Stock Code: 8046

Nan Ya Printed Circuit Board Corporation

2023
Annual Report

__Notice to readers__

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System: mops.twse.com.tw
Annual Report is available at: www.nanyapcb.com.tw
Printed on April 29, 2024

I. The name, title of the spokesperson, contact telephone and email address:
Spokesperson: Lien-Jui Lu
Title: Vice President
Tel: (03) 322-3751
Email: nanya@nanyapcb.com.tw
Deputy Spokesperson: Wen-Feng Chiang
Title: Director
Tel: (03) 322-3751
Email: nanya@nanyapcb.com.tw

II. Addresses and Telephone Numbers of the Head Office, Branches, and Plants:

Name	Address	Telephone
Head Office	7F., No.390, Sec.6, Nanjing East Rd. Neihu Dist, Taipei City	(02)2712-2211
Jinshing Plant	No. 334, No. 336, No. 338 Section 1, Nanxun Road, Luzhu District, Taoyuan City	(03) 322-3751
Shulin Plant	No.57 Weiwang St., Shulin Dist., New Taipei City	(02)2680-6311

III. Name, Address, Website and Telephone of Shares Transfer Agent:
Name: Shareholder Services Department of Nan Ya Printed Circuit Board Corporation
Address: 10F., No.380, Sec.6, Nanjing East Rd. Neihu Dist, Taipei City
Website: None
Tel: (02) 2718-9898

IV. Name of CPAs, and name, address, website and telephone number of CPA firm for the most recent financial report for the most recent fiscal year:
CPAs: Hui-Chih Kou, Tzu-Hui Li
CPA Firm: KPMG Taiwan
Address: 68F., No.7, Section 5, Xinyi Road, Xinyi District, Taipei City
Website: www.kpmg.com.tw
Tel: (02)8101-6666

V. Overseas Securities Exchange:
The Company does not issue any overseas securities.

VI. Company Website: www.nanyapcb.com.tw

Contents

I. Letter to Shareholders

1.1 Business Overview for 2023

Nan Ya Printed Circuit Board Corporation's consolidated revenue for 2023 was 42 billion 252 million and 578 thousand NTD, a decrease of 34.64% compared to 2022. The pre-tax net profit was 7 billion 106 million and 658 thousand NTD, a decrease of 18 billion 254 million and 844 thousand NTD compared to 2022. The EPS were 9.00 NTD.

In 2023, geopolitical tensions exacerbated overall economic uncertainty due to the continuation of the war between Russia and Ukraine and the resurgence of the Israeli-Palestinian conflict. In the first half of the year, global inflation remained high, and countries adopted monetary tightening policies such as interest rate hikes to combat inflation, which cooled the economy rapidly. As a result, people reduced consumption. In addition, the tech war between the US and China led supply chain manufacturers to reorganize their production bases and simultaneously bring operational challenges for semiconductor manufacturers.

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The Company has deeply rooted in the high-end IC substrate market and closely collaborated with customers to launch new generation high-end network communication, artificial intelligence (AI), and high-performance computing substrates. The actions helped to mitigate the impact of the sudden decrease in demand for consumer electronic products such as personal computers (PCs) and mobile phones. During the off-season of operations, the Company reorganized and rectified production plants by continuously promoting digital optimization to improve production efficiency and maintain the Company's profitability and competitiveness.

1.2 Business Plan for 2024

A. In terms of IC substrate products:

Generative AI demand is growing rapidly, which promotes the sales of high-end graphics chips and ASICs. To seize opportunities, the Company has jointly developed large-size, high-layer counts IC substrates related to cloud server processors, 800G switches, and high-end AI chips with customers to improve product mix and enhance profitability.

AI is not only developing rapidly in the cloud but also budding in edge devices such as PCs. After Microsoft Windows 10 stops supporting updates, it will be expected to drive PC replacement demand, which could benefit AI PC sales. The Company has made early arrangements to mass-produce new generation high-end PC central processors and graphics chip application IC substrates to seize early opportunities.

The light, slim, abbreviated, and small design of mobile devices promotes the development of heterogeneous chip integration, which continuously increases the demand for system-level packaging products. The Company will jointly develop system-level packaging substrates with customers. Due to the higher technical threshold, the pressure of price competition will decrease. The profitability is expected to increase, after the introduction of new generation materials.

B. In terms of general circuit boards:

The Company focuses on the application of new-generation mobile device interposers, high-end laptops, LED beads, and industrial unmanned vehicles. Also, the Company actively enters into the AI server supply chain to mass-produce high-end graphics chip displays and network-related PCB to strengthen the product mix and improve profitability.

1.3 The Impact from the Company's Future Strategy, External Competition, Law, and Macro Operating Environment

Inflation is gradually easing, which brings most countries slowing down their pace of interest rate hikes. The consumer electronics inventory corrections are nearing its end. With the improvement of the overall economy, restocking inventory of the manufacturers, and launch of new generation products, most semiconductor manufacturers' operational performance is expected to bottom out in the first quarter, start to recover in the second quarter, and return to the annual growth in the second half of the year.

The tech war between the U.S. and China is ongoing. The intensification of the trade ban from the United States, not only restricts the sale of high-end computing chips for AI applications to China but also affects the sales of related supply chains. Under the influence of geopolitical risks, chip manufacturers reduce the product supply from the Greater China region or require their suppliers to diversify their production locations, which poses operating challenges to the Taiwanese PCB manufacturers.

Taiwanese semiconductor manufacturers are leading in technology, and have a strong clustering effect with complete upstream and downstream supply chain. International electronics manufacturers are expected to continue to strengthen cooperation with Taiwanese semiconductor manufacturers, launching more next-generation products. In addition, U.S.-based cloud service providers are committed to developing ASICs to enhance AI computing efficiency and save costs. China-based data center manufacturers are striving to develop ASIC to break through the trade ban from the U.S., which could bring huge potential business opportunities.

In 2024, the Company will not only strive for business opportunities in cloud AI, AI PCs, and advanced networking products as planned, but also recruit more professionals in R&D, manufacturing process improvement, and artificial intelligence. The Company will continue to refine our production technology, optimize process conditions, and improve operational efficiency through digital optimization and rationalization projects. The Company aims to strengthen operational performance by simultaneously pursuing cost savings and revenue generation.

In terms of ESG issues, the Company will keep implementing energy and electricity saving plans by expanding the utilization of green electricity in order to respond to the net zero carbon emissions target. While creating greater profits for shareholders, the Company will also enhance corporate value by fulfilling the corporate social responsibility and implementing the spirit of sustainable operation.

II. Company Introduction

2.1 Date of Establishment

October 28, 1997

2.2 Business Philosophy and Vision

2.2.1 Diligence, perseverance, frugality and trustworthiness;aiming at the sovereign good; perpetual business operation and dedication to thesociety

The Company has been working hard for many years to uphold the spirit of its two founders, Mr. Wang Yong-Ching and Mr. Wang Yong-Tsai. They have been from time to time emphasizing and leading by example the faith of “Diligence and Perseverance, Endless Pursuit of the Perfection of Humanities, Sustainable Development, and Contribute to Society”, and to encourage the organization to continuously expand, grow and thrive.

In the course of business operations, the Company has been in the process of making good management and care. It can only facilitate the business integrity and to promote the business and not shake its foundations to achieve the business success. Therefore, for a long time, in the aspects of production and marketing, manpower allocation or resource utilization, the Company has been adhering to the management spirit of pursuing root causes, seeking truth from facts, and pursuing rationalization. We are committed to reducing costs and improving efficiency. This spirit has long been internalized. It has become an important core of corporate culture, and the driving force behind the Company's pursuit of progress and sustainability.

On the other hand, the Company considers that it is more likely to adhere to the corporate ethics and also make good use of the corporate ethics to the development of the society. Therefore, the balance of business operations is also continuously invested in the public and continuously expanding its scale, and is committed to improving the efficiency and quality of the Company so as to fulfill the responsibilities of corporate citizenship.

2.2.2 Company Vision:

We have been enhancing the international competitiveness of our products to maintain a global leadership position in the industry, adapting to worldwide changes to ensure the Company's stable development. Additionally, we continuously prioritize environmental, social, and corporate governance (ESG) factors, aiming to achieve sustainable business practices while meeting customer needs, creating shareholder value, and contributing to environmental sustainability.

2.3 Milestone

The Company's used to be the PCB business division of Nan Ya Plastics Corporation, and started its operation in 1984. The Company's important milestones are as follows:

1997	August	The Board of Directors of Nan Ya Plastics Corporation has established a 99.99% shareholding ratio to investment in the Company.
	October	The Ministry of Economic Affairs has approved registration.
1998	March	After all kinds of preparatory work, the Nan Ya Printed Circuit Board Corporation officially operated independently, and completed the public offering process.
1999	July	The Plant III completed its Phase 1 expansion and was mainly the main of the production of traditional PCBs.
	August	Established Nan Ya PCB(Hong Kong) Corp.,Ltd to facilitate the Company's capacity investment in the mainland China.
2000	August	Established Nan Ya PCB(Kunshan) Co., Ltd.
	September	The Plant III expanded and completed its Phase II expansion, and the production capacity of the traditional PCBs continued to expand.
2001	August	The Plant V started manufacturing of flip chip packaged substrate products.
	October	The Plant I has transformed to the production of back-end manufacturing process of flip chip packaged substrate products.
2002	April	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twA+; corporate short-term credit rating was: twA-1; and rating outlook: Stable.
	June	Established Nan Ya PCB(USA) Co., Ltd.
2003	January	The Plant I in Kunshan ramped up its Phase I, mainly for the production of traditional PCBs.

	February	The Phase I expansion of the Plant II was completed for wire bonding packaged substrate products.
	September	The Phase III expansion of the Plant III was completed for the production of traditional PCBs.
2004	October	For new traditional PCBs capacity, the Phase II expansion of the Plant I in Kunshan, mainland China was completed.
	December	For new traditional PCBs capacity, the Phase III expansion of the Plant I in Kunshan, mainland China was completed.
2005	June	For new traditional PCBs capacity, the Phase IV expansion of the Plant I in Kunshan, mainland China was completed.
2005	September	The Plant V has completed its expansion for flip chip packaged substrate products.
	October	Part of Plant III (a.k.a. Plant VI) has transformed to the production of back-end manufacturing process of flip chip packaged substrate products; capacity for conventional PCB were mainly utilized for the production of high density interconnection (HDI) products.
	November	The Phase II expansion of the Plant II was completed for wire bonding packaged substrate products.
2006	March	The Phase I expansion of the Plant VI for flip chip packaged substrate products.
	April	Listed on the Taiwan Stock Exchange.
	April	The expansion of the Plant VIII was started for flip chip packaged substrate products.
	July	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was upgraded from twA+ to twAA-; corporate short-term credit rating was: twA-1; and rating outlook: Stable.
	July	The Phase II expansion of the Plant VI for flip chip packaged substrate products.
2007	April	To introduce the production capacity for high density interconnection (HDI), the Phase I expansion of the Plant II in Kunshan, mainland China was completed.
	June	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was upgraded from twA-1 to twA-1+; and rating outlook: Stable.
	December	The Phase III expansion of the Plant II was completed for wire bonding packaged substrate products.
2008	June	Made the "2007 Top 100 Tech Companies in Taiwan" list

		by the BusinessNext Magazine.
	June	The Phase I expansion of the Plant VII for the front-end manufacturing process of flip chip packaged substrate products.
	October	The Phase II expansion of the Plant VII for the back-end manufacturing process of packaging of flip chip substrate.
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Stable.
2009	June	Made the "2008 Top 100 Tech Companies in Taiwan" list by the BusinessNext Magazine.
2009	August	Awarded "2008 The Best Export Growth Rate in Target Market" in Malaysia (1st Place) and in Korea (2nd Place) by Ministry of Economic Affairs .
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Stable.
2010	March	Won the "6th Corporate Social Responsibility Award" (ranked 65) in 2010 from Global Views Monthly.
	June	Made the "2009 Top 100 Tech Companies in Taiwan" list by the BusinessNext Magazine.
	June	Awarded the "2010 First Quarter Employment Contribution Award" by the Executive Yuan.
	August	Awarded "No.67 of Excellent Taiwan Exporters & Importers of 2009" by Ministry of Economic Affairs.
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Stable.
2011	August	Awarded "No.71 of Excellent Taiwan Exporters & Importers of 2010" by Ministry of Economic Affairs.
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Negative.
	December	Awarded the "2011 Fourth Round Employment Contribution Award" by the Executive Yuan.
	December	The Compensation Committee was set up.
2012	June	Made the "2012 Top 100 Tech Companies in Taiwan" list

		by the BusinessNext Magazine.
	June	Won the "2012 Taiwan Large Enterprise Top5000 Awards" from China Credit Information Service, Ltd.
	August	Received the Certificate of Outstanding Importer/Exporter from the Taiwan External Trade Development Council
	October	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Negative.
2013	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twAA-; corporate short-term credit rating was: twA-1+; and rating outlook: Negative.
	December	Obtained the qualification of the “Authorized Economic Operator”(AEO) by the Customs Administration, Ministry of Finance.
2014	March	Won the ASESH Continuous Improvement Supplier of Substrate in Y2013 Award.
	March	Won the ASECL Best Supplier of Substrate in Y 2013 Award.
	October	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twA+; corporate short-term credit rating was: twA-1; and rating outlook: Stable.
2015	April	Won the Best Supplier Awards 2014 in the Continental Group.
	April	Won the "Best FC BGA Supplier Award" by ASE Group.
	August	The Board has resolved to establish the Corporate Social Responsibility Best Practice Principles
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twA+; corporate short-term credit rating was: twA-1; and rating outlook: Stable.
2016	June	Won the Excellence Award for Supplier Quality in 2015 by GM.
	November	Rated by Taiwan Ratings Corporation, the Company's corporate long-term credit rating was: twA+; corporate short-term credit rating was: twA-1; and rating outlook: Stable.
	November	Awarded the "2016 BSI Excellence Award for CSR Implementation" by British Standards Institution.
2017	January	Received the 2016 Key Supplier Plan Awards from Translarity.
	March	Received the "Supplier Sustainability Award" from ASE Group.
	March	Received the "Excellent Support Award" from ASE

		Group.
	June	The Audit Committee has been set up to replace the Supervisors.
	July	Received the 2016 Board Category Supplier Award from STMicroelectronics
2019	March	Won the Outstanding Supplier of 2018 Awards by ASE Group.
	March	Won the Inphi Outstanding Support in 2018 Award.
	May	Designation of Company Secretary.
	November	The Board of Directors approved the increase of capital for the expansion of ABF substrate of Kunshan (I).
2020	January	Won the Outstanding Supplier of 2019 Awards by ASE Group.
	January	Rated A- Leadership grade in the assessment of climate change by Carbon Disclosure Project (CDP) of 2019.
	November	Honored as one of the best performers in all industrial voluntary GHG reductions in 2020 by IDB, MOEA.
2020	December	Rated A- Leadership grade in the assessment of climate change by Carbon Disclosure Project (CDP) of 2020.
2021	January	Won the Outstanding Supplier of 2020 Awards by ASE Group.
	May	The Board of Directors approved the expansion of ABF substrate in Shulin (I).
	November	The Board of Directors approved the increase of capital for the expansion of ABF substrate of Kunshan (II).
	November	The Board of Directors approved the expansion of ABF substrate in Shulin (II).
	December	Rated A- Leadership grade in the assessment of climate change by Carbon Disclosure Project (CDP) of 2021.
	December	Honored with "Outstanding Private Enterprise and Organization with Excellent Performance in Green Procurement" in 2020
2022	January	Received the Outstanding Supplier of 2021 Awards by ASE Group.
	May	The Sustainability Committee has been set up.
	June	Received the "2022 Taiwan Best-in-Class 100".
	November	Awarded the "2022 Annual Industrial Greenhouse Gas Voluntary
	December	Rated A- Leadership grade in the assessment of climate change by Carbon Disclosure Project (CDP) of 2022.
2023	January	Received the "2022 Best Printed Circuit Board Supplier Award" from the ASE Group.
	January	Received the "2020-2022 Covid-19 Supplier Recognition Certification During Covid-19" from Microchip.
	March	Received the Award of the Best Support for Year 2022

		from Anlu Technology.
	June	Received Taiwan Best-in-Class 100 Certification for Year 2023.
	August	Received the Award of the 2023 Friendly Migrant Worker Company from New Taipei City Government Labor Affairs.
	October	Received the Best Supplier of Substrate for Year 2022 from ASE.
	October	Received "Outstanding Performance in Employing Retired Officers and Soldiers in 2023" from the Veterans Affairs Council.
	November	Received TF-AMD Best Supplier of 2023
	November	Received Carbon Reduction Management Award of the"2023 Industrial Greenhouse Gas Reduction Manufacturers" from Industrial Development Administration, Ministry of Economic Affairs
2024	January	Received "Badge of Accredited Healthy Workplace in 2023" from the Ministry of Health and Welfare.
	February	Rated A- Leadership grade in the assessment of climate change by Carbon Disclosure Project (CDP) of 2023.
	February	Rated A Leadership grade in the assessment of water security by Carbon Disclosure Project (CDP) of 2023.
	February	Received the Best Supplier Since 1998 from Hon Hai.

Items Date Certification

1993	Passed ISO 9001 Certification
1996	Passed ISO 14001 Certification
1998	Passed UL QS-9000 Certification
2001	Passed OHSAS 18001 Certification
2002	Passed TL 9000 Certification
2003	Passed Green Product/RoHS Certification
2004	Passed TS 16949 Certification
2009	Passed CNS 15506 Certification
2010	Passed ISO 14064-1 Certification
2010	Passed RBA (Oriiginal EICC) Certification (Grade: yellow)
2011	Passed A bronze medal from the Taiwan Training Quality System
2012	Passed RBA (Oriiginal EICC) Certification (Grade: green)
2013	Passed ISO 9001 Certification
2013	Passed TS 16949 Certification
2013	Awarded Authorizes Economic Oprrators(AEO) by Customers Administration,Ministry of Finance
2014	Passed RBA (Oriiginal EICC) Re-Certification (Grade: green)
2016	Awarded Authorized Economic Operators (AEO) by Customers Administration, Ministry of Finance.
2017	Passed OHSAS 18001 reassessment certification.
2018	Passed ISO 14001:2015 revision certification.
2018	Passed IATF 16949:2016 revision certification.
2019	Passed OHSAS 18001 reassessment certification.
2019	Awarded Authorizes Economic Oprrators(AEO) by Customers Administration,Ministry of Finance.
2020	Passed ISO 14001:2015 revision certification (valid from December 2022 to December 2023).
2021	Passed ISO 45001：2018 revision certification.
2021	Passed ISO 9001：2015 revision certification (valid from July 2021 to July 2024).
2021	Passed IATF 16949：2016 revision certification (valid from July 2021 to July 2024).
2022	Passed ISO 45001：2018 revision certification (valid from January 2022 to January 2025).
2023	Shulin Plant passed the ISO 9001:2015 revision certification (valid from February 2023 to February 2026).
2023	Shulin Plant passed the IATF 16949:2016 revision certification (valid from July 2023 to July 2024).
2023	Passed ISO 14064：2014 water footprint certification
2023	Jinshing Plant passed the ISO 14001:2015 revision certification (valid from December 2023 to June 2024).
2024	The Validated Assessment Program(VAP) Gold Certification from Labor Affairs Responsible Business Alliance.

2024 Shulin Plant passed the ISO 14001:2015 revision certification (valid from March 2024 to March 2027).

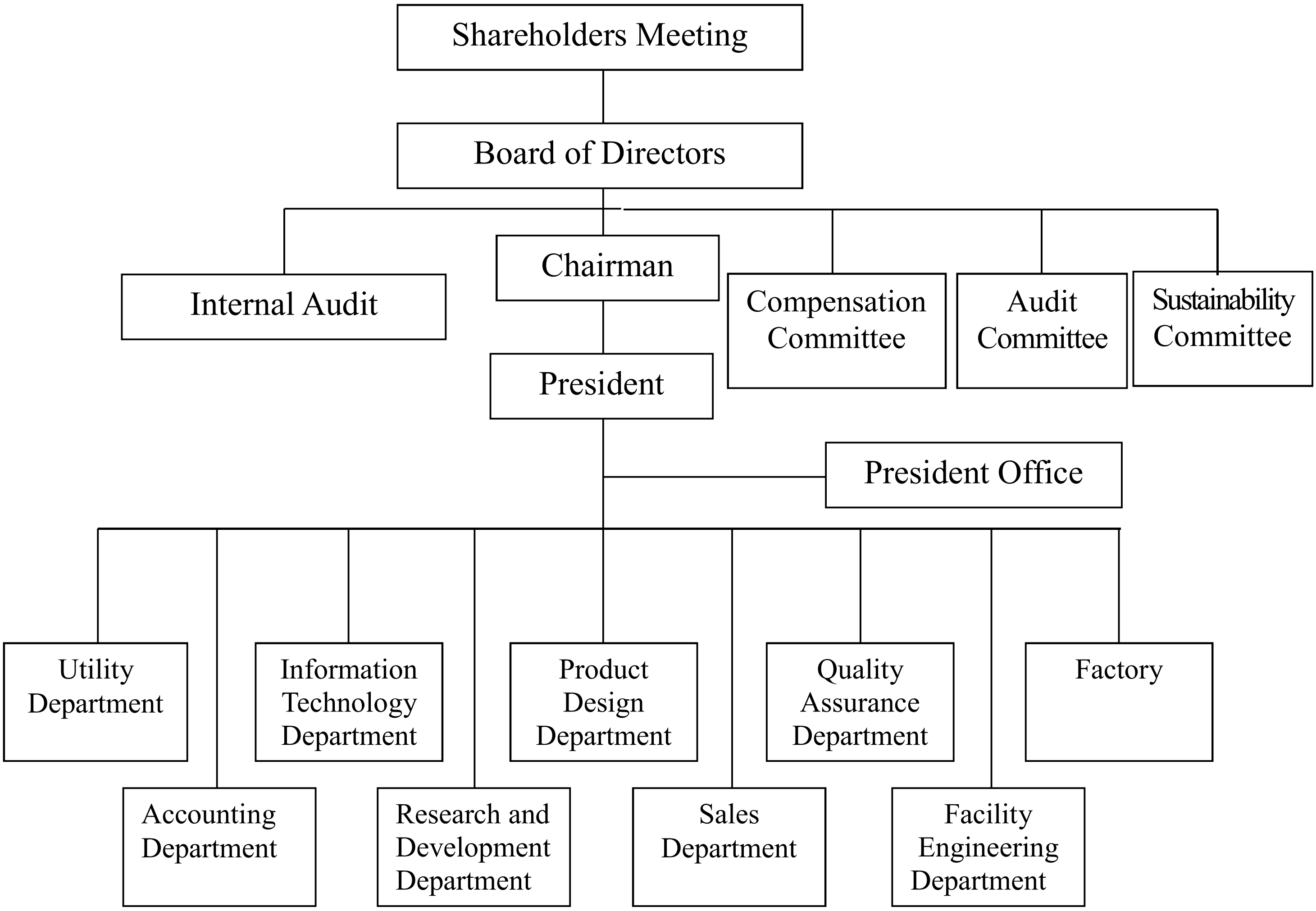
2024 Shulin Plant passed the ISO 45001:2018 revision certification (valid from March 2024 to March 2027).

2024 Shulin Plant passed the TOSHMS revision certification (valid from March 2024 to March 2027).

III. Corporate Governance

3.1 Organization

3.1.1 Organizational Structure



3.1.2 Major Corporate Functions

Departments		Responsibilities
Auditing Office		Review internal control systems and regulations to ensure the system has been effectively enforced.
President's Office	Human Resource Unit	Organize human resources, establish articles of association, handle employee transfers, and perform employee evaluation, recruitment, education, and training. Ensure fair management, access employees' needs, respond to employee opinions, and compile the corporate sustainability report.
	Management Analysis Unit	Organize board meetings and annual general meetings. Plan and implement tax exemptions. Review and compile data.Evaluate performance and analyze costs.
	Management Unit	Oversee production, sales, and operation.
	Equipment Unit	Establish and implement maintenance systems.
	Material Procurement and Management Unit	Plan the usage of raw material. Purchase raw material and control inventory. Ensure the usage of raw material is reasonable and cost-effective. Manage inventory and warehouses.
	Projects Unit	The construction and expansion of plants in China. Plan and arrange new production and install new equipment, conduct trials, and manage production.
	Production and Sale Unit	Oversee the expansion of the flip chip project, mass production, trial production, and delivery. Estimate the consumption of jigs and raw materials.
	Legal Affairs Unit	Manage the Intellectual Property Rights and legal affairs of Nan Ya PCB Apply for patents.
	Safety and Health Unit	Implement and manage measures to prevent pollution. Organize required training on workplace safety and health.
	Information Security Unit	Supervise the implementation of the Company's information security management businesses.
Accounting Department		Establish, plan, supervise, and implement an auditing system. Review the legality and legitimacy of transactions. Handle daily accounting reports, file taxes, and analyze the profit and loss of products.
Information Technology Department		Oversee the Management Information system, establish an intranet, and manage Company websites. Evaluate and develop information systems, manage the intranet, and develop applications.
Research and Development Department		Establish and review production regulations, new materials, and technologies. Establish and review new product production processes. Evaluate and execute plans to satisfy customer requirements for processing technologies and tests. Conduct trial production for new products before entering mass production.
Product Design Department		Design, produce, and improve jigs. Integrate and review production technologies. Manage and execute trial production of films and screen plates. Compile new customer data.
Sales Department		Carry out marketing initiatives and analyze the market. Plan and implement sales plans. Expand the customer base.Responsible for customer service. Analyze markets for new products.
Quality Assurance Department		Establish a quality control system, audit customers, obtain UL certification, conduct reliability tests, analyze quality, and make timely improvement. Make quality control plans and review resume.
Construction Department		Plan and analyze engineering projects. Manage parts and materials for construction. Supervise construction projects.Develop competitive products. Subcontract, examine, and verify expansion projects.
Utility Department		The utilities, wastewater treatment equipment fault management, statistical analysis, betterplanning, power system operation execution, operation management.

