

**Nan Pao Resins Chemical Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2024 and 2023 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Nan Pao Resins Chemical Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Nan Pao Resins Chemical Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including material accounting policy information. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As disclosed in Note 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. Total assets of these non-significant subsidiaries were NT\$5,606,033 thousand and NT\$6,025,180 thousand as of September 30, 2024 and 2023, respectively, representing 21% and 26% of the consolidated total assets, respectively. Total liabilities of these subsidiaries were NT\$1,377,341 thousand and NT\$1,527,397 thousand as of September 30, 2024 and 2023, respectively, representing 12% and 16% of the consolidated total liabilities, respectively. The amounts of comprehensive income of these subsidiaries were NT\$54,321 thousand, NT\$187,612 thousand, NT\$191,633 thousand and NT\$370,556 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, representing 8%, 31%, 7% and (130%) of the consolidated total comprehensive income, respectively, and the information of these subsidiaries disclosed in the notes to the consolidated financial statements was based on the financial statements that were not reviewed to prepare. Furthermore, as disclosed in Note 14 to the consolidated financial statements, the financial

statements of some non-significant investments for using the equity method were not reviewed. Investments accounted for using the equity method were NT\$24,198 thousand and NT\$32,262 thousand as of September 30, 2024 and 2023, respectively, and share of loss for using the equity method were NT\$1,949 thousand, NT\$2,457 thousand, NT\$6,114 thousand and NT\$7,024 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively.

### **Qualified Conclusion**

Based on our and others reviews (see Other Matter), except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of (or “do not present fairly, in all material respects,”) the consolidated financial position of the Group as of September 30, 2024 and 2023, its consolidated financial performance for the three months ended September 30, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Other Matter**

Among the subsidiaries included in the consolidated financial statements of the Group, some subsidiaries were reviewed by other auditors. Our conclusion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries were NT\$2,338,455 thousand and NT\$2,278,840 thousand as of September 30, 2024 and 2023, respectively, representing 9% and 10% of the consolidated total assets, respectively. The amounts of operating revenue were NT\$829,751 thousand, NT\$828,009 thousand, NT\$2,313,394 thousand and NT\$2,343,845 thousand for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, respectively, representing 14%, 15%, 14% and 16% of the consolidated operating revenue, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Chao-Chin Yang and Chi-Chen Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
November 8, 2024

### Notice to Readers

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

*For the convenience of readers, the independent auditors’ review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors’ review report and consolidated financial statements shall prevail.*

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2024		December 31, 2023		September 30, 2023	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 6,283,553	23	\$ 4,574,565	19	\$ 4,229,472	18
Financial assets at amortized cost - current (Notes 9, 10 and 36)	548,220	2	627,336	3	508,287	2
Notes receivable (Note 11)	384,596	1	343,899	2	351,702	2
Accounts receivable (Notes 11 and 26)	4,653,816	17	4,056,979	17	4,207,193	18
Accounts receivable from related parties (Notes 11, 26 and 35)	459,049	2	349,908	2	360,096	1
Other receivables (Note 35)	129,347	1	88,994	-	36,559	-
Current tax assets	52,543	-	381	-	36,550	-
Inventories (Note 12)	2,978,720	11	2,662,968	11	2,642,793	11
Other current assets (Note 20)	833,005	3	726,547	3	827,174	4
Total current assets	<u>16,322,849</u>	<u>60</u>	<u>13,431,577</u>	<u>57</u>	<u>13,199,826</u>	<u>56</u>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	121,467	1	121,929	1	121,510	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	1,895,373	7	1,682,112	7	1,787,840	8
Financial assets at amortized cost - non-current (Notes 9, 10 and 36)	32,759	-	37,907	-	38,969	-
Investments accounted for using the equity method (Note 14)	24,198	-	30,312	-	32,262	-
Property, plant and equipment (Notes 15 and 36)	5,824,021	22	5,808,353	25	5,857,620	25
Right-of-use assets (Notes 16 and 36)	1,484,568	6	1,324,936	6	1,347,698	6
Investment properties (Note 17)	17,760	-	17,760	-	17,760	-
Goodwill (Note 18)	400,570	1	352,208	1	353,502	1
Other intangible assets (Note 19)	454,535	2	456,917	2	484,560	2
Deferred tax assets	254,602	1	294,970	1	221,697	1
Net defined benefit assets - non-current	46,284	-	41,864	-	38,540	-
Other non-current assets (Note 20)	124,760	-	63,551	-	98,241	1
Total non-current assets	<u>10,680,897</u>	<u>40</u>	<u>10,232,819</u>	<u>43</u>	<u>10,400,199</u>	<u>44</u>
<b>TOTAL</b>	<u>\$ 27,003,746</u>	<u>100</u>	<u>\$ 23,664,396</u>	<u>100</u>	<u>\$ 23,600,025</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 21 and 36)	\$ 3,399,162	13	\$ 1,832,918	8	\$ 1,866,588	8
Contract liabilities - current (Note 26)	41,953	-	29,380	-	38,530	-
Notes payable (Note 22)	622	-	344	-	902	-
Accounts payable (Notes 22 and 35)	2,481,311	9	2,176,712	9	2,446,571	10
Payables for dividends	-	-	1,997	-	-	-
Other payables (Note 35)	1,172,781	4	1,355,367	6	1,251,038	5
Current tax liabilities	483,189	2	566,780	2	534,073	2
Lease liabilities - current (Note 16)	129,732	1	102,212	-	96,181	-
Current portion of long-term borrowings (Notes 21 and 36)	86,290	-	145,577	1	152,571	1
Other current liabilities (Notes 23 and 35)	231,293	1	181,147	1	188,575	1
Total current liabilities	<u>8,026,333</u>	<u>30</u>	<u>6,392,434</u>	<u>27</u>	<u>6,575,029</u>	<u>27</u>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 21 and 36)	1,640,099	6	894,993	4	973,826	4
Deferred tax liabilities	1,305,750	5	1,188,145	5	1,115,251	5
Lease liabilities - non-current (Note 16)	657,168	2	632,576	3	615,272	3
Other non-current liabilities (Notes 23 and 37)	10,226	-	9,569	-	9,517	-
Total non-current liabilities	<u>3,613,243</u>	<u>13</u>	<u>2,725,283</u>	<u>12</u>	<u>2,713,866</u>	<u>12</u>
Total liabilities	<u>11,639,576</u>	<u>43</u>	<u>9,117,717</u>	<u>39</u>	<u>9,288,895</u>	<u>39</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 25)</b>						
Share capital - ordinary shares	1,205,707	4	1,205,707	5	1,205,707	5
Capital surplus	2,122,081	8	2,124,891	9	2,123,567	9
Retained earnings						
Legal reserve	1,808,236	7	1,565,289	6	1,565,289	7
Special reserve	313,321	1	313,321	1	313,321	1
Unappropriated earnings	7,016,768	26	7,029,050	30	6,411,840	27
Total retained earnings	<u>9,138,325</u>	<u>34</u>	<u>8,907,660</u>	<u>37</u>	<u>8,290,450</u>	<u>35</u>
Other equity	1,426,371	5	938,955	4	1,332,071	6
Total equity attributable to owners of the Company	13,892,484	51	13,177,213	55	12,951,795	55
<b>NON-CONTROLLING INTERESTS</b>	<u>1,471,686</u>	<u>6</u>	<u>1,369,466</u>	<u>6</u>	<u>1,359,335</u>	<u>6</u>
Total equity	<u>15,364,170</u>	<u>57</u>	<u>14,546,679</u>	<u>61</u>	<u>14,311,130</u>	<u>61</u>
<b>TOTAL</b>	<u>\$ 27,003,746</u>	<u>100</u>	<u>\$ 23,664,396</u>	<u>100</u>	<u>\$ 23,600,025</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 8, 2024)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 26 and 35)	\$ 6,087,994	100	\$ 5,451,354	100	\$ 16,861,085	100	\$ 15,063,781	100
OPERATING COSTS (Notes 12 and 27)	4,092,727	67	3,645,570	67	11,397,572	68	10,445,298	69
GROSS PROFIT	1,995,267	33	1,805,784	33	5,463,513	32	4,618,483	31
OPERATING EXPENSES (Notes 11, 27 and 35)								
Selling and marketing expenses	563,990	9	544,220	10	1,578,781	9	1,481,628	10
General and administrative expenses	302,822	5	245,613	4	864,629	5	703,241	5
Research and development expenses	142,216	3	142,407	3	407,699	3	379,044	2
Expected credit loss	18,095	-	2,622	-	24,033	-	17,997	-
Total operating expenses	1,027,123	17	934,862	17	2,875,142	17	2,581,910	17
PROFIT FROM OPERATIONS	968,144	16	870,922	16	2,588,371	15	2,036,573	14
NON-OPERATING INCOME AND EXPENSES (Notes 14 and 27)								
Interest income	30,706	-	11,887	-	89,612	1	47,075	-
Other income	30,935	1	20,573	-	177,586	1	429,029	3
Other gains and losses	(26,662)	-	24,596	1	13,544	-	48,413	-
Finance costs	(34,643)	(1)	(26,839)	-	(88,047)	(1)	(78,423)	(1)
Share of loss of associates	(1,949)	-	(2,457)	-	(6,114)	-	(7,024)	-
Total non-operating income and expenses	(1,613)	-	27,760	1	186,581	1	439,070	2
PROFIT BEFORE INCOME TAX	966,531	16	898,682	17	2,774,952	16	2,475,643	16
INCOME TAX EXPENSE (Notes 4 and 28)	293,140	5	213,741	4	674,836	4	567,593	3
NET PROFIT FOR THE PERIOD	673,391	11	684,941	13	2,100,116	12	1,908,050	13
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 25 and 28)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	31,409	1	(312,500)	(6)	213,261	1	(2,423,356)	(16)
	31,409	1	(312,500)	(6)	213,261	1	(2,423,356)	(16)

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# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ (60,021)	(1)	\$ 286,338	5	\$ 386,938	2	\$ 282,243	2
Income tax related to items that may be reclassified subsequently to profit or loss	<u>15,119</u>	-	<u>(52,713)</u>	(1)	<u>(68,539)</u>	-	<u>(52,084)</u>	(1)
	<u>(44,902)</u>	(1)	<u>233,625</u>	4	<u>318,399</u>	2	<u>230,159</u>	1
Other comprehensive loss for the period, net of income tax	<u>(13,493)</u>	-	<u>(78,875)</u>	(2)	<u>531,660</u>	3	<u>(2,193,197)</u>	(15)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 659,898</u>	<u>11</u>	<u>\$ 606,066</u>	<u>11</u>	<u>\$ 2,631,776</u>	<u>16</u>	<u>\$ (285,147)</u>	<u>(2)</u>
NET PROFIT								
ATTRIBUTABLE TO:								
Owners of the Company	\$ 660,574	11	\$ 644,544	12	\$ 2,039,227	12	\$ 1,812,263	12
Non-controlling interests	<u>12,817</u>	-	<u>40,397</u>	1	<u>60,889</u>	-	<u>95,787</u>	1
	<u>\$ 673,391</u>	<u>11</u>	<u>\$ 684,941</u>	<u>13</u>	<u>\$ 2,100,116</u>	<u>12</u>	<u>\$ 1,908,050</u>	<u>13</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Company	\$ 631,509	10	\$ 542,895	10	\$ 2,526,643	15	\$ (402,757)	(3)
Non-controlling interests	<u>28,389</u>	1	<u>63,171</u>	1	<u>105,133</u>	-	<u>117,610</u>	1
	<u>\$ 659,898</u>	<u>11</u>	<u>\$ 606,066</u>	<u>11</u>	<u>\$ 2,631,776</u>	<u>15</u>	<u>\$ (285,147)</u>	<u>(2)</u>
EARNINGS PER SHARE (Note 29)								
Basic	<u>\$ 5.48</u>		<u>\$ 5.35</u>		<u>\$ 16.91</u>		<u>\$ 15.03</u>	
Diluted	<u>\$ 5.48</u>		<u>\$ 5.34</u>		<u>\$ 16.88</u>		<u>\$ 14.99</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated August 8, 2024)

(Concluded)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023  
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company										
	Retained Earnings					Other Equity		Total Other Equity	Total	Non-controlling Interests	Total Equity
Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income					
BALANCE AT JANUARY 1, 2024	\$ 1,205,707	\$ 2,124,891	\$ 1,565,289	\$ 313,321	\$ 7,029,050	\$ (419,351)	\$ 1,358,306	\$ 938,955	\$ 13,177,213	\$ 1,369,466	\$ 14,546,679
Appropriation of 2023 earnings (Note 25)											
Legal reserve	-	-	242,947	-	(242,947)	-	-	-	-	-	-
Cash dividends distributed by Company - \$15 per share	-	-	-	-	(1,808,562)	-	-	-	(1,808,562)	-	(1,808,562)
Net profit for the nine months ended September 30, 2024	-	-	-	-	2,039,227	-	-	-	2,039,227	60,889	2,100,116
Other comprehensive income for the nine months ended September 30, 2024, net of income tax	-	-	-	-	-	274,155	213,261	487,416	487,416	44,244	531,660
Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	2,039,227	274,155	213,261	487,416	2,526,643	105,133	2,631,776
Changes in ownership interests in subsidiaries (Note 32)	-	(5,812)	-	-	-	-	-	-	(5,812)	21,491	15,679
Issuance of employee share options by subsidiaries	-	3,002	-	-	-	-	-	-	3,002	3,060	6,062
Decrease in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	(27,464)	(27,464)
BALANCE AT SEPTEMBER 30, 2024	\$ 1,205,707	\$ 2,122,081	\$ 1,808,236	\$ 313,321	\$ 7,016,768	\$ (145,196)	\$ 1,571,567	\$ 1,426,371	\$ 13,892,484	\$ 1,471,686	\$ 15,364,170
BALANCE AT JANUARY 1, 2023	\$ 1,205,707	\$ 2,115,333	\$ 1,388,123	\$ 313,321	\$ 5,982,451	\$ (340,299)	\$ 3,887,390	\$ 3,547,091	\$ 14,552,026	\$ 1,091,350	\$ 15,643,376
Appropriation of 2022 earnings (Note 25)											
Legal reserve	-	-	177,166	-	(177,166)	-	-	-	-	-	-
Cash dividends distributed by Company - \$10 per share	-	-	-	-	(1,205,708)	-	-	-	(1,205,708)	-	(1,205,708)
Net profit for the nine months ended September 30, 2023	-	-	-	-	1,812,263	-	-	-	1,812,263	95,787	1,908,050
Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	208,336	(2,423,356)	(2,215,020)	(2,215,020)	21,823	(2,193,197)
Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	1,812,263	208,336	(2,423,356)	(2,215,020)	(402,757)	117,610	(285,147)
Arising from the difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition (Note 32)	-	(192)	-	-	-	-	-	-	(192)	(125)	(317)
Changes in ownership interests in subsidiaries (Note 32)	-	6,044	-	-	-	-	-	-	6,044	58,156	64,200
Issuance of employee share options by subsidiaries	-	2,382	-	-	-	-	-	-	2,382	2,369	4,751
Increase in non-controlling interests (Note 25)	-	-	-	-	-	-	-	-	-	89,975	89,975
BALANCE AT SEPTEMBER 30, 2023	\$ 1,205,707	\$ 2,123,567	\$ 1,565,289	\$ 313,321	\$ 6,411,840	\$ (131,963)	\$ 1,464,034	\$ 1,332,071	\$ 12,951,795	\$ 1,359,335	\$ 14,311,130

