Other related parties			
Formosa Plastics Marine Corporation	1,047,479	1,445,695	2,469,353
Other related parties	<u>76,652</u>	<u>73,773</u>	<u>75,342</u>
	<u>\$ 2,832,301</u>	<u>3,299,420</u>	<u>2,646,628</u>

(vii) Property transaction

1) Acquisition of property, plant, and equipment

The amount of property, plant, and equipment acquired from the related parties were as follows:

	<u>For the three months ended March 31</u>	
	<u>2024</u>	<u>2023</u>
Associates	\$ 72,685	-
Other related parties	<u>-</u>	<u>16,931</u>
	<u>\$ 72,685</u>	<u>16,931</u>

For the three months ended March 31, 2024 and 2023, the Group purchased property, plant and equipment, amounting to \$72,685 and \$16,931, respectively. As of March 31, 2024 and 2023, there was no outstanding balance. For further description of property, plant and equipment, please refer to note 6(h).

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Disposals of property, plant and equipment

The disposals of property, plant and equipment to related parties are summarized as follows:

	<b>For the three months ended March 31, 2024</b>	
	<b>Disposal price</b>	<b>Gain from disposal</b>
Associates		
Nanya Technology Corporation	\$ <b>350</b>	<b>43</b>

The Group did not have such kind of transactions during the three months ended March 31, 2023.

(viii) Endorsements and guarantees

The amounts of the Group's endorsements and guarantees for securing related parties' loans were as follows:

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
Associates and joint ventures			
Formosa Group (Cayman) Limited	\$ <b>7,997,500</b>	<b>7,683,750</b>	<b>7,613,500</b>

(ix) Leases

1) The rental income of the Group from leasing its plants to its related parties, recognized as other income, were as follows:

	<b>For the three months ended March 31</b>	
	<b>2024</b>	<b>2023</b>
Associates and joint ventures		
Nan Ya Technology Corporation	\$ <b>114,341</b>	<b>106,957</b>

The rentals charged to related parties are determined based on the local market prices, and rents are collected monthly depending on the contract.

2) The rental expenses of the Group's offices and buildings leased its related parties, recognized as operating costs and expenses, were as follows:

The Group rented an office building and a piece of land from Formosa Plastics Corporation. The rentals charged to related parties are determined based on the local market prices. For the three months ended March 31, 2024 and 2023, the Group recognized the amount of \$0 and \$3 as interest expense, respectively. As of March 31, 2024, December 31 and March 31, 2023, the balance of lease liabilities amounted to \$0, \$0 and \$726, respectively.

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**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

The Group rented an office building from Formosa Chemicals and Fiber Corporation. The rentals charged to related parties are determined based on the local market prices. For the three months ended March 31, 2024 and 2023, the Group recognized the amount to \$0 and \$2 as interest expense, respectively. As of March 31, 2024, December 31 and March 31, 2023, the balance of lease liabilities amounted to \$0, \$0 and \$548, respectively.

The Group rented an office building from Ming Chi University of Technology. The rentals charged to related parties are determined based on the local market prices. For the three months ended March 31, 2024 and 2023, the Group recognized the amount to \$194 and \$205 as interest expense, respectively. As of March 31, 2024, December 31 and March 31, 2023, the balance of lease liabilities amounted to \$54,292, \$55,118 and \$57,579, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2024</b>	<b>2023</b>
Short-term employee benefits	<b>\$ 47,634</b>	<b>46,479</b>

**(8) Pledged assets:**

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>Usage</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>	<u>March 31, 2023</u>
Current Financial assets at fair value through other comprehensive income—stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	\$ 877,510	1,008,691	1,169,165
Investment accounted for using equity method—stock of Formosa Petrochemical Corporation	Others	The collateral to provisional execution in litigation	55,399	58,099	-
Other current assets—time deposits	Others	The collateral to provisional execution in litigation	16,500	-	-
Building and Plant	Bank loans	Bank loans	38,293,161	37,247,786	38,603,167
Total			<b>\$ 39,242,570</b>	<b>38,314,576</b>	<b>39,772,332</b>

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(9) Significant Commitments and contingencies:**

	<b>March 31, 2024</b>	<b>December 31, 2023</b>	<b>March 31, 2023</b>
(a) Outstanding standby letter of credit	\$ 209,715	851,668	1,777,063
(b) Endorsements and guarantees	7,997,500	7,683,750	7,613,500
(c) Bonding guarantees by banks	22,000	22,000	54,100
(d) Letters of credit guarantees by banks	48,000	48,000	52,000
<p>(e) Formosa Ha Tinh (Cayman) Ltd. (the Company's investee) and Formosa Ha Tinh Steel Corporation (a subsidiary of Formosa Ha Tinh (Cayman) Ltd.), each separately signed a syndicated line of credit with a group of financial institutions amounting to USD 4,848,500 thousand and USD 2,453,500 thousand, respectively, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of undertaking or a letter of support based on its ownership of 11.432% and commit to monitor the operations of both companies to ensure they fulfill their financial obligations.</p>			
<p>(f) Nan Ya Plastics Corporation America (the Company's subsidiary) and Nan Ya Plastics Corporation Texas (a subsidiary of Nan Ya Plastics Corporation America), signed a syndicated line of credit with a group of financial institutions amounting to USD 1,000,000 thousand for their investment and expansion needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its direct and indirect ownership of 100.00% and commit to monitor the operations of both companies to ensure they fulfill their financial obligations.</p>			
<p>(g) Formosa Industries Corporation, a Company's investee, signed a syndicated line of credit with a group of financial institutions amounting to USD 200,000 thousand for its operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 42.50% and commit to monitor the operations of Formosa Industries Corporation to ensure that it completes its financial obligation.</p>			
<p>(h) Formosa Steel IB Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with a group of financial institutions amounting to USD 695,000 thousand, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 25.00% and commit to monitor the operations of Formosa Steel IB Pty Ltd. to ensure that it completes its financial obligation.</p>			
<p>(i) Formosa Resources Corporation, a Company's investee company, signed a syndicated line of credit with various banks amounting to USD 430,000 thousand for its operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% direct shareholding in Formosa Resources Corporation, and commit to monitor the operations of Formosa Resources Corporation to ensure that it completes its financial obligation.</p>			