3.2 Directors, Supervisors and Management Team

3.2.1 Directors

Unit: Shares; %；March 30, 2024

Title	Nationality/ Place of Incorporation	Name	Gender Age (Note2)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C	Nan Ya Plastics Corp.	Male 71 to 80	2023.5.23	3	1997.10.14	432,744,977	66.97	432,744,977	66.97	0	0	0	0	Bachelor Degree in Business Administration, National Chengchi University	Chairman of NPC Chairman of NTC	None	None	None	N/A
		Chia-Chau Wu				1997.10.14	2,982	-	2,982	-	0	0	0	0						
Director	R.O.C	Nan Ya Plastics Corp.	Male 71 to 80	2023.5.23	3	1997.10.14	432,744,977	66.97	432,744,977	66.97	0	0	0	0	Master Degree in Industrial Engineering, University of Houston Bachelor Degree in Chemical Engineering, University of Houston	Chairman of FTC Director of FPC, NPC, FCFC, FPCC, NTC, FST, and FATC	None	None	None	
		Wen-Yuan Wong	Male 71 to 80	2023.5.23	3	2006.8.23	241	-	241	-	0	0	0	0						
Director	R.O.C	Nan Ya Plastics Corp.	Male 71 to 80	2023.5.23	3	1997.10.14	432,744,977	66.97	432,744,977	66.97	0	0	0	0	Bachelor Degree in Chemical Engineering, Provincial Taipei Institute of Technology	Director of NTC Director and President of NPC	None	None	None	
		Ming-Jen Tzou				2008.6.24	10,506	-	10,506	-	0	0	0	0						
Director	R.O.C	Ann-De Tang	Male 61 to 70	2023.5.23	3	2001.6.18	194	-	194	-	0	0	0	0	Bachelor Degree in Electrical Engineering, National Taiwan Institute of Technology	President of Nan Ya PCB Corp. Chairman of Nan Ya PCB(USA) Corp.	None	None	None	
Director	R.O.C	Lien-Jui Lu	Male 61 to 70	2023.5.23	3	2020.6.17	0	0	0	0	0	0	0	0	Bachelor Degree in Chemical Engineering, National Taiwan Institute of Technology	Vice President of Nan Ya PCB Corp. Director of Nan Ya PCB(USA) Corp.	None	None	None	
Director	R.O.C	Kuo-Chun Chiang	Male 51 to 60	2023.5.23	3	2023.5.23	0	0	0	0	0	0	0	0	Master Degree in Management, National Central University	Vice President of Nan Ya PCB Corp. Director of Nan Ya PCB(Kunshan) Corp.	None	None	None	
Independent Director	R.O.C	Ta-Sheng Lin	Male 81 to 90	2023.5.23	3	2017.6.22	0	0	0	0	0	0	0	0	Master Degree in Chemistry, Texas Southern University	Chairman of China Electric Investment Corp. Director of China Electric MFG Corp.	None	None	None	

Title	Nationality/ Place of Incorporation	Name	Gender Age (Note2)	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience （Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C	Jen-Hsuen, Jen	Male 71~80	2023.5.23	3	2020.6.17	0	0	0	0	0	0	0	0	Master Degree in Chemical Engineering, Massachusetts Institute of Technology	Chairman of Fuchu Corp. Independent Director of Wistron Corp and IEMC Director of UltraChip Inc.	None	None	None	N/A
Independent Director	R.O.C	Shui-Chi Chuang	Male 71 to 80	2023.5.23	3	2023.5.23	0	0	0	0	0	0	0	0	Master Degree in Economics, Chinese Culture University	None	None	None	None	N/A

Note0：Since each member of management team’s shareholding ratio is less than 0.01%, therefore, it is only indicated by “-“.

Note1：The relevant information where if the Chairman of the Board and the President or equivalent position (the highest managerial officer) of the Company are of the same person, spouses to each other, or related within the first degree of kinship, an explanation shall be given for its reason, rationality, necessity, and the measures (for example, increase the number of Independent Directors, and a majority of the Directors may not serve concurrently as an employee or officer) adopted in response.

Note2：Please indicate the Director’s age, which may be expressed in ranges, such as 41 to 50 or 51 to 60.

3.2.1.1 Major shareholders of the institutional shareholders

April 25, 2024

Name of Institutional Shareholders	Major Shareholders	
Nan Ya Plastics Corp.	Chang Gung Medical Foundation	11.05%
	Formosa Plastics Corp.	9.88%
	Formosa Chemicals & Fibre Corp.	5.21%
	Chang Gung University	4.00%
	Vanson International Investment Co.,LTD.	2.39%
	Formosa Petrochemical Corp.	2.26%
	Chindwell International Investment Corp.	1.86%
	LGT Bank (Singapore) Ltd.	1.50%
	TCIB serves as custodian for the Taiwan ESG Sustainable High Dividend ETF under Cathay Taiwan High Dividend Umbrella SITF.	1.46%
	Citibank (Taiwan) serves as custodian for Far Eastern Big Corporation Limited.	1.45%

3.2.1.2 Major shareholders of the Company's major institutional shareholders

April 25, 2024

Name of Institutional Shareholders	Major Shareholders	
Chang Gung Medical Foundation	Nan Ya Plastics Corp.	17.98%
	Formosa Chemicals & Fibre Corp.	13.84%
	Formosa Plastics Corp.	13.28%
	Yung-Ching Wang(Death)	11.24%
	Yung-Tsai Wang(Death)	7.35%
Formosa Plastics Corp.	Chang Gung Medical Foundation	9.44%
	Formosa Chemicals & Fibre Corp.	7.65%
	Standard Chartered Merchant Bank Hosted Credit Suisse Singapore Branch	6.26%
	Nan Ya Plastics Corp.	4.63%
	Chindwell International Investment Corp.	4.16%
	Vanson International Investment Co.,LTD.	3.05%
	Formosa Petrochemical Corp.	2.07%
	Ming Chi University of Technology	1.43%
	Citibank Taiwan Commercial Bank Custody Singapore Government Fund Account	1.37%
	Old Labor Pension Fund	1.17%
Formosa Chemicals & Fibre Corp.	Chang Gung Medical Foundation	18.58%
	Chindwell International Investment Corp.	6.35%
	Vanson International Investment Co.,LTD.	3.80%
	Formosa Plastics Corp.	3.39%

Name of Institutional Shareholders	Major Shareholders	
	Nan Ya Plastics Corp.	2.40%
	Wen-Yuan Wong	2.20%
	United Power Development Co., Ltd	1.63%
	Standard Chartered Bank (Taiwan) Ltd.In Custody for Genesis Equity Group Inc.	1.51%
	HSBC is hosting a special account of KFC Power Development Co., Ltd	1.45%
	Bank of Taiwan Limited, entrusted with the Wang Chan-yang Social Welfare Fund for Charitable Trusts.	1.37%
Chang Gung University	Chang Gung Medical Foundation	56.83%
	Yung-Ching Wang (Death)	13.13%
	Chindwell International Investment Corp.	3.88%
	Nan Ya Plastics Corp.	2.64%
	Formosa Plastics Corp.	2.34%
Vanson International Investment Co.,LTD.	Landmark Capital Holdings Inc.	100%
Formosa Petrochemical Corp.	Formosa Plastics Corp.	28.56%
	Formosa Chemicals & Fibre Corp.	24.15%
	Nan Ya Plastics Corporation	23.11%
	Chang Gung Medical Foundation	5.79%
	Formosa Taffeta Co., Ltd	3.83%
	Standard Chartered Bank (Taiwan) Ltd.In Custody for Genesis Equity Group Inc.	0.60%
	Cathay Life Insurance Co., Ltd.	0.51%
	HSBC Bank hosts a special account of Baur Energy Co., Ltd	0.51%
	Standard Chartered Custody Central Capital Management Co., Ltd	0.49%
	HSBC Bank hosts a special account of Asia Pacific Optoelectronics Co., Ltd	0.48%
Chindwell International Investment Corp.	Everred Corporate, Inc.	100%
LGT Bank (Singapore) Ltd.	Investment Account	
TCIB serves as custodian for the Taiwan ESG Sustainable High Dividend ETF under Cathay Taiwan High Dividend Umbrella SITF.	Investment Account	
Citibank (Taiwan) serves as custodian for Far Eastern Big Corporation Limited.	Investment Account	

3.2.1.3 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors

Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chia-Chao Wu, Representative of Nan Ya Plastics Corporation	Graduated with a Bachelor's degree in Business Administration from National Chengchi University, he possesses extensive industry knowledge and management experience, including plastics, spinning and fibers, chemicals, semiconductors, steel, shipping, electronic components and printed circuit boards, etc., and has served as a senior manager in the aforesaid industries. Currently the chairman or director of a related company. Equipped with decision-making, strategic planning, crisis management, and risk management skills as well as international perspective and insight. Has led the implementation of circular economy, process optimizations, expanding to markets with high-value products, and strengthened R&D competencies.	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company.	None
Wen-Yuan Wong, Representative of Nan Ya Plastics Corporation	Graduated with a Master's degree in Industrial Engineering and a Bachelor's degree in Chemical Engineering from the University of Houston, Texas, USA. With over 50 years of management experience in industries including plastics, textiles, chemicals, oil, electricity, gas, semiconductors, steel, shipping, and biotechnology, he has served as Chairman, Director, or senior manager in relevant companies within these sectors. Currently, he is the Chairman of FTC, and serves as a director of FPC, NPC, FCFC, FPCC, NTC, FST, and FATC. Possessing leadership, decision-making, crisis management, risk management abilities, and international market insights, he has served as a leader for multinational enterprises in China, the United States, Vietnam, and other countries.	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company	None

Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	Additionally, he has previously held positions as Chairman of Chinese National Federation of Industries and Taiwan Textile Federation. With expertise in engineering technology and a deep understanding of the AI domain, he has led our company through initiatives ranging from energy conservation, emissions reduction, and circular economy to AI simulation and digital transformation.		
Ming-Jen Tzou, Representative of Nan Ya Plastics Corporation	Graduated from the Taipei Institute of Technology with a specialization in Chemical Engineering, he possesses extensive industry knowledge and management experience, spanning sectors such as plastics, semiconductors, electronic components, and printed circuit boards. Currently, he holds positions as a director and general manager in related companies. Have decision-making, communications and coordination, and crisis management and risk management skills. Leading the Company from AI simulation to digital transformation, energy saving, carbon reduction, industrial safety and environmental protection.	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company.	None
Ann-De Tang	Graduated from the Department of Electrical Engineering at Taiwan Institute of Technology, he has been deeply involved in the printed circuit board industry for approximately 43 years since joining the PCB Division in 1980. He possesses extensive knowledge and management experience in the electronic components industry. He has previously served as Vice President and Deputy General Manager of the Company and currently holds the positions of president of Nan Ya PCB Corp , Chairman of Nan Ya PCB(USA) Corp., Chairman of Nan Ya PCB	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company.	None

Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	(Hong Kong), and Director of Nan Ya PCB (Kunshan). Experienced in PCB production management, equipped with management, decision-making, communications and coordination, crisis management, and risk management skills, and oversees the Company's continued R&D and business expansions.		
Lien-Jui Lu	Graduated from the Department of Chemical Engineering at Taiwan Institute of Technology, he has been deeply involved in the printed circuit board industry for approximately 35 years since joining the PCB Division of Nan Ya PCB Corporation in 1978. He possesses extensive knowledge and management experience in the electronic components industry. Currently, he serves as the Deputy General Manager of the Company and also holds positions as a director of Nan Ya PCB (USA) and a supervisor of Nan Ya PCB (Kunshan). Equipped with decision-making, strategic planning, communications and coordination, crisis management, and risk management skills, and in charge of building a comprehensive management system and cost control. Currently in charge of overseeing the Company's digital transformation and supervises its active ESG implementations.	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company.	None
Kuo-Chun Chiang	With a Master's degree in Management from National Central University, he has been deeply involved in the printed circuit board industry for approximately 32 years since joining the PCB Division of Nan Ya PCB Corporation in 1980. He possesses extensive knowledge and management experience in the electronic components industry. Currently, he serves as the vice president of the Company and also holds a position as a director of Nan Ya PCB (Kunshan).	Complies with regulations from Article 26-3 in the Securities and Exchange Act, and does not have a spouse or a relative within the second degree of kinship who serves as a director of the Company.	None

Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	Possessing experience in the production management of printed circuit board products, he has abilities in operational management, leadership decision-making, communication coordination, and crisis handling. He oversees the production, expansion, sales, marketing, and research and development of ABF substrates.		
Ta-Sheng Lin	Holds a Master's degree in Chemistry from Texas Southern University; equipped with industry knowledge in chemistry, technology, electronic components and printed circuit boards and has served as a chairman of Tung Bao Corp., and director of China Electric Investment Corp. Currently serves as a chairman of China Electric Investment Corp., and director of China Electric MFG Corp., also acts as the convener of the Compensation Committee, a member of the Audit Committee, and the Sustainable Development Committee of our company, without any circumstances specified in Article 30 of the Company Law. Has years of management and academic experience and the experiences required for the Company's business developments, and has offered professional and constructive opinion by upholding an independent and objective stance while serving as an independent director, thereby enhancing the Company's operational value and fulfills supervisory responsibilities.	Does not have a spouse, relative within the second degree of kinship who serves as a director of the Company, the director, his spouse, or relative within the second degree of kinship does not hold shares of the Company, has not provided auditing, commercial, legal, financial, accounting or related service or obtained relevant compensations for such services, and meets regulations from Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Meets Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange.	None
Shyur-Jen Chien	Holds a Master's degree in Chemical Engineering from MIT and has worked in semiconductor, computer and peripheral equipment industry as well as construction. Currently serving as an independent director and convener of the Compensation Committee, as well as a member of the Audit Committee and the Nomination Committee at Wistron Corporation, and as an independent director, member of the Compensation Committee, and member of the Audit Committee at IEMC Corporation, chairman of Fu-Chu General Contractor Corp., and Fu-Chu Investments Corp., director of UltraChip Inc. He has served as a chairman	Does not have a spouse, relative within the second degree of kinship who serves as a director of the Company, the director, his spouse, or relative within the second degree of kinship does not hold shares of the Company, has not provided auditing, commercial, legal, financial, accounting or related service or obtained relevant compensations for such services, and meets regulations from Article 3 of Regulations Governing Appointment of Independent	2

Criteria / Name	Professional Qualifications and Experience (Note 1)	Status of Independence (Note 2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
	and president of Vanguard International Semiconductor Corporation. Currently is the committee member of the Company's remuneration committee and audit committee. without any circumstances specified in Article 30 of the Company Law. Has in-depth knowledge to the technology sector and is equipped with professional competencies including leadership and decision-making skills and international market perspective. A highly reputed individual with insights to industry developments. While serving as an Independent Director, he provided professional suggestions to the Company from an impartial, independent, and objective stance, thereby enhancing the Company's operational value and fulfills supervisory responsibilities.	Directors and Compliance Matters for Public Companies. Concurrently serves as an independent director for Wistron Corp. since June 2018 and IEMC Corp. since 2023.	
Shui-Chi Chuang	Graduated with a Master's degree from the Institute of Economics at the Chinese Culture University, he has previously held positions as Deputy Director of Taipei Customs, Director of Taichung Customs, Chief of Taichung Customs, Chief of Taipei Customs, Deputy Director-General, and Director-General of Customs Administration. Currently, he serves as a member of the Audit Committee, the Compensation Committee, and the Sustainable Development Committee of our company, without any circumstances specified in Article 30 of the Company Law. Having dedicated many years to the planning, promotion, supervision, and formulation of customs policies and regulations, he possesses extensive knowledge in finance, managerial experience, and professional competence. With outstanding insight and judgment, he is highly respected in his field. He fulfills his duties as an independent director by overseeing internal controls, ensuring proper financial reporting, and addressing executive compensation matters within our company.	Does not have a spouse, relative within the second degree of kinship who serves as a director of the Company, the director, his spouse, or relative within the second degree of kinship does not hold shares of the Company, has not provided auditing, commercial, legal, financial, accounting or related service or obtained relevant compensations for such services, and meets regulations from Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of each individual Director and Supervisor, and for those who are members of the Audit Committee with accounting or financial expertise, a statement of their relevant backgrounds and work experience, as well as an additional explanation on whether circumstances set out in Article 30 of the Company Act have occurred shall be provided.

Note 2: Independent Director shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as directors, supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

3.2.1.4 Diversification and Independence of the Board of Directors:

1. Diversification of the Board of Directors:
   The nomination and election of members of the Company’s Board of Directors is conducted in accordance with the Articles of Association. In addition to the evaluation of the educational background and work experience of candidates, stakeholders' opinions are also taken into consideration in accordance with "Rules for Election of Directors" of the Company and Article 20 of “Corporate Governance Code of Practice”, in order to ensure the diversity of members of the Board of Directors, without restriction on gender and nationality. The goal is to have at least 5 directors with technology industry experience, at least 5 directors with experience in two other industries outside of the technology industry, and at least 5 Directors with expertise in management, leadership and decision-making, industrial knowledge, international perspective, and financial and accounting analysis, as listed in the table below. Among the current 9 Directors, 8 have technology industry experience, 5 have experiences in two non-technology related industry sectors, while 8 possess all the professional criteria required by the Company. All of them have achieved their goals. The Directors, in addition to their professional leadership decision-making capabilities, also possess rich business management skills, diverse industry experience, financial and accounting analysis expertise, and other professional knowledge. Their expertise will strengthen the independence and diversity of corporate governance. The implementation status of the Board's diversification policy is as follows:

Name	Gender	Employee	Age				Years of Independent Independent Directors			Business Management Background						Management and Decision-Making Ability				
			51 to 60	61 to 70	71 to 80	81 to 90	Under 3 years	3 to 9 years	Over 9 years	Petrochemicals	Finance	Technology	Textiles	Computer	Construct	Business Management	Leadership and Decision-Making	Industrial Knowledge	International Perspective	Financial and Accounting Analysis
Chia-Chau Wu	Male				V					V		V	V	V		V	V	V	V	V
Wen-Yuan Wong	Male				V					V		V	V	V		V	V	V	V	V
Ming-Jen Tzou	Male				V					V		V	V	V		V	V	V	V	V
Ann-De Tang	Male	V		V						V		V		V		V	V	V	V	V
Lien-Jui Lu	Male	V		V								V		V		V	V	V	V	V
Kuo-Chun Chiang	Male	V	V									V		V		V	V	V	V	V
Ta-Sheng Lin (Independent)	Male					V		V		V		V		V		V	V	V	V	V
Shyur-Jen Chien (Independent)	Male				V			V				V		V	V	V	V	V	V	V
Shui-Chi Chuang (Independent)	Male				V		V				V						V		V	V

Note: 33% of the Company's employees are directors, 33% are independent directors, and 0% are female directors. Please refer to the above for the industrial experience and professional distribution of directors, the distribution of independent directors' tenure and age, and the age distribution of directors. surface.

2. Independence of the Board of Directors:
   The Company currently has 9 Directors, all of whom are professionals with academic expertise and experience in industry-specific management, including 3 Independent Directors, accounting for one-third of all Directors. Currently, none of the spouses or relatives up to the second degree of kinship of any director of our company serves as directors, in compliance with the provisions of Article 26-3 of the Securities and Exchange Act. Neither the Independent Directors, their spouse, nor relative within the second degree of kinship hold shares of the Company, nor have them provided auditing, commercial, legal, financial, accounting or related service or obtained relevant compensations for such services, and meets regulations from Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

3.2.2 Management Team

Unit: Shares；%；March 30, 2024

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	(Note 3)
President	R.O.C	Ann-De Tang	Male	2017.3.24	194	-	0	0	0	0	Vice President of Nan Ya PCB Corp. National Taiwan Institute of Technology	Chairman of Nan Ya PCB (U.S.A.) Corp. Chairman of Nan Ya PCB (HongKong) Corp. Director and President of Nan Ya PCB (KunShan) Corp.	None	None	None	N/A
Vice President	R.O.C	Lien-Jui Lu	Male	2019.3.20	0	0	0	0	0	0	Associate Vice President of Nan Ya PCB Corp. National Taiwan Institute of Chemical Engineering	Dirctor of Nan Ya PCB (HongKong) Corp. Dirctor of Nan Ya PCB (U.S.A.) Corp. Supervisor of Nan Ya PCB (KunShan) Corp.	None	None	None	
Vice President	R.O.C	Kuo-Chun Chiang	Male	2020.6.17	0	0	0	0	0	0	Associate Vice President of Nan Ya PCB Corp. Master Degree in Management, National Central University	Dirctor of Nan Ya PCB (KunShan) Corp.	None	None	None	
Associate Vice President	R.O.C	Yung-Chi Lin	Male	2020.6.17	0	0	0	0	0	0	Mechanical and Electro-Mechanical Engineering Department, Tamkang University	Dirctor of Nan Ya PCB (KunShan) Corp.	None	None	None	
Associate Vice President	R.O.C	Kuo-Lung Chen	Male	2020.6.17	0	0	0	0	0	0	Department of Materials Science and Engineering, Feng Chia University	None	None	None	None	
Associate Vice President	R.O.C	Mao-Sung Huang	Male	2020.6.17	96	-	55	-	0	0	Automatic Control and Computer Sciences in National Taipei University of Technology	None	None	None	None	
Associate Vice President	R.O.C	Kuan-Li Wang	Male	2022.1.26	0	0	0	0	0	0	Taiwan Institute of Technology Bachelor of Mechanical Engineering	Dirctor of Nan Ya PCB (KunShan) Corp.	None	None	None	
Associate Vice President	R.O.C	Sung-Lung Chien	Male	2022.1.26	0	0	4,000	-	0	0	National Chung Cheng University Bachelor of Business Administration	None	None	None	None	
Financial Officer	R.O.C	Zhen-Xiao Lei	Male	2010.8.26	0	0	0	0	0	0	National Taiwan University	Financial Officer of Formosa Plastics Corp.	None	None	None	

Title (Note 1)	Nationality/ Place of Incorporation	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note 2)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	(Note 3)
Accounting Officer	R.O.C	Wen-Feng Chiang	Male	2012.3.19	0	0	0	0	0	0	Accounting, Chinese CultureUniversity.	None	None	None	None	N/A

Note 1：Date effective is the date that the board of directors appoints as a manager.
Note 2：The abovementioned main disclosures are for the manager those who manage FPCC affairs and also have the right of signatures.
Note 3：Chairman and President (or someone with an equivalent job responsibility, i.e. the highest ranking manager of the Company) are not (1) the same person, (2) in a marital relationship with each other, or (3) within one degree of consanguinity.
Note 4：Since each member of management team’s shareholding ratio is less than 0.01%, therefore, it is only indicated by “-“.

3.3 Remuneration of Directors, Supervisors, President, and Vice Presidents

3.3.1 Remuneration of Directors and Supervisors

3.3.1.1 Remuneration of Directors and Independent Directors

Unit: NT$ thousands；%；December 31, 2022

Title	Name (Note 1)	Remuneration								Ratio of Total Remuneration (A+B+C+D) of Net Income (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) of Net Income (Note 10)		Compensation Paid to Directors from Non-consolidated Affiliates or Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay (B)		Directors Compensation (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonuses, and Allowances (E) (Note 5)		Severance Pay (F) (Note 12)		Employee Compensation (G) (Note 6)						
																The Company		Companies in the consolidated financial statements (Note 7)				
		The Company	All companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	The Company	Companies in the consolidated financial statements (Note 7)	Cash	Stock	Cash	Stock	The Company	Companies in the consolidated financial statements	
Chairman	Chia-Chau Wu	0	0	0	0	0	0	400	400	400 0.0069%	400 0.0069%	27,487	27,487	296	296	27	0	27	0	28,210 0.4850%	28,210 0.4850%	31,989
Director	Wen-Yuan Wong																					
	Ming-Jen Tzou																					
	Chia-Fung Chang (Note 13)																					
	Ann-De Tang																					
	Lien-Jui Lu																					
	Kuo-Chun Chiang																					
Independent Director	Ta-Sheng Lin	5,445	5,445	0	0	0	0	450	450	5,895 0.1013%	5,895 0.1013%	0	0	0	0	0	0	0	0	5,895 0.1013%	5,895 0.1013%	0
	Cheng-I Wang (Note 13)																					
	Shyur-Jen Chien																					
	Shui-Chi Chuang																					

Remark:

1. The Company has not allocated Directors' remuneration. The Independent Directors' remuneration is fixed. The main consideration is to maintain their independence for the benefit of supervision. The fixed annual remuneration of Independent Directors is NT$1.8 million and travel expense of NT$10 thousand will be paid per attendance in the meeting. According to Company's "Rules Governing the Scope of Powers of Independent Directors", the responsibilities and risks include: supervising the fair presentation of the Company's financial statements, the appointment (and dismissal), independence, and performance of certificated public accountants of the Company, effective implementation of the internal control system of the Company, compliance with relevant laws and regulations by the Company, and management of the existing or potential risks of the Company. The Company has insured director liability insurance for its Independent Directors. Independent Directors of the Company should attend Board meetings at least 5 times, the Audit Committee meetings at least 4 times, the Remuneration Committee meetings at least 2 times, and the Sustainability Committee meetings at least 1 times, and implement the operations of the Company's business integrity. Independent Directors should review the internal audit report every month and regularly communicate with the internal auditing superior and accountants on internal controls and financial statements. The communication is detailed in: "3.4.2 Audit Committee Meeting Status or the Participation of Supervisors in the Operations of the Board of Directors.".
2. Other than disclosures in the above table, remuneration paid to Directors for providing services (e.g., providing consulting services as a non-employee for the parent company, all companies in consolidated financial statements, or investee) in the most recent year: None.