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 8, 2024)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 2,774,952	\$ 2,475,643
Adjustments for:		
Depreciation expenses	479,173	432,074
Amortization expenses	66,702	45,419
Expected credit loss recognized on accounts receivable	24,033	17,997
Net gain on fair value changes of financial assets at fair value through profit or loss	(3,348)	(16,974)
Finance costs	88,047	78,423
Interest income	(89,612)	(47,075)
Dividend income	(109,424)	(387,224)
Compensation cost of employee share options	6,062	4,751
Share of loss of associates	6,114	7,024
Loss on disposal of property, plant and equipment	3,228	482
Write-down of inventories	13,687	9,793
Gain on lease modification	(20)	(20)
Changes in operating assets and liabilities		
Notes receivable	(40,697)	(34,858)
Accounts receivable	(463,230)	220,444
Accounts receivable from related parties	(109,141)	(53,100)
Other receivables	(42,608)	66,401
Inventories	(242,365)	268,038
Other current assets	(106,458)	(114,190)
Other non-current assets	(1,550)	391
Contract liabilities	12,573	3,546
Notes payable	273	452
Accounts payable	248,702	(260,745)
Other payables	(36,560)	(78,122)
Other current liabilities	50,146	(16,654)
Net defined benefit liabilities	(5,290)	(17,225)
Other non-current liabilities	879	194
Cash generated from operations	<u>2,524,268</u>	<u>2,604,885</u>
Interest received	91,632	44,505
Interest paid	(86,434)	(78,678)
Income tax paid	<u>(732,177)</u>	<u>(236,386)</u>
Net cash generated from operating activities	<u>1,797,289</u>	<u>2,334,326</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	-	(4,737)
Increase in financial assets at amortized cost	-	(53,788)
Decrease in financial assets at amortized cost	103,378	-
Purchase of financial assets at fair value through profit or loss	-	(35,000)
Disposal of financial assets at fair value through profit or loss	3,810	-
Net cash outflow on acquisition of businesses and subsidiaries	(231,310)	(256,004)
Payments for property, plant and equipment	(381,390)	(468,250)
Proceeds from disposal of property, plant and equipment	3,213	1,389
Increase in refundable deposits	-	(1,002)
Decrease in refundable deposits	5,524	-

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# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
Payments for intangible assets	\$ (9,236)	\$ (2,747)
Payments for right-of-use assets	(104,034)	(135,725)
Dividends received	<u>109,424</u>	<u>387,224</u>
Net cash used in investing activities	<u>(500,621)</u>	<u>(568,640)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	6,552,557	4,659,077
Repayments of short-term borrowings	(5,019,807)	(4,777,293)
Proceeds from long-term borrowings	2,458,810	1,371,714
Repayments of long-term borrowings	(1,774,342)	(1,608,294)
Refund of guarantee deposits received	(274)	(466)
Repayment of the principal portion of lease liabilities	(65,177)	(47,378)
Dividends paid	(1,838,023)	(1,262,036)
Changes in non-controlling interests	16,015	55,073
Payments for transaction costs attributable to the issue of ordinary shares	<u>(336)</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>329,423</u>	<u>(1,609,603)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>82,897</u>	<u>77,043</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,708,988</b>	<b>233,126</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u><b>4,574,565</b></u>	<u><b>3,996,346</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><b>\$ 6,283,553</b></u>	<u><b>\$ 4,229,472</b></u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated November 8, 2024)

(Concluded)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

Nan Pao Resins Chemical Co., Ltd. (the "Company") was founded in October 1963, and is mainly engaged in the manufacturing, wholesale, and retail sale of synthetic resins, synthetic plastics, adhesives, resin coatings, dyes, and pigments.

The Company obtained approval for the public issuance of its shares in May 2017, and obtained approval for the trading of its shares on the emerging stock board (ESB) of the Taipei Exchange (TPEX) in July of the same year. Since November 2018, the Company's shares started trading on the Taiwan Stock Exchange.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on November 8, 2024.

### 3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB</b>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards issued by International Accounting Standards Board (IASB), but not yet endorsed and issued into effect by the FSC

<b>New, Amended and Revised Standards and Interpretations</b>	<b>Effective Date Announced by IASB (Note)</b>
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures in Financial Statements”

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

#### 4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

##### a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

##### b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities (assets) which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the assets or liabilities.

##### c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 13, Tables 6 and 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2023.

1) Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period; and
- Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

2) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

## **5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Refer to the statements of material accounting judgments and key sources of estimation uncertainty to the consolidated financial statements for the year ended December 31, 2023.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hand	\$ 5,334	\$ 6,803	\$ 7,227
Checking accounts and demand deposits	3,521,524	3,494,434	3,334,274
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>2,756,695</u>	<u>1,073,328</u>	<u>887,971</u>
	<u>\$ 6,283,553</u>	<u>\$ 4,574,565</u>	<u>\$ 4,229,472</u>

The market rate intervals of time deposits were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Time deposits	0.63%-5.38%	0.63%-6.45%	0.63%-6.45%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets at FVTPL - non-current</u>			
Financial assets mandatorily classified as at FVTPL			
Non-derivative financial assets			
Limited partnership	<u>\$ 121,467</u>	<u>\$ 121,929</u>	<u>\$ 121,510</u>

## 8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT

	September 30, 2024	December 31, 2023	September 30, 2023
Emerging market shares	\$ 27,102	\$ 20,296	\$ 21,807
Unlisted shares	<u>1,868,271</u>	<u>1,661,816</u>	<u>1,766,033</u>
	<u>\$ 1,895,373</u>	<u>\$ 1,682,112</u>	<u>\$ 1,787,840</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The equity instruments measured at FVTOCI held by the Group are not pledged as security.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 513,600	\$ 591,251	\$ 473,107
Pledged time deposits (a)	34,283	32,281	31,117
Refundable deposits	<u>337</u>	<u>3,804</u>	<u>4,063</u>
	<u>\$ 548,220</u>	<u>\$ 627,336</u>	<u>\$ 508,287</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 12 months (a)	\$ -	\$ 4,327	\$ 4,415
Pledged time deposits (a)	5,352	4,827	4,893
Refundable deposits	<u>27,407</u>	<u>28,753</u>	<u>29,661</u>
	<u>\$ 32,759</u>	<u>\$ 37,907</u>	<u>\$ 38,969</u>

- a. The ranges of interest rates for time deposits were approximately 1.30%-5.50%, 0.63%-8.60% and 0.63%-8.60% per annum as of September 30, 2024, December 31, 2023 and September 30, 2023, respectively.
- b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
- c. Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	September 30, 2024	December 31, 2023	September 30, 2023
Financial asset at amortized cost - current	\$ 548,220	\$ 627,336	\$ 508,287
Financial asset at amortized cost - non-current	<u>32,759</u>	<u>37,907</u>	<u>38,969</u>
	<u>\$ 580,979</u>	<u>\$ 665,243</u>	<u>\$ 547,256</u>

The Group invests only in debt instruments that have low credit risk for the purpose of impairment assessment. In determining the expected credit losses for debt instrument investments, the Group considers the historical default loss rates, the current financial condition of debtors, and the future prospects of the industries. Because counterparties have a low risk of default and a strong capacity to meet contractual cash flows, the Group did not make any provision for expected credit losses with respect to financial assets at amortized cost as of September 30, 2024, December 31, 2023 and September 30, 2023.

## 11. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes receivable</u>			
At amortized cost			
Notes receivable - operating	\$ 384,596	\$ 343,899	\$ 351,702
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 5,216,657	\$ 4,498,986	\$ 4,651,039
Less: Allowance for impairment loss	<u>103,792</u>	<u>92,099</u>	<u>83,750</u>
	<u>\$ 5,112,865</u>	<u>\$ 4,406,887</u>	<u>\$ 4,567,289</u>

### a. Notes receivable

As of September 30, 2024, December 31, 2023 and September 30, 2023, the notes receivable analyzed by the Group based on the past due days were not overdue, and the Group did not measure any loss allowance for notes receivable.

### b. Accounts receivable (including related parties)

The average credit period of sales of goods was 15 to 180 days, and no interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the customers' past default experience, and current financial positions, economic conditions of the industry in which the customer operates, and the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For accounts receivable that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Group's provision matrix.



## September 30, 2024

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.02%-0.79%	0.12%-9%	6%-22%	18%-47%	37%-100%	100%	
Gross carrying amount	\$ 4,404,938	\$ 643,842	\$ 61,889	\$ 25,343	\$ 24,070	\$ 56,575	\$ 5,216,657
Loss allowance (Lifetime ECLs)	<u>(3,630)</u>	<u>(11,552)</u>	<u>(7,838)</u>	<u>(7,576)</u>	<u>(16,621)</u>	<u>(56,575)</u>	<u>(103,792)</u>
Amortized cost	<u>\$ 4,401,308</u>	<u>\$ 632,290</u>	<u>\$ 54,051</u>	<u>\$ 17,767</u>	<u>\$ 7,449</u>	<u>\$ -</u>	<u>\$ 5,112,865</u>

## December 31, 2023

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.02%-0.34%	0.12%-8%	2%-21%	6%-47%	23%-100%	100%	
Gross carrying amount	\$ 3,746,988	\$ 560,086	\$ 82,277	\$ 47,415	\$ 10,777	\$ 51,443	\$ 4,498,986
Loss allowance (Lifetime ECLs)	<u>(2,600)</u>	<u>(6,826)</u>	<u>(9,161)</u>	<u>(13,974)</u>	<u>(8,095)</u>	<u>(51,443)</u>	<u>(92,099)</u>
Amortized cost	<u>\$ 3,744,388</u>	<u>\$ 553,260</u>	<u>\$ 73,116</u>	<u>\$ 33,441</u>	<u>\$ 2,682</u>	<u>\$ -</u>	<u>\$ 4,406,887</u>

## September 30, 2023

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.01%-0.31%	0.2%-8%	3%-31%	8%-67%	37%-100%	100%	
Gross carrying amount	\$ 3,968,393	\$ 518,861	\$ 75,410	\$ 26,428	\$ 15,441	\$ 46,506	\$ 4,651,039
Loss allowance (Lifetime ECLs)	<u>(3,158)</u>	<u>(7,493)</u>	<u>(7,541)</u>	<u>(8,016)</u>	<u>(11,036)</u>	<u>(46,506)</u>	<u>(83,750)</u>
Amortized cost	<u>\$ 3,965,235</u>	<u>\$ 511,368</u>	<u>\$ 67,869</u>	<u>\$ 18,412</u>	<u>\$ 4,405</u>	<u>\$ -</u>	<u>\$ 4,567,289</u>

The movements of the loss allowance of accounts receivable were as follows:

	For the Nine Months Ended September 30	
	2024	2023
Balance at January 1	\$ 92,099	\$ 65,521
Provision	24,033	17,997
Amounts written off	(15,209)	(2,683)
Acquisitions through business combination	-	1,510
Foreign exchange gains and losses	<u>2,869</u>	<u>1,405</u>
Balance at September 30	<u>\$ 103,792</u>	<u>\$ 83,750</u>

## 12. INVENTORIES

	September 30, 2024	December 31, 2023	September 30, 2023
Goods	\$ 205,527	\$ 162,098	\$ 147,286
Finished goods and semi-finished goods	1,015,332	981,713	998,391
Work in progress	175,761	125,934	92,135
Raw materials and supplies	1,342,189	1,146,493	1,108,155
Inventory in transit	<u>239,911</u>	<u>246,730</u>	<u>296,826</u>
	<u>\$ 2,978,720</u>	<u>\$ 2,662,968</u>	<u>\$ 2,642,793</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023 was \$4,090,846 thousand, \$3,645,475 thousand, \$11,394,344 thousand and \$10,444,816 thousand, respectively. The cost of goods sold included inventory write-downs of \$10,442 thousand, \$0 thousand, \$13,687 thousand and \$9,793 thousand, respectively.

### 13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark	
			September 30, 2024	December 31, 2023	September 30, 2023		
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Co. Ltd.	Trading of chemical substances	100	100	100	f	
	Nan Pao Application Material Co., Ltd.	Trading of chemical substances	100	100	100	f	
	ITLS International Development Co., Ltd.	Trading of construction materials and chemical substances	100	100	100		
	Prince Pharmaceutical Co., Ltd.	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	49.53	49.53	50.1	b, f	
	Phymed Bio-Tec Co., Ltd.	R&D and trading of health food	100	100	100	f	
	Biorich Biotechnology Co., Ltd.	R&D, production, trading of new high protein business and health food	57.1	57.1	57.1	f	
	Nan Pao Advanced Materials Co., Ltd.	Trading of adhesives and chemicals	70	70	70	f	
	Nan Pao Fine Materials Co., Ltd.	Production and trading of adhesives and chemicals	55	55	55	f	
	Fuqing Nan Pao Investment Ltd.	General investment	100	100	100		
	Thai Nan Pao Investment Ltd.	General investment	100	100	100		
	Nan Pao Resins India Pvt Ltd.	Trading of adhesives	100	100	100	f	
	Nan Pao Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100		
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100	f	
	Nan Pao Overseas Holdings Ltd.	General investment	100	100	100		
	Profit Land Limited	General investment	73.75	73.75	73.75	a	
	All Saints Enterprises Ltd.	General investment	54.53	54.53	54.53	a	
	Ongoing Profits Ltd.	General investment	32.18	32.18	32.18	a	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	67.5	49	49	e	
	Nan Pao Philippines Export Inc.	Trading of adhesives	100	100	100	f	
	Earnest Wealth Co., Ltd.	General investment	51.11	51.11	51.11	f	
	FlexUP Technologies Corp.	Trading of chemical substances	100	100	100	f	
	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	Trading of adhesives	100	100	100	f	
	Nan Pao Resins International Ltd.	Trading of chemical substances and related products	100	100	100		
	Nan Pao Resins (HK) Ltd.	Production and trading of adhesives	100	100	100		
	Nan Pao Materials Resins India Private Limited	Trading of adhesives	100	100	100	f	
	ITLS International Development Co., Ltd.	ITLS Holding Pte. Ltd.	General investment	100	100	100	
	ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Production and trading of construction materials	100	100	100	f
		ITLS Vietnam Co., Ltd.	Production and trading of construction materials	100	100	100	f
	Fuqing Nan Pao Investment Ltd.	Wealth Castle Development Ltd.	General investment	100	100	100	
	Wealth Castle Development Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	100	100	100	f
Thai Nan Pao Investment Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	Production and trading of adhesives	100	100	100	f	
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	General investment	100	100	100		

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2024	December 31, 2023	September 30, 2023	
Earnest Wealth Co., Ltd.	Apex Polytech Co., Ltd.	Production and trading of adhesives	100	100	100	f
Nan Pao Group Holdings Ltd.	Greatwill Materials (HK) Ltd.	General investment	100	100	100	
	Profit Land Limited	General investment	26.25	26.25	26.25	a
	Nan Pao Resins (Holdings) Ltd.	General investment	100	100	100	
	All Saints Enterprises Ltd.	General investment	45.47	45.47	45.47	a
	NP Australia Pty Ltd.	General investment	100	100	100	
	Ongoing Profits Ltd.	General investment	67.82	67.82	67.82	a
	Treasure Wealth (HK) Ltd.	General investment	100	100	100	
	Goldford Investments Ltd.	General investment	100	100	100	
	Nan Pao Resins Chemical Philippines, Inc.	Trading of adhesives	100	100	100	f
	Nan Pao Advanced Investment Co., Ltd.	General investment	100	100	100	
Greatwill Materials (HK) Ltd.	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	59.58	59.58	59.58	
Profit Land Limited	Giant Profit Development Ltd.	General investment	100	100	100	
Giant Profit Development Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	100	100	100	
Nan Pao Resins (Foshan) Co., Ltd.	Goaden Nan Pao Materials Technology Co., Ltd.	Trading of footwear materials	51	51	51	
Nan Pao Resins (Holdings) Ltd.	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	0.89	0.89	0.89	
	Eastlion Enterprises Ltd.	General investment	100	100	100	
Eastlion Enterprises Ltd.	Nan Pao Resins Development Ltd.	General investment	100	100	100	
	Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesives products	100	100	100	f
Nan Pao Resins Development Ltd.	Dongguan Jiaqin Electronics Co., Ltd.	Production and trading of coatings and advanced resins	100	100	100	f
All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	General investment	100	100	100	
Great Mount Enterprises Ltd.	Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	100	100	100	f
NP Australia Pty Ltd.	RLA Polymers Pty Ltd.	Production and trading of construction materials and chemical substances	100	100	100	
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	Production and trading of construction materials and chemical substances	100	100	100	f
	Australasian Tiling Adhesives Pty Ltd	Production and trading of construction materials and chemical substances	100	-	-	f, g
Ongoing Profits Ltd.	Rising Sun Associates Ltd.	General investment	100	100	100	
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Production and trading of adhesives	100	100	100	
Goldford Investments Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	-	18.5	18.5	e
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Production and trading of coatings	50	50	50	f
Nan Pao Advanced Investment Co., Ltd.	Nan Pao (Kunshan) Electronic Commerce Co., Ltd.	Online business agency and general merchandise trading	100	100	100	
	Nan Pao New Material Technology (Huaian) Co., Ltd.	Production and trading of carbon fiber	94.18	90.91	90.91	c
	Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading of adhesives and chemical	100	100	100	
	Nan Pao Fine Chemical Materials (Anhui) Co., Ltd.	Production and trading of coatings and chemical substances	94.55	100	100	d
	Changshu Yu Bo Polymer Materials Co., Ltd.	Production and trading of adhesives and chemical	70	70	70	