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (j) Formosa Resources Australia Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with various banks amounting to USD 550,000 thousand, for their operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% indirect shareholding in Formosa Resources Australia Pty Ltd., and commit to monitor the operations of Formosa Resources Australia Pty Ltd. to ensure that it completes its financial obligation.
- (k) Litigation between the Company and DBTEL Incorporated(a)

The Company's client, DBTEL Inc. (DBTEL), placed several orders from the Company concerning LCD monitors since May 2003. However, in June 2004, it decided to cancel some of them, even demanding the Company to postpone its delivery; and in some cases, it went to a certain extent as to refuse accepting the goods delivered by the Company, resulting in a stock up of both raw materials and finished products in the Company's warehouse amounting to USD 5,409,815 and TWD 100,846,141. In light of this matter, the Company filed a lawsuit against DBTEL to the Taiwan High Court on April 6, 2006, demanding for compensation for the damage caused by DBTEL, who in turn filed a counterclaim to the Supreme Court against the Company requesting for either a refund or reduction of payment.

The Supreme Court made the following decisions on January 5, 2022:

- (i) The Supreme Court handed the following cases over to the Taiwan High Court for reconsideration:
- 1) The Company's request for the compensations of USD 4,116,460, TWD 73,616,980, and TWD 27,229,161 (all including principal and interest) from DBTEL concerning Schedules II, III, and IV, respectively.
  - 2) DBTEL's request for the refund on other declarations of provisional execution.

The Company will respond according based on the decision made by the court.

- (ii) The Supreme Court rejected DBTEL's counterclaim, and instead, ruled in favor of the Company and ordered DBTEL to pay a portion of the payment for schedule I amounting to USD 1,278,863, with the remaining amount of USD 14,492 being dismissed by the Taiwan High Court as the interest amount did not exceed TWD 1.5 million and could not be appealed to the Supreme Court.

- (l) Litigation between the Company and DBTEL Incorporated (b)

On June 29, 2018, DBREL Inc.(DBTEL) filed a lawsuit to the Taipei District Court against the Company, demanding for the original compensation of TWD 10 million, which was later increased to TWD 1 billion, for the losses it incurred resulting from the delay of its production and customer returns due to the deferred transaction and defective goods delivered by the Company. On April 29, 2021, the Taipei District Court ruled that the Company need not be responsible for any damage, and demanded DBTEL to pay for the litigation expenses. DBTEL disagreed with the decision made by the Taipei District Court and filed an appeal to the Taiwan High Court. However, DBTEL reduced the damage to TWD 350,000,000. This case was still in progress as of the reporting date, and the Company has engaged a law firm to handle the matter.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events:**

- (a) On April 7, 2024, a fire incident occurred at the Company's plant in Linkou, resulting in the impairment losses of equipment and inventory within the plant. The Company has insured for property insurance. Although the actual losses and insurance claims are yet to be processed according to the survey results, the preliminary estimation of losses and claims will have no significant impact on the Company's finances and operations.
- (b) In order to build a comprehensive green industry chain and expand its business on energy storage system, Formosa Smart Energy Tech Corporation, one of the Company's investees, decided to conduct a cash capital increase amounting to \$10,000,000 thousand, wherein the Company participated by investing the amount of \$2,500,000 thousand based on its 25% original shareholdings, resulting in the Company's cumulative total investment to be \$4,250,000 thousand.

**(12) Other:**

A summary of current-period employee benefits, depreciation, and amortization, by function, were as follows:

by function by item	For the three months ended March 31,							
	2024				2023			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	5,510,098	1,526,585	-	7,036,683	6,142,913	1,591,063	-	7,733,976
Labor and health insurance	568,025	104,464	-	672,489	611,771	106,954	-	718,725
Pension expenses	377,419	88,789	-	466,208	409,665	94,879	-	504,544
Remuneration of directors	-	9,333	-	9,333	-	9,725	-	9,725
Others personnel expenses	342,967	64,084	-	407,051	369,475	66,705	-	436,180
Depreciation	5,066,180	246,218	3,184	5,315,582	4,903,409	177,153	3,464	5,084,026
Amortization	74,699	69,961	-	144,660	300,886	26,093	-	326,979