Range of Remuneration Paid to Directors

Range of Remuneration Paid to Directors	Name of Directors			
	Total amount for the 4 preceding remunerations (A+B+C+D)		Total amount for the 7 preceding remunerations (A+B+C+D+E+F+G)	
	The Company (Note 8)	Companies in the consolidated financial statements (Note 9)	The Company (Note 8)	Companies in the consolidated financial statements (Note 9)
Under NT$ 1,000,000	Chia-Chau Wu, Nan Ya Plastics Corp., Wen-Yuan Wong, Nan Ya Plastics Corp. Ming-Jen Tzou, Nan Ya Plastics Corp., Chia-Fung Chang, Nan Ya Plastics Corp. Cheng-I Wang, Independent Director, Ann-De Tang, Lien-Jui Lu, Kuo-Chun Chiang	Chia-Chau Wu, Nan Ya Plastics Corp., Wen-Yuan Wong, Nan Ya Plastics Corp. Ming-Jen Tzou, Nan Ya Plastics Corp., Chia-Fung Chang, Nan Ya Plastics Corp. Cheng-I Wang, Independent Director, Ann-De Tang, Lien-Jui Lu, Kuo-Chun Chiang	Chia-Chau Wu, Nan Ya Plastics Corp., Wen-Yuan Wong, Nan Ya Plastics Corp. Ming-Jen Tzou, Nan Ya Plastics Corp. Chia-Fung Chang, Nan Ya Plastics Corp. Cheng-I Wang, Independent Director,	Chia-Chau Wu, Nan Ya Plastics Corp., Wen-Yuan Wong, Nan Ya Plastics Corp. Ming-Jen Tzou, Nan Ya Plastics Corp. Chia-Fung Chang, Nan Ya Plastics Corp. Cheng-I Wang, Independent Director,
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	Ta-Sheng Lin, Independent Director, Shyur-Jen Chien, Independent Director, Shui-Chi Chuang, Independent Director	Ta-Sheng Lin, Independent Director, Shyur-Jen Chien, Independent Director, Shui-Chi Chuang, Independent Director	Ta-Sheng Lin, Independent Director, Shyur-Jen Chien, Independent Director, Shui-Chi Chuang, Independent Director	Ta-Sheng Lin, Independent Director, Shyur-Jen Chien, Independent Director, Shui-Chi Chuang, Independent Director
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	N/A	N/A	N/A	N/A
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	N/A	N/A	Lien-Jui Lu, Kuo-Chun Chiang	Lien-Jui Lu, Kuo-Chun Chiang
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	N/A	N/A	Ann-De Tang	Ann-De Tang
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	N/A	N/A	N/A	N/A
NT$100,000,000 or more	N/A	N/A	N/A	N/A
Total	11	11	11	11

Note 1: The names of Directors shall be listed separately (for institutional shareholders, disclose both the institutional representative's name and the institutional shareholder's name separately), but compensation may be disclosed in aggregate amounts. If a Director also serves as the President or Vice Presidents, indicate the fact in this table and the following table.

Note 2: Compensation paid to Directors in the most recent year (including salaries, job remuneration, severance, bonuses, and incentives).

Note 3: Compensation paid to Directors in the most recent year approved by the Board of Directors.

Note 4: Business expenses paid to Directors in the most recent year (including transportation expenses, special allowances, various allowances, accommodation, vehicles, and other provision of physical goods and services). If housing, vehicle and other means of transportation, or personal expense is paid, the nature and cost of the asset provided should be disclosed, the rental calculated based on actual cost or fair market value, fuel, and other payments. If a driver is provided, please disclose in note the remuneration paid to such a driver. However, such payment shall not be included in compensation.

Note 5: Including salary, job-related remuneration, severance pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, and physical goods provision such as accommodation and vehicles received by Directors in the most recent year who concurrently serve as employee (including President, Vice Presidents, other managerial officers and employees). If housing, vehicle and other means of transportation, or personal expense is paid, the nature and cost of the asset provided should be disclosed, the rental calculated based on actual cost or fair market value, fuel, and other payments. If a driver is provided, please disclose in note the remuneration paid to such a driver. However, such payment shall not be included in compensation. In addition, any salary expenses recognized under IFRS 2 "Share-Based Payment," including issuance of employee stock options, new restricted employee shares, and cash capital increase by stock subscription, shall be included in the compensation.

Note 6: Disclose the employees' compensation (including shares and cash) approved by the Board meeting in the most recent year received by Directors who were entitled to the compensation due to their positions in the Company as employees (including President, Vice Presidents, other managerial officers, and employees). If it is not possible to provide such estimate, the actual proportional amount distributed prior year shall be used in the computation of the amount to be proposed this year.

Note 7: Disclose the aggregate amount of various compensation items paid to the Company's Directors by all the companies listed in the consolidated financial statement (including the Company).

Note 8: The aggregate compensation amount paid to an individual Director by the Company shall be disclosed in the corresponding compensation range with the Director's name.

Note 9: The aggregate amount of various compensation items paid to an individual Director of the Company by all the companies (including the Company) listed in the consolidated financial statement shall be disclosed in the corresponding compensation range with the Director's name.

Note 10:Net profit after tax refers to the amount listed in the parent company only or the consolidated financial statements accrued in the most recent fiscal year.

Note 11: a. The amount of compensation received from invested companies other than a subsidiary or parent company by the Company's Directors shall be indicated clearly in this column.

b. If a Director has received compensation from any investee companies other than a subsidiary or parent company, the amount of compensation received from the said investee companies other than a subsidiary shall be included into Column I of the Compensation Ranges Table; the column shall be renamed as "All Investee Companies".

c. Compensation refers to incentives, remunerations (including compensation for employees, Directors and Supervisors) and allowances for professional practices received by the Company's Directors from invested companies other than a subsidiary or parent company for their tenure as an employee in the investees.

Note 12:Retirement pension (F) NT$296 thousand is the provision amount.

Note 13:Director Chia-Fung Chang and Independent Director Cheng-I Wang resigned from their positions after the board election at the shareholder meeting held on May 23, 2023.

∗The content of compensation disclosed in this Table is derived from a concept different from the concept of "income" stipulated in the Income Tax Act. The purpose of the table is for information disclosure, not for taxation.

3.3.2 Remuneration of President and Vice Presidents

Unit: NT$ thousands；%；December 31, 2023

Title	Name (Note 1)	Salary(A) (Note 2)		Severance Pay (B)(Note 10)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total compensation (A+B+C+D) of net income		Compensation Paid to the President and Vice Presidents from an Invested Company Other than the Company's Subsidiary or Parent Company (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
President	Ann-De Tang	26, 987	26, 987	296	296	0	0	27	0	27	0	27, 310 0. 4695%	27, 310 0. 4695%	無
Vice President	Lien-Jui Lu													
Vice President	Kuo-Chun Chiang													

Range of Remuneration

Range of Remuneration Paid to Directors	Name of President and Vice President	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7)
Under NT$ 1,000,000	N/A	N/A
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	N/A	N/A
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)	N/A	N/A
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)	N/A	N/A
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	Lien-Jui Lu, Kuo-Chun Chiang	Lien-Jui Lu, Kuo-Chun Chiang
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)	Ann-De Tang	Ann-De Tang
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)	N/A	N/A
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)	N/A	N/A
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)	N/A	N/A
NT$100,000,000 or more	N/A	N/A
Total	3	3

Note 1: The names of President and Vice Presidents shall be listed separately, but compensation may be disclosed in aggregate amounts. If a Director serves concurrently as President or Vice Presidents, indicate in this table and the table above.

Note 2: Indicate the salaries, job-related allowances and severance pay paid to President and Vice Presidents in the most recent fiscal year.

Note 3: Cash and non-cash compensation paid to President and Vice Presidents in the most recent year, including bonus, incentives, transportation expenses, various allowances, provision of physical good and services such as accommodation, and vehicles, and other remunerations. If housing, vehicle and other means of transportation, or personal expense is paid, the nature and cost of the asset provided should be disclosed, the rental calculated based on actual cost or fair market value, fuel, and other payments. If a driver is provided, please disclose in note the remuneration paid to such a driver. However, such payment shall not be included in compensation.

Note 4: Disclose the employees' compensation (including shares and cash) approved by the Board meeting in the most recent year received by President and Vice Presidents who were entitled to the compensation due to their positions in the Company as employees. If it is not possible to provide such estimate, the actual proportional amount distributed prior year shall be used in the computation of the amount to be proposed this year. Please also fill in the attached table additionally. Net profit after tax refers to the amount accrued in the most recent fiscal year. For companies who have adopted the International Financial Reporting Standards, net profit after tax refers to the amount listed in the parent company only or the consolidated financial statements accrued in the most recent fiscal year.

Note 5: The aggregate amount of various compensation items paid to President or Vice Presidents of the Company by all the companies (including the Company) listed in the consolidated financial statement shall be disclosed.

Note 6: The aggregate compensation amount paid to President or Vice Presidents by the Company shall be disclosed in the corresponding compensation range with the President's or Vice Presidents' names.

Note 7: The aggregate amount of various compensation items paid to President or Vice Presidents of the Company by all the companies (including the Company) listed in the consolidated financial statement shall be disclosed in the corresponding compensation range with the President's or Vice Presidents' names.

Note 8: Net profit after tax refers to the amount listed in the parent company only or the consolidated financial statements accrued in the most recent fiscal year.

Note 9: a. The amount of compensation received from invested companies other than a subsidiary or parent company by the Company's President or Vice Presidents shall be indicatedclearly in this column.

b. If President or Vice Presidents of the Company has received compensation from any investee companies other than a subsidiary or parent company, the amount of compensation received from the investee companies other than a subsidiary shall be included into Column E of the Compensation Ranges Table; the column shall be renamed as "All Investee Companies".

c. Compensation refers to incentives, remunerations (including compensation for employees, Directors and Supervisors) and allowances for professional practices received by the Company's President or Vice Presidents from investee companies other than a subsidiary or parent company for their tenure as a Director, Supervisor, or managerial officer of investee companies.

Note 10：Retirement pension (B) NT$296 thousand is the provision amount.

＊The content of compensation disclosed in this Table is derived from a concept different from the concept of "income" stipulated in the Income Tax Act. The purpose of the table is for information disclosure, not for taxation.

Employee Compensation of Executive Officers

Unit: NT$ thousands；%；December 31, 2023

	Title	Name	Employee Compensation in Stock	Employee Compensation in Cash	Total	Ratio of Total Amount to Net Income
Executive Officers	President	Ann-De Tang	0	66	66	0.0011
	Vice President	Lien-Jui Lu				
		Kuo-Chun Chiang				
	Associate Vice President	Yung-Chi Lin				
		Kuo-Lung Chen				
		Mao-Sung Huang				
		Kuan-Li Wang				
		Sung-Lung Chien				
	Financial Officer	Zhen-Xiao Lei				
	Accounting Officer (Company Secretary)	Wen-Feng Chiang				

Note 1: The names of President or Vice Presidents shall be disclosed separately, but compensation may be disclosed in aggregate amounts.

Note 2: Disclose the employees' compensation (including shares and cash) approved by the Board meeting in the most recent year received by managerial officers who were entitled to the compensation due to their positions in the Company as employees. If it is not possible to provide such estimate, the actual proportional amount distributed prior year shall be used in the computation of the amount to be proposed this year. Net profit after tax refers to the amount accrued in the most recent fiscal year. For companies who have adopted the International Financial Reporting Standards, net profit after tax refers to the amount listed in the parent company only or the consolidated financial statements accrued in the most recent fiscal year.

Note 3: The definition of a manager, as governed by the Official Letter No. 0920001301 issued by FSC on March 27 2003, refers to a person who "has been approved by the Board of Directors," and "who have the substantial power to manage a company's affairs and are a company's authorized signatories."

Note 4: If Directors, President, or Vice Presidents has received employee compensation (including shares and cash), this table shall be prepared in addition to the above table.

3.3.3 Comparison and Description of Remuneration for Directors, Supervisors, President and Vice Presidents etc. in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, President and Vice Presidents.

3.3.3.1 Analysis of total remuneration to net profit after tax:

Unit:%

Title/Year	The Company		Companies in the consolidated financial statements	
	2023	2022	2023	2022
Director	0.5863	0.1437	0.5863	0.1437
President and Vice President	0.4695	0.1487	0.4695	0.1487

Explanation:

The proportion of remuneration for Directors, President, and Vice Presidents in 2023 increased compared to 2022, primarily due to a decrease in net profit after tax in 2023 compared to 2022.

3.3.3.2 Remuneration policy, standards and portfolio, the procedure for determining remuneration, and the correlation with operating performance:

(1) After the remuneration of the Directors and managers of the Company has been reported to the remuneration committee, it will be further submitted to the Board of Directors for discussion and approval.

(2) The Company's Independent Directors and some directors receive a fixed amount of compensation monthly as well as reimbursement for transportation expenses based on their actual attendance of the Board meetings. No varied remuneration is paid to Independent Directors and some directors.

(3) Other directors receive reimbursement for transportation expenses based on their actual attendance of the Board meetings. No other directors' remuneration is paid to Independent Directors and some directors.

(4) Compensation to Directors and Supervisors attributed from capital surplus is cancelled as approved by shareholders' meeting on June 24, 2008.

(5) The Company established the Audit Committee to replace the Board of Supervisors on June 22, 2017.

(6) The President's, Vice President's, and Assistant Manager's compensations are handled in accordance with the Company's Articles of Incorporation and Article 29 of the Company Act, including fixed monthly salary, diligence awards, year-end bonuses, managerial incentives, and performance bonuses, as well as monthly contributions to retirement benefits (including both old and new retirement schemes) and welfare funds according to the Company's "Retirement Regulations". In accordance with Article 19 of the Company's articles of association, if the Company generates profits in a fiscal year, 0.05% to 0.5% of the pre-tax profit before deducting employee compensation shall be allocated for employee remuneration. Additional compensation such as managerial severance pay, severance pay, and condolence payments may be provided in special circumstances. The special incentive bonus is determined and distributed by the Chairman based on managerial

performance evaluation. Annually, adjustments to the fixed monthly salary are proposed to the Compensation Committee based on the same salary adjustment standards for all employees.

(7) The performance evaluation of the Company's President, Vice President, and Assistant Manager is comprehensively assessed by the Chairman based on the overall performance within their respective responsibilities and the achievement of individual "annual work objectives". This is to ensure that managers understand and collectively achieve the Company's strategic goals, and to link the incentive system with the performance of both individual managers and the Company as a whole. The indicators related to managerial compensation and performance evaluation are as follows:

i. Financial Indicator: operating profit and loss, EBITDA, achievement rate of operating goals and profit contribution.

ii. Non- Financial Indicator: divided into 3 aspects, Environment Protection(E), Social Responsibility(S) and Corporate Governance(G). Environment Protection Indicators include environmental sustainability engagement, performance of water and energy saving, effectiveness of circular economy and achievement rate of carbon reduction. Social Responsibility Indicators include incident of work safety and occupational injury, innovation and development of product and friendly relations with plant area. Corporate Governance Indicators include capacity of operating management, promotion and effectiveness of AI project and number of fraud incident.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors' Meeting Status

A total of 6 meetings of the board of directors were held in 2023. Director attendance is shown as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	Nan Ya Plastics Corp. Chia-Chau Wu	6	0	100.0	Re-elected on 2023.5.23
Director	Nan Ya Plastics Corp. Wen-Yuan Wong	6	0	100.0	Re-elected on 2023.5.23
Director	Nan Ya Plastics Corp. Ming-Jen Tzou	6	0	100.0	Re-elected on 2023.5.23
Director	Nan Ya Plastics Corp. Chia-Fung Chang	3	0	100.0	Former, re-elected on 2023.5.23
Independent Director	Ta-Sheng Lin	6	0	100.0	Re-elected on 2023.5.23
Independent Director	Cheng-I Wang	3	0	100.0	Former, re-elected on 2023.5.23
Independent Director	Shyur-Jen Chien	6	0	100.0	Re-elected on 2023.5.23
Independent Director	Shui-Chi Chuang	3	0	100.0	Newly elected on 2023.5.23
Director	Ann-De Tang	6	0	100.0	Re-elected on 2023.5.23
Director	Lien-Jui Lu	6	0	100.0	Re-elected on 2023.5.23
Director	Kuo-Chun Chiang	3	0	100.0	Newly elected on 2023.5.23

Other mentionable items:

1. If any of the following circumstances occur,, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the Company's response should be specified:
   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act:None
   (2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors：None
2. If there are directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:

Board Meeting Date	Object	Name	Causes of interest conflict avoidance	voting status
2023.2.24	The manager's performance salary adjustment plan in the second half of 2023 is intended to be set in accordance with all employees.	Director Ann-De Tang	The parties in this case.	Not Voting

Board Meeting Date	Object	Name	Causes of interest conflict avoidance	voting status
2023.4.12	To propose to the Shareholders' Meeting to agree to release the non-compete restriction of directors of the Company.	Chairman Chia-Chau Wu	The parties in this case.	Not Voting
		Director Wen-Yuan Wang		
		Director Ming-Jen Tzou		
		Independent Director Ta-Sheng Lin		
		Independent Director Shyur-Jen Chien		
2023.5.23	To appoint Independent Director Ta-Sheng Lin , Shyur-Jen Chien and Shui-Chi Chuang to serve as the member of Compensation Committee.	Independent Director Ta-Sheng Lin	The parties in this case.	Not Voting
		Independent Director Shyur-Jen Chien		
		Independent Director Shui-Chi Chuang		
2023.5.23	To appoint Chairman Chia-Chau Wu, Director Ann-De Tang, Independent Director Ta-Sheng Lin , Shyur-Jen Chien and Shui-Chi Chuang to serve as the member of Sustainability Committee.	Chairman Chia-Chau Wu	The parties in this case.	Not Voting
		Director Ann-De Tang		
		Independent Director Ta-Sheng Lin		
		Independent Director Shyur-Jen Chien		
		Independent Director Shui-Chi Chuang		
2023.5.23	To establish the current director compensation for our company.	Independent Director Ta-Sheng Lin	The parties in this case.	Not Voting
		Independent Director Shyur-Jen Chien		
		Independent Director Shui-Chi Chuang		
2022.8.4	To adjustment the salary range of the Company's managers in 2023 years is planned to be no more than the salary adjustment range of employees	Director Ann-De Tang	The parties in this case.	Not Voting
		Director Lien-Jui Lu		
		Director Kuo-Chun Chiang		

3. TWSE/TPEx-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors:

Evaluation period (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once a year	October 1, 2022 - September 30, 2023	Board of Directors	Self-evaluation by the directors	1. Participation in the Company's operation. 2. Board's decision making quality. 3. Composition and structure of the Board. 4. Selection and continuing education of the directors. 5. Internal control.
Once a year	October 1, 2022 - September 30, 2023	Individual Board Members	Self-evaluation by the directors	1. Execution of the Company's goals and tasks. 2. Understanding of the director's roles and responsibilities. 3. Participation in the Company's operation. 4. Management and communication of the internal relations. 5. Expertise and continuing education of the directors. 6. Internal control.
Once a year	October 1, 2022 - September 30, 2023	Audit Committee	Self-evaluation by the directors	1. Participation in the Company's operation. 2. Understanding of the Audit Committee's roles and responsibilities. 3. Audit Committee's decision-making quality. 4. Composition and member selection of the Audit Committee. 5. Internal control.
Once a year	October 1, 2022 - September 30, 2023	Remuneration Committee	Self-evaluation by the directors	1. Participation in the Company's operation. 2. Understanding of the Remuneration Committee's roles and responsibilities. 3. Remuneration Committee's decision-making quality. 4. Composition and member selection of the Remuneration Committee. 5. Internal control.
Once a year	October 1, 2022 - September 30, 2023	Sustainability Committee	Self-evaluation by the directors	1. Participation in the Company's operation. 2. Understanding of the Sustainability Committee's roles and responsibilities. 3. Sustainability Committee's decision-making quality. 4. Composition and member selection of the Sustainability Committee. 5. Internal control.

4. Evaluation of the objectives to strengthen the powers of the Board of Directors and the implementation status in the current and the most recent fiscal year:
   (1) The Board of Directors of the Company shall exercise their authority in accordance with the laws, the Articles of Association, and the resolutions of the shareholders' meeting. All Directors shall have the necessary professional knowledge, skills and literacy to perform their duties, and shall be able to fulfill the principle of honesty and integrity, and all the Directors shall create the best interests of all shareholders.
   (2) The Company has elected an independent director and has established a good board governance system with rules of procedure for the Board of Directors' meetings required by competent authority, including the main agenda items, operational procedures, required content of meeting minutes, public announcements, and other compliance requirements for board meetings shall be handled in accordance with these Regulations.
   (3) In addition to regular self-inspection of the Board of Directors' operations, the Company shall also strengthen the functions of the Board of Directors. The internal auditors shall also

prepare audit reports on the operations of the Board of Directors required by competent authority.

(4) The Company has established a Compensation Committee according to regulations of the securities competent authority. The Committee has convened 2 meetings in 2023 to assess its managers' remuneration policy and system. To fulfill corporate governance, recommendations were submitted to the Board of Directors for discussion.

(5) The Company has established an Audit Committee to replace the Supervisors on June 22, 2017 according to regulations of the securities competent authority. The Committee has convened 5 meetings in 2023, and to fulfill corporate governance, the resolutions were submitted to the Board of Directors for resolution.

(6) To strengthen the functions of the Board of Directors and establish the performance target to improve the operational efficiency of its Board of Directors, the "Regulations Governing Performance Evaluation of Board of Directors" was approved by the Board of Directors on August 10, 2020. The Rules stipulate that the Company shall conduct an internal evaluation in every year, and the results thereof shall be reported to the Board of Directors by the end of the first quarter in the following year.

(7) In order to implement sustainable development goals such as environmental protection, social responsibility and corporate governance, the Company passed the resolution of the Board of Directors on May 5, 2022. The Committee has convened 2 meetings in 2023 to guide the implementation direction of ESG by the board of directors, review the progress of strategies and execution plans, in order to enhance the supervisory mechanism for our company's commitment to promoting sustainable development.

3.4.2 Audit Committee Meeting Status or the Participation of Supervisors in the Operations of the Board of Directors

3.4.2.1 A total of 5 meetings of the Audit Committee were held as of December 31, 2023. The attendance of the independent directors was as follows:

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Convener	Shyur-Jen Chien	5	0	100.0	Independent Director (Re-elected on 2023.5.23)
Committee member	Ta-Sheng Lin	5	0	100.0	Independent Director (Re-elected on 2023.5.23)
Committee member	Shui-Chi Chuang	2	0	100.0	Independent Director (Newly elected on 2023.5.23)
Committee member	Cheng-I Wang	3	0	100.0	Independent Director (Former, re-elected on 2023.5.23)

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act.
   (2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors.

Audit Committee Meeting Date and Times	Contents of the Proposal and Follow-up Actions	Circumstances Listed in Article 14-5 of the Securities and Exchange Act	Resolutions that have not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all Board of Directors
2023.2.24 (1st meeting in 2023)	1. Contents of the Proposal (1) Prepared financial statements for 2022. (2) Established a pre-approval policy for non-assurance services provided by the Company's auditing accounting firm. (3) Proposed preparation of the 2022 Statement of Internal Control System.	V - V	- - -
	2. Results of the Audit Committee Resolution: (1) CPA Hui-Chih Ko, who attended the meeting, reported that Proposal 1 was communicated between CPAs and the Audit Committee. (2)The supervisor supplemented the key points for Proposal 2 and 3. (3) All proposals were approved by unanimously by all members of the Audit Committee and submitted to the Board of Directors for resolution. 3. Dealing with the opinion from the Audit Committee and the resolution of the		

Audit Committee Meeting Date and Times	Contents of the Proposal and Follow-up Actions	Circumstances Listed in Article 14-5 of the Securities and Exchange Act	Resolutions that have not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all Board of Directors
	Board of Directors: The matters discussed by the Audit Committee in this meeting were resolved by all Directors in attendance of the Board of Directors on February 24, 2023.		
2023.4.12 (2nd Meeting in 2023)	1. Contents of the Proposal (1) To propose to the Shareholders' Meeting to agree to release the non-compete restriction of directors of the Company.	V	-
	2. Resolution from the Audit Committee: (1) The chairman and supervisor supplemented the key points for Proposal. (2) All parties involved in this case have opted for recusal and submitted to the Board of Directors for resolution. 3. Dealing with the opinion from the Audit Committee and resolutions from the Board Meeting: The matters discussed by the Audit Committee in this meeting were resolved by the Board of Directors on April 12, 2023. Except for some Directors who recused themselves due to conflicts of interest and did not participate in the voting, all other Directors in attendance passed the resolutions.		
2023.5.4 (3th meeting in 2023)	1. Contents of the Proposals: (1) Prepared financial statements for 2023 Q1. (2) Revising the Company's "Internal Control System" and "Internal Audit Implementation Guidelines."	- V	- -
	2.Results of the Audit Committee Resolution: (1) CPA Hui-Chih Ko, who attended the meeting, reported that Proposal 1 was communicated between CPAs and the Audit Committee; the supervisor supplemented the key points for Proposal 2. (2) All proposals were approved unanimously by all members of the Audit Committee and submitted to the Board of Directors for resolution. 3.Dealing with the opinion from the Audit Committee and the resolution of the Board of Directors: The matters discussed by the Audit Committee in this meeting were resolved by all Directors in attendance of the Board of Directors on May 4, 2023.		
2023.8.3 (4th meeting in 2023)	2. Contents of the Proposals: (1) Prepared financial statements for 2023 Q2. (2) Appointing the new Internal Audit Manager for our company.	- V	- -

Audit Committee Meeting Date and Times	Contents of the Proposal and Follow-up Actions	Circumstances Listed in Article 14-5 of the Securities and Exchange Act	Resolutions that have not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more of all Board of Directors
	2.Results of the Audit Committee Resolution: (1) CPA Hui-Chih Ko, who attended the meeting, reported that Proposal 1 was communicated between CPAs and the Audit Committee; the supervisor supplemented the key points for Proposal 2. (2) All proposals were approved unanimously by all members of the Audit Committee and submitted to the Board of Directors for resolution. 3.Dealing with the opinion from the Audit Committee and the resolution of the Board of Directors: The matters discussed by the Audit Committee in this meeting were resolved by all Directors in attendance of the Board of Directors on August 3, 2023.		
2023.11.2 (5th Meeting in 2023)	1. Contents of the Proposal: (1) Prepared financial statements for 2023 Q3.	-	-
	2.Results of the Audit Committee Resolution: (1) The proposals was approved unanimously by all members of the Audit Committee and submitted to the Board of Directors for resolution. 3.Dealing with the opinion from the Audit Committee and the resolution of the Board of Directors: The matters discussed by the Audit Committee in this meeting were resolved by all Directors in attendance of the Board of Directors on November 2, 2023.		