(Concluded)

- a. Direct and indirect shareholdings totaled 100%.
- b. In October 2023, Prince Pharmaceutical Co., Ltd. exercised employee share options, resulting in a decrease in shareholding from 50.1% to 49.53%.
- c. In March, April and July 2024, Nanpao New Materials Technology (Huaian) Co., Ltd. processed a cash capital increase, which was subscribed by the Group, resulting in an increase in shareholding from 90.91% to 94.18% (refer to Note 32).
- d. In March, May and September 2024, Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. processed a cash capital increase, the Group did not subscribe share proportionately, resulting in a decrease in shareholding from 100% to 94.55% (refer to Note 32).
- e. The Group acquired the share of PT. Indo Nan Pao Resins Chemical Co., Ltd. which was held by Goldford Investments Ltd. in August 2024, and the shareholding totaled 67.5% after acquisition.
- f. Such companies are immaterial subsidiaries, and their financial statements have not been reviewed by the accountants.
- g. The Group invested in and established Australasian Tiling Adhesives Pty Ltd. in July 2024, and have invested capital in the subsidiary in September.

#### 14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2024	December 31, 2023	September 30, 2023
Investments in associates			
Associates that are not individually material	\$ <u>24,198</u>	\$ <u>30,312</u>	\$ <u>32,262</u>

Aggregate information of associates that are not individually material was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
The Group's share of:				
Total net loss and comprehensive income for the period	\$ <u>(1,949)</u>	\$ <u>(2,457)</u>	\$ <u>(6,114)</u>	\$ <u>(7,024)</u>

#### 15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	4-20 years
Buildings	1-60 years
Machinery	2-30 years
Transportation equipment	2-20 years
Miscellaneous equipment	2-20 years

Refer to Table 11 for the detailed information of changes in property, plant and equipment.

Impairment assessment was not performed for the nine months ended September 30, 2024 and 2023 as there were no indications of impairment.

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 36.

## 16. LEASE ARRANGEMENTS

### a. Right-of-use assets

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>	
<u>Carrying amount</u>				
Land (Note)	\$ 968,493	\$ 851,891	\$ 888,312	
Buildings	472,840	426,454	412,604	
Transportation equipment	40,704	43,492	44,078	
Miscellaneous equipment	<u>2,531</u>	<u>3,099</u>	<u>2,704</u>	
	<u>\$ 1,484,568</u>	<u>\$ 1,324,936</u>	<u>\$ 1,347,698</u>	
	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Additions to right-of-use assets			<u>\$ 182,488</u>	<u>\$ 173,128</u>
Depreciation charge for right-of-use assets				
Land	\$ 6,192	\$ 6,355	\$ 17,377	\$ 16,176
Buildings	19,996	15,135	53,048	46,338
Machinery	-	4	-	4
Transportation equipment	4,853	4,773	13,867	14,027
Miscellaneous equipment	<u>229</u>	<u>196</u>	<u>675</u>	<u>563</u>
	<u>\$ 31,270</u>	<u>\$ 26,463</u>	<u>\$ 84,967</u>	<u>\$ 77,108</u>

Note: The land use rights of subsidiaries in Vietnam pledged as collateral for bank borrowings are set out in Note 36.

Except for the aforementioned additions and recognized depreciation, the Group did not have significant sublease or impairment of the right-of-use assets during the nine months ended September 30, 2024 and 2023.

### b. Lease liabilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Carrying amount</u>			
Current	<u>\$ 129,732</u>	<u>\$ 102,212</u>	<u>\$ 96,181</u>
Non-current	<u>\$ 657,168</u>	<u>\$ 632,576</u>	<u>\$ 615,272</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Land	1.56%	1.56%	1.56%
Buildings	0.77%-5.53%	0.77%-5.53%	0.77%-5.53%
Machinery	-	-	0.76%-2%
Transportation equipment	1.3%-5.37%	1.3%-5.37%	1.3%-5.37%
Miscellaneous equipment	5.37%-11.2%	5.37%-11.2%	5.37%-11.2%

c. Material leasing activities and terms

The Group leases several land, buildings, and equipment for operating use under lease terms of 2 to 89 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Expenses relating to short-term leases	<u>\$ 11,066</u>	<u>\$ 9,184</u>	<u>\$ 32,900</u>	<u>\$ 28,445</u>
Expenses relating to low-value asset leases	<u>\$ 597</u>	<u>\$ 457</u>	<u>\$ 1,785</u>	<u>\$ 1,729</u>
Total cash outflow for leases			<u>\$ 114,563</u>	<u>\$ 91,327</u>

## 17. INVESTMENT PROPERTIES

	<b>Land</b>
Balance at September 30, 2024, December 31, 2023 and September 30, 2023	<u>\$ 17,760</u>

The fair values of the investment properties were both \$78,764 thousand as of December 31, 2023 and 2022. For investment properties not valued by any independent valuer, the Group's management determined their fair values with reference to the closing prices of similar properties in the vicinity of the Group's investment properties. Furthermore, management of the Group had assessed and determined that there were no significant changes in the fair value as of September 30, 2024 and 2023, as compared to that as of December 31, 2023 and 2022.

These investment properties were not pledged as collateral or restricted in any way.

## 18. GOODWILL

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Cost</u>			
Balance at January 1	\$ 357,407	\$ 249,679	\$ 249,679
Acquisitions through business combinations (Note 31)	33,253	108,642	108,642
Effects of foreign currency exchange differences	<u>15,205</u>	<u>(914)</u>	<u>(1,557)</u>
Balance at September 30	<u>\$ 405,865</u>	<u>\$ 357,407</u>	<u>\$ 356,764</u>
<u>Accumulated impairment losses</u>			
Balance at January 1	\$ 5,199	\$ 3,104	\$ 3,104
Impairment losses recognized	-	2,096	-
Effects of foreign currency exchange differences	<u>96</u>	<u>(1)</u>	<u>158</u>
Balance at September 30	<u>\$ 5,295</u>	<u>\$ 5,199</u>	<u>\$ 3,262</u>
Carrying amount at September 30	<u>\$ 400,570</u>	<u>\$ 352,208</u>	<u>\$ 353,502</u>

The Group carried out impairment testing on the recoverable amount of goodwill at the end of the year, using the value-in-use as the basis for calculation of the recoverable amount. The value-in-use was estimated based on the Group's financial projections of cash flow for the future years, to reflect the specific risk of related cash generating units.

The recoverable amount was determined based on a value-in-use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period, and calculated by using the weighted average cost of capital ratio. The assumptions was based on the past operating conditions of the cash-generating unit and management's expectations of the market.

## 19. OTHER INTANGIBLE ASSETS

	Client Relationships	Non-patented Technology	Trademark	Others	Total
<u>Cost</u>					
Balance at January 1, 2024	\$ 240,092	\$ 97,977	\$ 149,082	\$ 189,464	\$ 676,615
Additions	-	-	-	9,236	9,236
Acquisitions through business combinations	15,652	10,870	10,218	-	36,740
Disposals	-	-	-	(173)	(173)
Effects of foreign currency exchange differences	<u>10,607</u>	<u>4,195</u>	<u>6,409</u>	<u>3,903</u>	<u>25,114</u>
Balance at September 30, 2024	<u>\$ 266,351</u>	<u>\$ 113,042</u>	<u>\$ 165,709</u>	<u>\$ 202,430</u>	<u>\$ 747,532</u>

(Continued)

	<b>Client Relationships</b>	<b>Non-patented Technology</b>	<b>Trademark</b>	<b>Others</b>	<b>Total</b>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2024	\$ 83,360	\$ 6,532	\$ 22,722	\$ 107,084	\$ 219,698
Amortization expenses	15,432	7,638	22,020	21,612	66,702
Disposals	-	-	-	(173)	(173)
Effects of foreign currency exchange differences	4,030	293	1,097	1,350	6,770
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at September 30, 2024	<u>\$ 102,822</u>	<u>\$ 14,463</u>	<u>\$ 45,839</u>	<u>\$ 129,873</u>	<u>\$ 292,997</u>
Carrying amount at January 1, 2024	<u>\$ 156,732</u>	<u>\$ 91,445</u>	<u>\$ 126,360</u>	<u>\$ 82,380</u>	<u>\$ 456,917</u>
Carrying amount at September 30, 2024	<u>\$ 163,529</u>	<u>\$ 98,579</u>	<u>\$ 119,870</u>	<u>\$ 72,557</u>	<u>\$ 454,535</u>
<u>Cost</u>					
Balance at January 1, 2023	\$ 122,158	\$ -	\$ 23,195	\$ 129,136	\$ 274,489
Additions	-	-	-	2,747	2,747
Acquisitions through business combinations	119,870	100,336	128,748	53,705	402,659
Disposals	-	-	-	(937)	(937)
Transfers from property, plant and equipment	-	-	-	1,280	1,280
Effects of foreign currency exchange differences	(158)	1,242	1,281	466	2,831
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at September 30, 2023	<u>\$ 241,870</u>	<u>\$ 101,578</u>	<u>\$ 153,224</u>	<u>\$ 186,397</u>	<u>\$ 683,069</u>
<u>Accumulated amortization and impairment</u>					
Balance at January 1, 2023	\$ 65,922	\$ -	\$ 3,626	\$ 82,908	\$ 152,456
Amortization expenses	11,452	4,157	12,371	17,439	45,419
Disposals	-	-	-	(937)	(937)
Transfers from property, plant and equipment	-	-	-	263	263
Effects of foreign currency exchange differences	(855)	76	137	1,950	1,308
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Balance at September 30, 2023	<u>\$ 76,519</u>	<u>\$ 4,233</u>	<u>\$ 16,134</u>	<u>\$ 101,623</u>	<u>\$ 198,509</u>
Carrying amount at September 30, 2023	<u>\$ 165,351</u>	<u>\$ 97,345</u>	<u>\$ 137,090</u>	<u>\$ 84,774</u>	<u>\$ 484,560</u>

(Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Client Relationships	9-12 years
Non-patented technology	10-12 years
Trademark	5-10 years
Others	2-15 years



## 20. OTHER ASSETS

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Input tax	\$ 283,201	\$ 254,349	\$ 304,037
Prepayments	106,754	106,313	88,291
Prepaid expenses	96,777	80,279	92,264
Overpaid tax retained for offsetting the future tax payable	318,944	261,288	312,747
Others	<u>27,329</u>	<u>24,318</u>	<u>29,835</u>
	<u>\$ 833,005</u>	<u>\$ 726,547</u>	<u>\$ 827,174</u>
<u>Non-current</u>			
Prepayments for equipment	\$ 95,986	\$ 36,327	\$ 91,691
Others	<u>28,774</u>	<u>27,224</u>	<u>6,550</u>
	<u>\$ 124,760</u>	<u>\$ 63,551</u>	<u>\$ 98,241</u>

## 21. BORROWINGS

### a. Short-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans (Note 36)	\$ 75,166	\$ 71,185	\$ 104,400
Unsecured bank loans	<u>3,323,996</u>	<u>1,761,733</u>	<u>1,762,188</u>
	<u>\$ 3,399,162</u>	<u>\$ 1,832,918</u>	<u>\$ 1,866,588</u>

The ranges of interest rates of short-term borrowings were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans	2.02%-3.45%	2.02%-3.85%	2.02%-4.88%
Unsecured bank loans	1.75%-6.64%	1.6%-6.78%	1.56%-6.54%

### b. Long-term borrowings

	September 30, 2024	December 31, 2023	September 30, 2023
Secured bank loans (1)	\$ 307,588	\$ 299,492	\$ 307,500
Unsecured bank loans (2)	<u>1,418,801</u>	<u>741,078</u>	<u>818,897</u>
	1,726,389	1,040,570	1,126,397
Less: Current portion	<u>86,290</u>	<u>145,577</u>	<u>152,571</u>
	<u>\$ 1,640,099</u>	<u>\$ 894,993</u>	<u>\$ 973,826</u>

- 1) As of September 30, 2024, December 31, 2023 and September 30, 2023, the range of weighted average effective interest rates of the bank loans secured by the Group's freehold land, buildings and deposit certificates (see Note 36) was 2.02%-2.433%, 2.203%-2.308% and 2.203%-2.308% per annum, respectively. Long-term borrowings mentioned above will expire before June 2035, and payments of interest and principal are made on schedule.
- 2) As of September 30, 2024, December 31, 2023 and September 30, 2023, the range of weighted average effective interest rates of unsecured bank loans was 1.275%-4.1%, 1.15%-4.5% and 1.15%-1.85% per annum, respectively. Long-term borrowings mentioned above will expire before March 2025, and payments of interest and principal are made on schedule.

## 22. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Notes payable</u>			
Operating	\$ 622	\$ 344	\$ 902
<u>Accounts payable</u>			
Operating	\$ 2,481,311	\$ 2,176,712	\$ 2,446,571

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 23. OTHER LIABILITIES

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Current</u>			
Other liabilities			
Refund liabilities	\$ 178,804	\$ 153,080	\$ 163,409
Others	<u>52,489</u>	<u>28,067</u>	<u>25,166</u>
	<u>\$ 231,293</u>	<u>\$ 181,147</u>	<u>\$ 188,575</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposits	\$ 1,870	\$ 2,092	\$ 2,252
Others	<u>8,356</u>	<u>7,477</u>	<u>7,265</u>
	<u>\$ 10,226</u>	<u>\$ 9,569</u>	<u>\$ 9,517</u>

## 24. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2024 and 2023 and for the nine months ended September 30, 2024 and 2023, the pension expenses of defined benefit plans were \$580 thousand, \$539 thousand, \$1,711 thousand and \$1,606 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2023 and 2022, respectively.

## 25. EQUITY

### a. Share capital

#### Ordinary shares

	September 30, 2024	December 31, 2023	September 30, 2023
Number of shares authorized (in thousands)	200,000	200,000	200,000
Shares authorized	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Number of shares issued and fully paid (in thousands)	120,570	120,570	120,570
Shares issued	\$ 1,205,707	\$ 1,205,707	\$ 1,205,707

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

### b. Capital surplus

	September 30, 2024	December 31, 2023	September 30, 2023
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 2,040,204	\$ 2,040,204	\$ 2,040,204
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	10,659	10,659	10,662
Employee share options	44,083	44,083	44,083
Expired employee share options	135	135	135
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	27,000	29,810	28,483
	\$ 2,122,081	\$ 2,124,891	\$ 2,123,567

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, when the Company distributed profit, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (This shall not apply if the accumulated legal reserve has reached the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 27-g.