**(13) Other disclosures:**

- (a) Information on significant transactions:
- (i) Loan to other parties: Please see attached Table 1.
- (ii) Guarantees and endorsements for other parties: Please see attached Table 2.
- (iii) Information regarding securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): Please see attached Table 3.
- (iv) Information regarding individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock:: Please see attached Table 4.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (v) Information regarding acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: Please see attached Table 5.
  - (vi) Information regarding disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None
  - (vii) Information regarding related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 6.
  - (viii) Information regarding receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 7.
  - (ix) Information regarding trading in derivative financial instruments: None.
  - (x) Significant transactions and business relationship between the Company and its subsidiaries: Please see attached Table 8.
- (b) Information on investees: Please see attached Table 9.
  - (c) Information on investment in mainland China: Please see attached Table 10.
  - (d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Chang Gung Medical Foundation		876,733,453	11.05 %
Formosa Plastics Corporation		783,356,866	9.87 %
Formosa Chemicals and Fiber Corporation		413,327,750	5.21 %

- (i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.
- (ii) If share are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(Continued)

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

	For the three months ended March 31, 2024						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 9,465,283	12,795,866	24,001,164	11,366,087	1,001,508	-	58,629,908
Net revenue from sales among intersegments	241,224	1,817,443	3,946,002	287,043	938,754	(7,230,466)	-
Total revenue	<u>\$ 9,706,507</u>	<u>14,613,309</u>	<u>27,947,166</u>	<u>11,653,130</u>	<u>1,940,262</u>	<u>(7,230,466)</u>	<u>58,629,908</u>
Reportable segment profit or loss	<u>\$ 768,309</u>	<u>(818,696)</u>	<u>(161,785)</u>	<u>(276,147)</u>	<u>1,123,463</u>	<u>590,776</u>	<u>1,225,920</u>

	For the three months ended March 31, 2023						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 9,180,777	13,200,409	30,747,321	11,356,279	1,288,990	-	65,773,776
Net revenue from sales among intersegments	253,059	2,272,126	3,157,548	382,841	869,994	(6,935,568)	-
Total revenue	<u>\$ 9,433,836</u>	<u>15,472,535</u>	<u>33,904,869</u>	<u>11,739,120</u>	<u>2,158,984</u>	<u>(6,935,568)</u>	<u>65,773,776</u>
Reportable segment profit or loss	<u>\$ 525,485</u>	<u>(1,996,865)</u>	<u>3,531,627</u>	<u>(501,654)</u>	<u>1,542,162</u>	<u>(1,207,997)</u>	<u>1,892,758</u>

	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Reportable segment assets							
March 31, 2024	\$ 35,062,786	92,546,319	192,683,345	28,686,031	510,091,287	(207,148,707)	651,921,061
December 31, 2023	\$ 37,719,177	90,049,608	191,081,319	30,703,505	507,544,927	(208,570,583)	648,527,953
March 31, 2023	<u>\$ 38,740,897</u>	<u>97,036,452</u>	<u>212,924,000</u>	<u>33,919,093</u>	<u>503,150,273</u>	<u>(215,007,318)</u>	<u>670,763,397</u>

	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Reportable segment liabilities							
March 31, 2024	\$ 6,737,867	32,411,142	45,029,990	8,042,477	188,469,412	(7,817,024)	272,873,864
December 31, 2023	\$ 9,164,925	48,188,029	44,599,112	10,129,188	165,493,363	(6,130,723)	271,443,894
March 31, 2023	<u>\$ 9,183,119</u>	<u>52,626,115</u>	<u>61,320,205</u>	<u>9,853,499</u>	<u>178,333,509</u>	<u>(12,511,306)</u>	<u>298,805,141</u>



**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**LENDING TO OTHER PARTIES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 1

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3.4)	Maximum Limitation on Fund Financing (Note 3.4)
													Item	Value		
0	The Company	Formosa Plastics Group Investment Corp. (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	36,311,854	181,559,269
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	36,311,854	181,559,269
0	The Company	PFG Fiber Glass Corporation (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	36,311,854	181,559,269
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	36,311,854	181,559,269
0	The Company	Formosa Plastics Construction Corporation (Note 6)	Other receivables from related parties	YES	1,200,000	1,200,000	-	-	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	5,700,000	5,700,000	-	-	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	1,725,695	1,047,479	1,047,479	1.99433%~2.03023%	2	-	Operating capital	-	-	-	90,779,635	181,559,269
0	The Company	Formosa Steel IB Pty Ltd	Other receivables from related parties	YES	1,622,500	1,622,500	1,622,500	1.99433%~2.03023%	2	-	Operating capital	-	-	-	90,779,635	181,559,269
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	11,516,400	-	-	6.3908%~6.591%	2	-	Operating capital	-	-	-	22,703,519	45,407,038
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	3,199,000	3,199,000	1,464,842	6.572%~6.604%	2	-	Operating capital	-	-	-	22,703,519	45,407,038
2	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,803,588	1,803,588	1,803,588	0.7004%	2	-	Operating capital	-	-	-	54,233,970	108,467,940
3	Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	23,000	23,000	-	-	2	-	Operating capital	-	-	-	25,372	253,717
3	Wen Fung Industrial Co., Ltd.	Formosa Environmental Technology Corporation	Other receivables from related parties	YES	60,000	60,000	-	1.99433%~1.99433%	2	-	Operating capital	-	-	-	101,487	253,717
3	Wen Fung Industrial Co., Ltd.	Formosa Fairway Corporation	Other receivables from related parties	YES	15,000	-	-	1.99433%~1.99433%	2	-	Operating capital	-	-	-	101,487	253,717
4	Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	946,883	946,883	946,883	2.76%~2.76%	2	-	Operating capital	-	-	-	1,870,794	3,741,588
5	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	76,652	76,652	76,652	2.84%~2.84%	2	-	Operating capital	-	-	-	281,663	563,325
5	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	94,688	85,670	85,670	2.84%~2.84%	2	-	Operating capital	-	-	-	281,663	563,325
6	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	342,682	342,682	342,682	2.76%~2.76%	2	-	Operating capital	-	-	-	5,641,732	11,283,464
7	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	175,850	175,850	175,850	2.76%~2.76%	2	-	Operating capital	-	-	-	181,166	362,333
8	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	49,599	49,599	49,599	2.76%~2.76%	2	-	Operating capital	-	-	-	51,861	103,722
9	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,850,932	804,851	804,851	2.76%~2.76%	2	-	Operating capital	-	-	-	32,376,246	64,752,492
9	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	3,787,534	3,787,534	3,787,534	2.69%~2.92%	2	-	Operating capital	-	-	-	32,376,246	64,752,492
10	Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,073,135	1,073,135	1,073,135	2.76%~2.76%	2	-	Operating capital	-	-	-	6,808,399	13,616,798