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified:
   (1)Period and Date: The 2nd Audit Committee (April 12, 2023)
   Recusals: Independent Director Ta-Sheng Lin and Shyur-Jen Chien.
   Resolutions adopted: To propose to the Shareholders' Meeting to agree to release the non-compete restriction of directors of the Company.
   Causes of interest conflict Avoidance and Voting status: Independent Director Ta-Sheng Lin and Shyur-Jen Chien were recused from the discussion and voting because they were the parties in this case.
3. Communication status between independent directors and the internal auditing superior as well as CPAs (material issues, methods and results relating to the Company's financial and business status shall be included):
   (1) The Audit Committee of the Company is composed of all Independent Directors, CPAs that are arranged to attend quarterly, and at least one separate communication meeting is held every year, to check the financial status and overall operating results of the Company and its subsidiaries; to fully communicate on the changes of laws and regulations; and to explain if such changes have any impact on the financial statements.
   (2) Communication between Independent Directors and the Internal Auditing Officer:
   A. The Company's internal control system and enforcement rules and amendments shall be formulated and amended by the Audit Committee, and shall then be submitted to the Board of Directors for a resolution.
   B. The Company's effectiveness assessment on its internal control system (the internal

control statement is issued) shall be submitted to the Board of Directors for resolution after the approval of the Audit Committee.

C. The Company's audit office shall submit an internal audit report to the independent directors for inspection on a monthly basis.

D. Before the end of each fiscal year, the audit office of the Company submits the internal audit plan for the next year to the Board of Directors for resolution.

E. The Independent Directors and the Internal Auditing Officer hold at least one separate communication meeting annually to report and communicate about the internal audit execution status and the internal control operation of the Company. In addition to preparing audit reports for internal control system deficiencies and abnormal issues discovered during inspections, follow-up and urging actions are taken to ensure that relevant units take appropriate improvement measures in a timely manner.

(3) Communication matters and circumstances between independent directors and CPAs and internal audit supervisors:

Date	Channel	Communication Target	Object	Result
2024.2.24	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. CPAs 4. Directors and Management	Explanation on communication matters such as audit opinions on financial reports in 2022.	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.
2024.2.24	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	To establishing a pre-approval policy for non-assurance services provided by the Company's auditing firm.	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.
2024.2.24	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Drafting the 2022 annual internal control system statement	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.
2024.2.24	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on implementation status of the November and December 2022 Audit Plan.	Understood. No further opinions were given.
2024.2.24	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Drafting the 2022 annual internal control system statement	Approved unanimously by all Directors in attendance.
2023.4.12	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	To propose to the Shareholders' Meeting to agree to release the non-compete restriction of directors of the Company.	Apart from Commissioners Ta-Sheng Lin and Shyur-Jen Chien who recused themselves due to conflicts of interest, all other attending commissioners agreed to pass the resolution and requested the board of directors to make a decision.
2023.4.12	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on implementation status of the January and February 2023 Audit Plan.	Understood. No further opinions were given.

Date	Channel	Communication Target	Object	Result
2023.4.12	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	To propose to the Shareholders' Meeting to agree to release the non-compete restriction of directors of the Company.	Except for the Chairman, directors Wen-Yuan Wong, Ming-Jen Tzou, independent directors Ta-Sheng Lin and Shyur-Jen Chien , a total of 5 individuals recused themselves due to conflicts of interest. All other attending directors unanimously passed the resolution.
2023.5.4	Review Meeting	1. All Independent Directors 2. Internal Auditing Officer 3. Management	Report on results from 2022 Corporate Governance Evaluation.	Adequate, no comments
2023.5.4	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. CPAs 4. Directors and Management	Explanation of communication matters related to the review opinion on financial statements for 2023 Q1.	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.
2023.5.4	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. CPAs 4. Directors and Management	To amend the "Internal Control System" or "Internal Audit Implementation Guidelines" for handling significant internal information, preventing insider trading, and managing stock operations.	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.
2023.5.4	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on implementation status of March 2023 Audit Plan	Understood. No further opinions were given.
2023.5.4	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	To amend the "Internal Control System" or "Internal Audit Implementation Guidelines" for handling significant internal information, preventing insider trading, and managing stock operations.	Approved unanimously by all Directors in attendance.
2023.5.23	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on the improvement of deficiencies and abnormal issues in the internal control system for 2022.	Understood. No further opinions were given.
2023.8.3	Audit Committee	1. All Independent Directors 2. Internal Auditing Officer 3. CPAs 4. Directors and Management	Explanation of communication matters related to the review opinion on financial statements for 2023 H1.	Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution.

Date	Channel	Communication Target	Object	Result
2023.8.3	Audit Committee	1. All Independent Directors 2.Interim proxy for internal Auditing Officer 3. Directors and Management	To appointed a new Internal Audit Manager for the Company	Approved unanimously by all Directors in attendance.
2023.8.3	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on implementation status of 2023 Q2 Audit Plan.	Adequate, no comments
2023.8.3	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	To appointed a new Internal Audit Manager for the Company	Approved unanimously by all Directors in attendance.
2023.11.2	Individual communication meeting with CPA	1. All Independent Directors 2. Internal Auditing Officer 3. CPAs	Explanation of communication matters related to the review opinion on financial statements for 2023 Q3.	Adequate, no comments
2023.11.2	Individual communication meeting with internal audit officer	1. All Independent Directors 2. Internal Auditing Officer	1. Report on internal audit deficiencies from January to June 2023. 2.2024 Annual Internal Audit Report	Adequate, no comments
2023.11.2	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Report on implementation status of 2023 Q3 Audit Plan.	Understood. No further opinions were given.
2023.11.2	Board of Directors	1. All Independent Directors 2. Internal Auditing Officer 3. Directors and Management	Proposed the drafting of 2024 Internal Audit Plan.	Approved unanimously by all Directors in attendance.

4. Annual Work Priorities and Operational Status:
   (1) The Audit Committee convened 5 meetings in 2023. Details on the resolutions and follow-up actions of the resolutions are described in [1. The Results of the Audit Committee Resolution and the Company's Actions in Response to the Opinions of the Audit Committee], the main tasks are as follows:
      A. The Company has amended the "Internal Control System" and "Enforcement Rules of Internal Audit".
      B. Review the effectiveness of the internal control system
      C. To amend the Company's "Audit Committee Charter"
      D. Evaluate the rationality of the resolutions involving the directors' own interests.
      E. The appointment and dismissal of the Internal Audit Manager.
      F. Annual financial report.
      G. Significant matters by the Company’s or competent authorities.
   (2) The Audit Committee continues to assist the Board of Directors in supervising the fair presentation of CMP's financial statements; the appointment (and dismissal) of auditing CPAs and their independence and performance; effective implementation of the Company's internal control; the Company's compliance with relevant laws and regulations; and the Company's management on existing or potential risks.

3.4.2.2 The Participation of Supervisors in the Operations of the Board of Directors.

The Audit Committee has been set up on June 22, 2017 to replace the Supervisors.

3.4.3 Corporate Governance Implementation Status and Deviations from the " Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
1. Did the Company establish and disclose the Corporate Governance Best Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company passed the resolution of the Board of Directors on November 11, 2014 and set a Corporate Governance Practice Principles, which was disclosed on the information reporting website designated by the securities authority and the Company's website.	Consistent with Article 1 and Article 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. The "Principles of Corporate Governance" established by the Company adheres to the principles of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" with minor amendments based on the Company's actual practices.
2. Shareholding structure and shareholders' rights (1) Did the Company establish an internal operating procedure to deal with shareholders'suggestions, doubts, disputes and litigations, and implement based on the procedure?	V		(1) The Company has an internal operating procedure for handling shareholder matters and has set up a spokesperson to address shareholder suggestions or concerns at any time. In addition, each functional team in the President Office fully supported the above matters, and have an in-depth understanding and review of the shareholders' suggestions or concerns. After that, an oral or written reply to the satisfaction of the shareholders is proposed.	In compliance with Article 13 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(2)Did the Company maintain aregister of major shareholders with controlling power as well as a register of persons exercising ultimate control over those major shareholders?	V		(2) The Company shall pay attention to the situation of any increase, decrease or use as collateral in the shares of shareholders holding more than 5% of shares and holding Director or manager positions, and has disclosed the information of shareholders holding more than 5% of shares in the quarterly financial report. The Directors, managers and shareholders holding more than 10% of the shares are disclosed monthly by the information reporting website designated by the securities authority.	In compliance with Article 19 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(3) Did the Company establish and execute the risk management and firewall systems with its affiliated businesses?	V		(3) A. Both the Company and its subsidiaries implement profit center management. Each company's personnel, property management rights and responsibilities are clearly divided, and there are no irregular transactions. B. The funds and loans of the Company and its related companies are calculated based on the accrued market interest rate. The amount of loan is reassessed every quarter based on business needs. Guaranteed coverage and limits have also been set for endorsement guarantees for other companies. C. To reduce losses, comprehensive risk assessment for banks, customers, and suppliers are performed. Each company credit authorization to the same customer and stop payment to the same supplier can be review through the computer system. D. The relationship between the Company and the related companies, such as transaction management, endorsement, loans, etc., are monitored. In accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies", outlined by the Financial supervisory Commission, the Company has set up supervision and management operations	In compliance with Article 14 to Article 17 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(4) Did the Company establish internal rules that prohibit Company insiders from trading securities using undisclosed information?	V		to implement the risk control mechanism for its subsidiaries. (4) The Company has established "Personnel Management Rules," and "Guidelines for Prevention of Insider Trading" to forbid using undisclosed information to buy and sell securities for illegal profits. The employees also receive training to comply with relevant regulations.	In compliance with Article 10-3 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
3. Composition and responsibilities of the Board of Directors: (1) Did the board of directors formulate and implement diversified policies, specific management objectives?	V		(1) Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that the composition of the Board of Directors shall be determined by taking diversity into consideration. Gender and nationality of the Board members shall not be limited, and the overall Board shall possess the following abilities: to make operational judgments, perform accounting and financial analysis, to conduct management administration, to conduct crisis management, possess knowledge of the industry and an international market perspective, as well as have to abilities to lead and to make policy decisions. In the future, the Board of Directors will continue to update its diversification policies according to Board operations, operational style, and development needs, including but not limited to the standards of basic criteria and values, and professional knowledge and skills, so as to ensure that Board members generally possess the necessary knowledge, skills, and literacy to perform their duties.Please refer to "Chapter3.2.1.4 Diversification and Independence of the Board of Directors" of the Annual Report.	In compliance with Article 20 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(2) In addition to establishing the Salary and Remuneration Committee and Audit Committee according to the regulations, has the Company voluntarily established other functional committees?	V		(2) A.The Company has set up a salary remuneration committee after the resolution of the Board of Directors on December 27, 2011. The Board of Directors also resolved on June 22, 2017 to set up the audit committee. At present, apart from the above two committees, the Company has not set up any other functional committees. B. In addition to the above committees, in order to promote the sound operation and sustainable development of the Company, the Board of Directors of the Company resolved on May 5, 2022 to establish a Sustainable Development Committee, and formulated the "Organizational Regulations of the Sustainable Development Committee" on the same day. The regulations stipulate that the Sustainable Development Committee shall meet at least once a year and report to the Board of Directors to strengthen the supervision and promotion of the goal on sustainable development, and The Board of Directors oversees the promotion of sustainable development goals. C. For the composition, responsibilities, and operation of the Sustainable Development Committee, Please refer to "Chapter3.4.5 Fulfillment of Social Responsibilities and Deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies""of the Annual Report.	In compliance with Article 28 and Article 28-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed
(3) Did the Company establish a standard to measure the performance of the Board of Directors and implement it annually? Did the Company submit	V		(3)On August 10, 2020, the Company's board of directors determined the performance evaluation method of the board of directors and has completed the regular performance evaluation of the board of directors, the Audit Committee, the Remuneration Committee, and the Sustainable Committee in 2023. The	In compliance with Article 37 of the Corporate Governance Best Practice Principles for TWSE/TPEx

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
the results of performance assessments to the board of directors and use them as reference in determining remuneration for individual directors, their nomination, and additional office term?			performance evaluation results were satisfactory. The results of which have been submitted to the Board meeting convened on December 2, 2023. The preceding information could serve as references in determining remunerations, nomination, and re-election of the Company Directors.	Listed Companies.
(4) Did the Company regularly evaluate the independence of CPAs?	V		(4) The Company conducts an annual assessment of the independence and competence of its signing auditors. The evaluation is based on the Audit Quality Indicators (AQIs), which consist of 5 dimensions and 15 indicators including professional expertise, audit quality control, independence, external supervision, and innovation capability. The signing auditors and their firms are requested to complete a questionnaire and provide relevant information and declarations, which will be evaluated by the President's Office. After verification, the responsible auditor and senior auditors in charge of signing the financial report of the Company have completed training hours that are higher or comparable to the industry average. The proportion of working hours of auditors and managerial staff is better than the industry average, the proportion of non-audit services expenses does not exceed 40%, and there are no rules governing such expenses. All indicators meet the Company's independence standards. In addition, digital audit tools will be continuously introduced in the next 3 years to improve audit quality. The latest evaluation results have been reported to the Audit Committee and the Board of Directors on February 29, 2024.	In compliance with Article 29 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>4. Did the TWSE/TPEx listed company have designated appropriate personnel to handle corporate governance tasks and set up a Chief Governance Officer as the most senior manager in charge of corporate governance-related tasks (including but not limited to providing information required for Director/Supervisor's operations, convening board/shareholder meetings in compliance with the law, apply for/change Company registry and producing meeting minutes of board/shareholder meetings)?</td><td>V</td><td></td><td>(1)The Board of Directors of the Company approved the setting up of a position for Corporate Governance Officer on May 10, 2019. The officer must have more than 5 years of experience in financial management and will be the supervisor of the highest level in charge of all matters relating to corporate governance. The supervisor must complete 18-hours of training courses according to regulation and deploy qualified personnel to handle corporate governance matters.
(2) The officer supervises President Office, which is responsible for corporate governance-related matters and is assisted by the relevant departments such as the Legal Affairs Office of the General Administrative Office, which includes handling Board of Directors and shareholders meetings, taking minutes of such meetings, assisting Directors come to office and continue training, providing Directors relevant information for operations, assisting Directors compliance with law and regulations, reporting to the Board of Directors the examination results of the qualifications of Independent Directors and so on.
(3)There are 12 hours of education in 2023 as follows:
<table><tr><td>Date of Training</td><td>2023.9.23</td></tr><tr><td>Organization</td><td>Securities and Futures Institute</td></tr><tr><td>Coruse</td><td>Global Economic Outlook and Industrial Trends in 2024</td></tr><tr><td>Training Hours</td><td>3 hours</td></tr></table></td><td>In compliance with Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
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<tr><td></td><td></td><td></td><td>
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<tr><td>Date of Training</td><td>2023.9.23</td></tr>
<tr><td>Organization</td><td>Securities and Futures Institute</td></tr>
<tr><td>Coruse</td><td>Carbon Credit Trading Mechanism and Application of Carbon Management</td></tr>
<tr><td>Training Hours</td><td>3 hours</td></tr>
</table>
<table>
<tr><td>Date of Training</td><td>112. 10. 3</td></tr>
<tr><td>Organization</td><td>Securities and Futures Institute</td></tr>
<tr><td>Coruse</td><td>Introduction to the Adjudication Law for Disputes over Corporate Governance and Commercial Matters</td></tr>
<tr><td>Training Hours</td><td>3 hours</td></tr>
</table>
<table>
<tr><td>Date of Training</td><td>112.10.3</td></tr>
<tr><td>Organization</td><td>Securities and Futures Institute</td></tr>
<tr><td>Coruse</td><td>Directors and supervisors should supervise the enterprise's risk management and crisis handling</td></tr>
<tr><td>Training Hours</td><td>3 hours</td></tr>
</table>
</td><td></td></tr>
<tr><td>5. Has the Company established a communication channel with stakeholders(including but not limited to shareholders, employees, customers and suppliers)? Has a stakeholders’ area been set up on the Company website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders</td><td>V</td><td></td><td>1. The Company instructs the President Office to communicate with stakeholders depending on the situation. A spokesperson and a deputy spokesperson have been appointed as the external communication channel.
2. The Company set up the stakeholder area on the Company website to provide detailed contact information for the dedicated personnel, including phone number and e-mail, as the channels for the stakeholders to communicate with the Company.
3. The Company responds to stakeholders' issues of concern at the</td><td>In compliance with Article 51 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
are concerned with addressed appropriately by the Company?			appropriate time through the following channels: (1)Shareholders: Shareholders' meetings are held annually and shareholders can fully exercise their voting rights through electronic means. In addition, the annual report of the shareholders' meeting, the monthly revenue and the quarterly self-closing profit and loss are issued to facilitate shareholders' understanding of the Company's operating conditions. (2)Employees: Employee collective bargaining rights are exercised, and communication with employees on workplace safety, employee welfare, human rights protection, labor and employment issues, etc. are conducted through regular trade unions, factory (office) meetings, etc. Suggestions are also addressed and reviewed on a regular basis. (3) Suppliers and contractors: The Company adheres to the principle of sustainable management and fair trade and is committed to working with manufacturers that comply with environmental protection, safety, and human rights standards. Open tenders are held through the Formosa Plastics electronic trading platform, and regular briefings are held to strengthen two-way communication and advocacy. Also suppliers can ask questions on the Formosa Plastics electronic trading platform, and the questions will be replied by personnel immediately, to achieve the goals with good communications. (4)Customer: Issues including product quality and after-sales service that customers care about can be addressed through customer visits, participating in exhibitions, product briefings, customer satisfaction surveys, etc. The website also lists the sales service line and e-mail address. Customer complaints are handled through the "Customer Response Form" and the "Customer	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			Complaint Handling Form." (The status of stakeholder communication please refers to "Chapter1.3 Stakeholder Identification and Communication" of the 2023 ESG Report.)	
6. Does the Company appoint a professional shareholder services agency to deal with shareholder affairs?		V	The Company's shareholders' meeting affairs are conducted on its own currently, but the relevant procedures are strictly planned and conducted in accordance with the relevant regulations by designated stock affairs unit, legal department and the President office, and have been evaluated by Taiwan Depository & Clearing Corporation, a designated institution by the FSC, since 2022. All of the Company's recent evaluation results comply with regulation and ensure the shareholders' meeting can be convened legally, validly and safely and therefore able to protect shareholders' right.	Although it does not meet the requirements of Article 7-1 of the the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, it does not impair the operational efficiency of the shareholders' meeting.
7. Information disclosure (1) Did the Company establish a website to disclose information on financial operations and corporate governance?	V		(1) The Company has set up a website in Chinese and English with disclosed relevant financial business and corporate governance information under "Investor Relations Section". The Company's website is: www.nanyapcb.com.tw.	In compliance with Article 57 and Article 59 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(2) Did the Company have other information disclosure channels (such as establishing an English language website, delegating a professional to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the	V		(2) The Company has a spokesperson and a dupty spokesperson. A dedicated person has been appointed in the President Office to collect and disclose Company information, as well as providing the spokespersons and relevant business departments with answers to stakeholders, investors, and authorities.	In compliance with Article 55 paragraph 3 and Article 56 and Article 58 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
Company website)? (3) Does the Company publish and report its annual financial report within two months after the end of an accounting period, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?		V	(3) In order to strengthen corporate governance and help investors understand the Company's operations, in principle, the Company submits and announces operating revenue data from the previous month on the 3rd in every month. The Company announces annual financial statements two months within the end of an accounting period in 2023.	Partially in compliance with Article 55 paragraph 2 of the Corporate Governance
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance (including but not limited to employee's rights, employee wellness, investor relations, supplier relations, stakeholders' rights, Directors and Supervisors traning records, implementation of risk management policies and measurement standards, implementation of customer policies and purchase of liability insurance for the Directors and Supervisors of the Company)?	V		1.Employees' rights: The Company strives to pursue a harmonious labor-management relationship and attaches importance to the right of employees to express their opinions. The Company have set up physical suggestion boxes at the places where employees have easy access to, as well as an online suggestion box in the Company information system. Each suggestion box is appointed to dedicated personnel for replying, in order to facilitate communication. An "inspection method" that establishes the internal whistle-blower channel and protection system has also been set up. In the meantime, the Company attaches importance to employee collective bargaining rights. Board of supervisors and labor-management meetings are held by the unions regularly. The heads of relevant departments attend the meetings to fully communicate with the labor representatives. If there are written demands and suggestions, they are also reviewed and explained on a regular basis. On major labor issues, the Company gives higher priority to the opinions of the unions, and the top leaders consult with the unions to reach a consensus and ensure the harmonious	In compliance with Articles 51 to Articles 54 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			labor-management relationship as well as the sustainable development of the Company. 2. Employee wellness: In order to take care of employees' physical and mental health, the Company has budgeted annual health checks at Chang Gung Memorial Hospital. In addition to the items required by the law, the Company has added cancer screening programs such as A-type fetal protein and cancer embryo antigen. The goal is to ensure the employees understand and improve their health status. In terms of the employees' diet, the Company follows health regulations concerning food source, acceptance and storage, water safety and hygiene, food staff and kitchen cleaning operations, and food and tableware cleaning inspections to ensure the health and safety of employees' diet. For the relevant welfare measures, please refer to “Chapter5.5 Labor Relations” of the Annual Report, or “Chapter4 Employee Welfare” of the 2023 ESG Report. 3. Investor Relations: The Company uses the President Office and the shareholding department as a bridge between the Company and its shareholders. In terms of corporate information transparency, the Company's website has an "Investor Relations Section" to provide investors with relevant information. In order to maintain a good relationship with investors, the Company has set up a spokesperson system to provide a means of contact with shareholders and corporate investment institutions. In addition to participating in investment forums held by domestic and foreign brokerage firms, the Company holds meetings with both domestic and international investors on irregular basis.	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			4. Supplier Relations: The Company's procurement and contracting operations are mainly aimed at creating a level playing field by looking for good manufacturers that can provide suitable and appropriate equipment, materials or projects at reasonable prices to meet the needs of expansion or operation of various departments in a timely manner. (1) Open and fair procurement and delivery mechanism: The Company uses the "open tender" method to purchase and distribute the contracting system through the Formosa Plastics electronic trading platform. It provides functions such as inquiry, quotation, bargaining, order, delivery, payment progress inquiry, etc. All information is encrypted by electronic voucher and firewall control to ensure the security of all incoming and outgoing data. Vendors can access the inquiry case and make quotations anytime and anywhere through the Internet without time and space restrictions, which greatly improves the efficiency of operations, saves time and money, and reduces operating costs to increase profits. After all the inquiry cases have been launched electronically, the manufacturers with the lowest quotation, fastest delivery time, and best quality are chosen so that both the buyer and the seller can reasonably achieve the goals in a harmonious atmosphere. (2) Sound vendor management: In order to stabilize the quality and delivery of materials and to ensure the quality and progress of the construction, the Company, through sound vendor management and assessment, all suppliers are required to go through a review	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			of manufacturing scale, production capacity, sales amount and quality certifications upon joining the registration. In addition, those suppliers with late delivery of goods or construction, poor quality and violation of work safety regulations will be automatically documented in the assessment records with an aim to replacing non-performing suppliers and fostering long-term and good working relationship with good-performing suppliers in order to reach a mutual cooperation relationship. (3) Electronic trading for a win-win situation: The Company combines the comprehensive ERP computer management system and the digital, open, and transparent online procurement and delivery mechanism to build a high-quality, safe, convenient and fast electronic trading environment. The Company has further extended the same system vertically and horizontally to the rest of the industry, sharing the e-generation "Formosa Plastic experience" with all enterprises. At present, combined with the Company's upstream and downstream supply chain systems, with more than 10,000 suppliers and third-party suppliers, this electronic trading platform shares the business opportunities and economic benefits brought about by open trading. 5. Stakeholders' Rights In addition to continuing to improve in the industry, the Company pursues good business performance and strives to achieve the mission of "caring for the employees, serving the customers, and rewarding the shareholders." Therefore, it is committed to caring for the shareholders, customers, suppliers, employees, and society. In addition to complying with laws and business ethics,	

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>the Company is in line with international standards in enhancing competitiveness, create shareholders' benefits, as well as providing supplies of stable, high-quality and low-cost products. With industrial and environmental protection as a priority, the Company will develop towards eco-industrial areas and promote green building and green energy conservation, raw materials procurement, actively planting forests, paying attention to various social issues, investing in community and social welfare undertakings suitable for enterprises to contribute to the society.
6. Director Training Records:

Date of Training: 2023.4.27
Organization: Taiwan Stock Exchange (TWSE), Taipei Exchange (TPEx)
Coruse: Listed Company Sustainability Development Action Plan Promotion Meeting
Training Hours: 3 hours
Name: Shyur-Jen Chien