Proposal for profit distribution or offsetting of losses of the Company should be made at the end of each quarter of the fiscal year. The profit distribution in cash shall be resolved by the board of directors in accordance with Article 228-1 and Article 240-5 of the Company Act which should be submitted in the shareholders' meeting.

The Company is in a period of stable growth. In order to cope with the future operational expansion plan, the total amount of dividends distributed should not be less than 10% of the year's remaining profit. The profit can be as of cash dividends or stock dividends, and the issuance of cash dividends takes precedence over the payment of stock dividends. In principle, stock dividends are limited to 80% of the total dividends distributed.

The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The special reserve is appropriated and reversed by the Company under the Rules.

The appropriations of earnings for 2023 and 2022, which were resolved in the shareholders' meetings in June 2024 and 2023, respectively, were as follows:

	<u>Appropriations of earnings</u>		<u>Dividends per share (NT\$)</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Legal reserve	\$ 242,947	\$ 177,166		
Cash dividends	1,808,562	1,205,708	\$ 15	\$ 10

The above cash dividends have been resolved by the board of directors in March 2024 and 2023, respectively.

d. Special reserve

On the initial application of IFRS Accounting Standards, the recognized unrealized revaluation adjustments, cumulative translation adjustments, and capital surplus transferred to retained earnings amounted to \$313,321 thousand, while an equivalent amount has been appropriated as special reserve.

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ (419,351)	\$ (340,299)
Recognized for the period		
Exchange differences on the translation of the financial statements of foreign operations	<u>274,155</u>	<u>208,336</u>
Balance at September 30	<u>\$ (145,196)</u>	<u>\$ (131,963)</u>

2) Unrealized valuation gain or loss on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,358,306	\$ 3,887,390
Recognized for the period		
Unrealized loss - equity instruments	<u>213,261</u>	<u>(2,423,356)</u>
Balance at September 30	<u>\$ 1,571,567</u>	<u>\$ 1,464,034</u>

f. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,369,466	\$ 1,091,350
Share in profit for the period	60,889	95,787
Other comprehensive income during the period		
Exchange differences on translating the financial statements of foreign operations	44,244	21,823
Changes in ownership interests in subsidiaries (Note 32)	21,491	58,031
Issuance of employee share options by subsidiaries (Note 30)	3,060	2,369
Repatriation of share capital from liquidation of subsidiaries	-	(8,810)
Dividend payout from subsidiaries	(27,464)	(52,296)
Non-controlling interests arising from acquisition of subsidiaries (Note 31)	<u>-</u>	<u>151,081</u>
Balance at September 30	<u>\$ 1,471,686</u>	<u>\$ 1,359,335</u>

## 26. REVENUE

### a. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Adhesives	\$ 4,501,029	\$ 3,864,400	\$ 12,377,988	\$ 10,531,858
Construction materials	975,022	941,051	2,686,438	2,680,376
Coatings	387,093	381,323	1,130,065	1,082,368
Others	<u>224,850</u>	<u>264,580</u>	<u>666,594</u>	<u>769,179</u>
	<u>\$ 6,087,994</u>	<u>\$ 5,451,354</u>	<u>\$ 16,861,085</u>	<u>\$ 15,063,781</u>

### b. Contract balances

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes receivable (Note 11)	<u>\$ 384,596</u>	<u>\$ 343,899</u>	<u>\$ 351,702</u>	<u>\$ 310,864</u>
Accounts receivable (including related parties) (Note 11)	<u>\$ 5,112,865</u>	<u>\$ 4,406,887</u>	<u>\$ 4,567,289</u>	<u>\$ 4,568,115</u>
Contract liabilities - current Sale of goods	<u>\$ 41,953</u>	<u>\$ 29,380</u>	<u>\$ 38,530</u>	<u>\$ 34,241</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 27. NET PROFIT

### a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Bank deposits	<u>\$ 30,706</u>	<u>\$ 11,887</u>	<u>\$ 89,612</u>	<u>\$ 47,075</u>

### b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Dividends income	\$ 4,048	\$ 476	\$ 109,424	\$ 387,224
Grant income	16,464	9,383	30,134	16,220
Rental income	440	492	1,208	1,323
Others	<u>9,983</u>	<u>10,222</u>	<u>36,820</u>	<u>24,262</u>
	<u>\$ 30,935</u>	<u>\$ 20,573</u>	<u>\$ 177,586</u>	<u>\$ 429,029</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net foreign exchange (losses) gains	\$ (16,688)	\$ 22,118	\$ 18,801	\$ 38,354
(Loss) gain on fair value changes of financial assets - financial assets mandatorily classified as at FVTPL	(4,308)	3,171	3,348	16,974
Others	<u>(5,666)</u>	<u>(693)</u>	<u>(8,605)</u>	<u>(6,915)</u>
	<u>\$ (26,662)</u>	<u>\$ 24,596</u>	<u>\$ 13,544</u>	<u>\$ 48,413</u>

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Interest on bank loans	\$ 29,336	\$ 22,241	\$ 73,346	\$ 64,648
Interest on lease liabilities	<u>5,307</u>	<u>4,598</u>	<u>14,701</u>	<u>13,775</u>
	<u>\$ 34,643</u>	<u>\$ 26,839</u>	<u>\$ 88,047</u>	<u>\$ 78,423</u>

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
An analysis of depreciation by function				
Operating costs	\$ 110,307	\$ 101,530	\$ 326,640	\$ 294,238
Operating expenses	<u>55,275</u>	<u>46,816</u>	<u>152,533</u>	<u>137,836</u>
	<u>\$ 165,582</u>	<u>\$ 148,346</u>	<u>\$ 479,173</u>	<u>\$ 432,074</u>
An analysis of amortization by function				
Operating costs	\$ 337	\$ 336	\$ 1,138	\$ 940
Operating expenses	<u>22,232</u>	<u>24,317</u>	<u>65,564</u>	<u>44,479</u>
	<u>\$ 22,569</u>	<u>\$ 24,653</u>	<u>\$ 66,702</u>	<u>\$ 45,419</u>

f. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits				
Salaries	\$ 806,881	\$ 589,056	\$ 1,951,529	\$ 1,655,312
Labor and health insurance	61,936	43,701	151,579	124,273
Others	76,027	38,256	183,759	115,268
	<u>944,844</u>	<u>671,013</u>	<u>2,286,867</u>	<u>1,894,853</u>
Post-employment benefits				
Defined contribution plans	50,535	30,208	116,327	86,691
Defined benefit plans (Note 24)	580	539	1,711	1,606
	<u>51,115</u>	<u>30,747</u>	<u>118,038</u>	<u>88,297</u>
	<u>\$ 995,959</u>	<u>\$ 701,760</u>	<u>\$ 2,404,905</u>	<u>\$ 1,983,150</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 353,625	\$ 260,007	\$ 876,013	\$ 728,419
Operating expenses	642,334	441,753	1,528,892	1,254,731
	<u>\$ 995,959</u>	<u>\$ 701,760</u>	<u>\$ 2,404,905</u>	<u>\$ 1,983,150</u>

g. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of 2% to 6% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the three months and nine months ended September 30, 2024 and 2023 are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Compensation of employees	2.30%	2.01%
Remuneration of directors	0.97%	0.82%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Compensation of employees	\$ 23,661	\$ 15,829	\$ 57,459	\$ 44,235
Remuneration of directors	10,010	7,000	24,310	18,000

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.



The appropriations of employees' compensation and remuneration of directors for 2023 and 2022 that were resolved by the board of directors in March 2024 and 2023, respectively, are as shown below:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
	<b>Cash</b>	<b>Cash</b>
Compensation of employees	\$ 67,600	\$ 52,000
Remuneration of directors	28,600	22,000

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Foreign exchange gains	\$ 76,055	\$ 104,329	\$ 222,924
Foreign exchange losses	<u>(92,743)</u>	<u>(82,211)</u>	<u>(204,123)</u>	<u>(201,911)</u>
	<u>\$ (16,688)</u>	<u>\$ 22,118</u>	<u>\$ 18,801</u>	<u>\$ 38,354</u>

## 28. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	Current tax			
In respect of the current year	\$ 292,864	\$ 162,994	\$ 670,109	\$ 370,155
Income tax on unappropriated earnings	-	-	6,504	10,282
Adjustments for prior year	<u>2,722</u>	<u>(32,767)</u>	<u>(91,211)</u>	<u>(34,290)</u>
	295,586	130,227	585,402	346,147
Deferred tax				
In respect of the current year	<u>(2,446)</u>	<u>83,514</u>	<u>89,434</u>	<u>221,446</u>
	<u>\$ 293,140</u>	<u>\$ 213,741</u>	<u>\$ 674,836</u>	<u>\$ 567,593</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	\$ 15,119	\$ (52,713)	\$ (68,539)	\$ (52,084)

c. Income tax assessments

The income tax returns of the Company and its domestic subsidiaries through 2022 have been assessed by the tax authorities.

## 29. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net profit for the year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Profit for the year attributable to owners of the Company	\$ 660,574	\$ 644,544	\$ 2,039,227	\$ 1,812,263

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	120,571	120,571	120,571	120,571
Effect of potentially dilutive ordinary shares				
Compensation of employees	78	76	250	331
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,649	120,647	120,821	120,902

The Group may settle the compensation of employees in cash or shares, therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 30. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company's subsidiary, Prince Pharmaceutical Co., Ltd. were granted 2,000 units of share options in September 2022. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of Prince Pharmaceutical Co., Ltd. The options granted are exercisable at certain percentages after the first anniversary from the grant date.

Information on employee share options was as follows:

	<b>For the Nine Months Ended September 30</b>			
	<b>2024</b>		<b>2023</b>	
	<b>Number of Options (In Thousands)</b>	<b>Weighted- average Exercise Price (NT\$)</b>	<b>Number of Options (In Thousands)</b>	<b>Weighted- average Exercise Price (NT\$)</b>
Balance at January 1	1,588	\$ 24.85	2,000	\$ 25
Options forfeited	<u>(396)</u>	-	<u>-</u>	-
Balance at September 30	<u>1,192</u>	24.60	<u>2,000</u>	24.85
Options exercisable, end of the period	<u>128</u>	-	<u>-</u>	-

Options granted in September 2022 by Prince Pharmaceutical Co., Ltd. are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

Grant-date share price (NT\$)	\$ 32.5
Exercise price (NT\$)	\$ 25
Expected volatility	34.85%-42.95%
Expected life	3 years and one month
Risk-free interest rate	1.31%-1.41%

Expected volatility is based on the volatility of stock returns over the expected life. Expected life of the options shall be in accordance with the regulations of each issuance by Prince Pharmaceutical Co., Ltd. The risk-free interest rate is based on the government yield rates of the bonds provided by the TPEX. The determination of fair value does not take into account the services and non-market performance conditions included in the transaction.

In June 2023, Prince Pharmaceutical Co., Ltd. adjusted the exercise price of employee share options granted in September 2022 from NT\$25 to NT\$24.85 in accordance with the Regulations Governing Employee Share Options, and the amendment did not generate incremental fair value. In June 2024, Prince Pharmaceutical Co., Ltd. adjusted the exercise price of employee share options granted in September 2022 from NT\$24.85 to NT\$24.60 in accordance with the Regulations Governing Employee Share Options, and the amendment did not generate incremental fair value.

Compensation costs recognized were \$6,062 thousand and \$4,751 thousand for the nine months ended September 30, 2024 and 2023, respectively.

### 31. BUSINESS COMBINATIONS

#### Businesses acquired

Business	Principal Activity	Date of Acquisition
A.C.N. 154 228 207 Pty Ltd. (formerly known as Australasian Tiling Adhesives Pty Ltd)	Production and sale of adhesives, primers, sealants, bricklaying mixtures, and other related materials	September 2, 2024

The Group acquired the business and asset portfolio from A.C.N. (established in Australia), a non-related party, in September 2024. The acquisition includes the processes involved in the input and handling of resources, with the ability to generate output, meeting the definition of a business. Therefore, the acquisition is accounted for under IFRS 3. The purpose of the acquisition was to expand the business and strengthen the product portfolio.

#### a. Consideration transferred

	<b>Amount</b>
Cash	\$ 85,910
Contingent consideration arrangement (Note)	<u>10,653</u>
	<u>\$ 96,563</u>

Note: According to contingent consideration arrangement, the Group is required to make an additional payment to the seller if the agreed-upon conditions are met. The fair value of this obligation was estimated to be \$10,653 thousand as of the acquisition date.

#### b. Assets acquired and liabilities assumed at the date of acquisition

	<b>Amount</b>
Current assets	
Inventories	\$ 16,343
Non-current assets	
Intangible assets	36,740
Property, plant and equipment	21,249
Right-of-use assets	14,392
Current liabilities	
Lease liabilities-current	(3,801)
Non-current liabilities	(10,591)
Lease liabilities-non-current	
Deferred tax liabilities	<u>(11,022)</u>
	<u>\$ 63,310</u>

The initial accounting for the acquisition of A.C.N. of the activities and asset portfolio was only provisionally determined at the end of the period. The tax bases of A.C.N. Corporation's assets were required to be reset based on the market values of the assets. At the date of issuance of these consolidated financial statements, the necessary market valuations and other calculations have not been finalized, and they have, therefore, only been provisionally determined based on management's best estimate of the likely tax values.

c. Goodwill recognized on acquisitions

	<b>Amount</b>
Consideration transferred	\$ 96,563
Less: Fair value of identifiable net assets acquired	<u>(63,310)</u>
Goodwill recognized on acquisitions	<u>\$ 33,253</u>

The goodwill recognized in the acquisitions of A.C.N. of the activities and asset portfolio mainly represents the control premium included in the cost of the combinations.

Subsidiaries acquired

<b>Subsidiary</b>	<b>Principal Activity</b>	<b>Date of Acquisition</b>	<b>Proportion of Voting Equity Interests Acquired (%)</b>	<b>Consideration Transferred</b>
Changshu Yu Bo Polymer Materials Co., Ltd.	Epoxy resin production and sales	April 21, 2023	70.00%	<u>\$ 461,164</u>

The Group acquired Changshu Yu Bo Polymer Materials Co., Ltd. in April 2023. The purpose of the acquisition was to expand the business and strengthen the product portfolio.

- a. Consideration transferred in the total amount of \$461,164 thousand.
- b. Assets acquired and liabilities assumed at the date of acquisition

	<b>Amount</b>
Current assets	
Cash and cash equivalents	\$ 51,439
Accounts receivable and other receivables	88,310
Inventories	44,673
Other current assets	7,313
Non-current assets	
Property, plant and equipment	217,528
Right-of-use assets	75,857
Other intangible assets	402,659
Deferred tax assets	145
Other non-current assets	89
Current liabilities	
Short-term borrowings	(136,285)
Accounts payable and other payables	(128,790)
Current tax liabilities	(2,841)
Other current liabilities	(3,352)
Non-current liabilities	
Deferred tax liabilities	<u>(113,142)</u>
	<u>\$ 503,603</u>

c. Non-controlling interests

The non-controlling interest of Changshu Yu Bo Polymer Materials Co., Ltd. recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to \$151,081 thousand. This fair value was estimated by applying adjustment for market price and the lack of control or lack of marketability that market participants would consider.

d. Goodwill recognized on acquisitions

	<b>Amount</b>
Consideration transferred	\$ 461,164
Add: Non-controlling interests	151,081
Less: Fair value of identifiable net assets acquired	<u>(503,603)</u>
Goodwill recognized on acquisitions	<u>\$ 108,642</u>

The goodwill recognized in the acquisition of Changshu Yu Bo Polymer Materials Co., Ltd. mainly represents the control premium included in the cost of the combination.

e. Net cash outflow on the acquisition of subsidiaries

	<b>Amount</b>
Consideration paid in cash	\$ 461,164
Less: Cash and cash equivalents acquired	(51,439)
Less: Other payables	<u>(153,721)</u>
	<u>\$ 256,004</u>

f. Impact of acquisitions on the results of the Group

Had Changshu Yu Bo Polymer Materials Co., Ltd. concluded the acquisition at the beginning of 2023, the Group's consolidated revenue and profit for the nine months ended September 30, 2023 would have been as follows:

	<b>For The Nine Months Ended September 30, 2023</b>
Revenue	<u>\$ 15,115,350</u>
Profit	<u>\$ 1,903,101</u>

This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2023, nor is it intended to be a projection of future results.