Note 1 : (a) Those with business contact please fill in 1; (b) Those necessary for short-term financing please fill in 2.

Note 2 : Amount from business contact stands for the sum of purchases and sales.

Note 3 : Capital loaned to other parties should not exceed 50% of the lender's net worth, of which the sum loaned to non-interested parties for capital requirements should not exceed 40% of the net worth of borrower.

The cap amount of loans to associates and interested parties should not exceed 25% of the equity of the lenders. Other parties should not exceed 20% of the lender's net worth.

The Company's authorized loans should not exceed 10% of the its net worth.

Note 4 : Subsidiaries' capital loaned to associates and interested parties should not exceed 50% of the equity of the lenders. Other parties should not exceed 40% of the lender's net worth.

The subsidiaries' cap amount of loans to other parties should not exceed 100% of its equity. Non-interested parties should not exceed 40% of its net worth. However, subsidiaries' capital loaned to the parties located in non-Taiwan and directly or indirectly held by the company 100% of the shares are not be limited.

Note 5 : Reporting currency of Nan Ya Plastics corporation, America and Nan Ya Plastics corporation USA are denominated in USD, and the exchange rate of TWD to USD as of March 31, 2024 (in average) is 31.99(31.446) : 1.

Reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd and Superior World Wide Trading Co., Ltd. are denominated in HKD, and the exchange rate of TWD to HKD as of March 31, 2024 (in average) is 4.1013(4.0316) : 1.

Note 6 : This transaction has already been written off during the consolidation process.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**GUARANTEES AND ENDORSEMENTS FOR OTHER PARTIES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 2

No	Endorsement Guarantee Provider	Counterparty of Guarantee and Endorsement		Limitation Amount of Guarantees and Endorsements for a Specific Enterprise	Highest Balance for Guarantee and Endorsements during the Period	Ending Balance of Guarantees and Endorsements as of March 31, 2024	Amount Secured by Guaranteed and Endorsed Property	Amount of Endorsement / Guarantee Collateralized by Properties	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Parent Company Endorses / Guarantees to Third Parties on Behalf of Subsidiary	Subsidiary Endorses / Guarantees to Third Parties on Behalf of Parent Company	Endorsements / Guarantees to the Third Parties on Behalf of the Companies in Mainland China
		Name	Relationship with The Company (Note)										
0	The Company	Formosa Group (Cayman) Ltd.	6	236,027,050	7,997,500	7,997,500	7,997,500	-	2.20%	472,054,099	N	N	N

Note1: The total amount of guarantees and endorsements by the company shall not exceed 1.3 times of the company's net value, and the amount of guarantees and endorsements for a specific enterprise shall not exceed one half of the foregoing total.

Note2: There are seven conditions in which the Company may have guarantees or endorsements for other parties as follows:

- (1)The Company has business relationship.
- (2)The Company holds directly and indirectly more than 50% of the voting shares of the subsidiaries.
- (3)In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.
- (4)Subsidiaries in which the Company holds directly or indirectly more than 90% of the voting shares make endorsement and guarantees for each other.
- (5)The Company is required to provide guarantees or endorsements for the construction project based on the construction contract.
- (6)The stockholders of the Company provide guarantees or endorsements for the investee in proportion to their stockholding percentage.
- (7)According to Consumer Protection Act, companies are required to provide guarantees and endorsements for joint and several liabilities if take part in business of preconstruction real estate.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATION REGARDING SECURITIES HELD AT THE REPORTING DATE**  
**(SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES NOT INCLUDED)**