Date of Training: 2023.6.2
Organization: Chinese National Association of Industry and Commerce, Taiwan (CNAIC)
Coruse: 2023 Taiwan New Clean Zero Electricity Summit
Training Hours: 3 hours
Name: Shyur-Jen Chien</td><td>In compliance with Article 40 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Evaluation Item	Implementation Status (Note) Yes	No	Summary	Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Date of Training	2023.7.4
Organization	Taiwan Stock Exchange Corporation
Coruse	2023 Cathay Sustainable Finance and Climate Change Summit
Training Hours	6 hours
Name	Shui-Chi Chuang、Kuo-Chun Chiang

Date of Training	2023.8.28
Organization	Securities and Futures Institute
Coruse	Measuring and Managing the Impact of Sustainable Development Goals
Training Hours	3 hours
Name	Ta-Sheng Lin

Date of Training	2023.9.23
Organization	Securities and Futures Institute
Coruse	Global Economic Outlook and Industry Trends for 2024
Training Hours	3 hours
Name	Chia-Chau Wu, Wen-Yuan Wong, Ta-Sheng Lin, Shui-Chi Chuang, Ming-Jen Tzou, Ann-De Tang, Lien-Jui Lu

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			(training tables below)	

Date of Training	112.9.23
Organization	Securities and Futures Institute
Coruse	Carbon Credit Trading Mechanism and Application of Carbon Management
Training Hours	3 hours
Name	Chia-Chau Wu, Wen-Yuan Wong, Ta-Sheng Lin, Shui-Chi Chuang, Ming-Jen Tzou, Ann-De Tang, Lien-Jui Lu

Date of Training	2023.10.3
Organization	Securities and Futures Institute
Coruse	Introduction to the Adjudication Law for Disputes over Corporate Control and Commercial Matters
Training Hours	3 hours
Name	Kuo-Chun Chiang

Date of Training	2023.10.3
Organization	Securities and Futures Institute
Coruse	Directors and supervisors should oversee enterprise risk management and crisis handling.
Training Hours	3 hours
Name	Kuo-Chun Chiang

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Date of Training</td><td>2023.10.26</td></tr>
<tr><td>Organization</td><td>Securities and Futures Institute</td></tr>
<tr><td>Coruse</td><td>Exclusive Analysis of Taiwan's Industrial Transformation Opportunities and Challenges Under Geopolitics - PMI/NMI</td></tr>
<tr><td>Training Hours</td><td>3 hours</td></tr>
<tr><td>Name</td><td>Ta-Sheng Lin</td></tr>
</table>
7. The situation in which the Company purchased liability insurance for the Directors: The Company has purchased liability insurance for all Directors, and the insured amount is US$15 million. The above insurance period is from August 1, 2013 to today.
8. Implementation and policies of risk management: The Company established risk management policies to identify, evaluate, supervise and control risk from every aspect, enhance the sence of awareness of employees and make sure all potential risks that might happen are endurable, thus, can the Company execute the optimal strategy to rationalize the balance between profits and risks, please refer to “Chapter3.4.5 Fulfillment of Social Responsibilities and Deviations from the “ Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”” and “Chapter7.6 Risk Items” of the Annual Report.
9.Implementation of customer policy:
Customers are the cornerstone of the Company's existence. The goal is to quickly supply the requested products and achieve stable and adequate supply so that customers can continue operate.
(1)Creating a stable supply and demand
The Company and its customers have an important relationship
</td><td>In compliance with Article 39 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Deviations from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
			of interdependence, coexistence, and co-prosperity. Therefore, building a stable supply and demand relationship is an issue that every sustainable company must pay attention to. Focusing on the long-term development of the industries in Taiwan, the Company actively invests in the production of chemicals, plastic, and fiber raw materials to provide customers with a stable source of materials and lay a solid foundation for related industries. The solid long-term cooperation has allowed the customers to show steady growth. (2)Enhancing the competitiveness of midstream and downstream manufacturers In order to improve the management capabilities of the middle andlower suppliers of the industry, the founders set up a series ofmanagement courses at the early stage, and actively shared theCompany’s system and experience with the industry. The Companyhas received positive feedback while strengthening thecompetitiveness of customers. So far, if other companies come visit, we are willing to share. From a management point of view, the Company has always believed that by taking customer interests into account, the Company will also benefit from it. In addition, in order to cooperate with customers to expand the market, the Company also actively supports customers and provides after-sales service. (3)E-commerce saves costs and improves efficiency In order to improve the efficiency of the transaction process with the customer, the customer can get instant information and respond quickly when placing orders, order progress inquiries, receipts and payments, the Company officially established the Formosa Plastics E-Commerce Center in	

Evaluation Item	Implementation Status (Note)			Deviations from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			January 2001. This B2B online trading portal imports the e-commerce trading system, coordinates the management of internal resources and strengths, and integrates upstream and downstream supply chain systems and customer business relationships.	

9. Please specify the Company's measures to improve the items listed in the corporate governance review result by Taiwan Stock Exchange's Corporate Governance Center and the improvement plans for items yet to be completed.
   Company has ranked among the top 20 percentile of all listed companies that participated in the 9th Corporate Governance Evaluation in 2022. The results of the 10th Corporate Governance Evaluation in 2023 has not released when the annual report published. The following are descriptions for items in the Corporate Governance Evaluation in which the Company has either made improvements or the improvement of which will be set as a priority:

Category	Indicator	Improvement and Countermeasures Status of the Company
Items Improved	Does the Company record the important questions raised by shareholders and the Company's responses in the minutes of the annual shareholders' meeting?	The Company has recorded the important questions raised by shareholders and the Company's responses in the minutes of 2023 Annual Shareholders' Meeting.
	Has the Company uploaded the changes in the shareholdings of insiders of the previous month to the MOPS website by the 10th (10th included) day of each month?	The Company has uploaded the changes in the shareholdings of insiders of the previous month in advance by the 10th (10th included) day of each month since 2023.
Improvement Set as a Priority	Has the sustainability report prepared by the Company been submitted to the Board of Directors for approval?	The Company will review the procedure for submitting the sustainability report to the Board of Directors for approval.
	Has the Company developed a greenhouse gas reduction management policy that includes reduction goals, implementation measures, and achievements?	The Company has developed a greenhouse gas reduction management policy and aims to improve the transparency of relevant information.

Note: Provide a brief description in the appropriate column regardless whether "yes" or "no" is selected.

3.4.4 Composition, Responsibilities and Operations of Nan Ya PCB's Remuneration Committee Remuneration Committee Remuneration Committee member information

3.4.4.1 Remuneration Committee Remuneration Committee member information

Title	Criteria / Name	Professional qualification and experience (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director	Ta-Sheng Lin (Convener)	Ta-Sheng Lin has served as a member of the Company's remuneration committee since June 2017 to now, and is familiar with the operations and his duty in the committee. Please refer to "Chapter of 3.2.1.3 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors"of the Annual Report about his qualification.	Please refer to "Chapter of 3.2.1.3 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors"of the Annual Report about his qualification.	0
Independent Director	Shyur-Jen Chien (Note4)	Shyur-Jen Chien has served as a member of the remuneration committees of Wistron Corp., the Company, and IEMC Corp. since June 2018, June 2020, and June 2023, respectively. He has an abundant experience in the TWSE listed companies, and is familiar with the operations and his duty in the committee. Please refer to "Chapter of 3.2.1.3 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors"of the Annual Report about his qualification.		2
Independent Director	Shui-Chi Chuang	Shui-Chi Chuang has served as a member of the Company's remuneration committee since June 2023 to now. Master's degree in Economics from the Chinese Culture University, formerly served as Director-General of the Customs Administration under the Ministry of Financ, and is familiar with the operations and his duty in the committee. Please refer to "Chapter of 3.2.1.3 Disclosure of Professional Qualifications of Directors and Supervisors and Independence of Independent Directors"of the Annual Report about his qualification.		0

Note 1: Please state in the table the relevant work experiences, professional qualifications, and independence status of each member of the Remuneration Committee. If the member is an Independent Director, please state in the remark column: refer to Pages 18-19 for Information on the Directors and Supervisors on Attachment I. Please state Independent Director or others in the

Identity column. (If the member is a convener, please specify in the remark column)

Note 2: Professional qualifications and experience: Please specify the professional qualifications and experience of each member in the Remuneration Committee.

Note 3: Independence status: Remuneration Committee members shall state the conditions that qualify them as independent, including but not limited to whether the person, his/her spouse, relatives within the second degree of kinship are appointed as Directors, Supervisors or employees of the Company or its affiliates; the number and ratio of the shares of Company held by the person, his/her spouse and relatives within the second degree of kinship or under the name of another person; whether the person is a Director, Supervisor or employee of a company that has a specific relationship with the Company (with reference to Subparagraphs 5 to 8, Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the remuneration received for commercial, legal, financial and accounting services rendered to the Company or its affiliates in the past two years.

Note 4: Shyur-Jen Chien, an Independent Director, concurrently serves as an Independent Director for Wistron Corp. and IEMC Corp..

3.4.4.2 Remuneration Committee Meeting Status

(1) The Company's Remuneration Committee consists of 3 members.

(2)Current members will serve from May 23, 2023 to May 22, 2026. The Remuneration Committee has held 2(A) meetings in the most recent fiscal year to December 31, 2023. The qualifications and attendance of the members is set out as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate(B/A) (%)(note)	Remarks
Convener	Ta-Sheng Lin	2	0	100.0	Independent Director (Re-elected on 2023.5.23)
Committee member	Shyur-Jen Chien	2	0	100.0	Independent Director (Re-elected on 2023.5.23)
Committee member	Shui-Chi Chuang	1	0	100.0	Independent Director (Newly elected on 2023.5.23)
Committee member	Cheng-I Wang	1	0	100.0	Independent Director (Former, re-elected on 2023.5.23)

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (eg., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. While the Remuneration Committee implements the functions of the preceding paragraph, it shall accord with the following principles:
   (1) With respect to the performance assessment and remuneration of directors and managers of the Company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the Company's business performance, and future risk exposure.
   (2) It shall not produce an incentive for the directors or managers to engage in activity to pursue remuneration exceeding the risks that the Company may tolerate
   (3)It shall take into consideration the characteristics of the industry and the nature of the Company's business when determining the ratio of bonus payout based on the short-term performance of its directors and senior managers and the time for payment of the variable part of remuneration.

Note1:Where members of the Salary and Remuneration Committee resign before the end of the year, the Notes column shall be annotated with the date of resignation. Actual presence rate (%) shall be calculated based on the number of the resigning members' actual participations of the Remuneration Committee's meetings over the number of Remuneration Committee's meetings held.

Note2:When an election is held for the Remuneration Committee before the end of year, the new and retired members of the Committee shall be listed in separately, and in the note column, indicate whether a member is new, retired, or reflected, along with the election date. The actual attendance rate (%) shall be calculated based on the number of members' actual participation of the Remuneration Committee's

3.4.4.3 The discussion and results of the Remuneration Committee resolutions and the Company's handling of the opinions of the Remuneration Committee as below:

<table>
<tr><th>Compensation Committee</th><th>Contents of the Proposal and Follow-up Actions</th><th>Result of the Resolution</th></tr>
<tr><td rowspan="3">2023.1.6
(1st meeting in 2023)</td><td>1.Report Content:
The Company's Board of Directors has passed the resolution of the report on 2022 year-end bonus issuance standard for designated managers, finance officer, and accounting officer.
(Items not discussed in the Remuneration Committee)</td><td>Understood</td></tr>
<tr><td>2.Object:
(1) The manager's performance salary adjustment plan in the first half of 2023 is intended to be in accordance with all employees.</td><td>Approved by the unanimous decision of the committee members present and submitted to the Board of Directors for resolution</td></tr>
<tr><td colspan="2">3.The Company's treatment of the Remuneration Committee's opinion
(1)The year-end bonus of the appointed managers and finance and accounting department officer had been calculated according to the "Principle of Year-End Bonus and Reward Distribution" and the Board of Directors approved to distribute accordingly.
(2)Except for some Directors (please refer to chapter of 3.4.1.2, Circumstances in which Directors Recused Themselves from the Vote due to Conflict of Interest) who recused themselves from the vote, the proposal was unanimously approved by all other Directors present.</td></tr>
<tr><td rowspan="2">2023.8.3
(2nd meeting in 2023)</td><td>1.Object:
(1) Remuneration of current Directors.
(2) To propose to apply current remuneration standard and structure of managers.
(3) To propose to continue to apply current assessment system of managers.
(4) The Company's managers' salary adjustments in 2023 shall not exceed the salary adjustment of employee.</td><td>Except for the proposal 1, which was conducted interactively when discussing the remuneration of individual independent directors, and the party involved entered recusal, the rests were approved by attending member and submitted to the Board of Directors for resolution</td></tr>
<tr><td colspan="2">2.The Company's treatment of the Remuneration Committee's opinion
Except for some Directors (please refer to chapter of 3.4.1.2, Circumstances in which Directors Recused Themselves from the Vote due to Conflict of Interest) who recused themselves from the vote, the proposal was unanimously approved by all other Directors present.</td></tr>
</table>

3.4.5 Fulfillment of Social Responsibilities and Deviations from the " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"：

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
1. Does the Company establish a governance structure to promote sustainable development as well as an exclusively (or concurrently) dedicated unit to implement sustainable development and have management appointed by the Board of Directors to be in charge of sustainable development and to report the implementation status to the Board of Directors?	V		The Company is chaired by president Ann-De Tang, serving as the convener for sustainability development initiatives, with vice president Lien-Jui Lu acting as the management representative. The ESG Promotion Organization is composed of various units including the Environmental Sustainability Team, Public Affairs Team, and Corporate Governance Team, responsible for promoting and implementing sustainability initiatives and compiling sustainability reports. 1. The ESG promotion organization holds regular meetings and reviews, and submits all work matters to the directors of the Company through internal official documents, at least once a year to the Board of Directors, and reports on the implementation of the Company's promotion of sustainable development, including sustainable development strategies, visions, and goals , Implementation policies and results. 2. In order to strengthen the Company's implementation of the supervision mechanism for promoting sustainable development, the Company set up a sustainable development committee under the Board of Directors on May 5, 2022. The committee has 5 members, including 3 independent directors (Ta-Sheng Lin, Shyur-Jen Chien and Shyur-Jen Chien) and 2 directors (Chia-Chau Wu and Ann-De Tang), and Ann-De Tang served as the convener, who has expertise in business management and is responsible for the Company's sustainable strategy formulation and performance supervision, and meets the professional capabilities required by the committee. 3. The duties of the Sustainable Development Committee are as	In compliance with the Article 9 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			follows: (1) Review the Company's sustainable development policies, strategies and management guidelines. (2) Supervise the Company's promotion of sustainable development related matters and implementation plans. (3) Review the Company's sustainable development report and other publicly disclosed major information on sustainable development, and submit it to the Board of Directors. (4) Supervise the Company's implementation of greenhouse gas inventory and verification plans. (5) Supervise the Company's continuous attention to major issues of concern to stakeholders such as shareholders, employees, customers, communities, and government agencies. (6) Other matters instructed by the Board of Directors to be handled by the committee. 4. The Company submits ESG-related strategies and implementation results to the Board of Directors at least once a year. The Board of Directors guides the direction of ESG implementation, reviews the progress of strategies and implementation plans based on this, and urges the Company to make adjustments when necessary to strengthen the Company's implementation Supervision mechanism to promote sustainable development. 5. In 2023, two meetings were held, respectively on May 19, 2023 and November 2, 2023. The content of the proposal included carbon neutrality, circular economy, water saving and energy saving, greenhouse gas reduction, climate change, zero disasters, zero labor safety, Social welfare, operational performance, risk management and other ESG issues. In addition, the Board of Directors guides the implementation direction and evaluates the implementation status.	

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
2. Does the Company conduct risk assessment in regards to environmental, social, and governance topics related to company operations in accordance with the materiality principle, and establish relevant risk management policy or strategy?(Note 2)	V		In order to improve operation and sustainable development, the Company has established a comprehensive risk management culture and implements risk management. It reports its risk management operations to the Board of Directors at least once a year. "Risk Management Measures for Nan Ya Printed Circuit Board Corporation." stipulates the Company's risk management policies, and explains risk management procedures such as risk identification, risk analysis and evaluation, risk control and processing, risk supervision and review, risk information communication and reporting, and establish effective risk policies and specific plans for risk identification, measurement, evaluation, supervision, and control, aiming to mitigate the impact of relevant risks. The Company's ESG Promotion Organization analyzes according to the materiality principle of the sustainability report, evaluates the risks of the three major issues of environment (E), society (S), and corporate governance (G) based on the impact on stakeholders, and formulates relevant risk management strategies to mitigate the impact of relevant risks. The risk assessment boundary is primarily based on the Company, and a summary is provided as follows: 1.Environmental issues: <table><tr><th>Evaluation Item</th><th>Risk Management Plan</th></tr><tr><td>Climate Change</td><td>In response to international trends, the Company has analyzed and evaluated the risks and opportunities associated with climate change and demonstrated its responsibilities and strategies by effectively allocating capital to achieve its vision for low-carbon economic transformation. The Task Force on Climate Related Financial Disclosures (TFCD) Report is also published annually.</td></tr></table>	In compliance with the Article 3 paragraph 2 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Evaluation Item</th><th>Risk Management Plan</th></tr>
<tr><td>Water Resources Managemen</td><td>1. Promote energy and water conservation programs to reduce energy consumption and costs related to water use.
2. Set up an emergency drought response team to stay up to date on water source status at each plant and improve emergency response capabilities.
3. Evaluate the deployment of system reclaimed water to increase the source of water supply.</td></tr>
<tr><td>Greenhouse Gas Emissions</td><td>1. Regularly convene monthly energy conservation and carbon reduction meetings, and organize relevant visits and seminars to enhance and improve the competence of energy conservation and carbon reduction measures.
2. Conduct carbon footprint inventories to set short, medium, and long-term carbon emission targets as well as apply for carbon offsets in response to legal impacts.</td></tr>
<tr><td>Energy Management</td><td>1. Introduce energy-saving and high-performance equipment as well as set up energy-saving goals to continue to reduce the power usage per product unit.
2. Implement energy conservation and improvement measures, including reducing energy consumption during production processes, energy reuse, waste heat reuse, improving equipment efficiency, and energy management.
3. Continue to replace worn public utilities and energy efficiency improvements of processing equipment.</td></tr>
<tr><td>Air Pollutant Management</td><td>Implement maintenance and maintenance work, so that all equipment can play the best performance.</td></tr>
<tr><td>Waste Management</td><td>1. Besides setting up various recycling points throughout the plant, the Company also continues to improve production processes and operations in order to reduce waste and to effectively use resources.
2. The Company will begin implementing waste reduction from processing sources, then resource cycling, and followed by waste sorting and reuse so that all resources could be properly recycled and reused.</td></tr>
</table>
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>2.Social issues:
<table>
<tr><th>Evaluation Item</th><th>Risk Management Plan</th></tr>
<tr><td>Human Rights</td><td>1. The Chairman has signed a human rights policy that ensures compliance with international human rights standards and the local labor laws at the Company’s global operational sites. The Company is committed to equal employment and to creating a work environment free from prejudice and harassment. At the same time, personal privacy is respected and diverse communication channels for employment relations and grievances mechanisms have been formulated to ensure the rights of our workers.
2. Implement human rights education and training to develop human rights competencies and foster a workplace culture that respects human rights.
3. The Company formulated the “Diversity and Inclusion Policy” to strive to create a diverse, equal and inclusive workplace, strengthen the composition of the management and employees from different perspectives, and respect the views and values from different perspectives, so as to appropriately respond to their needs and strengthen the Company’s competitiveness.
4. Regularly identify stakeholders, collect risk issues of common concern, and implement mitigation measures for significant risk issues and groups that may be affected, aiming to eliminate risks and protect human rights.</td></tr>
</table></td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Talent Recruitment and Development</td><td>1. Actively participate in campus placements, provide summer part-time jobs/internships, offer internship programs, state financed students, and collaborate with universities and colleges through a variety of open recruitment channels to improve the efficiency of recruitment.
2. Provide steady and competitive compensations and benefits and plan comprehensive personnel training.to encourage employees to acquire certificates or professional qualifications, and offer reasonable and smooth promotional channels for outstanding employees.</td></tr>
<tr><td>Occupational Safety and Health</td><td>1. Build a safe and healthy work environment and implement hazard identification and risk evaluations at appropriate times and carry out risk mitigation measures and emergency response drills to reduce employees' occupational risks.
2. Continue to offer special health checkups to operators exposed to elevated risks, and implement tiered health management and follow-up based on the results.
3. Care for employees' dietary and nutritional needs and health, and promote relevant courses and activities to build a healthy work environment.
4. Plan comprehensive response and protective measures against diseases to achieve both employee's well-being and uninterrupted operations.</td></tr>
<tr><td>Social Engagement and Contributions</td><td>Uphold the philosophy of "giving back what is taken from the society," to dedicate to contributing to the society and fulfilling social responsibilities and encourage employees to actively participate and promote various community events to strengthen interactions with the local residents.</td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			3. Governance issues:	

Evaluation Item	Risk Management Plan
Strengthen the functions of the Board of Directors	Formulate the diversity policy of the Board of Directors, improve the planning of directors' training topics, and provide directors with the latest regulations, ESG, risk management, industry and economic development and policies, as well as other information. The liability insurance for directors is purchased to protect their rights and interests, as well as to reduce and disperse the risk of major damage to the Company.
Ethical Business Conduct	Various regulations concerning ethical conduct are stipulated and governance and risk control mechanism are instilled. To implement ethical corporate management in practice, the risks of unethical conduct are immediately evaluated and preventive measures are established accordingly.
Legal Compliance	Through the establishment of governance organization and the implementation of internal control, the Company maintains rigorous requirements over legal compliance during business activities, and stays informed and responds to changes in policies and laws on a timely basis. Additionally, a dedicated Legal Department has been established, and standardized contract samples have been drawn up. Legal compliance training is also conducted to reduce legal risks.
Strategic Operations	With the aim of ensuring sustainable operations, the Company continually endeavors to develop high-value-added products, maintain favorable supply and demand relationships with customers and suppliers, and consistently pursue quality improvement and enhanced competitiveness to mitigate operational risks.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>Hazard Risk Management: During the planning and design stages, each process requires a hazard assessment of the workplace. Before the process is completed, the process hazard analysis must be completed in accordance with the Company's regulations. After the production is put into operation, risk assessment shall be carried out according to the law, and electronic risk management shall be established. System and performance evaluation system Promote process safety management (PSM) and strengthen process safety event (PSE) management. In addition, implement audit and coaching, put forward countermeasures for audit defects, and track improvements.</td><td></td></tr>
<tr><td>3. Environmental issues
(1) Has the Company referred to the nature of its industry to establish a suitable environment management system (EMS)?</td><td>V</td><td></td><td>(1)
A. The Company formulated the administrative standards for security and health management, management information systems, office automation systems in accordance with the environmental protection laws and regulations formulated by the Environmental Protection Administration (such as the Air Pollution Control Act, the Water Pollution Control Law, the Waste Disposal Act and the Toxic and Concerned Chemical Substances Control Act, etc.), and strengthened the management of the security zone in the plants area through the improvement of the system. In addition, the Company applies environmental accounting systems by collecting environmental expenditure information, environmental expenditure benefits, and informing stakeholders of environmental protection measures. Under the guidance of the Bureau of Standards, our Jinshing Plant has been ISO 14001 certified since 1996, while Shulin Plant obtained ISO 14001 certification in March 2024.
(For details of the environmental management system based on</td><td>In compliance with Article 13 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.</td></tr>
</table>

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			industrial characteristics, please refer to please refers to "Chapter3 Environmental Sustainability" of the 2023 ESG Report.) B. To meet our corporate social responsibility and future requirements for GHG reductions, The Company has set up and maintained a systematic inventory of GHG emissions in accordance with ISO 14064-1. Furthermore, the British Standards Institution (BSI) or SGS Taiwan are commissioned to conduct Scope 1 and Scope 2 GHG inventories in order to ensure that the inventory is accurate and can be used as a basis for future improvement in GHG reductions. C. The Company has completed independent third-party verifications for all environmental systems in line with international standards, such as the ISO14064-1(Scope 1, Scope 2, and Scope3), ISO14001, and ISO45001 and more. (For details of the environmental management system based on industrial characteristics, please refer to please refers to "Chapter3 Environmental Sustainability" of the 2023 ESG Report.)	
(2) Is the Company committed to improving usage efficiency of various resources and utilizing renewable resources with reduced environmental	V		(2) A. The Company continues to promote energy conservation, emission reduction and circular economy, and integrates energy and resources across factories to improve energy efficiency. The Company uses 2020 as the base year (with carbon emissions of 419,319 tons), 2021 as the starting year, and 2030 as the target year. It aims to reduce greenhouse gas emissions in Scopes 1 and 2 by 25% by 2030. In 2023, a solar power generation system was installed on the roof of the Lin Lin Factory, and it began official	In compliance with Article 12 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			operation in August of the same year. It is expected to reduce carbon dioxide emissions by approximately 326 tons annually. Additionally, the Company plans to purchase green energy to gradually increase the efficiency of renewable energy use each year.In recent years, AI and simulation technologies have been used to carry out industrial safety management and process optimization to improve production efficiency and maximize energy utilization. (For details of the progress and specific actions to achieve energy-saving improvements, please refer to the “Chapter3.2” of the 2023 ESG Report) B.From raw material procurement to product sales, the Company attaches great importance to the health and safety of its customers. Therefore, the production process is continuously improved upon. To follow market trends and meet customer’s needs, the Company has shifted its focus to producing non-toxic and environmentally friendly products with improved production processes as well as green energy products. (For details of the specific practices and products that are environmentally friendly, please refer to the “Chapter1.2 and Chapter2.5” of the 2023 ESG Report)	
(3)Does the Company assess potential risks and opportunities arising from climate change, and establish relevant risk management policy or strate?	V		(3) The Company continued to assess potential risks and opportunities arising from climate change in aspects of finance, reputation, global economy, energy cost volatility, and environmental compliance costs, set energy conservation targets and measures, and develop eco-friendly products to keep the business operations stable and competitive. The Company signs up to support the Climate-related Financial Disclosures (TCFD) and disclose information on the Company's governance, strategy, risk management, indicator and targets for climate-related risks	In compliance with Article 17, paragraph 1 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item	Implementation Status (Note1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
(4) Does the Company monitor its greenhouse gas (GHG) emissions, water consumption, and waste volume for the past two years, and establish policies for energy conservation, carbon and GHG reduction, water consumption reduction, waste volume reduction accordingly?	V		and opportunities in accordance to the TCFD. (For further details, please refer to the "Chapter3 Environmental Sustainability" of the 2023 ESG Report and TCFD Report.) (4)The Company regularly commissions BSI (British Standards Association) and SGS (SGS Taiwan Limited) to conduct greenhouse gas inventory and water footprint verification. For energy conservation and carbon reduction, the Company will set a specific reduction target each year. (For further details, please refer to the "Chapter3 Environmental Sustainability" of the 2023 ESG Report.)	In compliance with Article 17, paragraph 2~3 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
4. Social issues (1) Has the Company referred to relevant laws and international human rights instruments to establish relevant management policies and procedures?	V		(1) A. Respect for human rights: In order to guarantee the human right of employees, customers and stakeholders of the Company, the Company complies with relevant employment relations acts such as the Labor Standard Act, UN Unversal Declaration of human Rights, and UN Guiding Principles on Business & Human Rights, International Labor Office Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy, etc. The Company also complies with the various labor laws and regulations of the Republic of China and the local laws and regulations of each operating branch. The Company also complies relevant labor laws to formulate personnel rules and regulations to protect employees' rights and interests. It also provides stable and excellent treatment, complete education and training, promotion and development system, and a safe and healthy working	In compliance with Article 18 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