### 32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

For the Nine Months Ended September 30, 2024

	<b>Nan Pao New Materials Technology (Huaian) Co., Ltd. (a)</b>	<b>Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. (b)</b>
Cash consideration received	\$ -	\$ 16,015
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(5,574)	(15,917)
	<u>                    </u>	<u>                    </u>
Differences recognized from equity transactions	<u>\$ (5,574)</u>	<u>\$ 98</u>
<u>Line items adjusted for equity transactions</u>		
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>\$ (5,574)</u>	<u>\$ 98</u>

For the Nine Months Ended September 30, 2023

	<b>Nan Pao New Materials Technology (Huaian) Co., Ltd. (a)</b>	<b>Prince Pharmaceutical Co., Ltd. (c)</b>	<b>FlexUP Technologies Corp. (d)</b>
Cash consideration received (paid)	\$ 15,117	\$ 49,083	\$ (317)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (to) from non-controlling interests	(10,539)	(47,617)	125
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Differences recognized from equity transactions	<u>\$ 4,578</u>	<u>\$ 1,466</u>	<u>\$ (192)</u>
<u>Line items adjusted for equity transactions</u>			
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual acquisition	\$ -	\$ -	\$ (192)
Capital surplus - changes in percentage of ownership interests in subsidiaries	4,578	1,466	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<u>\$ 4,578</u>	<u>\$ 1,466</u>	<u>\$ (192)</u>

- a. In March, April and July 2024, the issuance of ordinary shares in the amount of RMB \$43,949 thousand for cash of Nanpao New Materials Technology (Huaian) Co., Ltd., which was subscribed by the Group, resulting in an increase in shareholding from 90.91% to 94.18%. In February 2023, the Group did not subscribe the issuance of ordinary shares in the amount of RMB 3,380 thousand for cash of Nanpao New Materials Technology (Huaian) Co., Ltd. in accordance with the shareholding ratio, decreasing its shareholding ratio from 95.24% to 90.91%.

- b. In March, May and September 2024, the Group did not subscribe the issuance of ordinary shares in the amount of RMB 30,297 thousand for cash of Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. in accordance with the shareholding ratio, decreasing its shareholding ratio from 100% to 94.55%.
- c. In February 2023, the Group did not subscribe the issuance of ordinary shares in the amount of \$90,000 thousand for cash of Prince Pharmaceutical Co., Ltd. in accordance with the shareholding ratio, decreasing its shareholding ratio from 50.51% to 50.1%.
- d. The Group acquired FlexUP Technologies Corp. 3.13% interests in June 2023, and the shareholding ratio was increased from 96.87% to 100% after acquisition.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

### 33. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will have sufficient financial resources and operating plans to fund its working capital needs, capital asset purchases, research and development expenses, debt repayments, stock dividends and other business requirements associated with its existing operations.

### 34. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

The Group believes that the carrying amounts of financial instruments not measured at fair value recognized in the consolidated financial statements approximate their fair values.

- b. Fair value of financial instruments measured at fair value on a recurring basis

- 1) Fair value hierarchy

September 30, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ -	\$ -	\$ 121,467	\$ 121,467
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Emerging market shares	\$ 27,102	\$ -	\$ -	\$ 27,102
Unlisted shares	-	-	1,868,271	1,868,271
	<u>\$ 27,102</u>	<u>\$ -</u>	<u>\$ 1,868,271</u>	<u>\$ 1,895,373</u>



December 31, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>121,929</u>	\$ <u>121,929</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Emerging market shares	\$ 20,296	\$ -	\$ -	\$ 20,296
Unlisted shares	<u>          -</u>	<u>          -</u>	<u>1,661,816</u>	<u>1,661,816</u>
	\$ <u>20,296</u>	\$ <u>          -</u>	\$ <u>1,661,816</u>	\$ <u>1,682,112</u>

September 30, 2023

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>121,510</u>	\$ <u>121,510</u>
<u>Financial assets at FVTOCI</u>				
Investment in equity instruments				
Emerging market shares	\$ 21,807	\$ -	\$ -	\$ 21,807
Unlisted shares	<u>          -</u>	<u>          -</u>	<u>1,766,033</u>	<u>1,766,033</u>
	\$ <u>21,807</u>	\$ <u>          -</u>	\$ <u>1,766,033</u>	\$ <u>1,787,840</u>

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Assets at FVTPL

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 121,929	\$ 69,536
Recognized in profit or loss	3,348	16,974
Purchases	-	35,000
Reduction of capital cash return	<u>(3,810)</u>	<u>-</u>
Balance at September 30	\$ <u>121,467</u>	\$ <u>121,510</u>

Financial Assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 1,661,816	\$ 4,192,508
Recognized in other comprehensive income (loss) (included in unrealized valuation gain or loss on financial assets at FVTOCI)	<u>206,455</u>	<u>(2,426,475)</u>
Balance at September 30	<u>\$ 1,868,271</u>	<u>\$ 1,766,033</u>

3) Valuation techniques and inputs apply for Level 3 fair value measurement

- a) The market approach is used to estimate the fair values of some of the unlisted shares, and the determination of fair value takes into consideration the industry type, valuation of comparable companies and the operating situation, or based on the net value of company.
- b) The asset approach is used to estimate the fair values of some of the unlisted shares, and the fair values are determined by assessing the total value of individual assets and liabilities covered by the valuation target, in order to reflect the overall value of the business or equity.
- c) Limited partnerships are valued on the basis of their net worth.

c. Categories of financial instruments

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 12,491,340	\$ 10,079,588	\$ 9,732,278
Financial assets at FVTPL - Mandatorily classified as at FVTPL	121,467	121,929	121,510
Financial assets at FVTOCI	1,895,373	1,682,112	1,787,840
<u>Financial liabilities</u>			
Amortized cost (2)	8,782,135	6,408,003	6,693,748

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, notes receivable, accounts receivable (including related parties) and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion of long-term borrowings) and guarantee deposits (included in non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, notes receivable, accounts receivable, notes payable, accounts payable, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks.

These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Major financing activities of the Group are reviewed by the board of directors based on relevant regulations and the internal control system. When executing the financial plans, the Group's treasury department follows the procedures in accordance with the proper segregation of duties and the related financial risk management. And compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD and the VND.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in pre-tax profit associated with the functional currency weakening 1% against the relevant currency. For a 1% strengthening of the functional currency against the relevant foreign currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	<b>USD Impact</b>		
	<b>For the Nine Months Ended</b>		
	<b>September 30</b>		
	<b>2024</b>	<b>2023</b>	
Profit or loss	\$ 4,097	\$ 9,758	(i)
	<b>VND Impact</b>		
	<b>For the Nine Months Ended</b>		
	<b>September 30</b>		
	<b>2024</b>	<b>2023</b>	
Profit or loss	\$ 8,796	\$ 8,459	(ii)

i. This was mainly attributable to the exposure on outstanding foreign monetary items in USD that were not hedged at the end of the period. The Group's sensitivity to foreign currency decreased during the current year mainly due to the increase of other payables in USD.

ii. This was mainly attributable to the exposure on outstanding foreign monetary items in VND that were not hedged at the end of the period. The Group's sensitivity to foreign currency was not changed significantly during the current period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Fair value interest rate risk			
Financial assets	\$ 3,337,674	\$ 1,738,571	\$ 1,435,227
Financial liabilities	2,128,384	2,035,444	1,934,178
Cash flow interest rate risk			
Financial assets	3,398,696	3,253,873	3,066,611
Financial liabilities	3,784,067	1,572,832	1,770,260

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the period was outstanding for the whole reporting period.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's pre-tax profit for the nine months ended September 30, 2024 and 2023 would have decreased/increased by \$7,095 thousand and \$3,319 thousand, respectively; which was mainly result of variable-rate borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. The equity investments are not held for trading purposes but are strategic investments, and the group does not actively trade these investments.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 3%, the profit or loss before tax for the nine months ended September 30, 2024 and 2023 increased/decreased by \$3,644 thousand and \$3,645 thousand, respectively, due to increases/decreases of the fair value of the financial assets measured at fair value through profit or loss. Other comprehensive income before tax for the nine months ended September 30, 2024 and 2023 increased/decreased by \$56,861 thousand and \$53,635 thousand, respectively, due to the fair value of the financial assets measured at fair value through other comprehensive income.

The sensitivity of the Group to the price risk increased in the current period due to the recognition of unrealized loss on investments in equity instruments.

## 2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Since the counterparties of the Group are all creditworthy business organizations, there is no anticipated material credit risk. The Group also continues to evaluate the financial status of clients for accounts receivable.

The Group's concentration of credit risk in accounts receivable was set out as follows:

	<u>September 30, 2024</u>		<u>December 31, 2023</u>		<u>September 30, 2023</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Group A	<u>\$ 450,075</u>	9	<u>\$ 340,684</u>	8	<u>\$ 354,224</u>	8

## 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents and liquid financial assets deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's working capital and the credit line which the Group has obtained are sufficient to support future operational needs, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

### a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

September 30, 2024

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,833,518	\$ 1,870	\$ -
Lease liabilities	149,910	344,399	417,535
Fixed interest rate liabilities	1,335,549	28,887	-
Floating interest rate liabilities	<u>2,193,457</u>	<u>1,489,837</u>	<u>216,960</u>
	<u>\$ 7,512,434</u>	<u>\$ 1,864,993</u>	<u>\$ 634,495</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 149,910</u>	<u>\$ 344,399</u>	<u>\$ 262,949</u>	<u>\$ 59,558</u>	<u>\$ 95,028</u>

December 31, 2023

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,687,500	\$ 2,092	\$ -
Lease liabilities	120,452	296,224	447,853
Fixed interest rate liabilities	1,311,015	8,334	-
Floating interest rate liabilities	<u>696,186</u>	<u>738,434</u>	<u>204,261</u>
	<u>\$ 5,815,153</u>	<u>\$ 1,045,084</u>	<u>\$ 652,114</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 120,452</u>	<u>\$ 296,224</u>	<u>\$ 268,668</u>	<u>\$ 82,246</u>	<u>\$ 96,939</u>

September 30, 2023

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,861,920	\$ 2,252	\$ -
Lease liabilities	113,787	273,831	456,657
Fixed interest rate liabilities	1,186,536	56,034	-
Floating interest rate liabilities	<u>862,625</u>	<u>765,200</u>	<u>212,029</u>
	<u>\$ 6,024,868</u>	<u>\$ 1,097,317</u>	<u>\$ 668,686</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 113,787</u>	<u>\$ 273,831</u>	<u>\$ 269,540</u>	<u>\$ 89,261</u>	<u>\$ 97,856</u>

The amounts included above for floating interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in floating interest rates differ from those estimates of interest rates determined at the end of the period.

b) Financing facilities

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Unsecured bank loan facilities, reviewed annually and payable on demand			
Amount used	\$ 4,905,877	\$ 2,613,186	\$ 2,698,487
Amount unused	<u>7,778,429</u>	<u>8,401,212</u>	<u>8,987,742</u>
	<u>\$ 12,684,306</u>	<u>\$ 11,014,398</u>	<u>\$ 11,686,229</u>
Secured bank loan facilities:			
Amount used	\$ 383,680	\$ 405,258	\$ 490,451
Amount unused	<u>68,556</u>	<u>632,915</u>	<u>384,738</u>
	<u>\$ 452,236</u>	<u>\$ 1,038,173</u>	<u>\$ 875,189</u>

### 35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

<b>Related Party Name</b>	<b>Related Party Category</b>
Pou Chen Corporation and Subsidiaries	Investors with significant influence
Opulence Optronics Co., Ltd.	Other related party
Shenglin Investment Co., Ltd.	Other related party
Apogee Optocom Co., Ltd.	Other related party
Kang Ming Senior High School, Tainan	Other related party
Nan Pao Resins Private Welfare Charity Foundation	Other related party
Yu Po Chemical Co., Ltd.	Other related party

b. Sale of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Investors with significant influence	\$ 411,144	\$ 370,143	\$ 1,130,600	\$ 952,485
Other related party	<u>8,549</u>	<u>5,634</u>	<u>23,095</u>	<u>5,879</u>
	<u>\$ 419,693</u>	<u>\$ 375,777</u>	<u>\$ 1,153,695</u>	<u>\$ 958,364</u>

The sales prices were not significantly different from those with third parties. The credit term is 30 to 105 days, which is not significantly different from that for non-related parties.

c. Purchases of goods

Related Party Category	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2024	2023	2024	2023
Other related party	<u>\$ -</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 74</u>

There were no comparable purchase prices of similar products with third parties. The payment term is 90 days, which is not significantly different from that for non-affiliates.

d. Receivables from related parties

Line Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Accounts receivable from related parties	Investors with significant influence	\$ 450,075	\$ 340,684	\$ 354,224
	Other related party	<u>8,974</u>	<u>9,224</u>	<u>5,872</u>
		<u>\$ 459,049</u>	<u>\$ 349,908</u>	<u>\$ 360,096</u>
Other receivables	Other related party	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380</u>

The outstanding accounts receivable from related parties are unsecured.

e. Payables to related parties

Line Item	Related Party Category	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	Other related party	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 844</u>
Other payables	Investors with significant influence	<u>\$ 134</u>	<u>\$ -</u>	<u>\$ 133</u>

The outstanding accounts payable to related parties are unsecured.



f. Refund liabilities

<b>Line Item</b>	<b>Related Party Category</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Refund liabilities (included in other current liabilities)	Investors with significant influence	\$ <u>79,474</u>	\$ <u>71,539</u>	\$ <u>49,830</u>

g. Lease arrangements - the Group is lessee

<b>Line Item</b>	<b>Related Party Category</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
		<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Lease expense	Other related party	\$ <u>463</u>	\$ <u>457</u>	\$ <u>1,377</u>	\$ <u>1,371</u>

The Group leased the buildings from related parties, and the rental is based on similar asset's market rates and fixed lease payments are paid monthly.

h. Remuneration of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 27,754	\$ 19,110	\$ 70,738	\$ 52,605
Post-employment benefits	<u>413</u>	<u>3,211</u>	<u>4,177</u>	<u>8,251</u>
	<u>\$ 28,167</u>	<u>\$ 22,321</u>	<u>\$ 74,915</u>	<u>\$ 60,856</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the reasonableness of industry standards, performance of individuals and the Company, and future risks.

### 36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for tariff, letters of credit, and long-term or short-term bank borrowings:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>	<b>September 30, 2023</b>
Property, plant and equipment, net	\$ 644,330	\$ 658,677	\$ 797,556
Pledged deposits (classified as financial assets at amortized cost)	39,635	37,108	36,010
Right-of-use assets	<u>4,653</u>	<u>4,686</u>	<u>36,343</u>
	<u>\$ 688,618</u>	<u>\$ 700,471</u>	<u>\$ 869,909</u>

### 37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant contingencies and unrecognized commitments of the Group as of September 30, 2024, December 31 and September 30, 2023 were as follows:

- a. As of September 30, 2024, December 31 and September 30, 2023, the unused letters of credit for purchases of raw materials and machinery and equipment were \$125,751 thousand, \$141,263 thousand and \$149,801 thousand, respectively.
- b. Unrecognized commitments were as follows:

	September 30, 2024	December 31, 2023	September 30, 2023
Acquisition of property, plant and equipment	\$ 370,133	\$ 42,151	\$ 58,685
Acquisition of raw materials	<u>50,912</u>	<u>75,454</u>	<u>75,250</u>
	<u>\$ 421,045</u>	<u>\$ 117,605</u>	<u>\$ 133,935</u>

- c. Material lawsuits

The Company had won the bid for land, plant, and machinery equipment owned by He Kui Chemical Company from Changhua District Court in 2007 and sold the above assets to its subsidiary, Nan Pao Chemical Co., Ltd., for production purposes. On January 31, 2008, third-party Fu-Chien Management Consulting Company claimed to be the mortgagee of the aforementioned machinery equipment at Taiwan Changhua District Court and seized the batch of machinery equipment. Nan Pao Chemical Co., Ltd. has filed for Third Party of Dissent Action arguing that Fu-Chien Management Consulting Company's claims over the above-mentioned machinery equipment were false. Nevertheless, a fire broke out in Nan Pao Chemical Co., Ltd. in January 2010, with all plants and machinery burnt down. Therefore, the content of litigation was changed to confirming whether the machinery had belonged to Nan Pao Chemical Co., Ltd. If the court believed that machinery was not the property of Nan Pao Chemical Co., Ltd., but was destroyed due to its negligence, Nan Pao Chemical Co., Ltd. would be liable for damage. In June 2017, the Supreme Court of Taiwan ruled in a civil lawsuit that machinery and equipment did not belong to Nan Pao Chemical Co., Ltd.

Based on the ruling of the Changhua District Court, He Kui Chemical Company argued for ownership of machinery equipment in the plant. Based on the aforementioned litigation, He Kui Chemical Company filed for an indemnity lawsuit against Nan Pao Chemical Co., Ltd. for damage caused by use of machinery equipment, and sought for indemnity of \$53,102 thousand. Nevertheless, the amount that He Kui Chemical Company claimed for was based on the purchase price of machinery equipment, and did not factor in depreciation based on the useful life of property, plant, and equipment. The batch of machinery was purchased in the 1990s and early 2000s, with surplus value under \$53,102 thousand. The Company has appropriated a liability reserve of \$38,445 thousand based on the remaining value. (recognized as other non-current liabilities). On May 18, 2022, the Changhua District Court ruled Nan Pao Chemical Co., Ltd. should compensate He Kui Chemical Company \$15,267 thousand plus 5% interest of \$7,979 thousand from March 8, 2012 to the date of settlement, which was a total of \$23,246 thousand. On June 27, 2022, Nan Pao Chemical Co., Ltd. appealed the second trial and withdrew the aforementioned compensation amount in July 2022, and reversed the provision of \$15,199 thousand (recognized as other income) in accordance with the ruling of the first trial. On January 24, 2024, Taiwan High Court Taichung Branch Court ruled Nan Pao Chemical Co., Ltd. should compensate He Kui Chemical Company \$12,892 thousand plus 5% interest from March 8, 2012 to the date of settlement. Nan Pao Chemical Co., Ltd. has filed an appeal against the ruling of Taiwan High Court Taichung Branch Court.

### 38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2024

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 59,288	31.65 (USD:NTD)	\$ 1,876,479
USD	11,277	7.0074 (USD:CNY)	356,912
USD	15,017	15,216 (USD:IDR)	475,300
USD	5,697	7.767 (USD:HKD)	180,303
VND	940,086,277	0.000041 (VND:USD)	1,210,255
<u>Financial liabilities</u>			
Monetary items			
USD	56,413	31.65 (USD:NTD)	1,785,561
USD	2,442	7.0074 (USD:CNY)	77,283
USD	5,286	7.7669 (USD:HKD)	167,305
USD	11,961	15,216 (USD:IDR)	378,560
USD	1,994	4.5953 (USD:MYR)	70,621
VND	257,102,584	0.000041 (VND:USD)	330,618

December 31, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 53,459	30.71 (USD:NTD)	\$ 1,641,471
USD	6,677	7.0827 (USD:CNY)	205,024
USD	12,211	15,508 (USD:IDR)	374,947
USD	7,783	7.8149 (USD:HKD)	238,991
VND	973,097,805	0.000041 (VND:USD)	1,229,739

Financial liabilities

Monetary items			
USD	26,352	30.72 (USD:NTD)	809,409
USD	2,438	7.0827 (USD:CNY)	74,859
USD	7,480	7.815 (USD:HKD)	229,681
USD	10,733	15,508 (USD:IDR)	329,567
USD	2,099	4.6323 (USD:MYR)	64,920
VND	227,648,607	0.000041 (VND:USD)	288,335

September 30, 2023

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 53,693	32.27 (USD:NTD)	\$ 1,732,691
USD	4,313	7.1798 (USD:CNY)	139,179
USD	10,846	15,514 (USD:IDR)	350,001
USD	7,799	7.8267 (USD:HKD)	251,668
VND	892,584,412	0.000041 (VND:USD)	1,180,329
			(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 26,927	32.24 (USD:NTD)	\$ 868,223
USD	2,097	7.1798 (USD:CNY)	67,610
USD	7,505	7.8268 (USD:HKD)	242,176
USD	7,398	15,519 (USD:IDR)	238,787
USD	2,541	4.6555 (USD:MYR)	80,949
VND	252,619,621	0.000041 (VND:USD)	334,478
			(Concluded)

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

<b>Functional Currency</b>	<b>For the Three Months Ended September 30, 2024</b>		<b>For the Three Months Ended September 30, 2023</b>	
	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>	<b>Exchange Rate</b>	<b>Net Foreign Exchange Gain (Loss)</b>
USD	32.354 (USD:NTD)	\$ 20,469	30.705 (USD:NTD)	\$ (26,044)
NTD	1 (NTD:NTD)	(16,782)	1 (NTD:NTD)	37,198
CNY	4.458 (CNY:NTD)	(4,010)	4.375 (CNY:NTD)	2,684
AUD	21.33 (AUD:NTD)	685	20.52 (AUD:NTD)	(3,530)
IDR	0.00200 (IDR:NTD)	(7,631)	0.00208 (IDR:NTD)	3,737
VND	0.0013 (VND:NTD)	(9,800)	0.0013 (VND:NTD)	7,971
Others		<u>381</u>		<u>102</u>
		<u>\$ (16,688)</u>		<u>\$ 22,118</u>

Functional Currency	For the Nine Months Ended September 30, 2024		For the Nine Months Ended September 30, 2023	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	31.90 (USD:NTD)	\$ (32,222)	30.55 (USD:NTD)	\$ (27,611)
NTD	1 (NTD:NTD)	50,513	1 (NTD:NTD)	50,989
CNY	4.412 (CNY:NTD)	1,172	4.408 (CNY:NTD)	4,738
AUD	21.01 (AUD:NTD)	21	20.66 (AUD:NTD)	(3,432)
IDR	0.00200 (IDR:NTD)	(3,573)	0.00204 (IDR:NTD)	1,719
VND	0.0013 (VND:NTD)	2,554	0.0013 (VND:NTD)	10,416
Others		<u>336</u>		<u>1,535</u>
		<u>\$ 18,801</u>		<u>\$ 38,354</u>

### 39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions :

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
- 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 9) Trading in derivative instruments (None)
- 10) Others: Intercompany relationships and significant intercompany transactions (Table 9)

b. Information on investees (Table 6)

- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7)
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 10)

#### 40. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

##### Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Taiwan	Mainland China	Vietnam	Australia	Other Regions	Adjustments and Eliminations	Total
<u>For the nine months ended</u>							
<u>September 30, 2024</u>							
Revenue							
Revenue from external customers	\$ 2,878,032	\$ 4,997,656	\$ 4,523,723	\$ 2,334,177	\$ 2,127,497	\$ -	\$ 16,861,085
Inter segment revenue	<u>3,363,547</u>	<u>746,375</u>	<u>1,139,679</u>	<u>395</u>	<u>23,041</u>	<u>(5,273,037)</u>	<u>-</u>
Total revenue	<u>\$ 6,241,579</u>	<u>\$ 5,744,031</u>	<u>\$ 5,663,402</u>	<u>\$ 2,334,572</u>	<u>\$ 2,150,538</u>	<u>\$ (5,273,037)</u>	<u>\$ 16,861,085</u>
Segment income	<u>\$ 1,335,410</u>	<u>\$ 388,041</u>	<u>\$ 593,504</u>	<u>\$ 148,632</u>	<u>\$ 248,789</u>	<u>\$ (126,005)</u>	\$ 2,588,371
Interest income							89,612
Other income							177,586
Other gains and losses							13,544
Finance costs							(88,047)
Share of loss of associates accounted for using the equity method							(6,114)
Profit before tax							<u>\$ 2,774,952</u>
<u>For the nine months ended</u>							
<u>September 30, 2023</u>							
Revenue							
Revenue from external customers	\$ 2,791,699	\$ 4,255,240	\$ 4,052,721	\$ 2,343,844	\$ 1,620,277	\$ -	\$ 15,063,781
Inter segment revenue	<u>2,571,771</u>	<u>558,044</u>	<u>848,445</u>	<u>1,367</u>	<u>27,782</u>	<u>(4,007,409)</u>	<u>-</u>
Total revenue	<u>\$ 5,363,470</u>	<u>\$ 4,813,284</u>	<u>\$ 4,901,166</u>	<u>\$ 2,345,211</u>	<u>\$ 1,648,059</u>	<u>\$ (4,007,409)</u>	<u>\$ 15,063,781</u>
Segment income	<u>\$ 815,610</u>	<u>\$ 285,909</u>	<u>\$ 731,596</u>	<u>\$ 116,764</u>	<u>\$ 187,133</u>	<u>\$ (100,439)</u>	\$ 2,036,573
Interest income							47,075
Other income							429,029
Other gains and losses							48,413
Finance costs							(78,423)
Share of loss of associates accounted for using the equity method							(7,024)
Profit before tax							<u>\$ 2,475,643</u>

Segment profit represents the profit before tax earned by each segment without non-operating income and expenses and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The decision of the Group's chief operating decision maker is based on the operating results of the different segments. Information on classified assets and liabilities from different business activities are not evaluated, and only the operating results of the reportable segments are shown.



**TABLE 1****NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**FINANCING PROVIDED TO OTHERS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 4)	Aggregate Financing Limit (Note 4)
													Item	Value		
1	Nan Pao Group Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Other receivables from related parties	Yes	\$ 689,535	\$ 664,650	\$ 664,650	-	Demand of short-term financing	\$ -	Operating capital	\$ -	None	\$ -	\$ 6,441,328	\$ 6,441,328
2	Nan Pao Overseas Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Other receivables from related parties	Yes	952,215	917,850	917,850	-	Demand of short-term financing	-	Operating capital	-	None	-	7,417,661	7,417,661

Note 1: Foreign currency above is translated into NTD at the exchange rates of the end of the month.

Note 2: The aggregate limit for borrowers is 40% of the Company's net value as stated in the financial statements. The upper limits for each borrower are:

1. For individual entity having business relationship with the Company, shall not exceed the total transaction amount between the parties during the period in 12 months prior to the time or the aggregate limit aforementioned.
2. For individual entity having borrow needs short-term financing, shall not exceed the 20% of the Company's net value.

Note 3: Subsidiaries engage in financing provided to others with the same limit as the parent company, but the net value is based on the lender's net value.

Note 4: Both the aggregate limit and upper limit for each borrower between foreign subsidiaries held 100% by the Company directly or indirectly shall not exceed the lender's net value.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Notes 2 & 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Notes 2 & 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Group Holdings Ltd.	2	\$ 2,778,497	\$ 32,835	\$ 31,650	\$ -	\$ -	0.23	\$ 6,946,242	Y	N	N
		Nan Pao Resins Chemical Philippines, Inc.	2	2,778,497	32,835	31,650	-	-	0.23	6,946,242	Y	N	N
		Nan Pao Philippines Export Inc.	2	2,778,497	16,418	15,825	-	-	0.11	6,946,242	Y	N	N
		RLA Polymers (M) SDN BHD	2	2,778,497	65,670	63,300	-	-	0.46	6,946,242	Y	N	N
		RLA Polymers (M) SDN BHD	2	2,778,497	131,340	-	-	-	-	6,946,242	Y	N	N
		RLA Polymers Pty Ltd.	2	2,778,497	43,860	43,860	34,552	-	0.32	6,946,242	Y	N	N
		Nan Pao Advanced Investment Co., Ltd.	2	2,778,497	181,800	180,920	146,649	-	1.30	6,946,242	Y	N	Y
		Nanpao New Materials Technology (Huaian) Co., Ltd.	2	2,778,497	227,250	135,690	5,606	-	0.98	6,946,242	Y	N	Y
		Nanpao New Materials Technology (Huaian) Co., Ltd.	2	2,778,497	90,900	-	-	-	-	6,946,242	Y	N	Y
		Nanpao New Materials Technology (Huaian) Co., Ltd.	2	2,778,497	90,900	-	-	-	-	6,946,242	Y	N	Y
		Nanpao New Materials Technology (Huaian) Co., Ltd.	2	2,778,497	113,625	113,075	29,786	-	0.81	6,946,242	Y	N	Y
		Changshu Yu Bo Polymer Materials Co., Ltd.	2	2,778,497	95,445	-	-	-	-	6,946,242	Y	N	Y
		Changshu Yu Bo Polymer Materials Co., Ltd.	2	2,778,497	95,445	-	-	-	-	6,946,242	Y	N	Y
		Changshu Yu Bo Polymer Materials Co., Ltd.	2	2,778,497	95,445	-	-	-	-	6,946,242	Y	N	Y
		Nan Pao Fine Materials Co., Ltd.	2	2,778,497	20,000	-	-	-	-	6,946,242	Y	N	N
Nan Pao Fine Materials Co., Ltd.	2	2,778,497	20,000	-	-	-	-	6,946,242	Y	N	N		

Note 1: Relationships between the endorser/guarantor and endorsee/guarantee are as follows:

1. Companies with business relationship.
2. The Company directly and indirectly holds more than 50 percent of the voting rights in a company.
3. A company that directly and indirectly holds more than 50 percent of the voting rights in the Company.
4. The Company directly and indirectly holds more than 90 percent of the voting rights between companies.
5. Companies with the same industry or mutual project undertakers that have mutual guarantee based on contract agreements due to contractual project needs.
6. Due to joint venture, the company's shareholders' endorsement is based on their shareholding ratio.
7. The performance guarantee of the pre-sale house sales contract in the same industry in accordance with the Consumer Protection Law is jointly guaranteed.

Note 2: The limit on endorsement/guarantee given on behalf of individual corporation is 20% of the Company's net value at the end of the period, while the aggregate endorsement/guarantee limit is 50% of the Company's net value.

Note 3: The subsidiaries directly and indirectly invested by the Company shall not endorse/guarantee to individual corporation.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**SEPTEMBER 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Nan Pao Resins Chemical Co., Ltd.	CDIB - Innolux Limited Partnership	None	Financial assets at fair value through profit or loss - non-current	-	\$ 121,467	9	\$ 121,467	
Nan Pao Resins Chemical Co., Ltd.	Dairen Chemical Corp. - publicly owned company	None	Financial assets at fair value through other comprehensive income - non-current	10,424,970	\$ 1,846,072	2	\$ 1,846,072	
	Hua Chi Venture Capital Co., Ltd. - privately-issued equity	"	"	7,895	1,445	1	1,445	
	Opulence Optronics Co., Ltd. - privately-issued equity	"	"	877,208	3,534	8	3,534	
	Revivegen Co., Ltd. - emerging stock	"	"	649,921	27,102	1	27,102	
	Contact BioSolutions Pty Ltd - privately-issued equity	"	"	2,902	-	17	-	
					<u>\$ 1,878,153</u>		<u>\$ 1,878,153</u>	
Nan Pao Chemical Co., Ltd.	Ace Chemical Corp. - privately-issued equity	None	Financial assets at fair value through other comprehensive income - non-current	1,249,915	\$ 17,220	10	\$ 17,220	

Note 1: The marketable securities listed in the table above refer to the shares, bonds, beneficiary certificates and marketable securities derived from the above accounts which fall within the scope of IFRS 9: Financial Instruments.

Note 2: Please refer to Tables 6 and 7 for information on investments in subsidiaries and associates.

**TABLE 4**

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Subsidiary	Sales	\$ 1,309,056	25	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 868,968	44	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Subsidiary	Sales	588,148	11	Payment within 90 days	Similar to general transactions	Similar to general transactions	246,846	12	
	Nan Pao Materials Vietnam Co., Ltd.	Subsidiary	Sales	365,860	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	52,904	3	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Subsidiary	Sales	340,487	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	95,713	5	
	Nan Pao Resins (Foshan) Co., Ltd.	Subsidiary	Sales	197,157	4	Payment within 90 days	Similar to general transactions	Similar to general transactions	65,225	3	
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	454,148	28	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	239,763	37	
Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	Same ultimate parent company	Sales	281,939	32	Payment within 90 days	Similar to general transactions	Similar to general transactions	111,536	34	
Nan Pao Materials Vietnam Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Same ultimate parent company	Sales	226,649	13	Payment within 90 days	Similar to general transactions	Similar to general transactions	50,522	8	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Same ultimate parent company	Sales	118,442	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	62,307	10	
	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	165,557	10	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	47,378	8	
Nan Pao Resins (Vietnam) Enterprise Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	273,713	10	Telegraphic transfer within 60 days	Similar to general transactions	Similar to general transactions	79,158	11	
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Ltd.	Same ultimate parent company	Processing revenue	257,811	100	Payment within 90 days	No comparable product sales for comparison	No third-party transaction for comparison	101,965	100	
Nan Pao Resins (Foshan) Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	129,170	8	Payment within 45 days	Similar to general transactions	Similar to general transactions	57,252	9	
FlexUP Technologies Corp.	Nan Pao Materials Vietnam Co., Ltd.	Same ultimate parent company	Sales	114,755	84	Payment within 60 days	Similar to general transactions	Similar to general transactions	40,655	92	

Note: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Subsidiary	\$ 868,968	2.46	\$ -	-	\$ 137,787	\$ -
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Subsidiary	246,846	3.38	-	-	27,132	-
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	239,763	2.1	-	-	45,849	166
Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	Same ultimate parent company	111,536	2.62	-	-	26,531	-
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Ltd.	Same ultimate parent company	101,965	3.69	-	-	33,061	-
Nan Pao Group Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Parent company	664,650	(Note 1)	-	-	-	-
Nan Pao Overseas Holdings Ltd.	Nan Pao Resins Chemical Co., Ltd.	Parent company	917,850	(Note 1)	-	-	-	-

Note 1: For the purpose of other receivables at the end of the period, and thus the turnover rate is not applicable.

Note 2: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.

**TABLE 6**

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

INFORMATION ON INVESTEEES  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Co., Ltd.	No. 519, Zhongshan Rd., Xigang Dist., Tainan City	Trading of chemical substances	\$ 300,000	\$ 300,000	15,000,000	100	\$ 184,899	\$ 241	\$ 241	
	Nan Pao Application Material Co., Ltd.	No. 519, Zhongshan Rd., Xigang Dist., Tainan City	Trading of chemical substances	60,000	60,000	200,000	100	8,661	22	22	
ITLS International Development Co., Ltd.	ITLS International Development Co., Ltd.	3F., No. 356, Sec. 1, Neihu Rd., Neihu Dist., Taipei City	Trading of construction materials and chemical substances	696,000	696,000	24,600,000	100	263,716	14,336	14,336	
	Prince Pharmaceutical Co., Ltd.	No. 168, Keyun S. Rd., Kendi Vil., Huwei Township, Yunlin County	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	365,600	365,600	18,131,198	49.53	391,655	(46,908)	(23,234)	
Phymed Bio-Tec Co., Ltd.	Phymed Bio-Tec Co., Ltd.	No. 519, Zhongshan Rd., Xigang Dist., Tainan City	R&D and trading of health food	34,000	34,000	2,400,000	100	11,487	(2,409)	(2,409)	
	Biorich Biotechnology Co., Ltd.	3F., No. 356, Sec. 1, Neihu Rd., Neihu Dist., Taipei City	R&D, production, and trading of new high protein business and health food	64,121	64,121	391,462	57.1	16,119	3,621	2,068	
Nan Pao Advanced Materials Co., Ltd.	Nan Pao Advanced Materials Co., Ltd.	No. 521, Zhongshan Rd., Xigang Dist., Tainan City	Trading of adhesives and chemicals	3,500	3,500	350,000	70	9,581	5,194	3,636	
	Nan Pao Fine Materials Co., Ltd.	No. 217, Xinxing St., Qingan Vil., Xigang Dist., Tainan City	Production and trading of adhesives and chemicals	13,750	13,750	1,375,000	55	31,204	33,760	24,958	
FlexUP Technologies Corp.	FlexUP Technologies Corp.	No. 10, Ln. 99, Nanhai St., Nanhai Vil., Xigang Dist., Tainan City	Trading of chemical substances	39,863	39,863	18,880,000	100	58,519	27,620	26,611	
Perfect & Outstanding Technology Inc.	Perfect & Outstanding Technology Inc.	No. 32-1, Ln. 88, Zhongshan Rd., Luzhu Dist., Kaohsiung City	Production and trading of renewable energy	40,000	40,000	2,500,000	22.51	24,198	(19,532)	(6,114)	
Fuqing Nan Pao Investment Ltd.	Fuqing Nan Pao Investment Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	166,699	166,699	4,990,000	100	244,965	28,266	28,266	
Thai Nan Pao Investment Ltd.	Thai Nan Pao Investment Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	169,909	169,909	5,282,000	100	203,235	4,778	4,778	
Nan Pao Resins India Pvt Ltd.	Nan Pao Resins India Pvt Ltd.	204, Abhishek, off New Link Road, Andheri (W), Mumbai 400053, India	Trading of adhesives	100,439	42,299	12,112,640	100	118,033	12,416	12,416	
Nan Pao Materials Resins India Private Limited	Nan Pao Materials Resins India Private Limited	ROOM No. 6, FLAT NO. 3-D, FRONT BLOCK, 188 P H ROAD, Kilpauk, Perambur Purasawalkam, Chennai-600010, Tamil Nadu, India	Trading of adhesives	126,330	30,750	32,722,000	100	119,422	(2,240)	(2,240)	
Nan Pao Materials Vietnam Co., Ltd.	Nan Pao Materials Vietnam Co., Ltd.	LotA4, A5, A10, A11 Daden Industrial Park, Thu Dau Mot City, Binh Duong Province, Vietnam	Production and trading of adhesives and chemicals	685,094	685,094	-	100	1,705,019	210,329	209,304	
Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Advanced Materials Vietnam Co., Ltd.	Phuc Son Industrial Area, Ninh Phuc Commune, Ninh Binh City, Ninh Binh Province	Production and trading of adhesives and chemicals	465,970	465,970	-	100	783,851	108,412	108,412	
Nan Pao Overseas Holdings Ltd.	Nan Pao Overseas Holdings Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	4,629,454	2,386,015	11,373	100	7,261,340	295,803	289,701	
Profit Land Limited	Profit Land Limited	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	186,588	186,588	983,333	73.75	941,475	325,248	239,489	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
All Saints Enterprises Ltd.	All Saints Enterprises Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	143,375	143,375	5,452,549	54.53	198,681	(29,764)	(16,230)	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
Ongoing Profits Ltd.	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	46,426	46,426	1,560,000	32.18	163,005	163,527	51,194	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
PT. Indo Nan Pao Resins Chemical Co., Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Jl. Pajajaran Raya No. 44, Jatiuwung Tangerang 15137, Indonesia	Production and trading of adhesives	48,987	44,754	7,425,000	67.5	455,530	169,084	85,546	
Nan Pao Philippines Export Inc.	Nan Pao Philippines Export Inc.	Lot IL-2 Subic Bay Gateway Park Phase II, Subic Bay Freeport Zone	Trading of adhesives	14,993	14,993	25,750,000	100	20,455	3,444	3,444	
Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	House No, 42 5th floors, Lake drive Road, Sector 7, Ultara, Dhaka	Trading of adhesives	13,571	13,571	284,425	100	391	(4,193)	(4,193)	
Earnest Wealth Co., Ltd.	Earnest Wealth Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	General investment	42,958	42,958	920,000	51.11	46,689	1,382	706	
Nan Pao Resins International Ltd.	Nan Pao Resins International Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	Trading of chemical substances and related products	6,804	6,804	1,000	100	13,207	3,541	3,541	
Nan Pao Resins (HK) Ltd.	Nan Pao Resins (HK) Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	Production and trading of adhesives	363,753	363,753	13,400,000	100	312,698	3,609	(4,326)	
ITLS International Development Co., Ltd.	ITLS Holding Pte. Ltd.	8 Boon Lay Way, #09-14, 8 @ Tradehub 21, Singapore 609964	General investment	502,822	502,822	22,064,549	100	87,167	(90)	(90)	
Fuqing Nan Pao Investment Ltd.	Wealth Castle Development Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	144,324	144,324	10,000	100	245,138	28,408	28,408	
Thai Nan Pao Investment Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	412 Kor Soi, 1cBangpoo Industrial Tumbon Preaksa Ampur Muang Samutprakarn 10280, Thailand	Production and trading of adhesives	176,570	176,570	21,197,000	100	149,483	2,920	2,920	
Earnest Wealth Co., Ltd.	Apex Polytech Co., Ltd.	Lot T29-15A Street 7, Protrade International Industrial Park, An Tay Commune, Ben Cat Town, Binh Duong, Vietnam.	Production and trading of adhesives	68,048	68,048	-	100	67,389	1,403	1,403	
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KYI-1205 Cayman Islands	General investment	3,735,539	2,470,488	83,726,502	100	6,441,328	274,530	274,530	

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Jl. Pajajaran Raya No. 44, Kel. Gandasari, Kec. Jatiuwung, Tangerang-15137 Indonesia	Production and trading of construction materials	\$ 80,126 (USD 2,531,620)	\$ 80,126 (USD 2,531,620)	2,507,109	100	\$ 15,440	\$ 1,105		
	ITLS Vietnam Co., Ltd.	No. 16 Kim Dong Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province	Production and trading of construction materials	137,788 (USD 4,353,487)	137,788 (USD 4,353,487)	-	100	68,690	(944)		
Nan Pao Group Holdings Ltd.	Greatwill Materials (HK) Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	39,879 (USD 1,260,000)	39,879 (USD 1,260,000)	7,172	100	601,661	34,157		
	Profit Land Limited	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	59,743 (USD 1,887,627)	59,743 (USD 1,887,627)	350,000	26.25	341,235	325,248	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	Nan Pao Resins (Holdings) Ltd.	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	666,361 (USD 21,054,073)	666,361 (USD 21,054,073)	10,000	100	448,763	31,080		
	All Saints Enterprises Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	168,792 (USD 5,333,075)	168,792 (USD 5,333,075)	4,547,451	45.47	165,671	(29,764)	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	NP Australia Pty Ltd.	Collins Square Tower Five Level 22, 727 Collins Street, Docklands VIC 3008	General investment	662,601 (AUD 30,214,354)	662,601 (AUD 30,214,354)	30,214,354	100	1,102,970	94,481		
	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	121,435 (USD 3,836,817)	121,435 (USD 3,836,817)	3,287,546	67.82	481,824	163,527	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	Treasure Wealth (HK) Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	145,907 (USD 4,610,000)	145,907 (USD 4,610,000)	4,610	100	162,693	37		
	Goldford Investments Ltd.	Creque Building, P.O. Box 116, Road Town, Tortola, British Virgin Islands	General investment	18,510 (USD 584,844)	18,510 (USD 584,844)	486,000	100	154,277	21,496		
	Nan Pao Resins Chemical Philippines, Inc.	Road 22 Phase 11, Cogeo Village, Antipolo City, Philippines	Trading of adhesives	6,647 (USD 210,000)	6,647 (USD 210,000)	9,000	100	100,409	8,233		
Profit Land Limited	Giant Profit Development Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	253,200 (USD 8,000,000)	253,200 (USD 8,000,000)	10,000	100	1,287,400	322,706		
Nan Pao Resins (Holdings) Ltd.	Eastlion Enterprises Ltd.	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	175,344 (USD 5,540,100)	175,344 (USD 5,540,100)	20,240	100	250,802	16,238		
	Nan Pao Resins Development Ltd.	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	94,950 (USD 3,000,000)	94,950 (USD 3,000,000)	3,000	100	190,192	14,682		
All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	Unit 2102, 21/F The Broadway, No., 54-62 Lockhart, Road, Wanchai, Hong Kong	General investment	316,500 (USD 10,000,000)	316,500 (USD 10,000,000)	10,000	100	359,948	(29,883)		
NP Australia Pty Ltd.	RLA Polymers Pty Ltd.	Collins Square Tower Five Level 22, 727 Collins Street, Docklands VIC 3008	Production and trading of construction materials and chemical substances	467,862 (AUD 21,334,344)	467,862 (AUD 21,334,344)	16,552,080	100	979,024	94,520		
Ongoing Profits Ltd.	Rising Sun Associates Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	153,425 (USD 4,847,546)	153,425 (USD 4,847,546)	3,000,000	100	709,057	163,625		
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Kcn Nhon Trach II, Xa Hiep Phuoc, Huyen Nhon Trach, Tinh Dong Nai, Vietnam	Production and trading of coatings	145,274 (USD 4,590,000)	145,274 (USD 4,590,000)	-	50	161,564	71		
Goldford Investments Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Jl. Pajajaran Raya No. 44, Jatiuwung Tangerang 15137, Indonesia	Production and trading of adhesives	-	4,194 (IDR 2,035,000,000)	-	-	-	169,084	All shares were fully resold to Nan Pao Resins Chemical Co., Ltd. in the period	
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	10 Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Town, Binh Duong Province, S.R Vietnam	Production and trading of adhesives	107,870 (USD 3,408,217)	107,870 (USD 3,408,217)	-	100	704,266	161,597		
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	No. 5, Lebuhraya Petai, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	Production and trading of construction materials and chemical substances	130,962 (AUD 5,971,801)	130,962 (AUD 5,971,801)	18,415,500	100	230,754	7,560		
	Australasian Tiling Adhesives Pty Ltd	3 Progress Court Laverton North VIC 3026	Production and trading of construction materials and chemical substances	98,685 (AUD 4,500,000)	-	4,500,000	100	101,441	2,665		

(Concluded)

Note 1: Only the amount of profit or loss recognized by the Company for each subsidiary directly invested and each investee company using the equity method should be shown, other information can be exempted.

Note 2: Please refer to Table 7 for information on investees in mainland China.

**TABLE 7**

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024 (Note 4)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2024 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2024	Accumulated Repatriation of Investment Income as of September 30, 2024
					Outward	Inward						
Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	\$ 316,500 (USD 10,000,000)	(2) Great Mount Enterprises Ltd.	\$ 341,501 (USD 10,789,932)	\$ -	\$ -	\$ 341,501 (USD 10,789,932)	\$ (29,875)	100	\$ (29,875) (2)B.	\$ 359,823	\$ -
Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	144,324 (USD 4,560,000)	(2) Wealth Castle Development Ltd.	157,934 (USD 4,990,000)	-	-	157,934 (USD 4,990,000)	28,528	100	28,528 (2)B.	244,817	222,197
Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesive products	85,455 (USD 2,700,000)	(2) Eastlion Enterprises Ltd.	80,450 (USD 2,541,860)	-	-	80,450 (USD 2,541,860)	18,381	100	18,381 (2)B.	204,987	-
Dongguan Jiaqin Electronics Co., Ltd.	Production and trading of coatings and advanced resins	94,950 (USD 3,000,000)	(2) Nan Pao Resins Development Ltd.	96,997 (USD 3,064,683)	-	-	96,997 (USD 3,064,683)	14,682	100	14,682 (2)B.	190,174	-
Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	108,400 (RMB 24,000,000)	(2) Greatwill Materials (HK) Ltd. and Nan Pao Resins (Foshan) Co., Ltd.	-	-	-	-	57,191	60.47	34,583 (2)B.	607,378	-
Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	253,200 (USD 8,000,000)	(2) Giant Profit Development Ltd.	246,478 (USD 7,787,627)	-	-	246,478 (USD 7,787,627)	322,686	100	322,686 (2)B.	1,286,328	995,385
Goaden Nan Pao Materials Technology Co., Ltd.	Trading of footwear materials	22,583 (RMB 5,000,000)	(3) Nan Pao Resins (Foshan) Co., Ltd.	-	-	-	-	74	51	38 (2)B.	12,605	-
Gangyi Electronic (Dongguan) Co., Ltd. (Note 5)	Production and trading of magnetic covers, magnetic rings, iron cores and electronic components	-	(2) Qang Yi Electronic Factory Company Ltd.	12,660 (USD 400,000)	-	-	12,660 (USD 400,000)	-	-	-	-	-
Nan Pao Advanced Investment Co., Ltd.	General investment	1,249,226 (USD 39,470,000)	(2) Nan Pao Group Holdings Ltd.	933,675 (USD 29,500,000)	315,551 (USD 9,970,000)	-	1,249,226 (USD 39,470,000)	(86,286)	100	(86,286) (2)B.	930,927	-
Nan Pao (Kunshan) Electronic Commerce Co., Ltd.	Online business agency and general merchandise trading	47,475 (USD 1,500,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(94)	100	(94) (2)B.	5,456	-
Nanpao New Materials Technology (Huaian) Co., Ltd.	Production and trading of carbon fiber	543,429 (USD 17,169,965)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(57,085)	94.18	(53,028) (2)B.	328,173	-
Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading of adhesives and chemicals	25,320 (USD 800,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(2,309)	100	(2,309) (2)B.	10,803	-
Nan Pao Fine Chemical Materials (Anhui) Co., Ltd.	Production and trading of coatings and chemical substances	290,654 (USD 9,183,368)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(8,479)	94.55	(7,968) (2)B.	267,643	-
Changshu Yu Bo Polymer Materials Co., Ltd.	Production and trading of adhesives and chemicals	205,725 (USD 6,500,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	10,654	70	(16,988) (2)B.	456,223	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2024 (Note 4)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 3)
\$ 2,185,246 (USD 69,044,102)	\$ 4,289,066 (USD 135,515,525)	\$ 9,218,502

Note 1: The methods of investment in mainland China are divided into the following three categories (indicate the category number):

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through companies in a third region (please specify investee company in third region).
- (3) Other methods.

Note 2: Recognized in the investment gain (loss) column in the current period:

- (1) If the Company is still in the preparation stage, and there is still no investment gain or loss, it should be disclosed.
- (2) The basis for recognition of investment gain (loss) which falls under the following three categories should be disclosed:
  - A. The financial statements were reviewed by an international accounting firm that has a business relationship with an accounting firm in the ROC.
  - B. The financial statements were reviewed by the CPA of the parent company in the ROC.
  - C. Others.

Note 3: The Company's investment limit in mainland China is calculated as follows:  
\$15,364,170×60%=\$9,218,502

Note 4: Relevant amounts are calculated based on the exchange rate of US\$1 = NT\$31.65 at the end of the period.  
Relevant amounts are calculated based on the exchange rate of RMB 1 = NT\$4.523 at the end of the period.

Note 5: Gangyi Electronic (Dongguan) Co., Ltd. has already completed its liquidation procedures in October 2017, but its share proceeds have not been remitted to Taiwan; hence, it has not been deducted from the investment amount authorized by the Investment Commission, MOEA.



**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Unrealized Gain (Note)
			Purchases/Sales	Amount (Note)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% to Total	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Subsidiary	Sales	\$ (197,157)	(4)	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 65,225	3	\$ 17,073
Foshan Nan Pao Advanced Materials Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Same ultimate parent company	Sales	(52,344)	(3)	Payment within 90 days	Similar to general transactions	Similar to general transactions	20,437	2	-
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Same ultimate parent company	Sales	(16,981)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	5,469	1	-
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Ltd.	Same ultimate parent company	Processing revenue	(257,811)	(100)	Payment within 90 days	No comparable product sales for comparison	No third-party transaction for comparison	101,965	100	-
Nan Pao Resins (Foshan) Co., Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Same ultimate parent company	Sales	(75,939)	(4)	Payment within 90 days	Similar to general transactions	Similar to general transactions	31,180	5	-
Fuqing Nan Pao Resins Co., Ltd.	Nan Pao Resins (China) Co., Ltd.	Same ultimate parent company	Sales	(33,286)	(10)	Payment within 90 days	Similar to general transactions	Similar to general transactions	16,503	15	-
	Nan Pao Resins (Foshan) Co., Ltd.	Same ultimate parent company	Sales	(28,461)	(9)	Payment within 90 days	Similar to general transactions	Similar to general transactions	14,235	13	-
Nan Pao Resins (China) Co., Ltd.	Changshu Yu Bo Polymer Materials Co., Ltd.	Same ultimate parent company	Sales	(14,662)	(4)	Payment within 90 days	Similar to general transactions	Similar to general transactions	5,957	3	-

Note: The amounts, ending balances and unrealized gains were eliminated during the preparation of the consolidated financial statements.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024  
(Amounts in Thousands of New Taiwan Dollars)**

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	1	Accounts receivable from related parties	\$ 868,968	Calculated based on general transaction prices, telegraphic transfer within 90 days	3
				Sales revenue	1,309,056		8
		Nan Pao Resins (Foshan) Co., Ltd.	1	Accounts receivable from related parties	65,225		-
				Sales revenue	197,157		1
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	1	Accounts receivable from related parties	246,846		1
				Sales revenue	588,148		3
		Nan Pao Materials Vietnam Co., Ltd.	1	Accounts receivable from related parties	52,904		-
				Sales revenue	365,860		2
		ITLS International Development Co., Ltd.	1	Accounts receivable from related parties	17,989		-
				Sales revenue	58,164		-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	1	Accounts receivable from related parties	95,713		-
				Sales revenue	340,487		2
		Nan Pao Resins (HK) Ltd.	1	Accounts receivable from related parties	28,493		-
				Sales revenue	83,756		-
Nan Pao Advanced Materials Co., Ltd.	1	Accounts receivable from related parties	18,651	-			
		Sales revenue	47,969	-			
Nan Pao Group Holdings Ltd.	1	Other payables to related parties	664,650	2			
Nan Pao Resins Chemical Philippines, Inc.	1	Sales revenue	15,915	-			
Nan Pao Overseas Holdings Ltd.	1	Other payables to related parties	917,850	3			
1	Nan Pao Resins (Vietnam) Enterprise Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable from related parties	37,621	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	86,399		1
		Nan Pao Resins International Ltd.	3	Accounts receivable from related parties	20,499		-
				Sales revenue	47,648		-
2	Nan Pao Resins (Foshan) Co., Ltd.	Nan Pao Resins India Pvt Ltd.	3	Accounts receivable from related parties	36,985	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	68,738		-
3	Nan Pao Resins (HK) Ltd.	Fuqing Nan Pao Resins Co., Ltd.	3	Accounts receivable from related parties	31,180	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	75,939		-
4	Nan Pao Materials Vietnam Co., Ltd.	Nan Pao Resins (Dongguan) Co., Ltd.	3	Other payables to related parties	101,965	No prices for similar products available for comparison, payment made 90 days from the date of the invoice	-
				Processing fee	257,811		2
		Nan Pao Philippines Export Inc.	3	Accounts receivable from related parties	14,305		-
				Sales revenue	44,646		-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable from related parties	16,049		-
				Sales revenue	42,305		-
		Nan Pao Materials Vietnam Co., Ltd.	3	Accounts receivable from related parties	21,276		-
				Sales revenue	54,864		-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable from related parties	21,068		-
				Sales revenue	38,114		-
5	Foshan Nan Pao Advanced Materials Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	3	Sales revenue	16,348	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable from related parties	62,307		-
				Sales revenue	118,442		1
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable from related parties	86,353		-
				Sales revenue	93,431		1
		Nan Pao Resins (Vietnam) Enterprise Ltd.	3	Accounts receivable from related parties	50,522		-
				Sales revenue	226,649		1
		Nan Pao Resins International Ltd.	3	Accounts receivable from related parties	32,707		-
		Sales revenue	67,475	-			
5	Foshan Nan Pao Advanced Materials Co., Ltd.	Nan Pao Resins India Pvt Ltd.	3	Accounts receivable from related parties	26,310	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	41,684		-
		Nan Pao Resins (Foshan) Co., Ltd.	3	Accounts receivable from related parties	20,437		-
				Sales revenue	52,344		-
		Sales revenue	16,981	-			

(Continued)

No.	Company Name	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount (Note 2)	Payment Terms	% of Total Sales or Assets
6	Nan Pao Advanced Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	3	Accounts receivable from related parties	\$ 111,536	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Materials Vietnam Co., Ltd.	3	Sales revenue	281,939		2
7	Fuqing Nan Pao Resins Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	3	Accounts receivable from related parties	23,811	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	92,646		1
		Nan Pao Resins (China) Co., Ltd.	3	Accounts receivable from related parties	14,235	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	28,461		-
8	Nan Pao Resins (China) Co., Ltd.	Changshu Yu Bo Polymer Materials Co., Ltd.	3	Sales revenue	14,662	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Materials Vietnam Co., Ltd.	3	Accounts receivable from related parties	40,655		-
9	FlexUP Technologies Corp.	Nan Pao Resins (Vietnam) Enterprise Ltd.	3	Sales revenue	114,755	Calculated based on general transaction prices, telegraphic transfer within 60 days	1
				Nan Pao Materials Vietnam Co., Ltd.	3		Accounts receivable from related parties
10	Nan Pao Fine Materials Co., Ltd.	Nan Pao Materials Vietnam Co., Ltd.	3	Sales revenue	31,596	Calculated based on general transaction prices, telegraphic transfer within 60 days	-
				Sales revenue	54,096		-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable from related parties	14,784	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	47,634		-
11	Thai Nanpao Resins Chemical Co., Ltd.	Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Sales revenue	32,269	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		RLA Polymers Pty Ltd	3	Sales revenue	13,050		-
12	Nan Pao Chemical Co., Ltd.	Nan Pao Resins Chemical Co., Ltd.	2	Sales revenue	13,269	Calculated based on general transaction prices, telegraphic transfer within 90 days	-

(Concluded)

Note 1: Relationship with counterparty can be specified using the following three categories:

- (1) Parent company to subsidiaries.
- (2) Subsidiaries to parent company.
- (3) Between subsidiaries.

Note 2: The amounts were eliminated during the preparation of the consolidated financial statements.

**TABLE 10****NAN PAO RESINS CHEMICAL CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Ding-Feng Investment Co., Ltd.	11,138,947	9.23%
Chuan-De Investment Co., Ltd.	10,065,298	8.34%
Guang Rong Investment Ltd.	8,868,132	7.35%
Yue Dean Technology Corporation	8,732,000	7.24%
Pao-Wang Investment Co., Ltd.	7,878,068	6.53%
Growth Machine Development Co., Ltd.	7,850,523	6.51%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

### CHANGES IN PROPERTY, PLANT AND EQUIPMENT FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 and 2023 (In Thousands of New Taiwan Dollars)

	Land	Land Improvement	Buildings	Machinery and equipment	Transportation equipment	Miscellaneous equipment	Construction in progress	Total
<u>Cost</u>								
Balance at January 1, 2024	\$ 1,185,389	\$ 26,256	\$ 3,725,688	\$ 3,637,838	\$ 277,876	\$ 1,340,966	\$ 32,397	\$ 10,226,410
Acquisitions through business combinations	-	-	-	17,212	3,326	711	-	21,249
Additions	-	600	9,516	105,748	22,063	86,394	84,685	309,006
Disposals	-	-	(3,303)	(42,546)	(20,760)	(13,178)	(82)	(79,869)
Reclassification	-	-	-	29,491	-	7,757	(37,248)	-
Effects of foreign currency exchange differences	994	100	69,455	80,620	5,510	12,520	1,148	170,347
Balance at September 30, 2024	\$ 1,186,383	\$ 26,956	\$ 3,801,356	\$ 3,828,363	\$ 288,015	\$ 1,435,170	\$ 80,900	\$ 10,647,143
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2024	\$ -	\$ 13,064	\$ 1,063,203	\$ 2,301,491	\$ 209,810	\$ 830,489	\$ -	\$ 4,418,057
Depreciation expenses	-	2,040	87,877	194,697	18,663	90,929	-	394,206
Disposals	-	-	(2,190)	(39,496)	(19,796)	(11,946)	-	(73,428)
Effects of foreign currency exchange differences	-	16	27,461	45,646	3,679	7,485	-	84,287
Balance at September 30, 2024	\$ -	\$ 15,120	\$ 1,176,351	\$ 2,502,338	\$ 212,356	\$ 916,957	\$ -	\$ 4,823,122
Carrying amount at December 31, 2023 and January 1, 2024	\$ 1,185,389	\$ 13,192	\$ 2,662,485	\$ 1,336,347	\$ 68,066	\$ 510,477	\$ 32,397	\$ 5,808,353
Carrying amount at September 30, 2024	\$ 1,186,383	\$ 11,836	\$ 2,625,005	\$ 1,326,025	\$ 75,659	\$ 518,213	\$ 80,900	\$ 5,824,021
<u>Cost</u>								
Balance at January 1, 2023	\$ 1,185,300	\$ 24,935	\$ 3,365,622	\$ 3,302,847	\$ 267,481	\$ 1,203,596	\$ 134,096	\$ 9,483,877
Acquisitions through business combinations	-	-	181,658	36,334	2,193	21,255	-	241,440
Additions	-	1,249	198,818	229,047	17,170	115,836	(112,112)	450,008
Disposals	-	-	(869)	(12,755)	(8,978)	(12,710)	-	(35,312)
Reclassification	-	-	-	-	-	(1,280)	-	(1,280)
Effects of foreign currency exchange differences	(139)	57	43,130	34,915	3,468	4,257	(428)	85,260
Balance at September 30, 2023	\$ 1,185,161	\$ 26,241	\$ 3,788,359	\$ 3,590,388	\$ 281,334	\$ 1,330,954	\$ 21,556	\$ 10,223,993
<u>Accumulated depreciation and impairment</u>								
Balance at January 1, 2023	\$ -	\$ 10,378	\$ 954,552	\$ 2,087,363	\$ 196,460	\$ 727,440	\$ -	\$ 3,976,193
Acquisitions through business combinations	-	-	12,254	6,134	738	4,786	-	23,912
Depreciation expenses	-	2,015	81,512	168,390	17,306	85,743	-	354,966
Disposals	-	-	(733)	(12,191)	(8,392)	(12,125)	-	(33,441)
Reclassification	-	-	-	-	-	(263)	-	(263)
Effects of foreign currency exchange differences	-	10	16,903	22,754	2,333	3,006	-	45,006
Balance at September 30, 2023	\$ -	\$ 12,403	\$ 1,064,488	\$ 2,272,450	\$ 208,445	\$ 808,587	\$ -	\$ 4,366,373
Carrying amount at September 30, 2023	\$ 1,185,161	\$ 13,838	\$ 2,723,871	\$ 1,317,938	\$ 72,889	\$ 522,367	\$ 21,556	\$ 5,857,620