**MARCH 31, 2024**

**(Expressed in thousands of New Taiwan Dollars)**

**TABLE 3**

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31,2024				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Mega Internaitonal Private USD Money Market	-	Financial assets valued at FVTPL—current	4,554	1,731,750	-	1,731,750	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI—current	294,793	20,311,245	4.63%	20,311,245	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI—current	140,520	7,756,685	2.40%	7,756,685	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI—non current	3	8,918,389	19.00%	8,918,389	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI—non current	2	782,648	0.51%	782,648	
The Company	Ostendo Technologies Inc.	-	Financial assets valued at FVTOCI—non current	150	-	0.12%	-	
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets valued at FVTOCI—non current	352	84,704	18.00%	84,704	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI—non current	20,471	247,230	18.00%	247,230	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI—non current	39,562	1,010,323	17.98%	1,010,323	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI—non current	11,657	493,169	15.00%	493,169	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI—non current	63,717	2,027,637	14.99%	2,027,637	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI—non current	2,925	303,234	12.50%	303,234	
The Company	Central Leasing Corp.	-	Financial assets valued at FVTOCI—non current	1,779	-	1.07%	-	
The Company	Chinese Television System Inc.	-	Financial assets valued at FVTOCI—non current	1,769	60,082	1.04%	60,082	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI—non current	1,287	7,591	0.80%	7,591	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31,2024				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Taiwan Aerospace Corp.	-	Financial assets valued at FVTOCI – non current	1,070	28,135	0.79%	28,135	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI – non current	3,750	32,325	3.91%	32,325	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI – non current	1,390	10,311	1.97%	10,311	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI – non current	621,178	7,551,167	11.43%	7,551,167	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI – current	2,996	206,424	0.05%	206,424	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL – non current	-	485,635	-	485,635	
Nan Ya Plastics Corporation America	American Overseas Reinsurance Co., Ltd. (Preferred Stock)	-	Financial assets valued at FVTPL – non current	-	-	-	-	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL – non current	-	207,061	-	207,061	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI – non current	-	280,708	15.00%	280,708	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI – non current	-	211,805	15.00%	211,805	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$877,510.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATION REGARDING INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WITH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 4

Company Name	Category and Name of Security (Note 1)	Financial Statement Account	Counter-party (Note 2)	Relationships (Note 2)	Beginning Balance		Purchases (Note 3)		Sales (Note 3)				Ending Balance	
					Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Price	Carrying Value	Gain/Loss on Disposal	Shares (in thousands)	Amount
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Investments accounted for using equity method	Debt-to-equity conversion and cash capital increase	Parent-subsiary	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)

Note 1: The "securities" in this table refer to stocks, bonds, beneficiary certificates, and the marketable securities derived from the above items.

Note 2: Investors who adopt the equity method in the marketable securities must fill these two columns, and the rest may be omitted.

Note 3: The accumulated buying and selling amount should be calculated separately according to the market price, whether it reaches \$300 million or 20% of the paid-in capital.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATION REGARDING ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 5

Company Name	Name of Property	Transaction Date (Note 1)	Transaction Amount (Note 2)	Status of Payment	Counter-party	Relationship with the Company	Disclosure of Information on Previous Transfer of Equipment is Required for Related Parties who are also the Counter Parties				References for Determining Price	Purpose of Acquisition and Current Condition	Others
							Owner	Relationship with the Company	Date of Transfer	Amount			
Nan Ya Plastics (Ningbo) Co., Ltd.	Construction in progress	2020.7.30	RMB 257,631	RMB 246,396	China MCC20 Group Corporaion Ltd.	Unrelated party	-	-	-	-	Negotiation	Plant expansion	None
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Construction in progress	2023.7.14	RMB 174,809	RMB 41,481	China Construction Seventh Engineering Division. Corp. Ltd.	Unrelated party	-	-	-	-	Negotiation	Plant expansion	None

Note1 : Transaction date refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Note 2 : Contract amount.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**FORMATION REGARDING RELATED-PARTY TRANSACTIONS FOR PURCHASES AND SALES WITH AMOUNTS EXCEEDING THE LOWER OF TWD 100 MILLION OR 20% OF THE CAPITAL STOCK**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 6

Company Name	Related Party	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
		Purchases / (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	Formosa Plastics Corporation	(Sales)	(543,793)	(1.88)%	30 days	-	-	189,301	1.26%	
The Company	Formosa Chemicals and Fiber Corporation	(Sales)	(1,176,952)	(4.06)%	30 days	-	-	477,683	3.19%	
The Company	Nan Ya PCB Corporation	(Sales)	(346,973)	(1.20)%	30 days	-	-	133,155	0.89%	Note
The Company	Formosa Petrochemical Corporation	(Sales)	(385,237)	(1.33)%	30 days	-	-	182,713	1.22%	
The Company	Formosa Taffeta Co., Ltd.	(Sales)	(177,169)	(0.61)%	30 days	-	-	85,039	0.57%	
The Company	Nan Ya Plastics Corporation U.S.A.	(Sales)	(413,522)	(1.43)%	O/A105 days	-	-	611,628	4.09%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	(Sales)	(874,540)	(3.02)%	O/A180 days	-	-	647,740	4.33%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	(Sales)	(412,592)	(1.42)%	O/A150 days	-	-	318,028	2.12%	Note
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	(Sales)	(185,999)	(0.64)%	O/A150 days	-	-	93,176	0.62%	Note
The Company	Nan Ya Plastics Co., Ltd.	Purchases	2,283,031	12.94%	30 days	-	-	(860,934)	(9.21)%	
The Company	Formosa Chemicals and Fiber Corporation	Purchases	5,622,799	31.86%	30 days	-	-	(2,132,531)	(22.82)%	
The Company	Formosa Petrochemical Corporation	Purchases	3,449,386	19.54%	30 days	-	-	(1,424,124)	(15.24)%	
The Company	PFG Fiber Glass Corporation	Purchases	446,848	2.53%	30 days	-	-	(174,342)	(1.87)%	Note
Nan Ya PCB Corporation	The Company	Purchases	346,973	16.63%	30 days	-	-	(133,155)	(7.48)%	
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Purchases	899,591	43.13%	30 days	-	-	(322,833)	(18.14)%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	(Sales)	(899,591)	(30.16)%	30 days	-	-	322,833	14.68%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Purchases	151,419	10.12%	60 days	-	-	(72,074)	(7.94)%	
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	(Sales)	(158,455)	(5.31)%	70 days	-	-	83,256	3.79%	
PFG Fiber Glass Corporation	The Company	(Sales)	(446,848)	(69.33)%	30 days	-	-	174,342	78.78%	Note
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Purchases	165,321	23.37%	payment within one month	-	-	(76,613)	(10.12)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Purchases	413,522	58.46%	O/A105 days	-	-	(611,628)	(80.78)%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Purchases	1,172,927	18.25%	payment within one month	-	-	(430,171)	(36.59)%	
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Purchases	495,346	7.71%	payment within one month	-	-	(4,427)	(0.38)%	
Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	(Sales)	(495,346)	(49.18)%	payment within one month	-	-	4,427	2.38%	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	(Sales)	(415,402)	(69.78)%	60 days	-	-	163,283	47.95%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Purchases	874,540	31.61%	O/A180 days	-	-	(647,740)	(23.72)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Purchases	1,438,854	52.01%	180 days	-	-	(1,882,128)	(68.93)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Purchases	196,682	22.69%	60 days	-	-	(53,936)	(15.79)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	(Sales)	(1,052,996)	(32.19)%	60 days	-	-	392,422	46.29%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Purchases	2,336,274	73.60%	60 days	-	-	(927,304)	(88.22)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Purchases	185,999	5.86%	O/A150 days	-	-	(93,176)	(8.86)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	(Sales)	(1,438,854)	(15.62)%	180 days	-	-	1,882,128	19.07%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	(Sales)	(151,419)	(1.64)%	30 days	-	-	72,074	0.73%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Purchases	412,592	5.48%	O/A150 days	-	-	(318,028)	(13.78)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Purchases	415,402	5.52%	60 days	-	-	(163,283)	(7.08)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Purchases	1,052,996	13.98%	60 days	-	-	(392,422)	(17.01)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	(Sales)	(165,935)	(21.38)%	O/A150 days	-	-	82,402	33.78%	Note

Note : The transaction has been written off during the consolidation process.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATION REGARDING RECEIVABLES FROM RELATED-PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF TWD 100 MILLION OR 20% OF THE CAPITAL STOCK**  
**MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

TABLE 7

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Periods	Allowance for Bad Debts	
					Amount	Action Taken			
The Company	Formosa Plastics Corporation	Other related parties	Receivables from related parties :	189,301	13.78	-	-	178,787	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	477,683	10.12	-	-	471,337	-
The Company	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	133,155	10.65	-	-	133,155	-
The Company	Formosa Petrochemical Corporation	Associates	Receivables from related parties :	182,713	8.32	-	-	150,285	-
The Company	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Receivables from related parties :	611,628	2.75	-	-	158,619	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	647,740	5.47	-	-	331,170	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	318,028	4.50	-	-	169,714	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	322,833	11	-	-	322,833	-
PFG Fiber Glass Corporation	The Company(Note 1)	Parent	Receivables from related parties :	174,342	10	-	-	174,342	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	163,283	10	-	-	163,283	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	109,983	2	-	-	39,018	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	392,422	16	-	-	392,422	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	1,882,128	3	-	-	632,963	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	1,047,479	Note	-	-	-	-
The Company	Formosa Steel IB Pty Ltd	Associates	Other receivables from related parties :	1,622,500	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Other receivables from related parties :	1,464,842	Note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,803,588	Note	-	-	-	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,073,135	Note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	946,883	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	804,851	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	3,787,534	Note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	342,682	Note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	175,850	Note	-	-	-	-

Note : The turnover rate of other receivables from related parties cannot be calculated.

Note 1 : The transaction has been written off during the consolidation process.



**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**SIGNIFICANT TRANSACTIONS AND BUSINESS RELATIONSHIP BETWEEN THE COMPANY AND ITS SUBSIDIARIES**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

**TABLE 8**

No. (Note 1)	Company Name	Counter-party	Intercompany Transactions			
			Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
0	The Company	Nan Ya PCB Corporation and its subsidiaries	Sales	350,530	30-150days	0.60%
0	The Company	PFG Fiber Glass Corporation	Sales	15,513	30days	0.03%
0	The Company	Nan Ya Plastics Corporation U.S.A	Sales	413,522	O/A 105days	0.71%
0	The Company	Nan Ya Plastics Corporation America	Sales	24,061	O/A 105days	0.04%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Sales	1,635,004	O/A 150-180days	2.79%
1	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	Sales	33,614	30days	0.06%
2	PFG Fiber Glass Corporation	The Company	Sales	446,848	30days	0.76%
3	Nan Ya Plastics Corporation U.S.A.	The Company	Sales	13,793	O/A 105 days	0.02%
4	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	Sales	14,057	payment within one month	0.02%
4	Nan Ya Plastics Corporation America	The Company	Sales	9,472	O/A 105 days	0.02%
5	Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	Sales	495,346	payment within one month	0.84%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	Accounts receivable	136,041	30-150days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	Accounts receivable	611,628	O/A 105days	0.09%
0	The Company	Nan Ya Plastics Corporation America	Accounts receivable	41,019	O/A 105days	0.01%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Accounts receivable	1,195,234	O/A 150-180 days	0.18%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	Rent revenue	74,276	30-150days	0.13%

Note 1: The appointed numbers represent:

1. 0 refers to the Parent Company.
2. Subsidiaries are numbered and organized in a ascending chronological order.

Note 2: Transactions are categorized as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Disclosure of information on significant transactions and business relationship between the parent company and its subsidiaries regarding sales and accounts receivable, excluding their related purchases and accounts payable.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATION ON INVESTEEES (EXCLUDING THOSE IN MAINLAND CHINA)**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

**TABLE 9**

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2024			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2024	December 31, 2023	Shares (in thousands)	%	Carrying Value			
The Company	Nan Ya Plastics Corporation U.S.A. (Note)	U.S.A.	production of plastic products	313,920	313,920	2	100.00%	3,253,485	59,125	59,125	Note 3.4
The Company	Nan Ya Plastics Corporation America (Note)	U.S.A.	production of plastic, polyester and chemical	7,853,605	7,853,605	60	100.00%	45,407,038	(443,772)	(443,772)	Note 3.4
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 1)	Hong Kong	plastics, electronic products trading, and investment	41,450,832	41,450,832	1,015,653	100.00%	108,414,985	130,681	130,681	Note 3.4
The Company	Superior World Wide Trading Co., Ltd. (Note 1)	Hong Kong	plastics trading and investment	33,677	33,677	14	100.00%	1,032,241	23,029	23,029	Note 3.4
The Company	Formosa Synthetic Rubber (Hong Kong) Corporation Limited (Note)	Hong Kong	production of synthetic rubber products	4,213,864	4,213,864	138,333	33.33%	1,682,574	(123,621)	(41,207)	Note 3
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited (Note 1)	Hong Kong	investment	4,495,987	4,495,987	76	100.00%	8,221,264	(182,274)	(187,287)	Note 3.4
The Company	Formosa Industries Corporation (Note 2)	Vietnam	chemical fiber, dyeing and finishing and electric power	8,435,875	8,435,875	-	42.50%	5,184,192	(489,848)	(208,186)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	30,073,578	(152,420)	(100,667)	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	26,959	26,959	10	100.00%	1,125	(13)	(13)	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.28%	49,139,718	(1,208,488)	(353,880)	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	261,750	4,409	1,190	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	74,071,394	5,026,286	1,161,073	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	3,184,191	(44,155)	(87,472)	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	910,070	(60,026)	(30,013)	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	252,491	(1,307)	(1,300)	Note 3.4
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	412,366	47,773	21,498	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	19,614	4	2	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	7,169,660	(18,022)	(5,931)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	-	33,340	-	-	-	(9,613)	(3,205)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,286,899	58,426	19,476	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2024			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2024	December 31, 2023	Shares (in thousands)	%	Carrying Value			
The Company	Hwa Ya Technology Park Management Consulting Corporation	Taiwan	service business	359	359	34	34.00%	4,443	40	14	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	19,992	(13)	(4)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	764,193	24.94%	15,310,854	3,236,503	807,244	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	761,820	761,820	10,609	23.02%	268,652	15,431	3,552	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	9,099,071	9,099,071	909,907	25.00%	7,877,252	(1,159,744)	(289,936)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	888,007	73,057	18,264	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	1,100,000	1,100,000	110,000	33.33%	1,042,263	(4,429)	(1,476)	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,147,363	(7,667)	(767)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	1,750,000	1,750,000	175,000	25.00%	1,733,186	(2,898)	(724)	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	255,920	255,920	-	12.10%	2,726,646	129,209	15,634	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	31,350,200	15,675,100	3	100.00%	17,093,784	(1,407,794)	(1,407,794)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,200,112	2,200,112	-	21.00%	3,874,218	302,233	63,469	Note 3
Nan Ya PCB Corporation	Nan Ya PCB (Hong Kong) Corporation	Hong Kong	production of electronic products and investment	8,595,674	8,595,674	2,152,020	100.00%	24,647,519	(124,739)	(124,739)	Note 3.4
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	U.S.A.	retargeting	3,479	3,479	10,000	100.00%	20,794	346	346	Note 3.4
Nan Ya PCB Corporation	Formosa Advanced Technologies Co.,LTD.	Taiwan	IC packaging, testing and modules	472,968	472,968	13,267	3.00%	476,968	347,841	10,609	Note 3
Nan Ya PCB (Hong Kong) Corporation	Nan Ya PCB (Kunshan) Corporation	China	production of printed circuit board	8,592,495	8,592,495	-	100.00%	24,632,220	(125,108)	(125,108)	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	129,583	(1,697)	(1,697)	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	129,462	129,462	5	50.00%	299,353	27,162	13,581	Note 3

Note : The reporting currency of Nan Ya Plastics Corporation U.S.A, Nan Ya Plastics Corporation America, Formosa Synthetic Rubber (Hong Kong) Corporation Limited, Formosa Group (Cayman) Limited, FG Inc., Formosa Utility Venture, Ltd., Nan Ya Plastics Corporation Texas, and Formosa Olefins, L.L.C is denominated in USD, and the exchange rate of TWD to USD as of March 31, 2024 (in average) is 31.99(31.446) : 1.

Note 1 : The reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd., Superior World Wide Trading Co., Ltd. and PFG Fiber Glass (Hong Kong) Corporation Limited is denominated in HKD, and the exchange rate of TWD to HKD as of March 31, 2024 (in average) is 4.1013(4.0316) : 1.

Note 2 : The reporting currency of Formosa Industries Corporation, Vietnam is denominated in VND, and the exchange rate of TWD to VND as of March 31, 2024 (in average) is 0.00129044(0.001272396) : 1.

Note 3 : Investment income of the current period does not include cumulative translation adjustment and capital surplus adjustment.

Note 4 : The transaction has been written off during the consolidation process.

**NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**  
**INFORMATON ON INVESTMENT IN MAINLAND CHINA**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2024**  
**(Expressed in thousands of New Taiwan Dollars)**

**TABLE 10****(a) Information regarding investments in Mainland China :**

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2024	For The Year Ended March 31, 2024		Investment Transferred from Taiwan as of March 31, 2024	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Nan Ya Plastics (Guangzhou) Co., Ltd.(Note1)	production of polyester products	1,998,681	Indirect investment	1,998,681	-	-	1,998,681	(61,224)	100.00%	(61,224)	1,780,940	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.(Note1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	20,698	85.00%	17,593	1,068,376	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.(Note1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	24,904	100.00%	24,904	3,650,745	191,257
Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note1)	production of electronic materials, glass fabrics, copper clad	12,208,913	Indirect investment	5,489,509	-	-	5,489,509	72,685	100.00%	72,685	16,202,972	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	119	100.00%	119	62,369	-
Nan Ya Plastics (Nantong) Co., Ltd.(Note1)	sale of plastic products, steam and electricity	4,540,736	Indirect investment	3,008,918	-	-	3,008,918	598	100.00%	598	10,713,035	103,612
China Nantong Huafeng Co., Ltd.(Note1)	trading	93,004	Indirect investment	99,636	-	-	99,636	681	100.00%	681	368,530	-
Nantong Huafu Plastics Co., Ltd.(Note1)	trading	79,111	Indirect investment	71,503	-	-	71,503	281	100.00%	281	106,220	-
Nan Ya Electric (Nantong) Co.,Ltd.(Note1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	10,872	100.00%	10,872	1,173,850	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	(9,559)	50.00%	(4,779)	224,511	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note1)	production of copper clad laminate, polyester products, steam and electricity, copper clad, epoxy	15,159,216	Indirect investment	15,159,216	-	-	15,159,216	348,205	100.00%	348,205	58,222,370	15,069,934
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note1)	production of polyester products	7,035,085	Indirect investment	7,035,085	-	-	7,035,085	(124,177)	100.00%	(124,177)	(1,877,178)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	(2,905)	50.00%	(1,453)	68,486	-
Nan Ya Plastics (Ningbo) Co., Ltd.(Note1)	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	(184,079)	100.00%	(184,079)	13,583,392	-
PFG Fiber Glass (Kunshan) Co., Ltd.(Note1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	(183,266)	100.00%	(183,266)	8,382,392	282,300

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2024	For The Year Ended March 31, 2024		Investment Transferred from Taiwan as of March 31, 2024	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2024	Accumulated Inward Remittance of Earnings as of March 31, 2024
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	-	280,708	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	-	211,805	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(123,621)	33.33%	(41,207)	1,682,574	-

Note: All companies disclosed within the investment income of the current year column are recognized according to the reviewed financial statements of the Company, except for Formosa Synthetic Rubber (Ningbo) Co., Ltd., which are recognized according to the financial statements reviewed by an international accounting firm.

Note 1: The transaction has been written-off during the consolidation process.

**(b) Quota for investments in Mainland China :**

Accumulative Remittance from Taiwan to Mainland China as of March 31, 2024 (Note 1)	Amount of Investment Approved by Investment Commission, Ministry of Economic Affairs (Note 2)	Limit on the Amount of Investment in Mainland China (Note 3)
49,875,128	60,186,974	-

Note 1 : Reporting currency of Chinese subsidiaries is CNY, and the monetary amount is first translated to HKD using the exchange rate as of March 31, 2024 (in average) is 1 : 1.0994(1.10982), and translated to TWD using the exchange rate as of March 31, 2024 (in average) is 1 : 4.1013(4.0316).

Note 2 : It includes the amount of \$3,010,315 from capital increase out of earnings and capital increase out of capital surplus.

Note 3 : The Industrial Development Bureau of the MOEA issued a letter to the Company stating that it qualifies under Section 12 of the Statute for Upgrading Industries.

Note 4 : The accumulative remittance from Taiwan to Mainland China, end of the period includes the amount of Nan Ya Plastics (Anshan) Co., Ltd.

**(c) Information on significant transactions :**

For more information concerning the direct or indirect significant transactions between the Company and its Chinese investees for the year ended March 31, 2024, please refer to the attachment of note 13 for "Information on material transaction items".