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	Yes	No	Summary	
			environment to enhance the professional competence of employees. The Chairman of the Company, Ann-De Tang, officially signed the human rights policy in August, 2018, which aims at preventing child and forced labor, respecting employees' privacy and freedom of association, respecting employee privacy, freedom of association, and collective bargaining rights, and providing emloyees with diverse communication channels. For details, please refer to the official website of the Company. (http://www.nanyapcb.com.tw/nypcb/Chinese/SocialResponsibility/HumanRightsPolicy.aspx) B. Principle of Diversity, Inclusion and Equal Employment: Comply with the Employment Service Act to provide open, fair and equitable employment opportunities, and establish the Diversity and Inclusion Policy. For further details, please refer to the official website of the Company. (http://www.nanyapcb.com.tw/nypcb/Chinese/SocialResponsibility/HumanRightsPolicy.aspx) C. Gender friendliness: In addition to the formulation of the "Measures on Prevention, Complaint and Punishment of Sexual Harassment at Workplace" to ensure equal gender work rights, the Company also attaches great importance to gender equality in the workplace. Although due to the nature of the industry, the proportion of male employees is higher than female employees, promotion channels have been structured and the performance of female employees are highly valued. Therefore, the number and proportion of female supervisor above employees constantly increase year on year, which is a demonstration of the Company's effort in gender equality. For further details, please refer to the "Chapter4	

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			Employee Welfare" of 2023 ESG Report. D.Local recruitment: In recruiting new employees, priority is given to local residents. Local quality supervisors are cultivated. Over the years, a high proportion of local residents have been employed. For further details, please refer to the "Chapter4.1 Employment" of 2023 ESG Report.	
(2)Did the Company establish and implement reasonable employee benefits (including compensations, holidays, and other benefits), and appropriately reflect its business performance and results on its employee compensations?	V		(2) A.The Company has clear regulations on employee promotion, assessment, training, rewards, and punishments. The salary for new recruits is based on the qualifications required for the job. Female and male employees of the same position and rank receive equal pay for equal work. Employee performance is reviewed regularly in order for raise and promotion to be given accordingly. B.In order to realize the reward conditions and equal pay and promotion opportunities for men and women, the Company reviews the ratio of female employees in the Company year by year, and reviews the status of its achievement. In 2023, the ratio of female employees was about 33.3%. C. The Company's fixed holidays are Saturdays, Sundays, national holidays, and other holidays as stipulated by the central competent authority. For further details, please refer to "Chapter 5.5 Labor relations" of the Annual Report. D. Article 19 of the Articles of Incorporation of the Company states that when allocating the net profits for each fiscal year, the Company shall set aside 0.05% to 0.5% of the balance of pre-tax profit prior to deducting employees' compensation as compensation of employees. In addition, the Company provide	In compliance with Article 21, paragraph 2 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

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			year-end bonus and formulate the degree of salary increase each year according to operation performance of the Company. Regardless of gender, reward employees for their excellent performance and share business results with them. E. The Company has issued quarterly bonuses for 2023 in May, August, and December respectively, based on the achievement of business performance goals and employee job evaluation results. In addition, a salary adjustment was made in July of 2023, and we encourage all colleagues to work together to achieve outstanding business performance again.	
(3) Has the Company provided employees with safe and healthy work environments as well as regular classes on health and safety?	V		(3) A. The Company produces "i Medical Health Network" and "iHealth Podcast" in the form of video and audio streaming to provide employees with information on health education information. In order to enhance the employees' awareness of safety and hygiene, the "Work Hazard Reminder Card" and "Safety and Hygiene Handbook" are distributed, and employees are reminded of work safety through education and training and safety observation (For various practices related to improving employee and workplace safety, please refer to “Chapter 5.5 Labor relations” of the Annual Report, and “Chapter 4.5 Occupational Health and Safety” of the 2023 ESG Report.) B. The Company promotes workplace safety and has established a clear occupational safety and health organization. All factories set up occupational safety and health committees in accordance with laws and regulations to jointly participate in the optimization and improvement of occupational safety and health systems. The Company’s jinshing plant and shulin plant have obtained "ISO 45001 Occupational Safety and Health Management System" and	In compliance with Article 20 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

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			Verification of "Taiwan Occupational Safety and Health Management System (TOSHMS)". C. In 2023, there was no employee occupational accident case (excluding traffic occupational accident) or any fire incidents. If this happens, the Company immediately formed an "incident investigation team" after the accident to collectively review and clarify the cause of the accident with relevant departments. Substantive improvement measure was proposed, and all departments are requested to inspect and review the adequacy of protective measures in place. Those with inadequate protection are requested to make improvement, while education and training has also been reinforced across all departments. All employees are asked to follow the rules to prevent any future recurrence. In 2023, the Company trained a total of 1,734 persons, with a total of 9,624 hours.	
(4)Has the Company established an effective competency development career training program for employees?	V		(4) A. The Company's new employees will successively receive training sources such as pre-employment training, shift training, and functional professional training. Training hours in 2023: First-tier supervisors 430 hours, Second-tier supervisors 2,660 hours, Frontline supervisors 15,201 hours, Frontline staff 134,843 hours. B. Through the e-training management system, the Company ensures that personnel gradually complete the training of new recruits, job basis, job specialty and cadre reserve. In addition, in order to meet the operation and safety needs of individual units, we will guide employees to obtain relevant professional certificates, hold various themed seminars from time to time, and enhance human rights and work safety awareness courses.	In compliance with Article 21, paragraph 1 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

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			C. In addition, since 2018, the Company has sent employees to attend various training programs, including the Taiwan Artificial Intelligence School's Technology Leadership Training Program and sessions on AI algorithm applications, Python Flase RESTful service design, and AI product defect detection using CNN object detection. As of 2023, 11 individuals have completed these programs. Moreover, in 2023, internal training sessions on AI, covering topics like optimization methods and machine learning, were conducted, with 88 participants and a total of 170 hours invested. The Company remains committed to AI improvement projects. (For further details, please refer to "Chapter4.3 Talent Cultivation and Development" of the 2023 ESG Report.)	
(5) Does the Company follow relevant laws, regulations and international guidelines in terms of customer health, safety, and privacy, as well as when marketing or labeling its products and services and has the Company established relevant consumer protection policies and grievance procedures?	V		(5) A. Since most of the products produced by the Company are not directly sold to general consumers, there are fewer marketing activities such as media advertisements and campaigns. If there are promotion activities involving regulations, all units will first consult the legal office to avoid violation. To protect customer privacy, the Company has established the "Personal Data Management Procedures" to strictly limit the use and control on any queries into personal data. B. Customer relationship management is an important part of the Company's sustainable operation. In order to understand the valuable opinions of customers, the Company has clearly defined the customer complaints pipeline as well as return and compensation application procedures so that customers can express relevant appeals through the Response Form. Product complaints are handled by the salesperson filling out the Customer Complaint Handling Form for all returns and	In compliance with Article 24 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.

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			exchanges. The process is also monitored by the computer system. Another method for customers to make inquiries or comments is to contact the telephone number or e-mail address listed on the official website. Comments and suggestions are prioritized according to the level of importance and timeliness. They are then forwarded to the relevant departments to ensure that the Company meets all customers' needs.	
(6)Has the Company established supplier management policy and require suppliers to comply with relevant standards on environmental protection, occupational safety and health, or labor and human rights issues?	V		(6) During procurement, the Company has always required upstream suppliers to meet RoHS, ISO, and related national industrial safety standards, where all goods must be suitably labeled according to the nature of the products, i.e. warning labels. Suppliers should also adopt appropriate recycling procedures for used containers or delivery vehicles. Products manufactured by the disadvantaged and products with non-radioactive labels are prioritized for procurement. The "Price Inquiries" and "Orders" include requirements for suppliers that they comply with the regulations and fair trade principles. The Company commits itself to ensuring that the partners meet environment protection, industrial safety, and human rights requirements. Non-compliant manufacturers will be rejected and placed under manufacturer evaluation. When purchasing materials, parts or products containing metal components, suppliers are required to investigate whether they meet the "conflict-free metal" to ensure that the purchased raw materials are obtained through legal channels. (For further details, please refer to "Chapter2.5 Supplier and Contractor Management" of the 2023 ESG Report.)	In compliance with Article 26 of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
5. Does the Company refer to guidelines for the preparation of	V		The content structure of the Company's 2023 Corporate Sustainability Report is based on the Global Resiliency Reporting	In compliance with Article 29 of the Sustainable Development

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>internationally accepted reports and prepare Corporate Sustainability Report and other reports that disclose the Company's non-financial information? Has the aforementioned statement received any validation or guarantee from third-party accreditation/attestation organization?</td><td></td><td></td><td>Association's GRI standards guidelines, written in accordance with the guidelines and framework outlined in the Core Options, and exposes the Company's main sustainability issues, strategies, goals and objectives, as well as measures. The Company have been inspected by a third party certifying authority, the British Standards Institution (BSI SG Taiwan Branch), in accordance with the GRI Standards 2021/AA1000, and was awarded the certificate of credibility.</td><td>Best Practice Principles for TWSE/GTSM Listed Companies.</td></tr>
<tr><td colspan="5">6. Where the Company has establishd its own Best Practices on CSR according to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any differences between the prescribed best practices and actual implementations taken by the Company:
Note: The Company’s Corporate Social Responsibility Code was approved by the Board of Directors on August 10, 2015 and is reviewed regularly every year. The most recent amendment was resolved by the Board of Directors on May 5, 2022 and was renamed "Sustainable Development Code" on the same day. Although this code is amended in accordance with the Company’s practice, it is consistent with the spirit of the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies"</td></tr>
<tr><td colspan="5">7. Other important and helpful information in understanding CSR operation:
A. Relevant systems and structures
The Company established the "ESG Promotion Organization" in 2021. The business content includes three aspects: environmental protection (E), social responsibility (S), and corporate governance (G). Among them, the environmental protection (E) aspect is subdivided into 8 important topics: 1. Climate-related financial disclosure 2. Circular economy - energy (resource) efficiency improvement 3. Circular economy - development of recycled products 4. Integration of international carbon reduction initiatives 5. Safety and green procurement (including transportation and packaging) 6. Renewable energy and green energy .
The Company is chaired by president Ann-De Tang, serving as the convener for sustainability development initiatives, with vice president Lien-Jui Lu acting as the management representative. The ESG Promotion Organization is composed of various units including the Environmental Sustainability Team, Public Affairs Team, and Corporate Governance Team, responsible for corporate governance, industrial safety and environmental protection and environmental sustainability, water conservation and energy conservation, product and customer service, supplier and contractor management, happy workplace and good neighborliness and other related businesses; each unit is convened quarterly to review the</td></tr>
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<tr><td colspan="5">implementation of various ESG businesses in order to Achieve the important task of reducing energy consumption and pollution, creating a balance of the ecological environment, and realize the sustainable value of the enterprise in terms of environment, society, and governance.
B. Social welfare engagement of the enterprise
1. The system, measures, and performance of environmental protection, safety, and health：
Since its establishment, the Company has always adhered to the philosophy of "industrial development and environmental protection," and pursues social responsibility and sustainable business. Therefore, it attaches great importance to the work of environmental protection.
Following this concept, the Company adopts the latest international technology for production processes and environmental protection equipment. For example, when building a power plant more than a decade ago, the Company was the first in the country to insist on the use of closed coal bunkers. Coal dust no longer polluted the air, and BACT is used to make pollution emissions far below domestic and international standards. Although the construction cost increased, the intangible environmental improvement and the reduction of resource waste and cost reduction can be obtained. In addition to selecting the best production processes and environmental protection equipment at the beginning of the planning period, the Company also took into consideration of the integration of upstream, middle, and downstream processes, and recycles the by-products and wastes of the upstream process as raw materials and fuels for the middle and downstream processes by fully integrating and reusing waste gas, waste heat and low-level energy between the plants, make the best use of resources and energy, reduce energy and waste resources, we pursue the goal of achieving an eco-industrial park. For example, the electricity and steam consumption per unit in 2023 has been reduced by 18% and 19% respectively compared with the completion of the Phase 4 expansion in 2007. Future reduction targets will continue to be promoted. The spirit of the Company is to always find out the root cause of any problem, continues to improve, consists in stopping in perfect goodness. Through continuous improvement, the Company will continue to improve the efficiency of equipment operation to reduce energy and resource use, and strengthen the competitiveness of sustainable operation.
Taking water conservation as an example, from 1999 years to 2023 the sixth naphtha cracker has invested 10.21 billion dollars to complete 2, 875 improvement cases, saving 308,500 tons of water per day. The 231 ongoing cases will receive 1.67 billion dollars of investment to achieve the target of saving 13,900 tons of water per day. The total investment is 11.88 billion dollars. After the completion, the annual benefit will be approximately 1.44 billion dollars. In terms of energy conservation and carbon reduction, the sixth naphtha cracker has also invested 32.21 billion dollars 11,192 improvement cases have been completed, reducing about 13.72 million tons of CO_2. 1,400 ongoing cases will receive 16.34 billion dollars. It is estimated that an additional 2.11 million tons of CO_2 will be reduced, with a total investment of 48.55 billion dollars. The end benefits will be about 44.17 billion dollars per year.
The above-mentioned results can be affirmed by the Company awards from 97 business units and commendations from the competent authorities of the Ministry of Economic Affairs, the Water Resources Department, the Industrial Bureau, the Energy Bureau, and the Environmental Protection Agency during the 10 last years between 2013 to 2023.</td></tr>
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In addition to adopting the best international production process, doing environmental protection work such as pollution prevention, clean production, energy conservation, carbon reduction, and water conservation to reach the goal of becoming ecological industrial parks, the Company also follows the trend of the times and pays attention to global warming. In recent years, the Company has promoted tree planting in the factory area. The Company have actively promoted the greening of various factories. At present, the Company has planted nearly 2 million trees and 390,000 square meters of shrubs, which can absorb about 15,000 tons of CO_2 per year. Providing a green aerobic environment for employees and nearby residents, and taking into account the best of both industrial development and environmental protection. Traditional factories give the impression that there are few green spaces and trees, and even chimneys emit black smoke from time to time, causing air pollution. The direction of the Company's various factories is to change the minds of people to create a green landscape just like the park, and to turn air pollution into a natural landscape. The Company advocates for green development and actively engages in environmental protection and local participation. In 2024, it convened employees from the plant to participate in tree planting activities in response to Taoyuan's Arbor Day, fostering a sense of shared prosperity with the local community. Thousands of saplings were planted during the event, aiming to instill values of cherishing natural resources and protecting environmental ecology. The Mayor of Taoyuan City presented a certificate of appreciation to the Company, acknowledging its environmental contributions to the Taoyuan. At the same time, the Company also responded to the government's afforestation and carbon reduction plan and cooperated with the Yunlin County Government to promote flatland afforestation and carbon reduction activities. In 2011, the Company started to receive a 10-year afforestation and carbon reduction subsidy. The Company has received the flatland afforestation award in Yunlin County, with an application area of 1,094 hectares, and about 1.422 billion in subsidies have been provided to the afforestation applicants, contributing to the afforestation and carbon reduction. However, the Council of Agriculture considers that the conversion of fertile land into forest land may lead to food shortages, and it is easy to attract snakes, rats and birds, which will affect the harvest of adjacent farmlands. According to government policy, the Company will no longer provide reciprocal subsidies. The Company also fully cooperates with the Environmental Protection Agency to promote green procurement of private enterprises to implement the energy-saving and carbon-reduction green consumption policy. The statistical green procurement amount of the Company in 2023 is 780 million dollars. In the future, the Company will continue to take into account the concept of environmental protection and economic development, and implement various measures such as water conservation, energy conservation and carbon reduction, sustainable use of resources and friendly environment in order to fulfill social responsibilities. In addition, providing a healthy and safe working environment is the responsibility of the Company to employees and their dependents. Therefore, "Safety First" is an important principle for us to cherish our employees. In addition to establishing a reward system, employees and contractors are				

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encouraged to raise issues with unsatisfactory behaviors and false alarms. Departments with zero occupational disasters are also rewarded, encouraging all units to report potential hazards, and report abnormalities, and unsafe behaviors. Quarterly reviews are conducted to eliminate potential hazards, and an annual safety culture performance commendation conference is held to improve employees' participation and sense of honor through cross-company competitions and performance appraisals across the enterprise.

2. Community participation：
The Company is deeply rooted in Taiwan. Factories are distributed all over Taiwan. We strive to become a "good neighbor" with the surrounding residents by setting up a dedicated group in each factory to communicate with residents and provide all kinds of assistance. In addition, we continue to mobilize our staff to clean up neighborhood streets and beaches, continually invest in local public welfare activities, and assist in caring for families and disadvantaged groups, so that our employees and community residents can be integrated. Employees have also spontaneously formed a charity group, responding to the feedback to the neighborhood, and by long-term and continuous attention, gradually expand human care and love to every corner of the society to jointly establish a peaceful society. For further details, please refer to "Chapter5 Social Welfare" of the 2023 ESG Report.

3. Supporting domestic cultural development: Promoting the development of Taiwan's unique culture: sponsoring the Ming Hwa Yuan Art & Cultural Group", "I Wan Jan Puppet Theater ", "If kids Theatre", "Apple Theatre" to go on tours in the countryside. (Performances were suspended in 2022 due to COVID pandemic).

4.Social contribution, social services, social welfare, and other social responsibility activities：
Based on the spirit of " Take from society, give back to society ", the Company is committed to the sustainable operation and continues to give back to the society and fulfill its social responsibilities with the management policy of "quality, reputation, service, and environmental protection." Our results in social responsibility are also recorded in the "Corporate Social Responsibility Report."
In addition to dedicating to business operations, we also invest in medical care, education, and various social welfare undertakings to fulfill Corporate Social Responsibility:

(1) Medical treatment: Chang Gung Memorial Hospital was established in 1976. It is committed to "improving medical standards and creating social well-being" and has the courage to challenge the status quo. It not only drives the reform and progress of the medical community but also won the trust of the general public. Now, in Taiwan, there are four major sectors, the North Sector (including Keelung, Lover Lake, Taipei, Linkou, Taoyuan, Tucheng, and other nursing homes), Chiayi Sector, Yunlin Sector, and Kaohsiung Sector (Kaohsiung and Fengshan Hospital). In services, it is also the largest and most complete medical institution in Asia, from emergency medical treatment to rehabilitation, health care, and senior care. Chang Gung Memorial Hospital also donated 1,186 sets of cochlear implants for the benefit of hearing-impaired children, and set up a social service fund to subsidize poor patients for long-term treatment. As of the end of 2023, it has spent NT$10.721 billion dollars, and continues to provide the medical assistance needed in remote and undeveloped countries.

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<tr><td colspan="5">(2) Education: In the 1960s, various industries in Taiwan flourished. In view of the shortage of industrial talents, the Company founded Mingzhi Institute of Technology (now Mingzhi University of Science and Technology) to provide the students from poor families a chance to study and work at the same time. Later, Chang Gung Medical College (now Chang Gung University) and Chang Gung College (now Chang Gung University of Science and Technology) were established to cultivate students' diligence and simplicity by combining theory and practice, and to cultivate excellent industrial middle cadres and medical staff. Since the beginning of the 1995, the Company started funding for Aboriginal youth education and employment opportunities. The total donation amount is about 1.677 billion dollars, and the number of assisted people reached 5,500.
(3) Disaster relief: assisting in the 921 earthquake (1999), Morakot wind disaster (2009), Kaohsiung gas explosion incident (2014), Tainan earthquake (2016), Nibble wind disaster (2016), Hualien earthquake (2018) and other disaster relief in reconstruction and the rehabilitation of schools in the disaster areas. So far, 76 primary and secondary schools have been fully sponsored by the Company.
(4) Other social welfare: In addition to medical and education, the founders of Formosa Plastics have set up seven foundations and charitable social welfare funds. Through the operation of the foundations and the active participation of companies within the corporation, they continue to promote and donate to various social welfare undertakings, such as:
A. Since 2007, the Company has cooperated with the government to promote the national free vaccination program for the elderly over 75 years old to improve their health and quality of life. Up until 2018 when the government budgeted and promoted on its own, a total of nearly 1.16 million doses of the Pneumococcal Conjugate Vaccines were donated.
B. Continue to promote the "Professional Service of Early Treatment Effectiveness Improvement Program". Assist developmentally retarded children to receive high-quality treatment as soon as possible in order form them to return to the general education system and integrate with society, thereby reducing the burden of family and social care. This project is based on empirical research and guided by the fusion of concepts, family-centered and community-based promotion principles, with the main focus to improve the quality of institutions, personnel capabilities, and parental awareness. From 2006 to 2023, NT$1 billion were invested, assisting 92 units and benefiting 33 thousand person-times.
C. Support the inmates: donated to the Yunlin Second Prison, Kaohsiung Prison, and Taipei Prison to handle the Wang Jhan-Yang Foundation Rainbow Project (drug-addicted HIV inmates), with three courses of physiological education, psychological counseling, and vocational training the project assists drug-addicted prisoners with HIV to cultivate life skills, repair family relationships and reintegrate into society. Cooperation with Yunlin Second Prison and Kaohsiung Prison to handle the Wang Jhan-Yang charitable trust fund Xiangyang project (drug inmates) to assist inmates in returning to the society is also conducted. Collaboration with the Correctional Affairs Department of the Ministry of Justice in 2017 to expand the Xiangyang Project in three prisons including Hualien Prison, Tainan Prison, and Kaohsiung Women's Prison. In consideration of</td></tr>
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the widespread dental defects among AIDS prisoners that result in poor chewing functions and poor health, Wang Jhan-Yang charitable trust fund donated denture installation fund for the underprivileged AIDS prisoners in Yilan, Taipei, Tainan, Kaohsiung, and Kaohsiung Women's Prison in the hope of assisting prisoners' nutrition digestion and health improvement. In 2023, donated to reformatory schools for the budget of purchasing vocational training equipment in order to enhance employment skills and foster a passion for learning. D. Promote various scholarships and work-study programs: such as the Children's Education Assistance Program, Assistance to Teenagers/Young Adults who Recently Graduated from Children's Homes, Disadvantaged Student Scholarship, and the Student Financial Aid Program in Remote Areas, to help the economically disadvantaged or disabled children and young students to be able to receive education unhindered. The Excellent Talents Development Program provides long-term scholarships for outstanding students from disadvantaged backgrounds to assist them in academic and moral development. In addition, we will promote semester and summer work-study programs, match students to work in social welfare institutions, cultivate the service spirit of students contributing to society, and reduce institutional operating costs and expenditures to serve more vulnerable people. E. Women and Children's Welfare: a. Promote the nutritional breakfast subsidy for the vulnerable children in the neighboring 7 Township for Mailiao Factory, b. Promote the economic assistance program for victims of domestic abuse, c. Promote the medical treatment and economic assistance of patients with rare diseases, d. Donation to Taitung and Hualien English Assistance Program, an introduction of outstanding American college students to primary schools in remote areas for English teaching, e. Promote the nutritional breakfast subsidy for the vulnerable Junior High School students of Pingtung County, f. Donation the nutritional lunch subsidy for all public elementary and junior high school students of Yunlin County, g. Donation Scholarship for Orphan, h. Donation living expenses for Preschool children from disadvantaged families. i. Donation the HPV 9-valent vaccine for the girls in the first year of junior high schools of Yunlin County, j. Donation the 'Childminder Management and Subsidy Programme'of Yunlin County k. Set up a used toy recycling center. l. Promotion of the after-school care program at rural schools by providing after-school care subsidies for schoolchildren of elementary schools in rural areas, offering schoolwork tutoring, life and cultural education to improve schoolwork performance and bridge the gap between families and schools. F. Elderly welfare: a. promote the elderly housing improvement and appliance donation plan, b. Mailiao and Taixi Township meal delivery plan for elderly living alone, c. promote the ''Active Aging Center" corporately in Taiwan. Members in this center would participate in five major classes (of the elderly) through package-based individual planning courses, including health management, brain training, vitality, physical training and social participation, to maintain their health, preventing disability, and effectiveness of helping healthy elderly people improve, d. Donate to the elderly daycare center shuttle bus and dream plan, e. Elderly welfare institution lighting improvements plan, f. Donation daycare and health promotion for elder in Remote Areas. g. Donation the 'Evergreen Canteen'of Yunlin County. h. Donation the 'Evergreen Canteen'of Yunlin County, i. Donations were made to elderly people aged 65-69 in Yunlin County as Double Ninth Festival gift money.				

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	Yes	No	Summary	
G. Vulnerable group support: a. Donation to social welfare institutions daily necessities and rice, b. The low-income households near Mailiao factory receive gifts and bonus for the three most important Chinese holidays c. Emergency Allowances plan, d. Donation of daily necessities to the Christian Relief Association food bank, e. Promoting Homeless Assistance Program, including the establishment of supportive housing and the subsidy of kitchen facilities, to support the homeless to live as independently as possible within their community., f. Promote 「The design and implementation of intelligent support system in long term care」 and 「Love Health Volunteer Promotion Program」. g. Promote lighting improvement projects, donate lighting equipment to improve the lighting equipment in social welfare institutions in order to provide good care of the environment and save electricity bills, h. Promotion of food banks for the effective use of charitable resources to meet the basic living needs of vulnerable populations, i. donated to the Taichung School for the Visually Impaired for the budget of purchasing computer equipment to assist the visually impaired in their learning. H. Promote the development of Taiwan's distinctive culture: sponsoring the "Ming Hwa Yuan Art & Cultural Group", " I Wan Jan Puppet Theater ", "If kids Theatre", "Apple Theatre" to go on tours in the countryside. I. Promote the Wang Jhan-Yang charitable trust fund " Burning Star Project" to cultivate outstanding sports talents, "Future Star Project " sports talents abroad training programs and sports player medical protection programs to help domestic sports talents improve their performance. Wang Chang Gung charitable trust has implemented the"Caretaker for Athletes Program" since 2019, sponsoring the Chinese Taipei Paralympic Committee for the training of athletes with disabilities. J.Institutional support: a. Donation of social welfare institutions to purchase facilities and equipment and construction and repair (9 social welfare institutions), b. Donate funds for vulnerable groups to help plan(Kaohsiung City Government, Taoyuan City Government, Keelung City Government, ChiaYi County Government) ,c. donation of mooncakes to social welfare institutions.				

Note 1:If Implementation Status is specified "Yes", please explain the key policies, strategies and measures taken and the current progress. If Implementation Status is specified "No", please refer to "The discrepancies in the Code of Practice of Sustainable Development for the TWSE/TPEx Listed Companies" section to explain the situation and reasons for the discrepancies, as well as explain any policy, strategy and measure planned for the future. However, in relation to the implementation of Items 1 and 2, listed and OTC companies should specify the governance and supervision framework for sustainable development, including but not limited to management approach, strategy and goal setting, review measures, etc. It also describes the Company's risk management policies or strategies on operational-related environmental, social and corporate governance issues and their assessment.

Note 2: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the Company.

Note 3:For the disclosure method, please refer to the template on the Taiwan Stock Exchange Rules & Regulations Directory website.

Climate-related Information of TWSE/TPEx Listed Companies

1. Implementation Status of Climate-related Information

Item	Implementation Status
1. State the supervision and governance of climate-related risks and opportunities of the Board of Directors and the management.	The Board of Directors serves as the highest decision-making and oversight body to address climate change issues, with the Chairman serving as the top executive responsible for supervising climate change-related matters. To enhance the Board's oversight responsibilities regarding sustainability matters, the Company established the Sustainable Committee under the Board in May 2022. This committee is responsible for reviewing sustainable development policies, strategies, and management principles, overseeing the implementation of sustainable development initiatives, and reporting to the Board. The Board supervises the goals of promoting sustainable development. At the management level, the Company has established an "ESG Promotion Organization," with the president Ann-De Tang serving as the overall convener and the vice president Lien-Jui Lu serving as the management representative. This organization is responsible for formulating the Company's sustainable development strategies and monitoring their performance. Supervisory managers are appointed under this organization according to the main projects, coordinating various sustainability efforts within the Company and reporting ESG-related matters to the Board, serving as an important reference for formulating the Company's sustainability policies. (For details, please refer to Chapter 3 of the Company's 2023 TCFD Report)
2. State how identified climate risks and opportunities affect the business, strategies, and finance of the Company in the short-term, medium-term and long-term.	The climate risks and opportunities identified by the Company and their effects: (see table below)

Items of Climate Risks and Opportunities	Description of Effects
Transition risk - imposition of carbon fees	The "Climate Change Response Act" will classify manufacturing industries with greenhouse gas emissions exceeding 25,000 tons of carbon dioxide equivalent (CO2e) as major carbon emitters subject to carbon fees, resulting in increased expenditures. If there is no carbon cost pass-through, product prices will be less competitive, leading to a material financial impact.
Transition risk – Energy costs	In response to climate change, coal-producing countries are reducing or even ceasing coal mining, leading to a rise in coal prices. As a result, our company may face an increase in energy cost expenditures.
Transition risk – customer demand for green energy adoption	One of our top ten consumer electronics clients is requesting a full transition to green energy by 2025. Failure to comply with this request could potentially result in a loss of related revenue.

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>
<table>
<tr><th>Items of Climate Risks and Opportunities</th><th>Description of Effects</th></tr>
<tr><td>Physical risk – flood</td><td>Impact of strong winds or typhoons due to climate anomalies leads to the necessary of safe shutdown of plants to prevent process hazards. Impact of heavy rainfall/floods may cause the plants to suspend due to flooding, which will affect operations and may result in financial losses.</td></tr>
<tr><td>Physical risk – water scarcity</td><td>Based on the baseline period from 1986 to 2005, we estimate that in the near term (2016 to 2035), there could be two months each year affected by water shortages or droughts at our factory site. Addressing the water shortages or droughts caused by climate anomalies is essential to mitigate potential revenue losses.</td></tr>
<tr><td>Transition opportunity – electric vehicle market</td><td>Several countries globally have set timelines from 109 to 129 to ban fossil fuel vehicle sales, driving the rapid growth of the electric vehicle market. Our company is investing in electric vehicle-related products like charging stations, anticipating increased revenue.</td></tr>
</table>
</td></tr>
<tr><td>3. State the effects of extreme climate events and transition actions on finance.</td><td>1. Extreme Weather Events: Assuming occurrences like heavy rainfall causing floods or droughts happen, the Company might halt production. Based on 112's revenue estimate, such events could impact daily business income by approximately 80 million NTD.
A. Drought Response Strategy: The Company has signed a contract with the Taoyuan North District Water Resource Recycling Center for recycled water usage. It's estimated that 11,000 tons of recycled water for domestic use will be available daily for factory use starting in 2025.
B. Flood Response Strategy: Regular inspections of the Company's drainage system and emergency response measures are in place to minimize the impact of heavy rainfall events on production.
2. Transition Action: With over 90% of emissions coming from electricity usage, the Company is adopting renewable energy in line with SBTi decarbonization pathways. Starting in 2024, green energy procurement will increase operational costs. Hence, the Company is actively promoting energy efficiency and carbon reduction. Initiatives include ongoing construction of solar photovoltaic systems and promoting circular economy practices to reduce carbon emissions and fuel usage, thus lowering costs. In 2023, a 340KW solar photovoltaic system was completed in the Shulin factory, contributing to the power supply (Refer to Chapter 3 of the Company's 2023 TCFD report for details on climate change risk and opportunity management).</td></tr>
<tr><td>4. State how the process for identifying,</td><td>The climate-related risk management process of our company involves background data collection,</td></tr>
</table>

Item	Implementation Status
assessing, and managing climate risks is integrated into the overall risk management system.	risk and operational assessment, risk and operational impact analysis, and control measures and goal setting. Led by the Safety and Health Department, relevant units from the General Manager's Office gather biannually to collect information on risks and opportunities. Transformation risks (policy and legal/market/technology/reputation) and physical risks (chronic and acute) are considered, and risk explanations are provided for potential events, including financial impact, impact duration (short, medium, long), impacted objects in the value chain, and likelihood of risk occurrence. When drafting opportunity scenarios, resource efficiency, energy, products and services, markets, and adaptability are considered. Opportunity explanations are provided for potential events, including financial impact, impact duration (short, medium, long), affected objects in the value chain, and likelihood of opportunity occurrence. A matrix chart of financial impact and risk and opportunity likelihood is used to determine significant risks and opportunities, with assessment indicators divided into five levels, scored from 5 to 1. Depending on the nature of the risk, units collaborate to assess the likelihood and impact and provide timely feedback to management to adjust company operational strategies. (Refer to Chapter 3 of the Company's 2023 TCFD report for detailed climate change risk and opportunity management.)
5. If using scenario analysis to assess resilience to climate change risks, it is necessary to explain the scenario, parameters, assumptions, analysis factors used, and major financial impacts.	NYPCB utilizes the TCFD recommendations by assessing the most severe scenarios faced by transformation and physical risk types, incorporating the analysis results into our strategy resilience evaluation. 1. Transformation risk utilizes the official assessment model of SBTi, with 2020 as the base year, confirming the target emissions for Scopes 1 and 2 in 2030, aiming for a 25% reduction over 10 years. The Company further analyzes potential transformation strategies, operational costs, and capital expenditures to achieve these emission reduction goals. Since electricity accounts for approximately 90% of the Company's emissions, purchasing green energy is considered to assess the operational costs needed to meet the reduction targets. Assuming a parameter of a green energy unit price increase of 2.5 to 3.0 NTD per kWh compared to the current electricity cost, and using the electricity usage in 2023 as the evaluation scenario, the increase in operating costs is estimated at approximately 50 million NTD. 2. For physical risks, the Company adopts the Shared Socioeconomic Pathways (SSP) defined in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report (AR6) to estimate future emission scenarios, considering four different pathways: low emissions (SSP1-2.6), medium emissions (SSP2-4.5), high emissions (SSP3-7.0), and very high emissions (SSP5-8.5). The analysis is based on climate change key indicators from the Taiwan Climate Change Projection and Information Platform (TCCIP), focusing on the warming level compared to the period 1850-1900 and potential impacts of climate change in the mid-term (2041-2060). Additionally, data from the National Science and Technology Center for Disaster Reduction (NCDR) is integrated to further analyze potential acute

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>flood, heatwave, drought, and landslide risks at different scenarios. Assuming extreme weather events like heavy rainfall causing floods or droughts lead to production halts, based on 2023's revenue estimate, daily business income could be affected by approximately 80 million NTD. However, after examining drainage capacity and response procedures (typhoon response and emergency response procedures) at the Jinxiang and Shulin factory sites, it's found that both sites have sufficient capacity to handle scenarios of heavy rainfall (Refer to Chapter 3 of the Company's 2023 TCFD report for details on climate change risk and opportunity management).</td></tr>
<tr><td>6. If there is a transition plan to address and manage climate-related risks, please explain the plan's content, as well as the indicators and goals used to identify and manage physical risks and transition risks.</td><td>NYPCB implements five major strategies to manage climate change risks and opportunities, focusing on developing low-carbon products, advancing green technology production, adapting to climate change risks, fostering sustainable partnerships, and advocating for climate awareness and education. Detailed indicators and objectives for each strategy are outlined in Chapter 3 of the Company's 2023 TCFD report on climate change risk and opportunity management and the 2023 ESG report Chapter 3 on environmental friendliness.
<table>
<tr><th>Strategies</th><th>Indicators</th><th>2030 Goals</th></tr>
<tr><td rowspan="2">Presence of green technology production</td><td>Reduction of greenhouse gas Scope 1 and Scope 2 emissions.</td><td>Base year 2020, reduction of 25% by 2030.</td></tr>
<tr><td>Capacity of self-installed renewable energy systems (KW).</td><td>Self-installed solar photovoltaic systems. 340KW</td></tr>
<tr><td rowspan="5">Adapting to climate change risks</td><td>Water usage per unit of output value (million liters per thousand units).</td><td>Reducing by 2% annually based on the previous year's actual usage.</td></tr>
<tr><td>Volume of treated wastewater recycled (million liters per day).</td><td>Reducing by 1% annually based on the previous year's actual usage.</td></tr>
<tr><td>Waste generated per unit of output value (metric tons per thousand units).</td><td>Reducing by 1% annually based on the previous year's actual usage.</td></tr>
<tr><td>Percentage of recycled water usage.</td><td>Increasing the proportion of external recycled water usage.</td></tr>
<tr><td>Scope 3 emissions.</td><td>Base year 2020, a decrease of 12.3% by 2030.</td></tr>
<tr><td rowspan="2">Climate advocacy</td><td>CDP Climate Change</td><td>Leadership level and above</td></tr>
<tr><td>CDP Water Management</td><td>Leadership level and above</td></tr>
</table>
To enable stakeholders to fully understand the efforts and achievements of the Company in promoting energy conservation, emission reduction, and circular economy, as well as our capacity for management of physical and transition risks and opportunities of climate change adaptation, the Company has prepared a report based on the TCFD framework. The report is updated annually and published on the</td></tr>
</table>

<table>
<tr><th>Item</th><th>Implementation Status</th></tr>
<tr><td></td><td>Company website. The 2022 edition was released on June 2023. For indicators and goals related to the management of physical and transition risks, please refer to the Company's TCFD report.</td></tr>
<tr><td>7. If using internal carbon pricing as a planning tool, the basis of price determination shall be explained.</td><td>To increase the sense of involvement in greenhouse gas emissions and strengthen the implementation of carbon reduction across all sites and departments, the Company has been implementing Internal Carbon Pricing (ICP) since 2022. Through the Company's self-developed greenhouse gas calculation system, the cost of greenhouse gas carbon emissions (including cost of excess carbon emissions) will be included in the monthly operational performance calculation, aiming to deepen the greenhouse gas reduction efforts in all sites and departments.</td></tr>
<tr><td>8. If climate-related goals are set, the activities covered, scope of GHG emissions, planning schedule, and annual progress should be explained. If carbon offset or Renewable Energy Certificates (RECs) are used to achieve the related goals, the source and quantity of carbon reduction credit offset or the quantity of Renewable Energy Certificates (RECs) should be specified.</td><td>The absolute reduction target for Scope 1 and Scope 2 greenhouse gas emissions, with 2020 as the base year, 2021 as the starting year, and 2030 as the target year, aims for a 25% reduction over 10 years. The target scope covers our Taiwan facilities.
<table>
<tr><th>Year</th><th>2020 (base year)</th><th>2030</th></tr>
<tr><td>Carbon emissions (Ton-CO_2e)</td><td>419,319</td><td>443,517</td></tr>
<tr><td>Compared to the base year (%)</td><td>-</td><td>5.8%</td></tr>
</table>
Note: Shulin plant completed its expansion and commenced full-scale production in 2022, thus being included in the calculation of greenhouse gas emissions. Therefore, emissions increased compared to the base year.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance, as well as reduction goals, strategies, and specific action plans (also filled in 1-1 and 1-2).</td><td>1. Since 2010, our company has conducted greenhouse gas inventories and engaged external organizations such as SGS and BSI to verify emissions, as well as reported emissions to the Environmental Protection Administration in accordance with regulations.
2. To demonstrate our commitment to carbon reduction, in addition to publicly declaring short, medium, and long-term goals, we annually disclose our carbon management to the international CDP (Carbon Disclosure Project) organization. In 2023, our rating achieved "Leadership Level."
3. To ensure the effectiveness of carbon reduction efforts, our company sets carbon reduction targets aligned with limiting global warming to below 2°C. We have submitted our targets to the international SBTi (Science Based Targets initiative) for certification and have been recognized. Our Scope 1 and Scope 2 emission reduction targets are a 2% reduction within the first five years and a 3% reduction within the subsequent five years.</td></tr>
</table>

1.1 The Company's greenhouse gas inventory and assurance in the recent two years
1.1.1 Information on greenhouse gas inventory

State the greenhouse gas emissions (metric tons of CO_2e), intensity (metric tons of CO_2e/million), and scope of data coverage in the recent two years

The greenhouse gas emissions of the Company's Taiwan plants have been disclosed in the Sustainability Report and the relevant environmental sections, and are verified by third party certifying authorities such as SGS Taiwan Ltd. (SGS) and the British Standards Institution (BSI) each year. Excerpts from the data as follows: Unit: tCO_2e

Year	Scope of data coverage	Scope 1	Scope 2	Scope 3	Emission intensity (tCO_2e/million)
2022	All plants in Taiwan	9,409.16	477,488.77	328,466.36	10.07

Explanation:
1. Emission intensity = (Scope 1 + Scope 2)/operating revenue of the parent company only financial report for the current year (million).
2. According to the Financial Supervisory Commission's letter numbered 11203852314, our company is required to disclose greenhouse gas inventory information for the past two years starting from 2025.

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., greenhouse gas emissions indirectly caused by the input of electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated from the Company's activities that are not energy indirect emissions but come from other sources owned or controlled by the Company).

Note 2: The scope of data coverage of direct emissions and energy indirect emissions shall be handled in accordance with the schedule specified in the provision of Article 10, Paragraph 2 of the Guideline. Information on other indirect emissions may be voluntarily disclosed.

Note 3: Standard for greenhouse gas inventory: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated by using product, service, or revenue per unit. However, at least the data calculated by revenue (NT$ million) shall be stated.

1.1.2 Information on greenhouse gas assurance

State the explanation of assurance during the recent two years up to the date of publication of the annual report, including the scope of assurance, assurance agencies, assurance standards, and assurance opinions
1. 2022: our company's total Scope 1 and Scope 2 greenhouse gas emissions amounted to 486,897.94 metric tons of CO2e. These figures were verified by Taiwan Inspection Technology Co., Ltd. (SGS) and the British Standards Institution (BSI) in accordance with ISO 14064 standards, with their assurance deemed reasonable. 2. According to the Financial Supervisory Commission's letter numbered 11203852314, our company is required to disclose reliable information for the past two years starting from 2027.

Note 1: Shall be handled in accordance with the schedule specified in the provision of Article 10, Paragraph 2 of the Guideline. If the Company fails to obtain complete greenhouse gas assurance opinions by the date of publication of the annual report, it shall be noted as "Complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it shall be noted as "Complete assurance information will be disclosed on the Market Observation Post System," and the complete assurance information shall be disclosed in the next year's annual report.

Note 2: Assurance agencies shall comply with the relevant regulations for assurance agencies of sustainability reports stipulated by the Taiwan Stock Exchange Corporation and the Taipei Exchange.

Note 3: For content of disclosure, please refer to the example of best practices on Corporate Governance Center of Taiwan Stock Exchange website.

1.2 Greenhouse gas reduction goals, strategies, and specific action plans

State the base year and its data, reduction goals, strategies and specific action plans, as well as the achievement of reduction goals of greenhouse gas reduction
NYPCB plans to disclose the baseline year and data for greenhouse gas reduction, reduction targets, strategies, specific action plans, and progress toward achieving reduction targets in the consolidated financial report for 2025.

Note 1: Shall be handled in accordance with the schedule specified in the provision of Article 10, Paragraph 2 of the Guideline.

Note 2: The base year shall be the year in which the inventory is completed based on the boundaries of the consolidated financial statements. For example, according to the provision of Article 10, Paragraph 2 of the Guideline, companies with a capital of more than NT$10 billion shall complete the inventory of 2024 consolidated financial statements in 2025. Therefore, the base year is 2024. If the Company has completed the inventory of the consolidated financial statements in advance, the earlier year can be used as the base year. In addition, the data of the base year can be calculated by the average of a single year or multiple years.

Note 3: For content of disclosure, please refer to the example of best practices on Corporate Governance Center of Taiwan Stock Exchange website.

3.4.6 Fulfillment of Code of Ethics and Business Conduct and measures adopted：

Fulfillment of Code of Ethics and Business Conduct and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," and Reasons：

Evaluation Item	Implementation Status (Note1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and Reasons
	Yes	No	Summary	
1. Stipulating policies and plans for ethical corporate management				
(1) Has the Company established the Code of Ethics and Business Conduct, which have been approved by the Board of Directors, and clearly stipulated regulations and policies for ethical business conduct and relevant guidelines in company articles and external documents? Does the Company's Directors and management team actively fulfill their commitment to corporate policies?	V		(1) In addition to following Company Act, Securities and Exchange Act, and other related regulations, the Company keeps the "Diligence, Perseverance, Frugality and Trustworthiness" enterprise spirit to comply with the law and ethical standards. With the business philosophy of honesty, integrity, fairness, and transparency, self-discipline, and responsibility, the Company has established Principles of Ethical Corporation Management approved by the Board of Directors. With the Company's President Office as the driving unit to formulate and implement various ethical policies, and establish a good corporate governance and risk control mechanism, the Company is to pursue sustainable development. The Board of Directors and management also promise to carry out and supervise the implementation of the integrity management policy actively.	In compliance with Article 4 and Article 5 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(2) Has the Company established a risk assessment mechanism against unethical conduct, regularly analyzed business activities within their business scope which are at a higher risk of being involved in unethical conduct? Does the Company establish prevention programs accordingly including measures	V		(2) A.The Company has established strict rules of conduct and ethics in the rules and regulations such as the "Personnel Management Rules" and "Working Rules", and has specified the relevant reward and punishment regulations. Directors, managers, servants of the Company, or those who have substantial control capabilities are prohibited from providing, pledge, requesting or accepting any illegitimate interests directly or indirectly, or making other violations of good faith, illegality, or breach of fiduciary duty to prevent malpractice, misappropriation of public funds, acceptance	Complying with the regulations specified in Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," the Company has specified and enacted regulations designed to prevent unethical conduct

prescribed in Article 7 Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companie?			of bribes, disclosure or lies, and other acts of dishonesty. B. The Compay analyzes and assess periodically business activities within their business scope which are at a higher risk of being involved in unethical conduct. For those who engage in business activities with a high risk of dishonest behavior, the Company has clearly established “Personnel Management Rules” and “Working Rules” which state that positions of interest for business, procurement, contracting, supervision, and budgeting, as well as contact with other manufacturers shall not accept business dinners or other entertainment activities invited by the manufacturer, nor accept the property or other interests of gifts. The offenders shall be excused from office and their Supervisors shall be jointly and severally punished. Besides, related duties have comprehensively promoted regular rotation operations to prevent the occurrence of any corruption.	in multiple rules and systems. Nevertheless, specific "Procedures for Ethical Management and Guidelines for Conduct" has yet to be formulated.
(3) Has the Company established action plans to prevent unethical conduct? Has the Company clearly prescribed procedures, code of conduct, punitive measures for violations and appeal systems within the said plan? Did the action plans be implemented accordingly?	V		(3)The Company has clearly stipulated regulations and policies for ethical business conduct and relevant guidelines, code of conduct, whistleblowing, punitive measures for violations, and grievances in company articles and systems, including the "Personnel Management Rules," "Code of Ethics and Business Conduct," "Guidelines for Prevention of Insider Trading," "Whistleblowing Procedures," and "Guidelines to Employee Grievances.". The Company has established “Ethical Code of Conduct” for the Directors and Managers of the Company. For further details, please refer to “Chapter 3.4.8 Other Important Corporate Governance Information” of the Annual Report. The foresaid rules and regulations are reviewed regularly in order to meet the practical needs.	In compliance with Article 6, paragraph 1 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”
2. Implementing ethical corporate management (1) Has the Company evaluated ethical records of its counterparty? Does the contract signed by the Company and its trading counterparty clearly provide terms on ethical conduct?	V		(1) The contract signed by the Company for commercial activities is subject to the terms of good faith. In addition, the Company conduct inquiries such as honesty investigations for customers, suppliers, and other stakeholders to avoid the occurrence of dishonest behavior and damage of the Company's rights and interests.	In compliance with Article 9 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”

(2) Has the Company designated an exclusively (or concurrently) dedicated unit reports its ethical business management policy, action plans to prevent unethical conduct, and implementation status of supervisory measures to the Board of Directors?	V		(2) The President Office of the Company and the general management office of the whole enterprise are in charge of promoting ethical business. They promote regulations and policies for ethical business conduct .In addition, they handle and verify whistleblowing cases based on the Company's Whistleblowing Procedure. The department in charge of promoting ethical business reports its ethical business management policy, and action plans to prevent unethical conduct to the Board of Directors at least once per year. The most recent report dated is on November 2, 2023.They mainly report the ethical corporate management policies, measures, implementation status of supervisory measures and commitments of the board of directors and management to implement business policies actively. Additionally the internal audit report is submitted to the Independent Director monthly.	In compliance with Article 17 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(3)Has the Company established policies preventing conflict of interests, provided proper channels of appeal, and enforced these policies and channels accordingly?	V		(3) A. The Company's standards for the Board of Directors meetings has clearly states that if Directors or the juridical persons they represented have a personal interest, they shall state the key aspects of the interest in the meeting. If their interest may prejudice the interests of the Company, the persons concerned shall not participate in the discussion and voting of those items and shall recuse themselves from those sessions. Also, they shall not stand proxy for other Directors to exercise the voting right on those items. B. The Company has stated in its "Personnel Management Rules" that employees should strictly abide by the code of conduct for avoidance of interests and proactively report ethical concerns such as conflicts of interest, and have provisions prohibiting competition to prevent conflicts of interest. C.The Company has provisions for "Guidelines to Employee Grievances" and "Whistleblowing Procedures", etc., and provides specific reporting channels for reporting any illegal or improper behavior.	In compliance with Article 19 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(4) Has the Company established effective accounting systems and	V		(4)The Company has established an effective and improved accounting system and internal control mechanism, and fully implemented	In compliance with Article 20 of the "Ethical Corporate

internal control systems for enforcing ethical corporate management? Did internal auditors establish relevant audit plan to verify the status of compliance with unethical conduct prevention action plans based on the result of risk assessment on unethical conduct? Did the Company entrust audits to a CPA ? . .			computerization of operations. The six management functions of personnel, finance, business, production, materials, and engineering are connected by computers, layer by layer, and executed for management of any abnormalities. In addition, the Company also established a professional and independent internal audit structure. The structure is divided into three levels. The first level is carried out by the Auditing Office attached to the Company's Board of Directors. The internal auditors will establish annual audit plan to verify the level of compliance with established regulations to lower the risk from unethical conduct. And the second level is routine and project-based independent auditing carried out by the general management office for routines and projects. Moreover, since internal auditing is the duty of all employees, the third level of auditing requires all departments to conduct voluntary operation inspections (on a monthly, quarterly, semi-annual, or annual basis) to extend the concept internal control to all levels of the Company.	Management Best Practice Principles for TWSE/GTSM Listed Companies."
(5) Does the Company regularly organize internal and external training for ethical corporate management?	V		(5)Through regular corporate publications as well as various occasions, the Company promotes the corporate culture of "Diligence, Perseverance, Frugality and Trustworthiness," as well as cultivating work ethics based on integrity, fairness and transparency, self-discipline, and a sense of responsibility. All new recruits receive corporate culture training. In addition, training courses about regulations, anti-fraud, and anti-corruption are held every year to strengthen the employees' commitment to complying with management rules based on good faith. In 2023, the internal and external training related to ethical corporate management that were held included Compliance to Ethical Business Management Laws, Emphasis on Corporate Ethics, Preventing Insider Trading, Risk Management and Strengthening Corporate Governance, and were cumulatively attended by 9,418 persons with training hours totaling 4,318 hours.	In compliance with Article 22, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
3. Status for enforcing whistle-blowing systems in the Company (1) Has the Company established	 V		The Company has a "Guidelines to Employee Grievances" and "histleblowing Procedures" to provide a specific reporting and reward system: (1) Providing multiple reporting channels such as actual mailboxes, e-mail	In compliance with Article 23 of the "Ethical Corporate Management Best Practice Principles for

concrete whistle-blowing and reward systems as well as accessible whistle-blowing channels? Does the Company assign a suitable and dedicated individual for the case being exposed by the whistle-blower? (2) Has the Company established standard operating procedures (SOP) for whistleblowing cases, follow-up measures and relevant systems of confidentiality after the investigation ? (3) Has the Company adopted protection measures against inappropriate disciplinary actions for the whistle-blower?	 V V		boxes, and fax lines. Visible notices are placed around the main entrances to be used by informants. (2) After a case is filed, the relevant team members of the president office shall be responsible for the procedures of case review, filing, and follow-up investigation. (3) The principle of confidentiality：During and after an investigation, it is strictly forbidden to disclose any information to unrelated parties. Supervisors at all levels must also keep information confidential.All relevant information must be processed and archived according to the confidential document procedures to ensure the informant does not experience any unjust setback. (4) Where the occurrence of illegal or improper act has been found to be true, punitive actions will be taken based on the "Personnel Management Rules". Judicial or prosecuting institutions will be alerted when necessary.	TWSE/GTSM Listed Companies.”
4. Improvement of information disclosure Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company’s website and MOPS?	V		Information on integrity management and ethical behavior has been disclosed on both Chinese and English website of the Company.	In compliance with Article 25 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.”
5. Where the Company has establishd its own best practices on ethical corporate management according to the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” , please describe any gaps between the described best practices and actual implementation taken by the Company: On November 11, 2014, the Company passed the resolution of the “Principles of Ethical Corporation Management”, which was amended by the resolution of the Board of Directors on June 17, 2015 and regular reviews of relevant regulations are conducted annually. The Principles of the Company was slightly revised according to the practice, but still in line with spirit of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”				
6. Other information helpful for understanding the principle of integrity of the Company's operations (e.g., the Company's amendment of its principles of integrity): The Company arranges corporate governance courses for Directors and managers regularly to transmit the importance of governance, which is to strengthen the effectiveness of governance and carry out ethical management.				

Note 1: Provide a brief description in the appropriate column, regardless whether "yes" or "no" is selected.

3.4.7 Nan Ya PCB ' s Corporate Governance Guidelines and Regulations:

The Company has disclosed Corporate Governance Guidelines on its website under the"Corporate Governance" section of "Investor".

3.4.8 Other Important Corporate Governance Information

In order to comply with the requirements set by the Financial Supervisory Commission, the Company's "Code of Ethics for Board Members and Managers" is set out below:

Nan Ya Printed Circuit Board Corporation
Code of Ethics for Board Members and Managers

Chapter 1 General Provisions

Article 1: For directors and managers of the Company (including the President, Executive Vice President, Senior Vice Presidents, Vice Presidents, Financial Officer, Accounting Officer, and other personnel with managerial affairs and signature rights) to conduct business activities based on their authority and to behave in an ethical manner, the guidlines are set to prevent unethical behavior and behaviors that would harm the interests of the Company and its shareholders.

Chapter 2 Guidelines for Ethical Conduct

Article 2: Directors and managers shall handle corporate affairs in an honest, trustworthy, fair, ethical, and disciplined manner.

Article 3: Directors and managers shall avoid conflicts of interest when personal interests are involved or may be involved in the Company's overall interests, including but not limited to the fact that the officer cannot handle the Company's affairs in an objective and efficient manner; or based on their position in the Company, to get improper benefits for themselves, their spouses, parents, children or relative within the second degree of kinship. To prevent conflicts of interest, where the Company has provided loans/guarantees to, or has material asset transactions with the aforementioned employees or their affiliates, such matters shall be subject to the review of the Board of Directors in advance. The relevant purchase (sales) of goods shall be considered in the best interest of the Company.

Article 4: When the Company is exposed to profit opportunities, the Directors and managers shall maintain the legitimate interests that can be accessed to the Company.

Directors and managers shall not use the Company's property, information or their position to obtain private benefits, and shall not engage in any business that has business strife with the Company, except as provided in the Company Law or the Company's the Articles of Association.

Article 5: Directors and managers shall be obliged to keep confidential information of the Company's suppliers and customers, except the disclosure is authorized or required by law. Information that should be kept confidential includes all undisclosed information that could cause damage to the Company or its customer after being exploited or leaked by competitors.

Article 6: Directors and managers shall treat the Company's suppliers, customers, competitors and employees fairly, and shall not manipulate, conceal or abuse the information obtained by their positions in the Company, make a false statement about material matters, or receive improper benefits by way of unfair trading methods.

Article 7: In order not to affect the Company's profitability, Directors and managers shall protect and properly use the Company's assets based on official duties, and to prevent the Company's assets from being theft, negligence or waste.

Article 8: All Directors and managers shall comply with the provisions of the laws and regulations and the Company's rules and regulations.

Article 9: When the Company's employees discover that a director or manager has violated provisions of laws and regulations or this Code, sufficient information of such case shall be reported to the Audit Committee, the direct manager, the President's Office personnel or the internal audit supervisor, or other appropriate personnel. Once the information is confirmed, the Company shall reward the whistle-blower according to the personnel management rules.

The Company shall properly handle the above report in a confidential and responsible manner, and will do its utmost to protect the safety of the whistle-blower, keeping any form of retaliation away from him/her.

Article 10: Any director or manager who violates this Code shall be punished in accordance with the personnel management rules and shall be reported to the Board of Directors. The relevant violators shall be subject to all civil, criminal or administrative responsibilities in accordance with the law, and shall immediately disclose on the Market Observation Post System (MOPS) the information such as the date of the violation, violation of the rules, violation of the guidelines and the handling of such situation.

Chapter 3 Applicable Exemption Procedures

Article 11: Under special circumstances, the Directors or managers who wish to exempt the compliance of the Code shall require the consent of more than one-half of the directors in attendance at a board meeting attended by two-thirds or more of the entire board, and promptly disclose the case on MOPS, including information such as the date the Board has adopted with approval; Independent Director's objection to or reservations about the exemption; the retention of the exemption; the reasons for the exemption; and the provisions applicable for the exemption, so that shareholders are able to assess its appropriateness and to protect the Company's rights.

Chapter 4 Information Disclosure Method

Article 12: The Guidelines shall be disclosed on the Company's website, annual report, prospectuses and MOPS. The same procedure applies when the amendments are made.

Chapter 5 Supplementary Provisions

Article 13: The Code shall be implemented after approval by the Board of Directors and reported to the shareholders' meeting. The same procedure applies to amendments.

3.4.8.2 Managers and financial officer of the Company attend continuing education and training relevant to corporate governance every year, and all equip professional knowledge, their training status is as follow:

Position	Name	Date of Training	Main Institution of the Study	Course of Study	Training Hours
President	Ann-De Tang	2023.9.23	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
		2023.9.23		Carbon Credit Trading Mechanism and Application of Carbon Management	3
Vice President	Lien-Jui Lu	2023.9.23	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
		2023.9.23		Carbon Credit Trading Mechanism and Application of Carbon Management	3
Vice President	Kuo-Chun Chiang	2023.7.4	Taiwan Stock Exchange Corporation	2023 Cathay Sustainable Finance and Climate Change Summit	3
		2023.10.3	Securities and Futures Institute	Introduction to the Adjudication Law for Disputes over Corporate Governance and Commercial Matters	3
		2023.10.3		Directors and supervisors should supervise the enterprise's risk management and crisis handling	3
Financial Officer	Zhen-Xiao Lei	2023.10.3	Securities and Futures Institute	Introduction to the Adjudication Law for Disputes over Corporate Governance and Commercial Matters	3
				Directors and supervisors should supervise the enterprise's risk management and crisis handling	3
Internal Auditing Officer	Kuo-Chun Ai	2023.8.25 2023.8.28 2023.8.29	The Institute of Internal Auditors-Chunese	Training Workshop for Newly Appointed Internal Audit Staff in Enterprises	18
Accounting Officer and Company Secretary	Wen-Feng Chiang	2023.6.13	China Enterprise Accounting Association	IFRS 15	3
		2023.9.13		Preparation of Consolidated Financial Statements	3
		2023.10.26		Management Practices for Transfer Pricing Risk	3
		2023.11.15		Taiwan's Alignment with IFRS Sustainability Disclosure Standards Blueprint	3
		2023.9.23	Securities and Futures Institute	Global Economic Outlook and Industrial Trends in 2024	3
		2023.9.23		Carbon Credit Trading Mechanism and Application of Carbon Management	3
		2023.10.3		Introduction to the Adjudication Law for Disputes over Corporate Governance and Commercial Matters	3
		2023.10.3		Directors and supervisors should supervise the enterprise's risk management and crisis handling	3

3.4.8.3 Certification of Employees Whose Jobs are Related to the Release of the Company’s Financial Information

1. Accounting Department: 1 Certified Public Accountant and 2 accredited bookkeeper.
2. Internal Audit Department: 1 Certified Public Accountant.

3.4.8.4 Major internal information processing within the Company

1. The Company has always emphasized the principles of “diligence, perseverance, frugality, and trustworthiness” and has set strict ethical guidelines. We expect the employees to follow various codes of conduct and ethical guidelines in a responsible manner in their work and daily life. Employees are not allowed to engage in leaking trade secrets, false accounts, malpractices and rumors.
2. The Company has established the “Operating Procedures for Handling Material Inside Information” to specify the scope of material inside information, to require the Directors, managers and employees to keep the inside material information confidential, and to establish the confidentiality mechanism for material inside information and the provision of penalties for non-compliance. Internal evaluation and approval shall be obtained before public disclosure of material information and the Company's spokesperson or acting spokesperson shall speak on behalf of the Company in principle. In addition, the internal material information processing procedures are incorporated into the internal control and internal audit system, and training is provided on a timely basis.
3. The Company also has established “Personnel Management Rules”. Employees are informed that unless a written permission has been given, no company information or other unpublished information can be disclosed. Neither should it be used for personal gains or other purposes.
4. The Company has also set up a "Code for the Spokesperson" to detail principles for information disclosure and major irregularities at the plants. Except for company spokespersons, no employee is allowed to disclose policy, operations and business-related information to media reporters and outsiders in order to avoid violations and insider trading.

3.4.9 Implementation Status of the Internal Control System

3.4.9.1 Internal Control System Statement

Nan Ya Printed Circuit Board Corporation
Statement of Internal Control System

Date: February 29, 2024

The Company's internal control system for 2023 is announced based on the results of self-inspection.

1. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board and the Manager of the Company. The Company has established such system. The purpose of the Company's business is to provide reasonable assurance on the achievement of the objectives and efficiency (including profits, performance and protection of assets), the reliability, timeliness, transparency, and compliance with the relevant laws and regulations.
2. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives. Moreover, subject to changes in the environment and conditions, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system contains self-monitoring mechanisms and is in the process of making an accurate action.
3. The Company has made judgments on the effectiveness of internal control systems according to related provisions of the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Handling Guidelines"). The internal control system adopted in the "Handling Guidelines" is the process of the management control, and is divided into five elements: 1. The control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. supervision operations. Each constituent element includes a number of items. For the aforementioned item, please refer to the provisions of the Regulations.
4. The Company has adopted the abovementioned internal control system assessment project to evaluate the effectiveness of the internal control system's design and implementation.
5. Based on the results of the previous assessment, the Company believes that its internal control system (including supervision and management of subsidiaries) on December 31, 2023 was considered effective, including the understanding of the operation effectiveness and the extent the efficiency objectives have achieved; the system's reporting is reliable, timely, transparent, and in compliance with the relevant norms and related laws and regulations; and the design and implementation of the relevant internal control system. The Company can reasonably ensure the achievement of the above objectives.
6. This Statement will become the main content of the Company's annual report and prospectus, and shall be made public. If the content made public contain any misrepresentations, nondisclosures, or other illegal matters, the Company shall assume the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This report has been approved by the Board of Directors on February 29, 2024. Among the 9 Directors present, none of them expressed dissenting opinions and all the other Directors agreed with the content of the Statement.

Nan Ya Printed Circuit Board Corporation

Chairman: Chia-Chau Wu

President: Ann-De Tang

3.4.9.2 If CPA was engaged to conduct a special audit of internal control system, provide its audit report: None.

3.4.10 If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the prospectus publication date, where the result of such penalty could have a material effect on shareholder equity or securities prices, the prospectus shall disclose the penalty, the main shortcomings, and the condition of improvement: None.

3.4.11 Major Resolutions of Shareholders' Meetings and Board Meetings:

3.4.11.1 Annual Shareholders' Meeting held on May 23, 2023.(The Annual Shareholders' Meeting will be held in person.)

Directors that attended the Shareholders' Meeting: Chia-Chau Wu, Ming-Jen Tzou, Ann-De Tang, Lien-Jui Lu (the above are Directors), Ta-Sheng Lin (the above is an Independent Director and the Convener of the Audit Committee), and more than half of the nine directors.

(1) Ratification Items

Item1

Subject: The Company's 2022 Financial Statements were prepared according to law, please make a resolution.

(Proposed by the Board of Directors)

Resolution: The total number of voting rights present at the shareholder meeting for this case was 533,190,222. The voting results are as follows: 512,047,324 voting rights approved (of which 511,574,651 were exercised electronically), accounting for 96.03% of the total voting rights; 33,216 voting rights opposed (of which 33,216 were exercised electronically); 0 invalid voting rights; and 21,109,682 abstentions or non-votes (of which 21,027,352 were exercised electronically). The number of voting rights has exceeded the required amount and the proposal has been adopted as proposed.

Implementation status: Acknowledged according to the resolution of the shareholders' meeting.

Item2

Subject: The Company's 2022 Earnings Distribution Proposal was prepared according to law, please make a resolution.

(Proposed by the Board of Directors)

Resolution: The total number of voting rights of shareholders at the time of voting in this case was 533,190,222; the result of the vote--approved votes 511,766,091 rights (including the voting rights of 511,293,418 by electronic means), accounting for 95.98% of the total voting rights; disapproved votes 519,461 rights (including the electronic voting rights 519,461); invalid votes 0 right; abstained and not voting 20,904,670 rights (which exercise the voting rights of 20,822,340 by electronic means). The number of voting rights has exceeded the required amount and the proposal has been adopted as proposed.

Implementation status: The Board of Directors on February 24, 2023 passed the resolution of distributing a cash dividend of NT$18 per share. After May 23, 2023, the Board of Directors set June 21, 2023 as the benchmark date for cash dividend distribution, and it will be distributed on July 19.

(2) Election Items

Subject: The Company's Directors have their tenure nearly expired. Please elect the Board of Directors to conform to the applicable laws.

(Proposed by the Board of Directors)

Election Results：At the time of the vote, the total number of shares represented by attending shareholders' representatives was 533,190,222. The election results were announced on the spot by the Chairman, as directed by the Secretary of the meeting. The list of elected directors (including independent directors) and their respective voting shares is as follows:

A. 6 individuals have been elected as directors of the Company.

Name	Rights
Representative of Nan Ya Plastics Corp. Chia Chau Wu	732,822,824
Representative of Nan Ya Plastics Corp. Wen Yuan Wong	647,888,759
Representative of Nan Ya Plastics Corp. Ming Jen Tzou	549,131,977
Ann-De Tang	485,081,169
Lien-Jui Lu	455,792,599
Kuo-Chun Chiang	428,336,657

B. 3 individuals have been elected as independent director of the Company.

Name	Rights
Ta-Sheng Lin	405,963,291
Jen-Hsuen, Jen	356,027,384
Shui-Chi Chuang	305,787,412

Execution Status: Pursuant to the resolution of the shareholders' meeting, the registration change was approved by the Ministry of Economic Affairs and recorded on June 9, 2023.

(3)Discussion Items

Item 1

Subject: Appropriateness of releasing the newly elected Directors and the juristic person shareholder which appointed their authorized representatives to be elected as directors, from non-competition restrictions. Please discuss and resolve. Proposed by the Board of Directors

(Proposed by the Board of Directors)

Resolution: The total number of voting rights of shareholders at the time of voting in this case was 533,190,222; the result of the vote--approved votes 500,952,043 (including 500,479,370 of electronic voting rights), accounting for 93.95% of the total voting rights; disapproved votes: 2,944,528 rights (including 2,944,528 of electronic voting rights); invalid votes 0 right; abstained and not voting 29,293,651 rights (including 29,211,321 of electronic voting rights). The number of voting rights has exceeded the required amount and the proposal has been adopted as proposed.

Implementation status: In accordance with the resolution of the shareholders' meeting, a major announcement was made through the Market Observation Post System (MOPS) from May 23, 2023.

(4) Extraordinary Motions

Shareholder account number 0166421 inquired about the Company's response to the reduction in capital expenditures by competitors. The chairman provided an explanation and response to the inquiry.

3.4.11.2 2023 1st meeting of the Board of Directors held on February 24, 2023.

Item 1

Subject: To propose the 2022 Employee Compensation, please make a resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Passed by all attending Directors with no dissent, and submitted to the 2023 Annual Shareholders' Meeting.

Item 2

Subject: To prepare for the 2022 Financial Statements and the 2023 Business Plan, please make a resolution. (The Secretariat reported that the attached materials of this proposal have been submitted to the Audit Committee for approval, and Vice President Mr. Lu of the President's Office would report on the 2022 operating status and the 2023 Business Plan.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item 3

Subject: To prepare for the Earnings Distribution for 2022, please make the resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: (1)All attending directors unanimously approved the distribution of cash dividends totaling NT$11,630,978,766, at NT$18 per share, and to report to the shareholders' meeting for the year 2023.

(2)All attending directors unanimously approved submitting the profit distribution proposal to the shareholders' meeting for the year 2023 for approval.

Item 4

Subject: Please approve the proposal for holding the 2023Annual Shareholders' Meeting on May 23 2023

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item 5

Subject: Please approve the proposal to re-elect all directors at the shareholders' meeting in 2023.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item 6

Subject: The manager's performance salary adjustment plan in the first half of 2023 is intended to be executed in accordance with that of all employees. Please make the resolution.

(Three of the Directors, Ann-De Tang, Lien-Jui Lu, and Chief Governance Officer Wen-Feng Chiang, who were concerned parties in this proposal, were requested to recuse themselves from voting.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item 7

Subject: To propose the adoption of a resolution for the establishment of a pre-approval policy for non-assurance services provided by the Company's auditing firm.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item 8

Subject: Prepare the Company's 2022 "Statement of Internal Control System", please make the resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

3.4.11.3 2023 2nd meeting of the Board of Directors held on April 12, 2023.

Item 1

Subject: To propose the adoption of a resolution for the submission of a list of director candidates (including independent directors) by shareholders holding more than 1% of the total issued shares of the Company.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: All attending directors have agreed to approve the inclusion of the director (including independent directors) candidate list for the 2023 Annual General Meeting of Shareholders.

Item 2

Subject: To propose to the shareholders' meeting for approval the lifting of restrictions on directors' competitive activities, please put forward the resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

(Four attending members, including the Chairman of the Board, Directors Wen-Yuan Wong, Ming-Jen Tzou, Ta-Sheng Lin, and Shyur-Jen Chien, were conflicted parties in this matter and therefore were required to recuse themselves. The Chairman of the Board designated Cheng-I Wang, an Independent Director, as the acting chairperson.)

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

3.4.11.4 2023 3rd meeting of the Board of Directors held on May 4, 2023.

Item1

Subject: To prepare the 2023 Q1 Financial Statements, please make a resolution.

(The operating status of 2023 Q1 will be reported by Vice President Lu from the President's office.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item2

Subject: To Amend the Company's "Internal Control System" and "Internal Audit Enforcement Rules", please make a resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

3.4.11.5 2023 4th meeting of the Board of Directors held on May 23, 2023.

Item1

Subject: To propose the resolution for the election of the Chairman of the Company.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: The unanimous decision of all attending directors to elect Chia-Chau Wu as the Chairman.

Item2

Subject: To propose the establishment of the ex-dividend date and payment date for the cash dividend distribution for 2022 of the Company.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item3

Subject: To propose the appointment of Ta-Sheng Lin, Shyur-Jen Chien, and Shui-Chi Chuang as members of the Compensation Committee.

(The Independent Directors Ta-Sheng Lin, Shyur-Jen Chien, and Shui-Chi Chuang, among others, totaling three members, were conflicted parties in this matter and therefore were required to recuse themselves.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item4

Subject: To appoint Chia-Chau Wu, Ann-De Tang, Ta-Sheng Lin, Shyur-Jen Chien, and Shui-Chi Chuang as members of the Sustainability Committee.

(Five attending members, including the Chairman of the Board, Directors Ta-Sheng Lin, Shyur-Jen Chien, Shui-Chi Chuang, and Director An-Te Tang, were conflicted parties in this matter and therefore were required to recuse themselves. The Chairman of the Board designated Ming-Jen Tzou, an Independent Director, as the acting chairperson.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

3.4.11.6 2023 5th meeting of the Board of Directors held on August 3, 2023.

Item1

Subject: To prepare the 2023 Q2 Financial Statements, please make a resolution.

(The operating status of 2023 Q2 will be reported by Vice President Lu from the President's office.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item2

Subject: To propose the remuneration of the current directors of the Company.

(The Independent Directors Ta-Sheng Lin, Shyur-Jen Chien, and Shui-Chi Chuang, among others, totaling three members, were conflicted parties in this matter and therefore were required to recuse themselves.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item3

Subject: Please approve on the proposal detailing the current executive compensation standards and structure of the Company.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item4

Subject: Please approve on the proposal to continue using the current executive performance evaluation system of the Company, as detailed.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

Item 5

Subject: The pay increase percentage for the Company's managers in 2023 is proposed to be no higher than that of the employees, please make the resolution.

(Directors Ann-De Tang, Lien-Jui Lu, Kuo-Chun Chiang and Chief Governance Officer Wen-Feng Chiang, who were concerned parties in this proposal, and were requested to recuse themselves from voting.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item6
Subject: To propose the hiring of a new Internal Audit Manager for the Company.
(The attending supervisor Kuo-Chun Ai was concerned parties in this case, should recuse himselve.)
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

3.4.11.7 2023 6th meeting of the Board of Directors held on November 2, 2023.

Item1
Subject: To prepare the 2023 Q3 Financial Statements, please make a resolution.
(The operating status of 2023 Q3 will be reported by Vice President Lu from the President's office.)
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 2
Subject: To draft the Company's 2024 Audit Plan, please make a resolution.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 3
Proposal: To propose changing the registered address of the Company.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 4
Subject: For the approval of the Company's credit limits with financial institutions for operational needs.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

3.4.11.8 2024 1st meeting of the Board of Directors held on Feb. 29, 2024.

Item 1
Subject: To propose the 2023 Employee Compensation, please make a resolution.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Passed by all attending Directors with no dissent, and submitted to the 2024 Annual Shareholders' Meeting.

Item 2
Subject: To prepare for the 2023 Financial Statements and the 2024 Business Plan, please make a resolution.
(The Secretariat reported that the attached materials of this proposal have been submitted to the Audit Committee for approval, and Vice President Mr. Lu of the President's Office would report on the 2023 operating status and the 2024 Business Plan.)
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 3
Subject: To prepare for the Earnings Distribution Table for 2023, please make the resolution.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 4
Subject: Please approve the proposal for holding the 2024Annual Shareholders' Meeting on May 28 2024.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 5
Subject: To propose amending the articles of association of the Company.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item 6
Subject: Prepare the Company’s 2023 “Statement of Internal Control System”, please make a resolution.
Opinions expressed by the Independent Directors and relevant follow-up actions: None.
Resolution: Approved by all Directors in attendance.

Item7
Subject: To propose signing a "Lease Agreement" with Nan Ya Plastics

Corporation.

(Three attending members, including the Chairman of the Board, Directors Wen-Yuan Wong and Ming-Jen Tzou were conflicted parties in this matter as they respectively hold positions as Chairman, Executive Director, