

NAN YA PLASTICS CORPORATION**Financial Statements****With Independent Auditors' Report
For the Years Ended December 31, 2025 and 2024**

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The independent auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of NAN YA PLASTICS CORPORATION:

Opinion

We have audited the financial statements of NAN YA PLASTICS CORPORATION("the Company"), which comprise the balance sheets as of December 31, 2025 and 2024, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company's financial statements are stated as follows:

1. Accuracy of the timing of revenue recognition

Please refer to note 4(o) "Revenue recognition" for the accounting policy related to revenue recognition, and note 6(s) "Revenue" for information related to revenue recognition of the financial statements.

How the matter was addressed in our audit

Nan Ya Plastics Corporation is a listed company and its operating performance has an effect on distribution to its shareholders and stock price. Thus, its financial performance will have an impact on the users of financial statement. Therefore, the accuracy of the timing of revenue recognition is a key matter when conducting our audit.

Our principal audit procedures included the following:

- (1) Obtaining an understanding of major revenue streams, contractual terms, and transaction conditions, in order to assess the appropriateness of revenue recognition timing; examining key customer sales contracts.
- (2) Testing the Company's internal controls over shipping activities and revenue recognition processes.
- (3) Selecting shipments occurring shortly before and after the balance sheet date and tracing them to supporting documents and related records to evaluate whether sales revenue was recognized in the appropriate reporting period.

2. Valuation of inventories

Please refer to note 4(g) "Inventories" for the accounting policy related to valuation of inventories, and note 6(f) "Inventories" for information related to valuation of inventories of the financial statements.

How the matter was addressed in our audit

The amount of inventories shall be disclosed by lower of cost or net realizable value. Since the net realizable value is influenced by the international raw material pricing, there is a risk that the cost will exceed its net realizable value. Therefore, the valuation of inventories is a key audit matter when conducting the audit of the individual financial statement.

Our principal audit procedures included the following:

- (1) Assessing the appropriateness of inventories valuation policies.
- (2) Ensuring the process of inventory valuation is in conformity with the accounting policies.
- (3) Understanding the net realizable values used by management and the variation of the prices in a period after the reporting date to ensure the appropriateness of the valuation price.
- (4) Assessed whether the disclosure of provision for inventory valuation is appropriate.

Other Matter

We did not audit the financial statements for the year ended December 31, 2024 of certain investee companies, which represented investments in other entities accounted for using the equity method of the Company. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for aforementioned investee companies, is based solely on the report of other auditors. The investment in aforementioned investee companies accounted for using the equity method constituting 21.32% of total assets at December 31, 2024, and the related share of profit of subsidiaries, associates and joint ventures accounted for using the equity method constituting 28.46% of total profit before tax for the years ended December 31, 2024.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Hsin-Yi and Chen, Chun-Kuang.

KPMG

Taipei, Taiwan (Republic of China)
March 11, 2026

Notes to Readers

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

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(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Balance Sheets

December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2025		December 31, 2024		Liabilities and Equity		December 31, 2025		December 31, 2024	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(a) and (v))	\$ 7,253,465	1	11,331,633	2	2100	Short-term borrowings (notes 6(k), (v) and (y))	\$ 31,034,700	6	20,154,600	4
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (v))	1,849,655	-	1,846,201	-	2110	Short-term notes and bills payable (notes 6(j), (v) and (y))	17,928,175	3	42,850,386	8
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (v) and 8)	16,007,612	3	14,301,342	3	2170	Notes and trade payables (note 6(v))	3,238,798	1	4,212,814	1
1150	Notes receivable, net (notes 6(d) and (v))	1,410,179	-	1,385,457	-	2180	Trade payables to related parties (notes 6(v) and 7)	3,296,467	1	4,631,655	1
1170	Trade receivables, net (notes 6(d) and (v))	10,055,291	2	10,516,489	2	2200	Other payables	16,508,613	3	17,085,700	4
1180	Trade receivables due from related parties (notes 6(d), (v) and 7)	3,748,930	1	3,996,832	1	2280	Current lease liabilities (notes 6(n), (v), (y) and 7)	17,779	-	21,712	-
1200	Other receivables (notes 6(e), (g) and (v))	1,145,013	-	1,308,739	-	2321	Current portion of bonds payable (notes 6(m), (v) and (y))	7,296,648	1	10,619,603	2
1210	Other receivables due from related parties (notes 6(e), (v) and 7)	300,000	-	300,000	-	2322	Current portion of long-term borrowings (notes 6(l), (v) and (y))	6,497,813	1	20,747,315	4
130X	Inventories (note 6(f))	22,975,140	5	25,621,023	5	2399	Other current liabilities	649,420	-	524,450	-
1470	Other current assets (note 8)	2,247,654	1	3,722,310	1		Total current liabilities	<u>86,468,413</u>	<u>16</u>	<u>120,848,235</u>	<u>24</u>
	Total current assets	<u>66,992,939</u>	<u>13</u>	<u>74,330,026</u>	<u>14</u>		Non-Current liabilities:				
	Non-current assets:					2530	Bonds payable (notes 6(m), (v) and (y))	51,354,376	10	45,862,803	8
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (v))	20,347,175	4	20,091,157	4	2540	Long-term borrowings (notes 6(l), (v) and (y))	27,982,677	5	12,500,000	2
1550	Investments accounted for using equity method (notes 6(g), 7 and 8)	352,315,196	66	353,001,053	65	2570	Deferred tax liabilities (note 6(p))	4,749,696	1	6,596,421	1
1600	Property, plant and equipment (notes 6(h) and 7)	80,960,236	15	81,346,142	15	2580	Non-current lease liabilities (notes 6(n), (v), (y) and 7)	72,131	-	55,866	-
1755	Right-of-use assets (note 6(i))	87,416	-	75,275	-	2640	Net defined benefit liability-non-current (note 6(o))	6,651,887	1	7,919,080	1
1812	Technology development expense	1,965	-	6,680	-	2645	Guarantee deposits	558,819	-	535,209	-
1840	Deferred tax assets (note 6(p))	1,603,340	-	1,865,927	-	2670	Other non-current liabilities	14,662	-	17,916	-
1915	Prepayments for purchase of equipment	1,621,822	-	1,512,778	-		Total non-current liabilities	<u>91,384,248</u>	<u>17</u>	<u>73,487,295</u>	<u>12</u>
1937	Overdue receivables (note 6(d))	-	-	-	-		Total liabilities	<u>177,852,661</u>	<u>33</u>	<u>194,335,530</u>	<u>36</u>
1990	Other non-current assets (note 8)	9,588,410	2	8,689,715	2		Equity (note 6(q)):				
	Total non-current assets	<u>466,525,560</u>	<u>87</u>	<u>466,588,727</u>	<u>86</u>	3110	Ordinary Shares	79,308,216	15	79,308,216	15
						3200	Capital surplus	27,130,602	5	27,042,992	5
						3300	Retained earnings	230,145,038	43	229,117,977	42
						3400	Others	19,081,982	4	11,114,038	2
							Total equity	<u>355,665,838</u>	<u>67</u>	<u>346,583,223</u>	<u>64</u>
							Total liabilities and equity	<u>\$ 533,518,499</u>	<u>100</u>	<u>540,918,753</u>	<u>100</u>
	Total assets	<u>\$ 533,518,499</u>	<u>100</u>	<u>540,918,753</u>	<u>100</u>						

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

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

		2025		2024	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(s) and 7)	\$114,276,826	100	123,158,129	100
5000	Operating costs (notes 6(f), (o), (t), 7 and 12)	<u>103,140,561</u>	<u>90</u>	<u>110,897,321</u>	<u>90</u>
	Gross profit from operations	11,136,265	10	12,260,808	10
5910	Less: Unrealized profit from affiliated companies (note 7)	<u>25,282</u>	<u>-</u>	<u>8,126</u>	<u>-</u>
	Total gross profit from operations	<u>11,110,983</u>	<u>10</u>	<u>12,252,682</u>	<u>10</u>
	Operating expenses (notes 6(o), (t), 7 and 12):				
6100	Selling expenses	4,281,978	4	4,561,097	4
6200	Administrative expenses	5,999,133	5	5,707,146	5
6450	Reversal of impairment losses determined in accordance with IFRS 9 (note 6(d))	<u>(6,507)</u>	<u>-</u>	<u>(96,344)</u>	<u>-</u>
	Total operating expenses	<u>10,274,604</u>	<u>9</u>	<u>10,171,899</u>	<u>9</u>
	Operating income	<u>836,379</u>	<u>1</u>	<u>2,080,783</u>	<u>1</u>
	Non-operating income and expenses (notes 6(g), (h), (n), (u) and 7):				
7010	Other income	2,054,200	2	2,422,611	2
7020	Other gains and losses	(697,184)	(1)	883,789	1
7050	Finance costs	(2,675,202)	(2)	(2,596,783)	(2)
7060	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	4,924,657	4	949,349	1
7100	Interest income	<u>302,218</u>	<u>-</u>	<u>151,987</u>	<u>-</u>
	Total non-operating income and expenses	<u>3,908,689</u>	<u>3</u>	<u>1,810,953</u>	<u>2</u>
	Profit before income tax	4,745,068	4	3,891,736	3
7950	Less: Income tax expense (note 6(p))	<u>226,470</u>	<u>-</u>	<u>551,607</u>	<u>-</u>
	Profit	<u>4,518,598</u>	<u>4</u>	<u>3,340,129</u>	<u>3</u>
8300	Other comprehensive income (loss) (notes 6(c), (g), (p) and (q)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans	681,050	1	343,800	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	1,981,850	2	(16,327,188)	(13)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	14,194,082	12	(6,362,652)	(5)
8349	Less : income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>136,210</u>	<u>-</u>	<u>68,760</u>	<u>-</u>
	Total items that may not be reclassified subsequently to profit and loss	<u>16,720,772</u>	<u>15</u>	<u>(22,414,800)</u>	<u>(18)</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(6,710,446)	(6)	11,752,674	10
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	17,656	-	(28,921)	-
8399	Less : income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total items that may be reclassified subsequently to profit or loss	<u>(6,692,790)</u>	<u>(6)</u>	<u>11,723,753</u>	<u>10</u>
8300	Other comprehensive income (loss)	<u>10,027,982</u>	<u>9</u>	<u>(10,691,047)</u>	<u>(8)</u>
8500	Total comprehensive income (loss)	<u>\$ 14,546,580</u>	<u>13</u>	<u>(7,350,918)</u>	<u>(5)</u>
		Before Tax	After Tax	Before Tax	After Tax
	Basic earnings per share (note 6(r)) :	<u>\$ 0.60</u>	<u>0.57</u>	<u>0.49</u>	<u>0.42</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings				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
Balance at January 1, 2024	\$ 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
Profit	-	-	-	-	3,340,129	-	-	-	3,340,129
Other comprehensive income (loss)	-	-	-	-	468,308	11,752,674	(22,883,108)	(28,921)	(10,691,047)
Total comprehensive income (loss)	-	-	-	-	3,808,437	11,752,674	(22,883,108)	(28,921)	(7,350,918)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	709,330	-	(709,330)	-	-	-	-
Special reserve appropriated	-	-	-	402,607	(402,607)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(5,551,575)	-	-	-	(5,551,575)
Reversal of special reserve	-	-	-	(6,068)	6,068	-	-	-	-
Other changes in capital surplus:									
Other changes in capital surplus	-	(690,541)	-	-	31,978	-	-	-	(658,563)
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	27,487	-	(27,487)	-	-
Balance at December 31, 2024	<u>79,308,216</u>	<u>27,042,992</u>	<u>85,554,515</u>	<u>117,873,677</u>	<u>25,689,785</u>	<u>3,039,093</u>	<u>8,095,794</u>	<u>(20,849)</u>	<u>346,583,223</u>
Profit	-	-	-	-	4,518,598	-	-	-	4,518,598
Other comprehensive income (loss)	-	-	-	-	488,966	(6,710,446)	16,231,806	17,656	10,027,982
Total comprehensive income (loss)	-	-	-	-	5,007,564	(6,710,446)	16,231,806	17,656	14,546,580
Appropriation and distribution of retained earnings:									
Cash dividends of ordinary share	-	-	-	-	(5,551,575)	-	-	-	(5,551,575)
Reversal of special reserve	-	-	-	(3,007)	3,007	-	-	-	-
Other changes in capital surplus:									
Other changes in capital surplus	-	87,610	-	-	-	-	-	-	87,610
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	1,571,072	-	(1,571,072)	-	-
Balance at December 31, 2025	<u>\$ 79,308,216</u>	<u>27,130,602</u>	<u>85,554,515</u>	<u>117,870,670</u>	<u>26,719,853</u>	<u>(3,671,353)</u>	<u>22,756,528</u>	<u>(3,193)</u>	<u>355,665,838</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025	2024
Cash flows from (used in) operating activities:		
Profit before tax	\$ 4,745,068	3,891,736
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	6,841,243	6,851,325
Amortization expense	311,191	411,529
Reversal of impairment losses determined in accordance with IFRS 9	(6,507)	(96,344)
Net gains on financial assets at fair value through profit or loss	(3,454)	(204,603)
Interest expense	2,675,202	2,596,783
Interest income	(302,218)	(151,987)
Dividend income	(539,253)	(736,402)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(4,924,657)	(949,349)
Gains on disposal of property, plant and equipment	(13,831)	(19,366)
Property, plant and equipment transferred to expenses	2	94
Loss (gain) on disposal of investments accounted for using equity method	33,775	(3,934)
Unrealized losses from affiliated companies	25,282	8,126
Unrealized foreign exchange gains	(246,774)	(177,809)
Total adjustments to reconcile profit (loss)	<u>3,850,001</u>	<u>7,528,063</u>
Changes in operating assets and liabilities:		
Notes receivable	(24,831)	305,348
Trade receivables (including related parties)	881,396	(1,146,828)
Other receivables	162,277	212,482
Inventories	3,036,589	527,332
Other current assets	1,474,657	(814,911)
Total changes in operating assets	<u>5,530,088</u>	<u>(916,577)</u>
Notes and trade payables (including related parties)	(2,308,764)	(645,375)
Other payable	(142,005)	(213,530)
Other current liabilities	124,970	(16,631)
Net defined benefit liability	(586,143)	(1,303,106)
Total changes in operating liabilities	<u>(2,911,942)</u>	<u>(2,178,642)</u>
Total changes in operating assets and liabilities	<u>2,618,146</u>	<u>(3,095,219)</u>
Total adjustments	<u>6,468,147</u>	<u>4,432,844</u>
Cash inflow generated from operations	11,213,215	8,324,580
Interest received	303,667	152,864
Dividends received	12,727,917	28,710,636
Interest paid	(2,417,960)	(2,695,543)
Income taxes paid	(2,500,804)	(1,890,727)
Net cash flows from operating activities	<u>19,326,035</u>	<u>32,601,810</u>
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	19,561	3,484
Acquisition of investments accounted for using equity method	-	(2,569,646)
Disposal of investments accounted for using equity method	-	3,934
Proceeds from capital reduction of investments accounted for using equity method	935,578	-
Acquisition of property, plant and equipment	(3,794,904)	(4,597,489)
Proceeds from disposal of property, plant and equipment	47,068	23,855
(Increase) decrease in refundable deposits	(4,887)	72,157
Decrease in other receivables due from related parties	-	2,768,195
Increase in other non-current assets	(4,367,016)	(4,067,305)
Net cash flows used in investing activities	<u>(7,164,600)</u>	<u>(8,362,815)</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	10,880,100	(8,569,449)
(Decrease) increase in short-term notes and bills payable	(25,050,000)	6,600,000
Proceeds from issuing bonds	12,778,940	-
Repayments of bonds	(10,625,000)	(9,275,000)
Proceeds from long-term borrowings	55,000,000	29,800,000
Repayments of long-term borrowings	(53,750,000)	(28,300,000)
Increase in guarantee deposits	23,610	49,715
Payment of lease liabilities	(28,045)	(24,491)
Increase (decrease) in other non-current liabilities	12,864	(8,257)
Cash dividends paid	(5,562,126)	(5,615,258)
Net cash flows used in financing activities	<u>(16,319,657)</u>	<u>(15,342,740)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>80,054</u>	<u>72,044</u>
Net (decrease) increase in cash and cash equivalents	<u>(4,078,168)</u>	<u>8,968,299</u>
Cash and cash equivalents at beginning of period	<u>11,331,633</u>	<u>2,363,334</u>
Cash and cash equivalents at end of period	<u>\$ 7,253,465</u>	<u>11,331,633</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Notes to the Financial Statements

For the years ended December 31, 2025 and 2024

(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. The Company has gone through several capital increases and established many divisions. Currently, the Company has the following divisions: plastics, fiber, petrochemical, electronics, and engineering. The Company 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 financial statements:

The accompanying financial statements were approved and authorized for issuance by the Board of Directors on March 11, 2026.

(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 Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2025:

- Amendments to IAS21 “Lack of Exchangeability”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Section 4.1 of IFRS 9 and the related disclosure requirements of IFRS 7

- (b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2026, would not have a significant impact on its financial statements:

- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance requirements for Sections 3.1 and 3.3 of IFRS 9 and the related disclosure requirements of IFRS 7
- Annual Improvements to IFRS Accounting Standards—Volume 11
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 “Presentation and Disclosure in Financial Statements”	<p>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.</p> <ul style="list-style-type: none"> ● 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. ● 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. ● 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. 	January 1, 2027 note: On September 25, 2025, the FSC issued a press release announcing that Taiwan will adopt IFRS 18 beginning in 2028. Entities that need to adopt the new standard earlier may do with the endorsement of the FSC.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

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

The Company 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 financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures” and amendments to IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IAS 21 “Translation to a Hyperinflationary Presentation Currency”

(4) Summary of material accounting policies:

The material accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations").

(b) Basis of preparation

Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- (i) Financial instruments at fair value through profit or loss are measured at fair value;
- (ii) Financial assets at fair value through other comprehensive income are measured at fair value;
- (iii) The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in note 4(q).

Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations, are translated into the presentation currency at average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary items are considered to form part of a net investment in the foreign operation and are recognized in other comprehensive income.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(d) Classification of current and non-current assets and liabilities

The Company classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

- (i) It is expected to be realized, or intended to be sold or consumed, in normal operating cycle;
- (ii) The asset is held primarily for the purpose of trading;
- (iii) The asset is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have the right at end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. Trade receivables that the Company intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the ‘trade receivables’ line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company’s continuing recognition of the assets.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets), and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if there is a breach of contract.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full. The Company measures its loss allowances at an amount equal to lifetime expected credit loss.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than one year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

4) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill which is arising from the acquisition less any accumulated impairment losses.

The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to its investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid in capital. If the additional paid in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription of the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of its related assets or liabilities.

(i) Subsidiaries

The Company accounts the investee companies that it possesses control using the equity. Net income, other comprehensive income, and shareholder's equity in the financial reports of the Company and the net income, other comprehensive income, and shareholder's equity that belongs to the Consolidated Company in the consolidated financial reports should be the same.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

(j) Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics:

- (i) the parties are bound by a contractual arrangement; and
- (ii) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company accounts for the assets, liabilities, revenues and expenses in relation to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. When assessing whether a joint arrangement is a joint operation or a joint venture, the Company considers the structure and legal form of the arrangement, the terms agreed by the parties in the contractual arrangement and, when relevant, other facts and circumstances.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint venturers) in which the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 “Investments in Associates and Joint Ventures”, unless the Company qualifies for exemption from that Standard. Please refer to note 4(i) for the application of the equity method.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(k) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are considered as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated as the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

- 1) Buildings: 25 to 50 years.
- 2) Machinery and transportation equipment: 7 to 15 years.
- 3) Miscellaneous equipment: 7 to 15 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted as necessary.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(l) Lease

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- 4) there is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) there is any lease modifications

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of buildings that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company determines whether the lease is a finance lease or an operating lease at commencement date of the contract. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(m) Technical cooperation fee

(i) Technical cooperation fee

Technical cooperation fee is measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated as the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for current and comparative periods are as follows:

- | | |
|------------------------------|------------|
| 1) Technical cooperation fee | 5~15 years |
|------------------------------|------------|

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted as necessary.

(n) Impairment – Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(o) Revenue recognition

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company any has objective evidence that all criteria for acceptance have been satisfied.

2) Financing components

The Company expects all customer contracts will transfer goods or services to customers at intervals of no more than one year, as well as payment by the customer. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Contract costs

(i) Incremental costs of obtaining a contract

The Company recognizes the incremental costs of obtaining a contract with a customer as an asset if the Company expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Company incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

The Company applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when the amortization period of the asset is in one year.

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Company recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify;
- the costs generate or enhance resources of the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Company cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Company recognizes these costs as expenses when incurred.

(q) provision

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation in the future.

Carbon fees levied in accordance with Taiwan's Climate Change Response Act and Regulations Governing the Collection of Carbon Fees are estimated when the annual greenhouse gas emissions are probably to exceed the threshold, and the amount is estimated based on the proportion of annual greenhouse gas emissions that are anticipated to occur as of the reporting date divided by the total annual greenhouse gas emissions.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that the global minimum top-up tax is an income tax where the Company is required to pay based on IAS 12 Pillar Two. Therefore, the Company 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 Company during the year will be recognized as current tax.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax asset are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

- (t) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(u) Operating segments

The Company has already disclosed related information of its operating segments in the consolidated financial report of the Consolidated Company as of December 31, 2025, thus no additional information will be disclosed herein.

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

In preparing these financial statements, management has made judgments and estimates about the future, including climate-related risks and opportunities, 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.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows:

(a) Evaluation of inventories

Because inventories are measured at the lower of cost and net realizable value, the Company evaluates the amount of normal waste, obsolete, and inventories without market price as of the reporting date, and reduces the book value to net realizable value. Such evaluation method depends on the demand of merchandise for a particular period of time in the future; therefore, there might be significant change due to the rapid industry transformation. Please refer to note 6(f) for further description of the evaluation of inventories.

(b) Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability. Refer to note 6(o) for further description of the actuarial assumptions and sensitivity analysis.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(c) Measurement of fair value

The Company's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company establishes a measurement and review mechanism for measuring fair value. The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e derived from prices).
- (iii) Level 3: inputs for the assets or liability that are not based on observable market data.

Please refer to note 6(v), financial instruments, for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and Cash Equivalents

	December 31, 2025	December 31, 2024
Cash on hand	\$ 570	540
Cash in banks	1,992,399	2,798,759
Time deposits	5,260,496	6,232,443
Cash equivalents	<u>-</u>	<u>2,299,891</u>
Cash and cash equivalents	<u>\$ 7,253,465</u>	<u>11,331,633</u>

Please refer to note 6(v) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

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

	December 31, 2025	December 31, 2024
Financial assets designated as at fair value through profit or loss :		
Funds	<u>\$ 1,849,655</u>	<u>1,846,201</u>

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

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

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

Financial assets at fair value through other comprehensive income - current

	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income :		
Shares of stocks of listed companies	<u>\$ 16,007,612</u>	<u>14,301,342</u>

Financial assets at fair value through other comprehensive income- non-current

	December 31, 2025	December 31, 2024
Equity instruments at fair value through other comprehensive income :		
Shares of stocks of unlisted companies	<u>\$ 20,347,175</u>	<u>20,091,157</u>

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

- 1) The Company designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent those investments that the Company 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 December 31, 2025 and 2024.

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

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

(d) Notes and trade receivables

	December 31, 2025	December 31, 2024
Notes receivable from operating activities	\$ 1,417,211	1,392,380
Trade receivables-measured as amortized cost	13,838,711	14,559,796
Trade receivables-fair value through profit or loss	8,350	2,383
Overdue receivables	906	1,504
Less: Loss allowance	<u>(50,778)</u>	<u>(57,285)</u>
	<u>\$ 15,214,400</u>	<u>15,898,778</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2025 and 2024. 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:

	December 31, 2025		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 15,207,855	0.00%	-
1 to 3 months past due	17,158	66.03%	11,329
3 to 6 months past due	1,709	72.38%	1,237
6 to 12 months past due	1,626	85.03%	1,382
More than 1 year past due	36,830	100%	36,830
	\$ 15,265,178		50,778
	December 31, 2024		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 15,855,266	0.10%	16,484
1 to 3 months past due	57,400	13.55%	7,779
3 to 6 months past due	4,521	57.72%	2,609
6 to 12 months past due	33,857	75.00%	25,394
More than 1 year past due	5,019	100%	5,019
	\$ 15,956,063		57,285

The movements in the allowance for notes and trade receivables were as follows:

	For the years ended December 31	
	2025	2024
Balance at January 1, 2025 and 2024	\$ 57,285	153,629
Impairment gains recognized	(6,507)	(96,344)
Balance at December 31, 2025 and 2024	\$ 50,778	57,285

As of December 31, 2025 and 2024, notes and trade receivable which were overdue or under legal proceedings amounted to \$906 and \$1,504, respectively. Such receivables were reclassified to overdue receivables under other assets and provided with a full impairment loss provision.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

The Company 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 December 31, 2025 and 2024, the outstanding accounts receivable factoring transactions between the Company and the financial institutions were as follows:

		December 31, 2025				
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project	
EXPAFOL S.L.	\$ <u>8,350</u>	USD <u>500</u>	<u>-</u>	<u>-</u>	None	

		December 31, 2024				
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project	
EXPAFOL S.L.	\$ <u>2,383</u>	USD <u>500</u>	<u>-</u>	<u>-</u>	None	

(e) Other receivables

	December 31, 2025	December 31, 2024
Other receivables-other	\$ 1,145,013	1,308,739
Other receivables-loans to associates	300,000	300,000
Less: Loss allowance	<u>-</u>	<u>-</u>
Total	<u>\$ 1,445,013</u>	<u>1,608,739</u>

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

(f) Inventories

As of December 31, 2025 and 2024, the components of inventories were as follows:

	December 31, 2025	December 31, 2024
Finished goods	\$ 6,305,796	6,820,359
Work in process	6,713,280	7,027,333
Machinery and accessories in process	4,688,896	5,389,892
Raw materials	4,949,960	5,937,081
Supplies	-	107
Consigned-out raw materials	273,982	253,781
Consigned-out finished goods	5,674	17,889
Goods in transit	<u>37,552</u>	<u>174,581</u>
Inventories, net	<u>\$ 22,975,140</u>	<u>25,621,023</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

The details of the operating costs were as follows:

	For the years ended	
	December 31	
	2025	2024
Inventory that has been sold	\$ 98,719,273	106,400,372
Write-down of inventories (Reversal of write-downs)	(4,825)	23,318
Unallocated production overheads	<u>4,426,113</u>	<u>4,473,631</u>
	<u>\$ 103,140,561</u>	<u>110,897,321</u>

As of December 31, 2025 and 2024, the Company did not provide any inventories 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:

	December 31,	December 31,
	2025	2024
Subsidiaries	\$ 177,492,829	191,314,758
Associates	<u>174,822,367</u>	<u>161,686,295</u>
	<u>\$ 352,315,196</u>	<u>353,001,053</u>

(i) Subsidiaries

For the years ended December 31, 2025 and 2024, the Company's share of net income in its subsidiaries was as follows:

	For the years ended	
	December 31	
	2025	2024
The Company's share of net income in its subsidiaries	<u>\$ 2,004,649</u>	<u>790,389</u>

Please refer to the consolidated financial statements for the year ended December 31, 2025 for further information.

(ii) Associates

For the years ended December 31, 2025 and 2024, the Company's share of net income of associates was as follows:

	For the years ended	
	December 31	
	2025	2024
The Company's share of net income of associates	<u>\$ 2,920,008</u>	<u>158,960</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

- 1) Aforementioned information of associates was derived from financial statements audited by auditors.
- 2) The unrealized translation gain or loss arising from the investment in foreign entities, which was determined on exchange rates as of December 31, 2025 and 2024, were recognized in comprehensive income.
- 3) 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 please refer to note 7.
- 4) The Company's equity-method investee, Formosa Group (Cayman) Limited, had completed its liquidation in 2025, resulting in the Company to receive a return of capital of \$935,478 (including liquidation dividends). After deducting the carrying amount of \$935,478 and reclassifying the cumulative translation adjustment of the foreign operation amounting to \$(33,775), the Company recognized a total loss on disposal of the investment of \$33,775.
- 5) In August 2024, the Company purchased the shares of Nanya Photonics Incorporation at an amount of \$69,646, resulting in its shareholding to increase from 23.02% to 29.01%.
- 6) In May 2024, the Company participated in the capital increase by cash of its associate company, Formosa Smart Energy Tech Corporation, with a total investment amounting to \$2,500,000. The shareholding ratio remained unchanged.
- 7) In March 2024, the Company 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.
- 8) The Company's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

	December 31, 2025	December 31, 2024
Carrying amount of individually insignificant associates' equity	\$ 174,822,367	161,686,295
	For the years ended December 31	
	2025	2024
Attributable to the Company:		
Net Income	\$ 2,920,008	158,960
Other comprehensive income (loss)	12,947,990	(3,651,118)
Total comprehensive income (loss)	\$ 15,867,998	(3,492,158)

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(iii) Collateral

As of December 31, 2025 and 2024, the Company provide investment accounted for using equity method as collaterals to any financial institutions or court for its loans; please refer to note 8.

(h) Property, Plant and Equipment

The cost, depreciation, and impairment of property, plant and equipment of the Company for the years ended December 31, 2025 and 2024 were as follows:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery 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, 2025	\$ 19,096,093	37,000,033	196,930,374	1,023,579	5,294,413	11,455,560	270,800,052
Additions	-	-	-	-	-	3,794,904	3,794,904
Disposals	-	(2,029)	(1,319,975)	(30,155)	(139,451)	-	(1,491,610)
Reclassification	15	1,115,358	4,695,299	18,174	265,596	(3,429,064)	2,665,378
Balance on December 31, 2025	<u>\$ 19,096,108</u>	<u>38,113,362</u>	<u>200,305,698</u>	<u>1,011,598</u>	<u>5,420,558</u>	<u>11,821,400</u>	<u>275,768,724</u>
Balance on January 1, 2024	\$ 19,093,480	36,040,535	191,474,102	1,034,566	5,111,495	9,608,394	262,362,572
Additions	-	-	-	-	-	4,597,489	4,597,489
Disposals	-	(15,582)	(1,326,242)	(25,569)	(183,021)	-	(1,550,414)
Reclassification	2,613	975,080	6,782,514	14,582	365,939	(2,750,323)	5,390,405
Balance on December 31, 2024	<u>\$ 19,096,093</u>	<u>37,000,033</u>	<u>196,930,374</u>	<u>1,023,579</u>	<u>5,294,413</u>	<u>11,455,560</u>	<u>270,800,052</u>
Depreciation and impairment loss:							
Balance on January 1, 2025	\$ -	24,001,115	160,699,842	904,774	3,848,179	-	189,453,910
Depreciation for the period	-	1,003,406	5,422,499	26,698	360,404	-	6,813,007
Disposals	-	(1,736)	(1,291,270)	(30,154)	(135,211)	-	(1,458,371)
Reclassification	-	-	(158)	(685)	785	-	(58)
Balance on December 31, 2025	<u>\$ -</u>	<u>25,002,785</u>	<u>164,830,913</u>	<u>900,633</u>	<u>4,074,157</u>	<u>-</u>	<u>194,808,488</u>
Balance on January 1, 2024	\$ -	22,943,787	156,679,285	932,542	3,617,586	-	184,173,200
Depreciation for the period	-	1,070,552	5,349,682	27,583	378,780	-	6,826,597
Disposals	-	(13,224)	(1,324,459)	(25,559)	(182,589)	-	(1,545,831)
Reclassification	-	-	(4,666)	(29,792)	34,402	-	(56)
Balance on December 31, 2024	<u>\$ -</u>	<u>24,001,115</u>	<u>160,699,842</u>	<u>904,774</u>	<u>3,848,179</u>	<u>-</u>	<u>189,453,910</u>
Carrying amounts:							
Balance on December 31, 2025	<u>\$ 19,096,108</u>	<u>13,110,577</u>	<u>35,474,785</u>	<u>110,965</u>	<u>1,346,401</u>	<u>11,821,400</u>	<u>80,960,236</u>
Balance on December 31, 2024	<u>\$ 19,096,093</u>	<u>12,998,918</u>	<u>36,230,532</u>	<u>118,805</u>	<u>1,446,234</u>	<u>11,455,560</u>	<u>81,346,142</u>

- (i) As of December 31, 2025, the Company provide property, plant and equipment as collaterals to any financial institutions or court for its loans; please refer to note 8. As of December 31, 2024, the Company did not provide any property, plant and equipment as collaterals to any financial institutions or court for its loans.
- (ii) For the years ended December 31, 2025 and 2024, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Company amounted to \$136,572 and \$117,147, respectively. The capitalized interest rate ranged from 1.375%~1.447% and 1.321%~1.400% for the years ended December 31, 2025 and 2024, respectively.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(i) Right-of-use assets

The Company leases many assets including land and buildings. Information about leases for which the Company as a lessee is presented below:

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Total</u>
Cost :				
Balance on January 1, 2025	\$ 6,525	119,752	15,426	141,703
Additions	2,155	23,075	15,146	40,376
Disposal	<u>(3,196)</u>	<u>(37,160)</u>	<u>(15,426)</u>	<u>(55,782)</u>
Balance on December 31, 2025	<u>\$ 5,484</u>	<u>105,667</u>	<u>15,146</u>	<u>126,297</u>
Balance on January 1, 2024	\$ 5,035	110,578	15,426	131,039
Additions	3,131	9,174	-	12,305
Disposal	<u>(1,641)</u>	<u>-</u>	<u>-</u>	<u>(1,641)</u>
Balance on December 31, 2024	<u>\$ 6,525</u>	<u>119,752</u>	<u>15,426</u>	<u>141,703</u>
Accumulated depreciation:				
Balance on January 1, 2025	\$ 3,079	49,667	13,682	66,428
Depreciation for the period	1,352	21,804	5,080	28,236
Disposal	<u>(3,197)</u>	<u>(37,160)</u>	<u>(15,426)</u>	<u>(55,783)</u>
Balance on December 31, 2025	<u>\$ 1,234</u>	<u>34,311</u>	<u>3,336</u>	<u>38,881</u>
Balance on January 1, 2024	\$ 3,211	31,590	8,540	43,341
Depreciation for the period	1,509	18,077	5,142	24,728
Disposal	<u>(1,641)</u>	<u>-</u>	<u>-</u>	<u>(1,641)</u>
Balance on December 31, 2024	<u>\$ 3,079</u>	<u>49,667</u>	<u>13,682</u>	<u>66,428</u>
Carrying amount:				
Balance on December 31, 2025	<u>\$ 4,250</u>	<u>71,356</u>	<u>11,810</u>	<u>87,416</u>
Balance on December 31, 2024	<u>\$ 3,446</u>	<u>70,085</u>	<u>1,744</u>	<u>75,275</u>

(j) Short-term notes and bills payable

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Short-term notes and bills payable	\$ 17,950,000	43,000,000
Discount on short-term notes and bills payable	<u>(21,825)</u>	<u>(149,614)</u>
Total	<u>\$ 17,928,175</u>	<u>42,850,386</u>
Range of interest rates	<u>1.51%~1.78%</u>	<u>1.68%~1.87%</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(k) Short-term borrowings

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Secured short-term loans	\$ 2,000,000	-
Unsecured short-term borrowings	<u>29,034,700</u>	<u>20,154,600</u>
Total	<u>\$ 31,034,700</u>	<u>20,154,600</u>
Unused short-term credit lines	<u>\$ 162,699,950</u>	<u>143,413,255</u>
Range of interest rates	<u>1.75%~2.10%</u>	<u>1.75%~1.90%</u>

The Company assets pledged as collateral for bank borrowings are detailed in Note 8.

(l) Long-term borrowings

December 31, 2025				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured long-term loans	TWD	1.7500%~1.9000%	2026~2027	\$ 9,500,000
Unsecured long-term loans	TWD	1.7900%~2.0500%	2026~2027	10,497,813
Commercial paper payable	TWD	1.8897%~2.0233%	2028~2030	14,482,677
Less : current portion				<u>(6,497,813)</u>
Total				<u>\$ 27,982,677</u>
Unused long-term credit lines				<u>\$ 6,000,000</u>
December 31, 2024				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured long-term loans	TWD	1.7500%~1.9700%	2025~2027	\$ 33,247,315
Less : current portion				<u>(20,747,315)</u>
Total				<u>\$ 12,500,000</u>
Unused long-term credit lines				<u>\$ 11,500,000</u>

(i) Please refer to note 6(v) for information on the Company's exposure to liquidity risk, and risk of changes in interest rates and liquidation risk.

(ii) Pledged assets for bank loans

For the collateral for longterm borrowings, please refer to note 8.

(iii) 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. As of December 31, 2025, the Company has not breached financial covenants.

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(iv) Revolving issuance of commercial paper

In 2025, the Company entered into agreements with several bills finance companies for the issuance of its unsecured commercial papers, with the total issuance periods ranging between 3 and 5 years, and being rolled over upon maturity, which has a maximum of 90 days.

On August 15, 2025, the Accounting Research and Development Foundation issued a Q&A which clarified that, as the revolving commercial paper issued by the entity does not have the right, at the end of the reporting period, to defer settlement of the liability for at least twelve months after the reporting period, such liabilities shall be classified as current liabilities.

In response, the FSC issued transitional provisions stating that, entities with revolving commercial paper issued on or after January 1, 2026 shall apply the classification guidance in the Q&A, while those issued on or before December 31, 2025 need not comply. Accordingly, the commercial paper issued by the Company in 2025 is classified as a noncurrent liability. For revolving issuances made on or after January 1, 2026, classification will be adjusted and reported as current liabilities in accordance with the abovementioned guidance.

(m) Bonds payable

	December 31, 2025	December 31, 2024
Domestic unsecured nonconvertible corporate bonds	\$ 58,700,000	56,525,000
Less: Costs of issuing bonds	(48,976)	(42,594)
Less: Current portion	(7,296,648)	(10,619,603)
Total	\$ 51,354,376	45,862,803

The terms of domestic corporate bonds as of December 31, 2025 were as follows:

	The first domestic unsecured nonconvertible corporate bond in 2014	The first domestic unsecured nonconvertible corporate bond in 2018	The first domestic unsecured nonconvertible corporate bond in 2019	The second domestic unsecured nonconvertible corporate bond in 2019	The first domestic unsecured nonconvertible corporate bond in 2020
Issued amount	TWD10,000,000	TWD10,500,000	TWD6,300,000	TWD5,100,000	TWD10,000,000
Balance, end of year	9,994,101	2,199,083	3,198,745	1,949,134	6,796,389
Current portion	-	-	1,399,451	1,249,445	1,898,991
Issuance date	June 24, 2014	September 6, 2018	June 17, 2019	October 15, 2019	September 24, 2020
Issuance period	14 years and 15 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years
Coupon rate	2.04%	0.83%, 0.91% and 1.07%	0.74%, 0.82% and 0.91%	0.71%, 0.75% and 0.84%	0.49%, 0.58% and 0.62%
Interest payment date	June 24	September 6	June 17	October 15	September 24
Repayment method	Payable in 2 equal installments for each coupon rate in 2028 and 2029, respectively.	Payable in 2 equal installments for each coupon rate in 2022~2023, 2024~2025, and 2027~2028, 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 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.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

	The first domestic unsecured nonconvertible corporate bond in 2021	The first domestic unsecured nonconvertible corporate bond in 2023	The first domestic unsecured nonconvertible corporate bond in 2025	The second domestic unsecured nonconvertible corporate bond in 2025
Issued amount	TWD11,500,000	TWD13,000,000	TWD5,400,000	TWD7,400,000
Balance, end of year	8,746,058	12,986,845	5,391,963	7,388,706
Current portion	2,748,761	-	-	-
Issuance date	June 3, 2021	October 5, 2023	May 20, 2025	September 19, 2025
Issuance period	5 years and 10 years	5 years and 10 years	5 years	5 years and 10 years
Coupon rate	0.45% and 0.53%	1.57% and 1.77%	2.08%	1.9% and 2.03%
Interest payment date	June 3	October 5	May 20	September 19
Repayment method	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.	Payable in 2 equal installments for each coupon rate in 2029~2030, respectively.	Payable in 2 equal installments for each coupon rate in 2029~2030 and 2034~2035, respectively.

(n) Lease liabilities

The carrying values of lease liabilities were as follows:

	December 31, 2025	December 31, 2024
Current	<u>\$ 17,779</u>	<u>21,712</u>
Non-current	<u>\$ 72,131</u>	<u>55,866</u>

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

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Interest on lease liabilities	<u>\$ 1,444</u>	<u>1,121</u>
Expenses relating to short-term leases	<u>\$ 69,732</u>	<u>61,990</u>

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

	For the years ended December 31	
	2025	2024
Total cash outflow for leases	<u>\$ 99,221</u>	<u>87,602</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(i) Real estate leases

The Company leases land and buildings for its office space and plant. The leases of land typically run for a period of 1 to 8 years, of office space for 2 to 20 years, and of plant for 3 year. 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 Company 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 Company expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

(ii) Other leases

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

The lease period for the machinery and equipment leased by the Company is three years. Some of the lease contracts stipulate that the Company will guarantee the residual value of the leased equipment upon expiration of the lease period.

(o) Employee Benefits

(i) Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	\$ 19,463,812	20,931,556
Fair value of plan assets	<u>(12,811,925)</u>	<u>(13,012,476)</u>
Net defined benefit liabilities	<u>\$ 6,651,887</u>	<u>7,919,080</u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for its employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$12,837,346 as of December 31, 2025. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligation

The movements in the present value of the defined benefit obligation were as follows:

	For the years ended	
	December 31	
	2025	2024
Balance, beginning of year	\$ 20,931,556	21,803,944
Current service cost and interest expense	403,588	399,543
Remeasurements of the net defined benefit liabilities:		
Experience adjustments	266,327	902,615
Benefits paid from plan assets	(2,147,030)	(2,195,813)
Increase from transfer of related party employees	9,371	21,267
Balance, end of year	<u><u>\$ 19,463,812</u></u>	<u><u>20,931,556</u></u>

3) Movements in the fair value of the plan assets

The movements in the fair value of the plan assets were as follows:

	For the years ended	
	December 31	
	2025	2024
Balance, beginning of year	\$ 13,012,476	12,237,958
Interest income	182,162	143,657
Remeasurements of the net defined benefit liabilities:		
Return on plan assets (except for interest income)	947,377	1,246,415
Contributions from employer	277,185	944,149
Benefits paid	(1,607,275)	(1,559,703)
Balance, end of year	<u><u>\$ 12,811,925</u></u>	<u><u>13,012,476</u></u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
	Current service cost	\$ 113,440
Net interest expense of net defined benefit liabilities	107,986	117,976
	\$ 221,426	255,886

	For the years ended December 31	
	2025	2024
	Operating costs	\$ 169,504
Selling expenses	9,503	10,601
Administrative expenses	42,419	52,425
	\$ 221,426	255,886

5) Remeasurement of net defined benefit liability recognized in other comprehensive income

The Company's remeasurement of the net defined benefit liability recognized in other comprehensive income were as follows:

	For the years ended December 31	
	2025	2024
	Accumulated amount at January 1	\$ (5,859,197)
Recognized during the period	(681,050)	(343,800)
Accumulated amount at December 31	\$ (6,540,247)	(5,859,197)

6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2025	December 31, 2024
Discount rate	1.25 %	1.45 %
Future salary increase rate	2.85 %	2.85 %

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$228,318.

The weighted-average lifetime of the defined benefits plans is 4.6 years.

7) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation as of December 31, 2025 and 2024 shall be as follows:

	Influences of defined benefit obligations	
	Increase	Decrease
December 31, 2025		
Discount rate (0.25% variation)	\$ (114,718)	117,562
Future salary increasing rate (1.00% variation)	514,347	(478,482)
December 31, 2024		
Discount rate (0.25% variation)	\$ (145,701)	149,508
Future salary increasing rate (1.00% variation)	664,112	(614,582)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions remain constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2025 and 2024.

(ii) Defined contribution plan

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$314,042 and \$313,243 for the years ended December 31, 2025 and 2024, respectively.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(p) Income taxes

(i) Income tax expense

The components of income tax expense for 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Current income tax expense		
Current period	\$ 2,009,943	2,879,709
Adjustment for prior periods	(63,125)	513,707
Deferred tax expense		
Origination and reversal of temporary differences	(1,720,348)	(2,841,809)
Total income tax expense	\$ 226,470	551,607

The amount of income tax recognized in other comprehensive income for 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	\$ 136,210	68,760

Reconciliation of income tax and profit before tax for 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Profit excluding income tax	\$ 4,745,068	3,891,736
Income tax using the Company's domestic tax rate	\$ 949,013	778,347
Effect of tax rates in foreign jurisdiction	-	(7,443)
Tax effect on tax-exempt dividend income	(107,851)	(143,654)
Tax effect on unrecognized temporary differences	-	(503,961)
Tax-exempt income	(691)	(40,921)
Income tax expense arising from investment income in associates and joint ventures	435,255	182,692
Tax effect on investment income recognized under equity method	(1,237,865)	(208,382)
Differences between estimated and actual income tax and income tax adjustments on prior years	(63,125)	513,707
Other income tax adjustments	251,734	(18,778)
Income tax expense	\$ 226,470	551,607

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(ii) Deferred tax assets and liabilities

Recognized deferred tax assets and liabilities

Movement in the amount of deferred tax assets and liabilities for 2025 and 2024 were as follows:

Deferred tax liabilities:

	Foreign investment income recognized under equity method	Others	Total
Balance on January 1, 2025	\$ 6,403,137	193,284	6,596,421
Recognized in profit or loss	(1,836,383)	(10,342)	(1,846,725)
Balance on December 31, 2025	<u>\$ 4,566,754</u>	<u>182,942</u>	<u>4,749,696</u>
Balance on January 1, 2024	\$ 9,475,902	216,258	9,692,160
Recognized in profit or loss	(3,072,765)	(22,974)	(3,095,739)
Balance on December 31, 2024	<u>\$ 6,403,137</u>	<u>193,284</u>	<u>6,596,421</u>

Deferred tax assets:

	Defined benefit plans	Idle capacity	Others	Total
Balance on January 1, 2025	\$ 1,583,816	104,677	177,434	1,865,927
Recognized in profit or loss	(117,229)	(355)	(8,793)	(126,377)
Recognized in other comprehensive income	(136,210)	-	-	(136,210)
Balance on December 31, 2025	<u>\$ 1,330,377</u>	<u>104,322</u>	<u>168,641</u>	<u>1,603,340</u>
Balance on January 1, 2024	\$ 1,913,197	121,081	154,339	2,188,617
Recognized in profit or loss	(260,621)	(16,404)	23,095	(253,930)
Recognized in other comprehensive income	(68,760)	-	-	(68,760)
Balance on December 31, 2024	<u>\$ 1,583,816</u>	<u>104,677</u>	<u>177,434</u>	<u>1,865,927</u>

(iii) Assessment of tax

The Company's tax returns for the year through 2023 were assessed by the ROC authorities.

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(iv) Global minimum top-up tax

As of December 31, 2025, the Company is subject to the global minimum topup tax under Pillar Two tax legislation. During the year 2025, the Company's subsidiary operating in Hong Kong enacted and implemented income inclusion rules in accordance with Pillar Two requirements, with the domestic minimum topup tax becoming effective on January 1 of the same year. Based on an analysis of Hong Kong's tax regime and the applicable effective tax rates, the Company does not expect the topup tax will have a material impact. The Company will continue to closely monitor and assess legislative developments in the jurisdictions where its subsidiaries operate. Any impact arising from the topup tax will be recognized as current income tax expense, as appropriate.

The Company has applied the deferred tax accounting based on the temporary mandatory relief policy. Due to the impacts of the topup tax, the income tax incurred by the Company during the year will be recognized as current tax. For the accounting policy, please refer to note 4(s) of the financial statement for the year ended December 31, 2025.

(q) Capital and other equity

As of December 31, 2025 and 2024, the Company'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.

(i) Capital surplus

The components of capital surplus were as follows:

	December 31, 2025	December 31, 2024
Paid-in capital from conversion of corporate bond to common stock in excess of par value	\$ 8,997,136	8,997,136
Gains on acquisition of Taiwan Plasticizer Corporation	74,474	74,474
Other	<u>18,058,992</u>	<u>17,971,382</u>
Total	<u>\$ 27,130,602</u>	<u>27,042,992</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

1) Legal reserve

If the Company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

2) 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 \$6,096,058 and \$6,099,065 as of December 31, 2025 and 2024, 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.

3) 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, should first be set aside for legal reserve at the rate of 10% thereof. However, this is not the case when the accumulated legal reserve has reached the amount of paid-in capital of the Company. If necessary, may set aside a special reserve. 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.

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Notes to the Financial Statements

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 2025 earnings distribution had been approved at the board meeting held on March 11, 2026, as follows:

	2025	
	Dividends per share (in dollars)	Amount
Cash dividends distributed to		
ordinary shareholders	\$ 0.80	6,344,657

The amounts of cash dividends for the 2024 and 2023 earnings distribution had been approved at the shareholders' meeting held on June 12, 2025 and June 19, 2024, respectively, as follows:

	2024		2023	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Cash dividends distributed to				
ordinary shareholders	\$ 0.70	5,551,575	0.70	5,551,575

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.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the 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, 2025	\$ 3,039,093	8,095,794	(20,849)	11,114,038
Exchange differences on associates and subsidiaries accounted for using equity method	(6,744,221)	-	-	(6,744,221)
Reclassification of gains or losses on disposal of foreign operations to profit or loss	33,775	-	-	33,775
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	1,981,850	-	1,981,850
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and subsidiaries accounted for using equity method	-	14,249,956	-	14,249,956
Disposal of equity instruments measured at fair value through other comprehensive income under equity method	-	(1,571,072)	-	(1,571,072)
Share of cash flow hedge of associates and subsidiaries	-	-	17,656	17,656
Balance at December 31, 2025	<u>\$ (3,671,353)</u>	<u>22,756,528</u>	<u>(3,193)</u>	<u>19,081,982</u>
Balance at January 1, 2024	\$ (8,713,581)	31,006,389	8,072	22,300,880
Exchange differences on associates and subsidiaries accounted for using equity method	11,752,674	-	-	11,752,674
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(16,327,188)	-	(16,327,188)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and subsidiaries accounted for using equity method	-	(6,555,920)	-	(6,555,920)
Share of cash flow hedge of associates and subsidiaries	-	-	(28,921)	(28,921)
Disposal of equity investments accounted for using equity method	-	(27,487)	-	(27,487)
Balance at December 31, 2024	<u>\$ 3,039,093</u>	<u>8,095,794</u>	<u>(20,849)</u>	<u>11,114,038</u>

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(r) Earnings Per Share

The basic earnings per share for the years ended December 31, 2025 and 2024 were calculated on profit attributable to ordinary shareholders of the Company of \$4,518,598 and \$3,340,129, respectively, and weighted average number of outstanding shares of stock were 7,930,822 thousand ordinary shares, were calculated as follows:

(i) Profit attributable to ordinary shareholders

	For the years ended December 31	
	2025	2024
	Profit attributable to ordinary shareholders	<u>\$ 4,518,598</u>

(ii) Weighted average number of outstanding ordinary shares

	For the years ended December 31	
	2025	2024
	Shares outstanding as of January 1 is the same as weighted average number of common stock outstanding as of December 31	<u>7,930,822</u>

(s) Revenue from contracts with customers

	For the year ended December 31, 2025					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 16,663,734	12,129,562	9,491,191	8,942,150	5,713,550	52,940,187
China	868,147	11,701,868	12,185,102	1,173,635	58,282	25,987,034
Others	<u>6,217,415</u>	<u>10,219,323</u>	<u>11,853,791</u>	<u>6,490,430</u>	<u>568,646</u>	<u>35,349,605</u>
	<u>\$ 23,749,296</u>	<u>34,050,753</u>	<u>33,530,084</u>	<u>16,606,215</u>	<u>6,340,478</u>	<u>114,276,826</u>
Main Products						
PVC sheet	\$ 2,297,935	-	-	-	-	2,297,935
Rigid sheet	2,497,463	-	-	-	-	2,497,463
Pipes	5,375,284	-	-	-	-	5,375,284
Phthalate Plasticizers	-	4,162,459	-	-	-	4,162,459
BPA	-	4,293,281	-	-	-	4,293,281
EG	-	11,304,947	-	-	-	11,304,947
CCL	-	-	11,161,613	-	-	11,161,613
Epoxy	-	-	8,554,322	-	-	8,554,322
Polyester Staple Fiber	-	-	-	2,014,872	-	2,014,872
PET Resin	-	-	-	3,105,888	-	3,105,888
DTY	-	-	-	6,006,278	-	6,006,278
Machinery and Switchgear	-	-	-	-	5,961,438	5,961,438
Others	<u>13,578,614</u>	<u>14,290,066</u>	<u>13,814,149</u>	<u>5,479,177</u>	<u>379,040</u>	<u>47,541,046</u>
	<u>\$ 23,749,296</u>	<u>34,050,753</u>	<u>33,530,084</u>	<u>16,606,215</u>	<u>6,340,478</u>	<u>114,276,826</u>

(Continued)

NAN YA PLASTICS CORPORATION
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For the year ended December 31, 2024						
	<u>Plastics industry</u>	<u>Chemical industry</u>	<u>Electronic industry</u>	<u>Polyester industry</u>	<u>Other industries</u>	<u>Total</u>
Primary geographical markets						
Taiwan	\$ 17,756,954	17,635,347	9,056,214	10,727,168	5,923,022	61,098,705
China	1,008,236	8,079,038	10,972,496	1,311,733	145,727	21,517,230
Others	<u>7,187,047</u>	<u>13,216,214</u>	<u>12,252,854</u>	<u>7,396,951</u>	<u>489,128</u>	<u>40,542,194</u>
	<u>\$ 25,952,237</u>	<u>38,930,599</u>	<u>32,281,564</u>	<u>19,435,852</u>	<u>6,557,877</u>	<u>123,158,129</u>
Main Products						
PVC sheet	\$ 2,838,809	-	-	-	-	2,838,809
Rigid sheet	2,893,568	-	-	-	-	2,893,568
Pipes	5,701,892	-	-	-	-	5,701,892
Phthalate Plasticizers	-	5,403,921	-	-	-	5,403,921
BPA	-	8,965,258	-	-	-	8,965,258
EG	-	5,359,818	-	-	-	5,359,818
CCL	-	-	10,607,802	-	-	10,607,802
Epoxy	-	-	9,596,002	-	-	9,596,002
Polyester Staple Fiber	-	-	-	2,911,689	-	2,911,689
PET Resin	-	-	-	3,929,574	-	3,929,574
DTY	-	-	-	7,091,982	-	7,091,982
Machinery and Switchgear	-	-	-	-	6,081,505	6,081,505
Others	<u>14,517,968</u>	<u>19,201,602</u>	<u>12,077,760</u>	<u>5,502,607</u>	<u>476,372</u>	<u>51,776,309</u>
	<u>\$ 25,952,237</u>	<u>38,930,599</u>	<u>32,281,564</u>	<u>19,435,852</u>	<u>6,557,877</u>	<u>123,158,129</u>

(t) Employee compensation

According to the Articles of Incorporation, once the Company has annual profit, 0.05% to 0.5% of the earnings before tax should be appropriated to employees as remuneration. Among this amount, 0.02% to 0.2% of the profit before deducting remuneration to employees should be appropriated to entry-level employees. 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 remuneration.

The estimated remuneration to employees amounted to \$4,750 and \$3,896, respectively, for the years ended December 31, 2025 and 2024, 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, 2024 and 2023, the remunerations to employees amounted to \$3,896 and \$5,743, 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.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(u) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<u>2025</u>	<u>2024</u>
Interest income from bank deposits	\$ 275,501	102,568
Other interest income	<u>26,717</u>	<u>49,419</u>
	<u>\$ 302,218</u>	<u>151,987</u>

(ii) Other income

The details of other income were as follows:

	<u>2025</u>	<u>2024</u>
Dividend income	\$ 539,253	736,402
Other income	<u>1,514,947</u>	<u>1,686,209</u>
	<u>\$ 2,054,200</u>	<u>2,422,611</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<u>2025</u>	<u>2024</u>
Gains on disposal of property, plant and equipment	\$ 13,831	19,366
Gains (loss) on disposal of investment	(33,775)	3,934
Foreign currency exchange gains (loss)	(524,561)	1,039,981
Gains on financial assets at fair value through profit or loss	3,454	204,603
Disater losses	-	(241,332)
Others	<u>(156,133)</u>	<u>(142,763)</u>
	<u>\$ (697,184)</u>	<u>883,789</u>

(iv) Finance costs

The details of finance costs were as follows:

	<u>2025</u>	<u>2024</u>
Interest expense	\$ 2,811,774	2,713,930
Less: interest capitalized	<u>(136,572)</u>	<u>(117,147)</u>
	<u>\$ 2,675,202</u>	<u>2,596,783</u>

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(v) Financial Instruments

(i) Credit Risk

1) Credit risk exposure

The Company is exposed to credit risk primarily from cash and cash equivalents, deposits, and trade receivables.

2) Concentration of credit risk

As sales are made to customers worldwide, the Company's exposure to credit risk concentration is expected to be low. Also, the Company mitigates its exposure by evaluating the customers' financial situation regularly.

(ii) Liquidity risk

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

	<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>
December 31, 2025							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 17,928,175	17,950,000	17,950,000	-	-	-	-
Notes and trade payables	3,238,798	3,238,798	3,228,798	-	-	-	-
Trade payables to related parties	3,296,467	3,296,467	3,296,467	-	-	-	-
Short-term borrowings	31,034,700	31,034,700	31,034,700	-	-	-	-
Long-term borrowings (including current portion)	34,480,490	35,121,957	300,735	6,650,812	13,670,410	14,500,000	-
Bonds payable (including current portion)	58,651,024	62,356,015	4,538,355	3,590,485	10,334,590	33,911,785	9,980,800
Lease liabilities	89,910	95,962	9,786	9,387	17,514	26,635	32,640
	<u>\$ 148,719,564</u>	<u>153,093,899</u>	<u>60,358,841</u>	<u>10,250,684</u>	<u>24,022,514</u>	<u>48,438,420</u>	<u>10,013,440</u>
December 31, 2024							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 42,850,386	43,000,000	43,000,000	-	-	-	-
Notes and trade payables	4,212,814	4,212,814	4,212,814	-	-	-	-
Trade payables to related parties	4,631,655	4,631,655	4,631,655	-	-	-	-
Short-term borrowings	20,154,600	20,154,600	20,154,600	-	-	-	-
Long-term borrowings (including current portion)	33,247,315	34,055,291	307,070	20,899,583	230,946	12,617,692	-
Bonds payable (including current portion)	56,482,406	59,337,148	4,449,890	6,845,108	7,871,370	32,395,975	7,774,805
Lease liabilities	77,578	83,306	12,937	9,736	8,185	15,728	36,720
	<u>\$ 161,656,754</u>	<u>165,474,814</u>	<u>76,768,966</u>	<u>27,754,427</u>	<u>8,110,501</u>	<u>45,029,395</u>	<u>7,811,525</u>

It is not expected that the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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(iii) Currency risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency were as follows:

December 31, 2025			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 380,891	31.4380	11,974,451
JPY	467,089	0.1997	93,278
EUR	575	36.6957	21,100
CNY	975,859	4.4726	4,364,627
<u>Non-monetary items</u>			
USD	1,880,541	31.4380	59,120,458
HKD	23,991,151	4.0305	96,194,683
VND	3,889,993,808	0.0012	4,660,356
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	22,655	31.4380	712,228
JPY	191,944	0.1997	38,331
EUR	818	36.6957	30,017
December 31, 2024			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 555,715	32.7810	18,216,893
JPY	733,685	0.2087	153,120
EUR	1,206	34.0652	41,083
CNY	47,935	4.5603	218,598
<u>Non-monetary items</u>			
USD	1,985,654	32.7810	65,091,736
HKD	25,348,936	4.2027	106,597,472
VND	3,937,174,287	0.0013	5,075,412
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	27,656	32.7810	906,591
JPY	269,878	0.2087	56,324
EUR	3,085	34.0652	105,091

(Continued)

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Notes to the Financial Statements

2) Sensitivity analysis

The Company's exposure to exchange rate risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, financial assets at fair value through other comprehensive income (available-for-sale financial assets), loans and borrowings, accounts payable and other payables which are denominated in different foreign currencies. The overall effects to net income before tax for the years ended December 31, 2025 and 2024 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR and CNY as of December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Appreciation in value of 1%	\$ (156,808)	(175,624)
Depreciation in value of 1%	156,808	175,624

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

3) Foreign exchange gain and loss on monetary items

The Company foreign exchange gains and losses on monetary items (including realized and unrealized portions) converted to functional currency were as follow :

	For the years ended December 31	
	2025	2024
	foreign exchange	foreign exchange
	gains (losses)	gains (losses)
TWD	\$ (524,561)	1,039,981

(iv) Interest rate analysis

The Company's financial assets and liabilities exposed to interest rates risk are described in liquidity risk.

The following sensitivity analysis is based on the risk exposure to the interest rates 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 reasonably 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 \$200,000 and \$332,500 for the years ended December 31, 2025 and 2024, respectively.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(v) Other market price risks

For the years ended December 31, 2025 and 2024, 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:

<u>Prices of securities at the reporting date</u>	For the years ended December 31	
	<u>2025</u>	<u>2024</u>
	Other comprehensive income before tax	Other comprehensive income before tax
Increasing 1%	<u>\$ 160,076</u>	<u>143,013</u>
Decreasing 1%	<u>\$ (160,076)</u>	<u>(143,013)</u>

(vi) 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 (available for sale financial assets) is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy as stated below. 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 for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	<u>December 31, 2025</u>				
	<u>Carrying amount</u>	<u>Fair Value</u>			<u>Total</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>		
Financial assets at fair value through profit or loss					
Financial assets designated as at fair value through profit or loss	\$ 1,849,655	-	1,849,655	-	1,849,655
Trade receivables	8,350	-	-	-	-
Total	<u>\$ 1,858,005</u>	<u>-</u>	<u>1,849,655</u>	<u>-</u>	<u>1,849,655</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 16,007,612	16,007,612	-	-	16,007,612
Unquoted equity instruments	20,347,175	-	-	20,347,175	20,347,175
Total	<u>\$ 36,354,787</u>	<u>16,007,612</u>	<u>-</u>	<u>20,347,175</u>	<u>36,354,787</u>

(Continued)

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Notes to the Financial Statements

	December 31, 2024				
	Carrying amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial liabilities at amortized cost					
Short-term borrowings	\$ 20,154,600	-	-	-	-
Short-term notes and bills payable	42,850,386	-	-	-	-
Notes and trade payables (including related parties)	8,844,469	-	-	-	-
Bonds payable (including due within one year)	56,482,406	-	-	-	-
Long-term borrowings (including due within one year)	33,247,315	-	-	-	-
Lease liabilities	<u>77,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 161,656,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

The Company'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 is 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. 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.

(Continued)

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Notes to the Financial Statements

If the financial instrument of the Company 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.

4) Transfers between levels of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the years ended December 31, 2025 and 2024.

5) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income <hr/> Unquoted equity instruments <hr/>
Balance at January 1, 2025	\$ 20,091,157
Total gains and losses recognized:	
In other comprehensive income	275,579
Return of capital from capital reduction	<u>(19,561)</u>
Balance at December 31, 2025	<u>\$ 20,347,175</u>
Balance at January 1, 2024	\$ 18,621,183
Total gains and losses recognized:	
In other comprehensive income	1,473,458
Return of capital from capital reduction	<u>(3,484)</u>
Balance at December 31, 2024	<u>\$ 20,091,157</u>

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 Company'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 Company'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.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

Quantified information of significant unobservable inputs were as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Market comparable companies	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	The higher the multiple, the higher the fair value
	Net Asset Value Method	Not applicable	Not applicable

- 8) Fair value measurement in Level 3 - sensitivity analysis of reasonably possible alternative assumption

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:

	<u>Input</u>	<u>Change</u>	<u>Recognized in other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
December 31, 2025				
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 EBITA multiple, discount for lack of marketability	± 1%	\$ <u>175,565</u>	<u>(175,565)</u>
December 31, 2024				
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 EBITA multiple, discount for lack of marketability	± 1%	\$ <u>172,178</u>	<u>(172,178)</u>

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(w) Financial risk management

(i) The Company have exposures to the following risks from its financial instruments:

- 1) Credit risk
- 2) Liquidity risk
- 3) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying financial statements.

(ii) Structure of risk management

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

To maintain the credit quality of receivables, a credit risk management policy has been established. Under this policy, each customer is analyzed individually regarding customer's financial situation, external and internal credit rating, historical trading record, and current economic condition which may affect customer's payment ability. In addition, some methods are adopted to reduce the credit risk for specific customers, such as prepayment and insurance of accounts receivable.

The credit risk exposure on bank deposits and other financial instruments are measured and monitored by the Company's finance department. As the Company's transactions are done with the banks and other external parties with good credit standing, management is not aware of any noncompliance issues and is not expecting significant credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient current funds, such as cash and cash equivalents, securities with high liquidity and sufficient credit line from banks, to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation.

(Continued)

NAN YA PLASTICS CORPORATION
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(v) Market risk

Market risk is the risk that changes in the market, such as foreign exchange rates, interest rates and equity prices of that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Company is exposed to currency risk due to global transactions that are denominated in a currency other than the respective functional currency of the Company, the New Taiwan Dollars (TWD). These transactions are primarily denominated in USD. The currency risk mainly arises from future business transactions and recognized assets and liabilities. Part of the currency risks arising from purchases and sales can be offset each other to achieve automatic hedge.

When the Company has foreign currency needs, the Company uses spot exchange contracts and forward exchange contracts if the exchange rate is advantageous to the Company to manage the risk. If necessary, the Company uses derivatives operated by prestigious international banks to manage its exposure to foreign currency exchange rate fluctuation risk, which monitor the exchange rate risks and adhere to acceptable levels by the Company.

2) Interest rate risk

The Company's interest rate risk mainly arises from long-term loans with variable interest rates, which bear cash flow risks to the Company. Part of the interest rate risk can be offset by cash and cash equivalents with variable interest rates held by the Company.

The Company monitors and manages interest rate risks, using derivatives when necessary, to lower the risks to acceptable levels.

3) Other market price risk

The Company is exposed to fair value change risk due to financial assets at fair value through other comprehensive income, which were measured at fair value.

(x) Capital management

Although business operated by the Company has reached the stage of maturity, a sufficient amount of capital is still required to support the operation of investee companies, construction and expand its production facilities and equipment.

The Company's policy is to maintain sufficient financial resources and operating plan to meet future demands such as operating capital, capital expenditure, research and development expenditures, loan reimbursements, and dividend distributions.

(Continued)

NAN YA PLASTICS CORPORATION
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The Company and other entities in the same industry use the debt-to-equity ratio to manage its capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt. The Company's debt-to-equity ratio at the end of the reporting period were as follows :

	December 31, 2025	December 31, 2024
Total liabilities	\$ 177,852,661	194,335,530
Less: cash and cash equivalents	(7,253,465)	(11,331,633)
Net debt	\$ 170,599,196	183,003,897
Total equity	\$ 355,665,838	346,583,223
Debt-to-equity ratio	32.42 %	34.56 %

(y) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance, January 1, 2025	\$ 20,154,600	42,850,386	33,247,315	56,482,406	77,578	152,812,285
Changes in cash flows from financing activities	10,880,100	(25,050,000)	1,250,000	2,153,940	(28,045)	(10,794,005)
Non-cash changes	-	127,789	(16,825)	14,678	40,377	166,019
Balance, December 31, 2025	\$ 31,034,700	17,928,175	34,480,490	58,651,024	89,910	142,184,299
	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance, January 1, 2024	\$ 28,723,900	36,304,203	31,742,602	65,742,467	89,765	162,602,937
Changes in cash flows from financing activities	(8,569,449)	6,600,000	1,500,000	(9,275,000)	(24,491)	(9,768,940)
Non-cash changes	-	(53,817)	4,713	14,939	12,304	(21,861)
Foreign exchange movement	149	-	-	-	-	149
Balance, December 31, 2024	\$ 20,154,600	42,850,386	33,247,315	56,482,406	77,578	152,812,285

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

The Company is the ultimate controlling party of the Company 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 financial statements.

Name of related party	Relationship with the Group
Nan Ya Plastics Corporation U.S.A	Subsidiaries
Nan Ya Plastics Corporation America	Subsidiaries
Formosa Plastics Group Investment Corp.	Subsidiaries
Nan Ya Plastics (Hong Kong) Co., Ltd	Subsidiaries

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
Superior World Wide Trading Co., Ltd	Subsidiaries
Nan Ya PCB Corporation	Subsidiaries
Wen Fung Industrial Co., Ltd	Subsidiaries
Nan Chung Petrochemical Corporation	Subsidiaries
PFG Fiber Glass Corporation	Subsidiaries
PFG Fiber Glass (Hong Kong) Corporation Limited	Subsidiaries
Nan Ya PCB (U.S.A) Corporation	Subsidiaries
Nan Ya PCB (Hong Kong) Corporation	Subsidiaries
Nan Ya PCB (Kunshan) Corporation	Subsidiaries
Nan Ya Plastics (Nantong) Co., Ltd	Subsidiaries
Nan Ya Electric (Nantong) Co., Ltd	Subsidiaries
China Nantong Huafeng Co., Ltd	Subsidiaries
Nantong Huafu Plastics Co., Ltd.	Subsidiaries
Nan Ya Electronic Materials (Kunshan) Co., Ltd	Subsidiaries
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd	Subsidiaries
Nan Ya Plastics (Guangzhou) Co., Ltd	Subsidiaries
Nan Ya Plastics (Huizhou) Co., Ltd	Subsidiaries
Nan Ya Electronic Materials (Huizhou) Co., Ltd	Subsidiaries
Nan Ya Trading (Huizhou) Co., Ltd	Subsidiaries
Nan Ya Plastics (Xiamen) Co., Ltd	Subsidiaries
Nan Ya Plastics (Ningbo) Co., Ltd	Subsidiaries
Wellink Technology Corporation	Subsidiaries
Nan Ya Plastics Corporation Texas	Subsidiaries
PFG Fiber Glass (Kunshan) Co., Ltd	Subsidiaries
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Plastics Construction Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa smart Energy Tech Corporation	Associates
Nan Ya Photonics Incorporation	Associates
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates (Note)
FG Inc.	Associates
Formosa Advanced Technology Corporation	Associates
P.T. Indonesia Nanya Indah Plastics Co.	Joint ventures

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures
Formosa Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Formosa Taffeta Co., Ltd.	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
Formosa Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties
Formosa Plastics Marine Corporation	Other related parties
Formosa Plastics Corporation U.S.A.	Other related parties
Formosa Ineos Chemicals Corporation	Other related parties
Ming Chi University Of Technology	Other related parties

Note: Formosa Group (Cayman) Limited, which had completed its liquidation in 2025, with the approval of its board, was previously an investee company accounted for by the Company using the equity method. However, after its liquidation, it became a non-related party of the Company.

(c) Significant related-party transactions

(i) Sales to related parties

The amount of significant sales by the Company to related parties were as follows:

	For the years ended	
	December 31	
	<u>2025</u>	<u>2024</u>
Subsidiaries	\$ 12,927,028	11,057,878
Associates and joint ventures	3,169,644	3,060,907
Other related parties	<u>5,518,621</u>	<u>7,910,099</u>
	<u>\$ 21,615,293</u>	<u>22,028,884</u>

The receivables from related parties were as follows:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2025</u>	<u>2024</u>
Subsidiaries		
Nan Ya Electronic Materials (Kunshan) Co., Ltd	\$ 764,822	572,121
Other subsidiaries	1,975,704	1,930,584
Associates and joint ventures	581,442	751,744
Other related parties	<u>426,962</u>	<u>742,383</u>
	<u>\$ 3,748,930</u>	<u>3,996,832</u>

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NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

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.

For those machinery sold to and engineering services provided to related parties in China and Vietnam, payment is made after the test run of machinery sold. However, for the other items sold to related parties in China and Vietnam, the selling prices are not materially different from those of third-party customers. 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 company from related parties were as follows:

	For the years ended	
	December 31	
	2025	2024
Subsidiaries	\$ 3,629,301	3,355,213
Associates and joint ventures		
Formosa Petrochemical Corporation	17,907,356	16,904,084
Other associates and joint ventures	384,220	266,736
Other related parties		
Formosa Plastics Corporation	5,971,569	8,592,039
Formosa Chemicals and Fiber Corporation	15,363,957	23,404,477
Other related parties	<u>166,541</u>	<u>113,274</u>
	<u>\$ 43,422,944</u>	<u>52,635,823</u>

The payables to related parties were as follows:

	December 31,	December 31,
	2025	2024
Subsidiaries	\$ 561,715	188,685
Associates and joint ventures		
Formosa Petrochemical Corporation	1,117,595	1,885,496
Other associates and joint ventures	37,980	45,438
Other related parties		
Formosa Chemicals and Fiber Corporation	1,099,034	1,820,523
Formosa Plastics Corporation	469,884	683,892
Other related parties	<u>10,259</u>	<u>7,205</u>
	<u>\$ 3,296,467</u>	<u>4,631,239</u>

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NAN YA PLASTICS CORPORATION
Notes to the 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 for the years ended December 31, 2025 and 2024 were as follows:

Investee company	For the year ended December 31, 2025		
	Unrealized sales profit at beginning of period	(Realized) Unrealized Sales Profits	Unrealized sales profit at end of period
Subsidiaries	\$ <u>83,416</u>	<u>37,423</u>	<u>120,839</u>
Associates and joint ventures	\$ <u>48,565</u>	<u>(12,141)</u>	<u>36,424</u>

Investee company	For the year ended December 31, 2024		
	Unrealized sales profit at beginning of period	(Realized) Unrealized Sales Profits	Unrealized sales profit at end of period
Subsidiaries	\$ <u>76,344</u>	<u>7,072</u>	<u>83,416</u>
Associates and joint ventures	\$ <u>47,511</u>	<u>1,054</u>	<u>48,565</u>

(iv) Construction

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

	For the years ended December 31	
	2025	2024
Associates and joint ventures		
Formosa Heavy Industries Corporation	\$ <u>208,456</u>	<u>601,688</u>

As of December 31, 2025 and 2024, there were \$0 and \$416 outstanding balance, respectively.

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(v) Utility expenses

Part of the utilities of the Company's Lin-Yuan plant and all of the utilities of the Company's Ren-Wu plant, including power, water and steam, are supplied by or paid on behalf of the Company by the utility plants of Formosa Plastics Corporation. The utilities of the Company's Mai Liao plant, including power, water and steam, are supplied by Formosa Petrochemical Corporation. The expenses for utilities for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Associates and joint ventures		
Formosa Petrochemical Corporation	\$ 3,626,701	3,850,697
Other related parties		
Formosa Plastics Corporation	132,429	121,942
	\$ 3,759,130	3,972,639

(vi) Property transactions

1) Acquisitions of financial assets

	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the year ended December 31, 2024
Associate - Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	250,000	Shares of stock of Formosa Smart Energy Tech Corporation	\$ 2,500,000

2) Purchase of property, plant and equipment

The purchase price of property, plant and equipment purchased from related parties were as follows:

	December 31, 2025	December 31, 2024
Subsidiaries		
Nan Ya Plastic (Guangzhou) Co., Ltd	\$ -	873
Associates		
Nan Ya Photonics Incorporation	152,109	192,375
	\$ 152,109	193,248

As of December 31, 2025 and 2024, there was no outstanding balance. For further description of the property, plant, and equipment, please refer to note 6(h).

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

3) Disposals of property, plant and equipment

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

	For the year ended December 31, 2025		For the year ended December 31, 2024	
	Disposal price	Gain (loss) from disposal	Disposal price	Gain (loss) from disposal
Associates and joint ventures	\$ 28,008	792	350	43

As of December 31, 2025 and 2024, there was no outstanding balance. Please refer to note 6(h) for the details of property, plant and equipment.

(vii) Loans to related parties

The loans to related parties were as follows:

	Other receivables from related parties	
	December 31, 2025	December 31, 2024
Subsidiaries		
Nan Chung Petrochemical Corporation	\$ 300,000	300,000

(viii) Endorsements and guarantees

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

	December 31, 2025	December 31, 2024
Associates and joint ventures		
Formosa Group (Cayman) Limited	\$ -	8,195,250

(ix) Leases

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

	For the years ended December 31	
	2025	2024
Subsidiaries		
Nan Ya PCB Corporation	\$ 312,278	299,912
Associates and joint ventures		
Nan Ya Technology Corporation	494,807	463,813
	\$ 807,085	763,725

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

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 Company's offices and buildings leased from its related parties, recognized as operating costs and expenses, were as follows:

<u>Financial Statement Account</u>		<u>December 31, 2025</u>	<u>December 31, 2024</u>
Other related parties			
Ming Chi University Of Technology	Lease liabilities	\$ 48,426	51,795
Subsidiaries			
Nan Ya PCB Corporation	Lease liabilities	-	11,578
		<u>\$ 48,426</u>	<u>63,373</u>
Interest expense			
For the years ended			
December 31			
		<u>2025</u>	<u>2024</u>
Other related parties			
Ming Chi University Of Technology		\$ 710	758
Subsidiaries			
Nan Ya PCB Corporation		57	178
		<u>\$ 767</u>	<u>936</u>

The rentals charged to related parties are determined base on the local market prices.

- (d) Key management personnel compensation

	<u>For the years ended December 31</u>	
	<u>2025</u>	<u>2024</u>
Short-term employee benefits	<u>\$ 177,348</u>	<u>169,082</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>Usage</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Current financial assets at fair value through other comprehensive income— stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	\$ 496,704	452,128
Investment accounted for using equity method— stock of Formosa Petrochemical Corporation	Others	The collateral to provisional execution in litigation	61,448	-
Other non current assets-cash in banks	Others	The collateral to provisional execution in litigation	73,602	73,602
Other current assets-time deposits	Others	The collateral to provisional execution in litigation	-	16,500
Land	Bank	Bank loans	90,813	-
Land	Long-term Borrowing	Bank loans	4,548,313	-
Total			<u>\$ 5,270,880</u>	<u>542,230</u>

(Continued)

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Notes to the Financial Statements

(9) Significant Commitments and contingencies:

	December 31, 2025	December 31, 2024
(a) Outstanding standby letter of credit	\$ 266,299	196,447
(b) Endorsements and guarantees	-	8,195,250
<p>(c) 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 5,172,500 thousand and USD 2,887,500 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>(d) 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>(e) 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>(f) 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 1,435,000 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>(g) Formosa Resources Corporation, a Company's investee company, signed a syndicated line of credit with various banks amounting to USD 555,000 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>		
<p>(h) 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.</p>		

(Continued)

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Notes to the Financial Statements

(i) Litigation between the Company and DBTEL Incorporated(a)

DBTEL Incorporated (DBTEL), a customer of the Company, placed multiple orders for LCD monitors in May 2003. However, DBTEL unexpectedly cancelled partial orders in June 2004. Additionally, DBTEL repeatedly changed the delivery schedule, and even refused to accept some delivery made by the Company, leading to a stock up of both raw materials and finished goods, as well as uncollectible accounts receivable, resulting in the Company to file a lawsuit against DBTEL in the Taiwan High Court on April 6, 2006, demanding for the damage claims of USD 5,392,620 and TWD 100,846,141.

On November 20, 2025, the Supreme Court rendered its Ruling No. 113TaiShang1913, stating that the original verdict was overturned, and thus, the case was remanded to the Taiwan High Court for further proceedings on the following matters: (i) The portion dismissing the claims of the appellant, Nan Ya Plastics Corporation, for payment of the principal amounts (with interest) of USD 2,099,265, TWD 63,616,980, and TWD 27,229,161, listed in Schedules 2, 3, and 4, respectively, of the original judgment; (ii) The appeals filed by the appellant, DBTEL, against the first instance order, which required it to pay the principal amounts (with interest) of USD 2,000,000 and TWD 10,000,000 (together with its claim for the return of TWD 79,472,838, paid under provisional execution), listed in Schedules 2 and 3, respectively, of the original judgment; as well as the corresponding portions concerning the litigation costs. The remainder of the appeal filed by DBTEL had been dismissed by the court, with DBTEL having to pay for the litigation costs in the third instance.

As for the Company's claims in this case, except for the portion involving the amount of USD 1,278,863 (principal and interest), for which the Company has already obtained a final and binding judgment, the remaining claims for the damages listed in Schedules 2, 3, and 4 have been remanded by the Supreme Court to the Taiwan High Court for a fourth round of appellate proceedings. The Company has engaged attorneys to defend its case.

(j) Litigation between the Company and DBTEL Incorporated (b)

DBTEL alleged that during the abovementioned transaction, the Company had delayed payment and had delivered defective goods, which led to losses from the inability to manufacture mobile phones for timely sale and increased customer returns.

As a result, the lawsuits filed by DBTEL to the Taipei District Court have all been dismissed on April 20, 2021. Dissatisfied with the court's decision, DBTEL filed an appeal to the Taiwan High Court, who subsequently revoked the case on February 25, 2025. Thereafter, DBTEL further appealed for a third instance to the Supreme Court, who then dismissed the case on December 30, 2025, with Civil Ruling No. 114TaiShang1067. (Note: The Company received the notification from the Supreme Court Clerk's Office on January 6, 2026.)

(10) Losses Due to Major Disasters:

On April 7, 2024, a fire broke out at the Company's Linkou plant, causing damage to its equipment and inventory amounting to \$241,332, recognized as "other gains and losses". Since the above assets were insured, the Company estimated the above recoverable claim to be \$217,199, recognized as "other income".

(11) Subsequent Events: None

(Continued)

NAN YA PLASTICS CORPORATION
Notes to the Financial Statements

(12) Other:

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

By item	By function	For the year ended December 31, 2025				For the year ended December 31, 2024			
		Operating costs	Operating expenses	Non-Operating expenses	Total	Operating costs	Operating expenses	Non-Operating expenses	Total
Employee benefit									
Salaries		8,749,429	3,772,777	-	12,522,206	8,929,303	3,761,186	-	12,690,489
Labor and health insurance		718,847	232,766	-	951,613	732,433	233,452	-	965,885
Pension expenses		386,351	149,117	-	535,468	409,448	159,681	-	569,129
Remuneration of directors		-	31,514	-	31,514	-	32,372	-	32,372
Others personnel expenses		222,180	62,868	-	285,048	236,515	65,014	-	301,529
Depreciation		6,027,739	803,312	10,192	6,841,243	6,232,853	605,464	13,008	6,851,325
Amortization		292,265	18,926	-	311,191	391,878	19,651	-	411,529

The company's number of employees and additional information on employee benefits are as follows:

	For the years ended December 31,	
	2025	2024
Number of employees	<u>11,458</u>	<u>11,904</u>
Number of non-concurrently employees by directors	<u>8</u>	<u>9</u>
Average employee benefit expenses	<u>\$ 1,248</u>	<u>1,221</u>
Average employee salary expenses	<u>\$ 1,094</u>	<u>1,067</u>
Adjustment of average employee salary expenses	<u>2.53 %</u>	<u>2.40 %</u>
Remuneration of the supervisors	<u>\$ -</u>	<u>-</u>

(a) Policy for directors' remuneration:

- (i) The Company's independent directors will receive the remuneration monthly, and they are also provided with transportation allowances based on their board meeting attendance.
- (ii) According to the Company's articles, the directors' remuneration is approved by the board of directors in accordance with the degree of participation and value of contributions to the operation of the Company, as well as the salary standards of the same peer or industry. Also, they are provided with transportation allowances based on their board meeting attendance.
- (iii) On June 22, 2010, the Company had approved to abolish the appropriation earnings for directors as remuneration at the Annual Stockholders' Meeting.

(b) Policy for remuneration of the Supervisors:

On June 23, 2016, the Company has established an Audit Committee to replace its Supervisors.

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Notes to the Financial Statements

(c) Policy for managers' remuneration:

According to the Company's Article 21 and Article 29 of the R.O.C. Company Act, the Company's managers will receive a monthly remuneration, performance bonus, annual bonus and managers' bonus. Also, The Company monthly allocates retirement pension (including both old and new) and welfare payments to their personal accounts in accordance with the provisions of the Company's Pension. Furthermore, an additional remuneration will be provided to managers under exceptional situations, such as executive retirement bonuses, severance payment, etc. Besides, the chairman of the board of directors will propose the adjustment to the remuneration committee after considering and evaluating the overall performance of the manager's responsibilities (including operational effectiveness, financial performance, industrial safety incidents, environmental sustainability, energy saving, etc.) as well as the achievement of the individual's "annual work target".

(d) Policy for employee remuneration:

The Company's employees are paid monthly. They will also receive their annual bonus, festival bonus, performance bonus and managers' bonus, depending on the business conditions of the Company. Besides, the monthly wages are adjusted with reference to the Consumer Price Index (CPI), industry salary level, and relevant economic data.

(13) Other disclosures

(a) Information on significant transactions:

- (i) Loans to other parties: Please see attached Table 1.
- (ii) Guarantees and endorsements for other parties: Please see attached Table 2.
- (iii) Information regarding significant securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): Please see attached Table 3.
- (iv) 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 4.
- (v) Information regarding receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 5.

(b) Information on investees: Please see attached Table 6.

(c) Information on investment in Mainland China: Please see attached Table 7.

(14) Segment information:

Please refer to the consolidated financial report as of and for the year ended December 31, 2025.

NAN YA PLASTICS CORPORATION
LOANS TO OTHER PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(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	Nan Ya Plastics (Hong Kong) Co., Ltd.	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	35,566,584	177,832,919
0	The Company	Formosa Plastics Group Investment Corp.	Other receivables from related parties	YES	100,000	-	-	-	2	-	Operating capital	-	-	-	35,566,584	177,832,919
0	The Company	Wellink Technology Corporation	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	35,566,584	177,832,919
0	The Company	PFG Fiber Glass Corporation	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	35,566,584	177,832,919
0	The Company	Nan Chung Petrochemical Corporation	Other receivables from related parties	YES	600,000	300,000	300,000	2.9%~2.9%	2	-	Operating capital	-	-	-	88,916,460	177,832,919
0	The Company	Formosa Plastics Construction Corporation	Other receivables from related parties	YES	200,000	150,000	-	-	2	-	Operating capital	-	-	-	88,916,460	177,832,919
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	7,600,000	5,700,000	-	-	2	-	Operating capital	-	-	-	88,916,460	177,832,919
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	6,000,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,916,460	177,832,919
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	6,000,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,916,460	177,832,919
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	6,000,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,916,460	177,832,919
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.	Other receivables from related parties	YES	3,143,800	3,143,800	2,615,367	5.114%~5.601%	2	-	Operating capital	-	-	-	21,735,945	43,471,891
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Other receivables from related parties	YES	5,344,460	5,344,460	5,052,691	5.114%~5.249%	2	-	Operating capital	-	-	-	21,735,945	43,471,891
2	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	1,789,058	1,789,058	1,789,058	0.7004%	2	-	Operating capital	-	-	-	43,897,983	87,795,965
3	Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Other receivables from related parties	YES	23,000	23,000	-	-	2	-	Operating capital	-	-	-	25,344	253,443
3	Wen Fung Industrial Co., Ltd.	Formosa Environmental Technology Corporation	Other receivables from related parties	YES	60,000	-	-	2.17644%~2.178038%	2	-	Operating capital	-	-	-	101,377	253,443
4	Nan Ya Trading (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	1,341,794	1,252,341	1,252,341	2.10%~2.40%	2	-	Operating capital	-	-	-	1,980,231	3,960,463
5	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	51,435	29,072	29,072	2.40%~2.48%	2	-	Operating capital	-	-	-	280,080	560,160
5	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	76,035	76,035	76,035	2.40%~2.76%	2	-	Operating capital	-	-	-	280,080	560,160
6	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	174,433	174,433	174,433	2.10%~2.48%	2	-	Operating capital	-	-	-	185,379	370,758
7	Nantong Huafeng Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	49,199	48,752	48,752	2.40%~2.48%	2	-	Operating capital	-	-	-	53,707	107,414
8	Nan Ya Electric (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	313,085	313,085	313,085	2.40%~2.40%	2	-	Operating capital	-	-	-	629,099	1,258,198
9	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	2,052,945	952,674	952,674	2.10%~2.48%	2	-	Operating capital	-	-	-	26,019,136	52,038,273
9	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Other receivables from related parties	YES	5,031,727	3,533,390	2,638,861	2.10%~2.76%	2	-	Operating capital	-	-	-	26,019,136	52,038,273
10	PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Other receivables from related parties	YES	223,632	143,125	143,125	2.40%~2.40%	2	-	Operating capital	-	-	-	4,457,013	8,914,027

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 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 December 31, 2025 (in average) is 31.438(31.144).

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 December 31, 2025 (in average) is 4.0305(3.9929) : 1.

NAN YA PLASTICS CORPORATION
GUARANTEES AND ENDORSEMENTS FOR OTHER PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2025
(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 December 31, 2025	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	231,182,795	8,295,500	-	-	-	0.00%	462,365,589	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
INFORMATION REGARDING SIGNIFICANT SECURITIES HELD AT THE REPORTING DATE
(SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES NOT INCLUDED)
DECEMBER 31, 2025
(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	December 31, 2025				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Mega International Private USD Money Market	-	Financial assets valued at FVTPL – current	4,554	1,849,655	-	1,849,655	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI – current	294,793	11,496,931	4.63%	11,496,931	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI – current	140,520	4,510,681	2.40%	4,510,681	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI – non current	3	9,179,041	19.00%	9,179,041	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI – non current	2	1,322,879	0.51%	1,322,879	
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	4,708	39,682	18.00%	39,682	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI – non current	20,471	214,890	18.00%	214,890	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI – non current	39,562	1,017,791	17.98%	1,017,791	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI – non current	16,234	392,719	15.00%	392,719	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI – non current	63,717	1,476,296	14.99%	1,476,296	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI – non current	2,925	371,459	12.50%	371,459	
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	14,543	1.04%	14,543	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI – non current	1,287	5,489	0.80%	5,489	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	December 31,2025				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	38,889	0.79%	38,889	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI – non current	2,344	21,258	3.91%	21,258	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI – non current	492	3,087	1.97%	3,087	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI – non current	621,178	6,249,152	11.43%	6,249,152	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI – current	2,996	116,844	0.05%	116,844	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL – non current	-	396,406	-	396,406	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL – non current	-	228,249	-	228,249	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI – non current	-	161,448	15.00%	161,448	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI – non current	-	149,051	15.00%	149,051	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$496,704.

NAN YA PLASTICS CORPORATION
INFORMATION 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 YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan Dollars)

TABLE 4

Company Name	Related Party	Relationship	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	Other related parties	(Sales)	(1,267,443)	(1.11)%	30 days	-	-	133,903	0.88%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(3,313,109)	(2.90)%	30 days	-	-	206,787	1.36%	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(508,949)	(0.45)%	30 days	-	-	50,895	0.33%	
The Company	Nan Ya PCB Corporation	Parent-subsidiary	(Sales)	(1,812,883)	(1.59)%	30 days	-	-	92,465	0.61%	
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(1,727,663)	(1.51)%	30 days	-	-	147,180	0.97%	
The Company	Nanya Technology Corporation	Associates	(Sales)	(238,616)	(0.21)%	30 days	-	-	18,515	0.12%	
The Company	Formosa Heavy Industries Corporation	Associates	(Sales)	(490,471)	(0.43)%	30 days	-	-	285,029	1.87%	
The Company	Formosa Taifeta Co., Ltd.	Other related parties	(Sales)	(392,923)	(0.34)%	30 days	-	-	31,595	0.21%	
The Company	Nan Ya Plastics Corporation U.S.A.	Parent-subsidiary	(Sales)	(1,329,875)	(1.16)%	O/A105 days	-	-	590,142	3.88%	
The Company	Nan Ya Plastics Corporation America	Parent-subsidiary	(Sales)	(319,914)	(0.28)%	O/A105 days	-	-	123,216	0.81%	
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Parent-subsidiary	(Sales)	(4,010,952)	(3.51)%	O/A180 days	-	-	942,201	6.19%	
The Company	Nan Ya Plastics (Nantong) Co., Ltd.	Parent-subsidiary	(Sales)	(230,311)	(0.20)%	O/A150 days	-	-	49,033	0.32%	
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Parent-subsidiary	(Sales)	(3,229,721)	(2.83)%	O/A150 days	-	-	764,822	5.03%	
The Company	Formosa Industries Corporation	Associates	(Sales)	(587,234)	(0.51)%	O/A150 days	-	-	104,844	0.69%	
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Parent-subsidiary	(Sales)	(190,569)	(0.17)%	O/A150 days	-	-	73,882	0.49%	
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	Parent-subsidiary	(Sales)	(1,167,544)	(1.02)%	O/A150 days	-	-	14,857	(0.10)%	
The Company	PFG Fiber Glass Corporation	Parent-subsidiary	(Sales)	(118,886)	(0.10)%	30 days	-	-	20,919	0.14%	
The Company	Formosa Plastics Corporation	Other related parties	Purchases	5,971,569	9.15%	30 days	-	-	(469,884)	(7.19)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	15,363,957	23.54%	30 days	-	-	(1,099,034)	(16.82)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	17,907,356	27.43%	30 days	-	-	(1,117,595)	(17.10)%	
The Company	PFG Fiber Glass Corporation	Parent-subsidiary	Purchases	2,013,787	3.08%	30 days	-	-	(182,840)	(2.80)%	
The Company	Formosa Industries Corporation	Associates	Purchases	384,220	0.59%	O/A150 days	-	-	(37,980)	(0.58)%	
The Company	Formosa Ineos Chemicals Corporation	Other related parties	Purchases	158,178	0.24%	30 days	-	-	(9,733)	(0.15)%	
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Parent-subsidiary	Purchases	530,809	0.81%	O/A150 days	-	-	(141,800)	(2.17)%	
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Parent-subsidiary	Purchases	789,309	1.21%	O/A150 days	-	-	(137,691)	(2.11)%	
Nan Ya PCB Corporation	The Company	Parent-subsidiary	Purchases	1,812,883	14.14%	30 days	-	-	(92,465)	(7.23)%	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Purchases	105,139	0.82%	30 days	-	-	(8,728)	(0.68)%	
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Parent-subsidiary	Purchases	4,586,733	35.78%	30 days	-	-	(445,157)	(34.80)%	
Nan Ya PCB Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(417,839)	(1.41)%	70 days	-	-	4,244	0.06%	
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Parent-subsidiary	(Sales)	(4,586,733)	(30.07)%	30 days	-	-	445,157	15.29%	
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	Purchases	675,030	7.72%	60 days	-	-	(43,797)	(4.85)%	
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(421,143)	(2.76)%	70 days	-	-	50,884	1.75%	
Nan Ya PCB (Kunshan) Corporation	Wellink Technology Corporation	Associates	Purchases	102,702	1.17%	60 days	-	-	(21,738)	(2.41)%	
Wellink Technology Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	(Sales)	(102,702)	(51.83)%	O/A150 days	-	-	21,738	52.38%	
PFG Fiber Glass Corporation	The Company	Parent-subsidiary	(Sales)	(2,013,787)	(68.64)%	30 days	-	-	182,840	74.47%	
PFG Fiber Glass Corporation	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	321,091	14.31%	30 days	-	-	(26,748)	(11.52)%	
PFG Fiber Glass Corporation	The Company	Parent-subsidiary	Purchases	118,886	5.30%	30 days	-	-	(20,919)	(9.01)%	
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	503,478	15.06%	payment within one month	-	-	(44,166)	(5.41)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent-subsidiary	Purchases	1,329,875	39.79%	O/A105 days	-	-	(590,142)	(72.24)%	
Nan Ya Plastics Corporation U.S.A.	Nan Ya Plastics Corporation America	Associates	Purchases	165,640	4.96%	payment within one month	-	-	(15,315)	(1.87)%	
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(231,803)	(0.87)%	payment within one month	-	-	857	0.03%	
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.	Associates	(Sales)	(165,640)	(0.62)%	payment within one month	-	-	15,315	0.45%	
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	3,541,654	13.93%	payment within one month	-	-	(15,732)	(2.01)%	

Company Name	Related Party	Relationship	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	
Nan Ya Plastics Corporation America	The Company	Parent-subsiary	Purchases	319,914	1.26%	O/A105 days	-	-	(123,216)	(15.76)%	
Nan Ya Plastics Corporation America	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	144,080	0.57%	30 days	-	-	(50,278)	(6.43)%	
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Parent-subsiary	Purchases	936,720	3.69%	payment within one month	-	-	(199,139)	(25.46)%	
Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	Parent-subsiary	(Sales)	(936,720)	(6.78)%	payment within one month	-	-	199,139	19.32%	
Nan Ya Plastics Corporation Texas	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(452,482)	(3.28)%	payment within one month	-	-	2,618	0.25%	
Nan Ya Plastics Corporation Texas	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	10,772,716	98.73%	payment within one month	-	-	(745,413)	(38.27)%	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	(Sales)	(2,088,735)	(58.44)%	60 days	-	-	259,683	41.25%	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	(Sales)	(519,703)	(14.54)%	60 days	-	-	229,500	36.46%	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Other related parties	Purchases	114,893	5.55%	60 days	-	-	(11,350)	(5.99)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent-subsiary	Purchases	4,010,952	28.94%	O/A180 days	-	-	(942,201)	(22.79)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Associates	Purchases	519,703	3.75%	60 days	-	-	(229,500)	(5.55)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	Purchases	7,656,506	55.25%	180 days	-	-	(2,742,909)	(66.36)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	(Sales)	(155,309)	(0.97)%	180 days	-	-	30,834	0.58%	
Nan Ya Plastics (Nantong) Co., Ltd.	The Company	Parent-subsiary	Purchases	230,311	6.06%	O/A150 days	-	-	(49,033)	(14.23)%	
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	571,234	15.03%	60 days	-	-	(23,505)	(6.82)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	(Sales)	(4,767,955)	(35.88)%	60 days	-	-	138,274	29.74%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	6,961,754	58.94%	60 days	-	-	(449,574)	(64.76)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Parent-subsiary	Purchases	1,167,544	9.89%	O/A150 days	-	-	14,857	2.14%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent-subsiary	(Sales)	(530,809)	(1.15)%	O/A150 days	-	-	141,800	1.02%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	(Sales)	(7,656,506)	(16.57)%	180 days	-	-	2,742,909	19.76%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Associates	(Sales)	(675,030)	(1.46)%	30 days	-	-	43,797	0.32%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(114,893)	(0.25)%	60 days	-	-	11,350	0.08%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	(Sales)	(345,894)	(0.75)%	60 days	-	-	34,659	0.25%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent-subsiary	Purchases	3,229,721	8.24%	O/A150 days	-	-	(764,822)	(30.54)%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Associates	Purchases	2,088,735	5.33%	60 days	-	-	(259,683)	(10.37)%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	Purchases	155,309	0.40%	180 days	-	-	(30,834)	(1.23)%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Associates	Purchases	4,767,955	12.16%	60 days	-	-	(138,274)	(5.52)%	
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent-subsiary	Purchases	190,569	10.05%	O/A150 days	-	-	(73,882)	(42.74)%	
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	Purchases	345,894	18.24%	60 days	-	-	(34,659)	(20.05)%	
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Formosa Industries Corporation	Associates	(Sales)	(264,738)	(8.76)%	O/A151 days	-	-	46,673	15.56%	
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent-subsiary	(Sales)	(789,309)	(26.11)%	O/A150 days	-	-	137,691	45.89%	

NAN YA PLASTICS CORPORATION
INFORMATION REGARDING RECEIVABLES FROM RELATED-PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF TWD 100 MILLION OR 20% OF THE CAPITAL STOCK
DECEMBER 31, 2025
(Expressed in thousands of New Taiwan Dollars)

TABLE 5

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 :	133,903	9.58	-	-	62,855	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	206,787	8.50	-	-	206,787	-
The Company	Formosa Petrochemical Corporation	Associates	Receivables from related parties :	147,180	9.66	-	-	125,438	-
The Company	Formosa Heavy Industries Corporation	Associates	Receivables from related parties :	285,029	1.57	-	-	251,091	-
The Company	Nan Ya Plastics Corporation U.S.A.	Parent-subsiidiary	Receivables from related parties :	590,142	2.16	-	-	18,704	-
The Company	Nan Ya Plastics Corporation America	Parent-subsiidiary	Receivables from related parties :	123,216	2.75	-	-	12,912	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Parent-subsiidiary	Receivables from related parties :	942,201	4.70	-	-	329,878	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Parent-subsiidiary	Receivables from related parties :	764,822	4.83	-	-	146,296	-
The Company	Formosa Industries Corporation	Associates	Receivables from related parties :	104,844	7.39	-	-	10,039	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Parent-subsiidiary	Receivables from related parties :	445,157	11.37	-	-	445,157	-
PFG Fiber Glass Corporation	The Company	Parent-subsiidiary	Receivables from related parties :	182,840	11.30	-	-	166,939	-
Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	Parent-subsiidiary	Receivables from related parties :	199,139	3.20	-	-	194,193	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	Receivables from related parties :	259,683	9.59	-	-	259,683	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	Receivables from related parties :	229,500	2.81	-	-	111,112	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Associates	Receivables from related parties :	138,274	21.01	-	-	138,274	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent-subsiidiary	Receivables from related parties :	141,800	5	-	-	85,680	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	Receivables from related parties :	2,742,909	3.04	-	-	1,542,262	-
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent-subsiidiary	Receivables from related parties :	137,691	5.33	-	-	112,109	-
The Company	Nan Chung Petrochemical Corporation	Parent-subsiidiary	Other receivables from related parties :	300,000	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Parent-subsiidiary	Other receivables from related parties :	5,052,691	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.	Associates	Other receivables from related parties :	2,615,367	Note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Parent-subsiidiary	Other receivables from related parties :	1,789,058	Note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	Other receivables from related parties :	313,085	Note	-	-	-	-
Nan Ya Trading (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	Other receivables from related parties :	1,252,341	Note	-	-	-	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	Other receivables from related parties :	143,125	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	Other receivables from related parties :	952,674	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Associates	Other receivables from related parties :	2,638,861	Note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Associates	Other receivables from related parties :	174,433	Note	-	-	-	-

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

NAN YA PLASTICS CORPORATION
INFORMATION ON INVESTEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan Dollars)

TABLE 6

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of December 31, 2025			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				December 31, 2025	December 31, 2024	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%	3,393,185	52,015	52,015	Note 3
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%	43,471,891	(1,316,681)	(1,316,681)	Note 3
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%	87,703,845	2,300,096	2,300,096	Note 3
The Company	Superior World Wide Trading Co., Ltd. (Note 1)	Hong Kong	plastics trading and investment	33,677	33,677	14	100.00%	927,277	71,318	71,318	Note 3
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%	1,386,516	(465,669)	(155,223)	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%	7,563,561	100,740	80,697	Note 3
The Company	Formosa Industries Corporation (Note 2)	Vietnam	chemical fiber, dyeing and finishing and electric power	8,435,875	8,435,875	-	42.50%	4,660,356	(133,181)	(56,602)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	30,882,868	1,946,775	1,305,825	Note 3
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	-	26,959	10	100.00%	-	(53)	(53)	Note 3.5
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.28%	49,894,474	6,613,772	1,936,567	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	274,541	28,913	7,803	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	82,189,183	9,875,335	2,281,990	Note 3.4
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	2,573,953	(210,279)	(383,541)	Note 3
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	717,054	(220,843)	(110,587)	Note 3
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	259,195	5,635	5,560	Note 3
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	381,839	123,172	55,429	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	18,789	142	64	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	5,836,526	(105,944)	(34,867)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,475,326	242,674	80,892	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of December 31, 2025			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				December 31, 2025	December 31, 2024	Shares (in thousands)	%	Carrying Value			
The Company	Hwa Ya Technology Park Management Consulting Corporation	Taiwan	service business	359	359	34	34.00%	5,406	589	199	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	19,962	(61)	(18)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	868,812	24.94%	18,011,667	3,048,346	760,314	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	831,466	831,466	13,372	29.01%	315,002	56,368	16,354	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	9,099,071	9,099,071	909,907	25.00%	4,062,093	(7,627,797)	(1,906,949)	Note 3
The Company	Formosa Group (Cayman) Limited	Cayman Islands	investment	-	377	-	- %	-	163,919	40,980	Note 3.6
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	1,100,000	1,100,000	110,000	33.33%	1,043,087	48,459	16,153	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,088,942	(18,136)	(1,814)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	4,250,000	4,250,000	425,000	25.00%	4,158,658	(485,056)	(121,264)	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	251,504	251,504	-	12.10%	2,871,342	1,071,141	130,686	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	30,809,240	30,809,240	3	100.00%	13,205,796	(2,222,421)	(2,222,421)	Note 3
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,162,148	2,162,148	-	21.00%	5,353,735	2,363,321	493,150	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%	19,880,812	(135,831)	(135,831)	Note 3
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	U.S.A.	retargeting	3,479	3,479	1,000	100.00%	23,438	1,986	1,986	Note 3
Nan Ya PCB Corporation	Formosa Advanced Technologies Co.,LTD.	Taiwan	IC packaging, testing and modules	472,968	472,968	13,267	3.00%	500,196	602,632	18,343	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%	19,865,001	(136,341)	(136,341)	Note 3
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	134,092	4,260	4,260	Note 3
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	127,227	127,227	5	50.00%	286,273	83,809	41,904	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 December 31, 2025 (in average) is 31.438(31.144) : 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 December 31, 2025 (in average) is 4.0305(3.9929) : 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 December 31, 2025 (in average) is 0.001198688(0.001198169) : 1.

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

Note 4 : The Company pledged its shares of Formosa Petrochemical Corporation of 1,646 thousand common shares amounting to \$61,448.

Note 5 : The liquidation process of Formosa Plastics Group Investment Corp. was still in progress as of December 31, 2025.

Note 6 : Formosa Group (Cayman) Limited completed its liquidation in 2025, with the approval of its board.

NAN YA PLASTICS CORPORATION
INFORMATON ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2025
(Expressed in thousands of New Taiwan Dollars)

TABLE 7**(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, 2025	For The Year Ended December 31, 2025		Investment Transferred from Taiwan as of December 31, 2025	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Nan Ya Plastics (Guangzhou) Co., Ltd.	production of polyester products	1,998,681	Indirect investment	1,998,681	-	-	1,998,681	(73,004)	100.00%	(73,004)	1,632,872	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	97,551	85.00%	82,918	1,044,037	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	163,254	100.00%	163,254	3,568,692	522,967
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	production of electronic materials, glass fabrics, copper clad	12,208,913	Indirect investment	5,489,509	-	-	5,489,509	489,797	100.00%	489,797	16,875,426	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	228	- %	228	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	sale of plastic products, steam and electricity	4,540,736	Indirect investment	3,008,918	-	-	3,008,918	249,293	100.00%	249,293	8,338,915	2,784,822
China Nantong Huafeng Co., Ltd.	trading	93,004	Indirect investment	99,636	-	-	99,636	5,548	100.00%	5,548	376,451	-
Nantong Huafu Plastics Co., Ltd.	trading	79,111	Indirect investment	71,503	-	-	71,503	1,090	100.00%	1,090	108,532	-
Nan Ya Electric (Nantong) Co.,Ltd.	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	27,364	100.00%	27,364	1,229,017	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	(44,079)	50.00%	(22,040)	190,986	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	production of copper clad laminate, polyester products, steam and electricity, copper clad, epoxy	15,159,216	Indirect investment	15,159,216	-	-	15,159,216	2,221,579	100.00%	2,221,579	43,054,447	32,949,044
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	production of polyester products	7,035,085	Indirect investment	7,035,085	-	-	7,035,085	(167,195)	100.00%	(167,195)	(2,091,762)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	14,983	50.00%	7,492	79,367	-
Nan Ya Plastics (Ningbo) Co., Ltd.	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	(808,155)	100.00%	(808,155)	10,118,012	1,789,880
PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	99,446	100.00%	99,446	7,755,006	724,580

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, 2025	For The Year Ended December 31, 2025		Investment Transferred from Taiwan as of December 31, 2025	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	345,645	Indirect investment	34,591	-	-	34,591	-	15.00%	-	161,448	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	-	149,051	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(465,669)	33.33%	(155,223)	1,386,516	-

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

Note 1: The Company's indirectly invested entity in Mainland China, Nan Ya Trading (Huizhou) Co., Ltd., had completed its liquidation and dissolution procedures and had applied for deregistration of the investment. However, the Company had yet to apply to the Investment Commission of the Ministry of Economic Affairs for the deregistration of the investment amount.

(b) Quota for investments in Mainland China :

Accumulative Remittance from Taiwan to Mainland China as of December 31, 2025 (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	60,200,692	-

Note 1 : Reporting currency of Chinese subsidiaries is CNY, and the monetary amount is first translated to HKD using the exchange rate as of December 31, 2025 (in average) is 1 : 1.1097(1.0920), and translated to TWD using the exchange rate as of December 31, 2025 (in average) is 1 : 4.0305(3.9929).

Note 2 : It includes the amount of \$3,024,033 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 December 31, 2025, please refer to the attachment of note 13 for "Information on significant transactions".

NAN YA PLASTICS CORPORATION

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Asset</u>	<u>Description</u>	<u>Number of Shares</u>	<u>Acquisition Cost</u>	<u>Fair Value</u>		<u>Note</u>
				<u>Unit Cost</u>	<u>Total Amount</u>	
Funds	Mega Internaitonal Private USD Money Market	4,554	\$ <u>1,495,338</u>	406.10	<u>1,849,655</u>	

NAN YA PLASTICS CORPORATION

Statement of financial assets measured at fair value through other comprehensive income - current

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Asset</u>	<u>Description</u>	<u>Number of Shares</u>	<u>Acquisition Cost</u>	<u>Fair Value</u>		<u>Note</u>
				<u>Unit Cost</u>	<u>Total Amount</u>	
Shares of Stock	Formosa Plastics Corporation	294,793	\$ 2,604,713	39.00	11,496,931	For detailed information concerning pledged assets please see Note 8.
"	Formosa Chemicals and Fiber Corporation	140,520	<u>1,435,800</u>	32.10	<u>4,510,681</u>	
Total			<u>\$ 4,040,513</u>		<u>16,007,612</u>	

NAN YA PLASTICS CORPORATION

Statement of notes receivable

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
CHIN-POON INDUSTRIAL CO., LTD.	\$ 59,221
NAKOSIN ENTERPRISE CO., LTD.	194,270
Others (Note)	1,163,720
Less: Loss allowance	<u>(7,032)</u>
Total	<u>\$ 1,410,179</u>

Note: Items that do not reach the five percent benchmark for this account.

Statement of trade receivables

Item	Description	Amount
Others (Note)	Ordinary Clients	\$ 10,098,131
Less: Loss allowance	"	<u>(42,840)</u>
Total		<u>\$ 10,055,291</u>
Formosa Chemicals and Fiber Corporation	Related party	\$ 206,787
Nan Ya PCB Corporation	"	159,055
Nan Ya Plastics Corporation U.S.A	"	590,142
Formosa Petrochemical Corporation	"	147,180
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	"	942,201
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	"	764,822
Others (Note)	"	<u>938,743</u>
Total		<u>\$ 3,748,930</u>

Note: Items that do not reach the five percent benchmark for this account.

NAN YA PLASTICS CORPORATION

Statement of inventories

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>	
	<u>Cost</u>	<u>Net Realizable Value</u>
Raw Materials	\$ 4,953,047	4,952,011
Other Materials	69,442	69,442
Work-in-Process	6,819,156	6,685,038
Finished Goods	6,382,033	6,331,987
Parts Work-in-Process	4,688,896	4,688,896
Out-sourced processing	273,982	273,982
Inventory in transit	37,552	37,552
Consigned Inventory	<u>5,674</u>	<u>5,674</u>
Subtotal	23,229,782	<u>23,044,582</u>
Less: Allowance to reduce inventory to market prices	<u>(254,642)</u>	
Inventory, net	<u>\$ 22,975,140</u>	

NAN YA PLASTICS CORPORATION

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Additions		Disposals		Dividend from Investees		Others		Income (loss) from Investments	Ending Balance			Note
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Share Dividend (Number of shares)	Cash Dividend	Number of Shares	Amount		Number of Shares	Percentage of Ownership	Amount	
Nan Ya Plastics Corporation U.S.A.	2	\$ 3,226,265	-	-	-	-	-	-	-	15,197	52,015	2	100.00	3,293,477	Note 1
Nan Ya Plastics Corporation America	60	43,086,551	-	-	-	-	-	-	-	-	(1,316,681)	60	100.00	41,769,870	
Nan Ya Plastics (Hong Kong) Co., Ltd	1,015,653	99,722,528	-	-	-	-	-	(9,278,250)	-	(414,320)	2,300,096	1,015,653	100.00	92,330,054	Note 1
Superior World Wide Trading Co., Ltd	14	1,150,475	-	-	-	-	-	(188,160)	-	-	71,318	14	100.00	1,033,633	
Formosa Synthetic Rubber (Hong Kong) Corporation Limited	138,333	1,528,355	-	-	-	-	-	-	-	-	(155,223)	138,333	33.33	1,373,132	
PFG Fiber Glass (Hong Kong) Corporation Limited	76	8,305,360	-	-	-	-	-	(442,280)	-	-	80,697	76	100.00	7,943,777	
Formosa Industries Corporation	-	6,037,866	-	-	-	-	-	-	-	3,206	(56,602)	-	42.50	5,984,470	Note 1
Nan Ya PCB Corporation	432,745	30,513,739	-	-	-	-	-	(432,745)	-	(102,959)	1,305,825	432,745	66.97	31,283,860	Note 1
Formosa Plastics Group Investment Corp.	10	1,086	-	-	-	100	-	(933)	-	-	(53)	10	100.00	-	Note 2
Nan Ya Technology Corporation	907,304	47,010,717	-	-	-	-	-	-	-	205,495	1,936,567	907,304	29.28	49,152,779	Note 1
Formosa Environmental Technology Corporation	46,257	266,611	-	-	-	-	-	-	-	84	7,803	46,257	26.99	274,498	Note 1
Formosa Petrochemical Corporation	2,201,306	68,102,484	-	-	-	-	-	(1,761,045)	-	13,318,794	2,281,990	2,201,306	23.11	81,942,223	Note 1
PFG Fiber Glass Corporation	100,000	3,003,290	-	-	-	-	-	-	-	(45,796)	(383,541)	100,000	100.00	2,573,953	Note 1
Nan Chung Petrochemical Corporation	100,000	827,075	-	-	-	-	-	-	-	566	(110,587)	100,000	50.00	717,054	Note 1
Wen Fung Industrial Co., Ltd	17,523	253,518	-	-	-	-	-	-	-	117	5,560	17,523	100.00	259,195	Note 1
Formosa Automobile Sales Corporation	27,046	393,433	-	-	-	-	-	(65,647)	-	(1,376)	55,429	27,046	45.00	381,839	Note 1
Ya Tai Development Corporation	1,304	18,725	-	-	-	-	-	-	-	-	64	1,304	44.96	18,789	
Formosa Heavy Industries Corporation	656,517	5,999,725	-	-	-	-	-	-	-	70,771	(34,867)	656,517	32.91	6,035,629	Note 1
Formosa Plastics Transport Corporation	6,566	1,405,816	-	-	-	-	-	-	-	3,100	80,892	6,566	33.33	1,489,808	Note 1
Hwa Ya Technology Park Management Corporation	34	5,213	-	-	-	-	-	-	-	(6)	199	34	34.00	5,406	Note 1
Yi-Jih Development Corporation	1,221	19,980	-	-	-	-	-	-	-	-	(18)	1,221	29.22	19,962	
Mai Liao Power Corporation	764,193	16,283,450	-	-	-	-	-	-	-	1,086,451	760,314	764,193	24.94	18,130,215	Note 1
Nan YA Photonics Incorporation	13,372	314,151	-	-	-	-	-	(19,603)	-	2,535	16,354	13,372	29.01	313,437	Note 1
Formosa Resources Corporation	830,047	5,321,117	-	-	-	-	-	-	-	-	(1,906,949)	830,047	25.00	3,414,168	
Formosa Group (Cayman) Limited	13	928,273	-	-	13	935,478	-	-	-	(33,775)	40,980	-	-	-	Note 3
Formosa Plastics Construction Corporation	60,000	1,016,074	-	-	-	-	-	-	-	10,860	16,153	60,000	33.33	1,043,087	Note 1
FG Inc.	2	1,045,391	-	-	-	-	-	-	-	(1)	(1,814)	2	10.00	1,043,576	Note 1
Formosa Smart Energy Tech Corporation	350,000	4,174,692	-	-	-	-	-	-	-	105,230	(121,264)	350,000	25.00	4,158,658	Note 1
Subtotal		349,961,960		-		935,578		(12,188,663)		14,224,173	4,924,657			355,986,549	
Add : Loss from foreign exchange		3,039,093		-		-		-		(6,710,446)				(3,671,353)	
		\$ 353,001,053		-		935,578		12,188,663		7,513,727				352,315,196	

Note 1: Others is mainly comprised of adjustmet on initial application of IFRS 16, financial assets' unrealized profit or loss, capital surplus, downstream realized (unrealized) profit or loss, actuarial gains and losses and gains from re-measuring fair value of original interest from business combination are proportionately recognized and accounted for using equity method.

Note 2: The liquidation process of Formosa Plastics Group Investment Corp. was still in progress as of December 31, 2025.

Note 3: Others is reclassified the cumulative translation adjustment of the foreign operation.

NAN YA PLASTICS CORPORATION

Statement of short-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Categories</u>	<u>Creditor</u>	<u>End of Term Amount</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>
Credit Loans	Bank of Taiwan	\$ 2,000,000	2025.09.08~2026.03.06	1.75%	Nil
Credit Loans	Taiwan Cooperative Bank	1,500,000	2025.12.05~2026.11.30	1.85%	Nil
Credit Loans	Taiwan Cooperative Bank	200,000	2025.08.29~2026.08.24	1.85%	Nil
Credit Loans	Taiwan Cooperative Bank	900,000	2025.09.26~2026.09.21	1.85%	Nil
Credit Loans	First Commercial Bank	2,000,000	2025.12.24~2026.01.24	1.85%	Collateral
Credit Loans	Hua Nan Commercial Bank	457,100	2025.12.15~2026.01.14	1.85%	Nil
Credit Loans	Hua Nan Commercial Bank	1,244,500	2025.12.31~2026.01.30	1.85%	Nil
Credit Loans	Hua Nan Commercial Bank	1,903,100	2025.12.05~2026.01.04	1.85%	Nil
Credit Loans	Bank of China	1,000,000	2025.12.22~2026.01.22	1.79%	Nil
Credit Loans	Bank of Communications	1,700,000	2025.12.19~2026.01.19	1.85%	Nil
Credit Loans	Bank of Communications	1,000,000	2025.12.24~2026.11.23	1.85%	Nil
Credit Loans	Mega International Commercial Bank	3,000,000	2025.12.11~2026.01.09	1.83%	Nil
Credit Loans	Mega International Commercial Bank	990,000	2025.12.17~2026.01.16	1.83%	Nil
Credit Loans	Taipei Fubon Bank	500,000	2025.12.12~2026.01.12	1.85%	Nil
Credit Loans	Taipei Fubon Bank	1,000,000	2025.12.05~2026.01.05	1.85%	Nil
Credit Loans	Mizuho Bank	1,370,000	2025.09.23~2026.03.23	1.76%	Nil
Credit Loans	HSBC Bank (Taiwan) Limited	1,000,000	2025.04.11~2026.01.12	1.96%	Nil
Credit Loans	Banco Bilbao Vizcaya Argentaria, S.A.	1,000,000	2025.04.11~2026.04.10	2.05%	Nil
Credit Loans	Taiwan Business Bank Co., Ltd.	2,000,000	2025.12.19~2026.01.19	1.84%	Nil
Credit Loans	Yuanta Bank	270,000	2025.09.17~2026.02.13	1.86%	Nil
Credit Loans	CTBC Bank Co., Ltd.	1,000,000	2025.04.16~2026.04.16	2.02%	Nil
Credit Loans	CTBC Bank Co., Ltd.	500,000	2025.03.04~2026.03.04	2.05%	Nil
Credit Loans	DBS Bank Ltd.	1,000,000	2025.02.27~2026.02.26	2.10%	Nil
Credit Loans	DBS Bank Ltd.	1,000,000	2025.04.14~2026.04.14	2.05%	Nil
Credit Loans	Credit Agricole Corporate and Investment Bank	1,500,000	2025.01.21~2026.01.21	2.03%	Nil
Credit Loans	Credit Agricole Corporate and Investment Bank	<u>1,000,000</u>	2025.03.12~2026.03.12	2.05%	Nil
Total		<u>\$ 31,034,700</u>			

NAN YA PLASTICS CORPORATION

Statement of long-term borrowings

December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Creditor</u>	<u>Loan Amount</u>		<u>Total</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Collateral</u>	<u>Note</u>
	<u>Current portion of long-term debts</u>	<u>Noncurrent portion of long-term debts</u>					
Syndicated Loans with Bank of Taiwan and other 10 participating banks	\$ 5,997,813	-	5,997,813	2023.07.27~2026.07.27	1.8632%	Nil	Debt will be repaid in one installment.
CTBC Bank Co., Ltd.	500,000	-	500,000	2025.03.04~2026.10.15	2.0500%	Nil	Debt will be repaid in one installment.
CTBC Bank Co., Ltd.	-	1,000,000	1,000,000	2025.12.17~2027.10.07	1.9300%	Nil	Debt will be repaid in one installment.
Bank of Taiwan	-	6,500,000	6,500,000	2024.09.25~2027.09.12	1.7500%	Collateral (Land)	Debt will be repaid in one installment.
Mizuho Bank	-	1,000,000	1,000,000	2025.12.26~2027.08.29	1.7900%	Nil	Debt will be repaid in one installment.
Cathay United Bank	-	2,000,000	2,000,000	2025.12.26~2027.12.30	1.8780%	Nil	Debt will be repaid in one installment.
First Commercial Bank	-	3,000,000	3,000,000	2025.12.29~2027.06.19	1.9000%	Nil	Debt will be repaid in one installment.
Agreements with several bills finance companies for the issuance	-	8,988,802	8,988,802	2025.10.09~2030.10.09	2.0207%~2.0233%	Nil	CP will be rolled over upon maturity, which has a maximum of 90 days
Grand Bills Finance Corporation	-	2,496,702	2,496,702	2025.04.10~2028.04.09	1.9160%	Nil	CP will be rolled over upon maturity, which has a maximum of 90 days
Mega Bills Finance Co., Ltd.	-	2,997,173	2,997,173	2025.03.25~2028.03.24	1.8897%~1.9380%	Nil	CP will be rolled over upon maturity, which has a maximum of 90 days
	<u>\$ 6,497,813</u>	<u>27,982,677</u>	<u>34,480,490</u>				

NAN YA PLASTICS CORPORATION

Statement of operating revenues

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Amount</u>
Flexible PVC Sheeting	KG	24,804	\$ 2,297,935
Rigid PVC Sheeting	KG	31,189	2,497,463
PU Synthetic Leather	Y	1,563	238,684
Metalized Film	M	21,670	146,437
Plastic Doors and Windows	KG	19,920	4,473,519
Plastic Conduit	KG	102,856	5,375,284
BOPP Film	KG	14,885	1,364,381
Engineering Plastics	KG	16,413	1,419,539
PVC Compound	KG	17,772	876,250
Plasticizer and Accelerator	KG	99,141	4,162,459
PA	KG	115,171	3,394,501
Ethyl hexanol	KG	141,264	3,934,394
Isononyl alcohol	KG	2,076	80,743
Biphenol	KG	119,309	4,293,281
Butanediol	KG	7,350	354,167
Ethylene glycol	KG	695,615	11,304,947
Copper Cladded Laminate	SH	15,856	11,161,613
Epoxy	KG	107,901	8,554,322
Glass Fabrics	M	96,452	3,133,229
Copper Foil	KG	18,205	8,294,838
Multiple-Filament Non-Standard Products	KG	5,807	31,983
Plastic Textured Yarn	KG	31,929	2,430,087
Plastic Compound	KG	102,611	3,105,888
Jersey cloth	KG	214	42,227
Plastic Textured Yarn Cake	KG	13,705	759,969
Collodion Cutton	KG	51,428	2,014,872
Draw Textured Yarn	KG	30,947	2,816,222
BOPET Film	KG	46,118	3,303,826
Release Film	KG	152,172	1,442,863
Construction and Distribution Panel	KG		5,961,438
Others			<u>11,582,014</u>
Total			110,849,375
Service Revenue			85,227
Other Operating Revenue			<u>3,342,224</u>
Total Operating Revenue			<u>\$ 114,276,826</u>

NAN YA PLASTICS CORPORATION

Statement of operating costs

For the year ended December 31, 2025

(Expressed in thousands of New Taiwan Dollars)

Items	Amount
Direct Material	
Balance, beginning of year	\$ 6,394,505
Purchases	61,875,589
Less: Balance, end of year	(5,270,255)
Total Direct Material	62,999,839
Supplies, beginning of year	73,891
Purchases	3,402,335
Less: Supplies, end of year	(69,442)
Total Supplies	3,406,784
Direct Labor	6,280,157
Manufacturing Expenses	32,189,723
Manufacturing Cost	104,876,503
Add: Work-in-Process, beginning of year	12,577,191
Less: Work-in-Process, end of year	(11,508,052)
Internal Transfer Adjustment Items	(1,865,132)
Cost of Finished Goods	104,080,510
Add: Finished Goods, beginning of year	6,834,903
Less: Finished Goods, end of year	(6,382,033)
Internal Transfer Adjustment Items	(3,625,748)
Cost of Goods Sold	100,907,632
Labor Cost	77,403
Other Operating Costs	2,155,526
Total Operating Costs	\$ 103,140,561

NAN YA PLASTICS CORPORATION
Statement of selling expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Amount</u>
Export Freight Expenses-Shipping	\$ 1,346,993
Export Freight Expenses-Container Handling	215,918
Domestic Freight Expenses	797,089
Salary	792,446
Export Freight Expenses-Inland Transport	245,005
Others	<u>884,527</u>
Total	<u>\$ 4,281,978</u>

NAN YA PLASTICS CORPORATION
Statement of administrative expenses
For the year ended December 31, 2025
(Expressed in thousands of New Taiwan Dollars)

<u>Items</u>	<u>Amount</u>
Salary	\$ 1,880,957
Depreciation Expenses	671,312
Maintenance Expenses	372,950
Miscellaneous Expenses	301,950
Computer Usage Fee	320,920
Research and Development Expenses	701,493
Others	<u>1,749,551</u>
Total	<u><u>\$ 5,999,133</u></u>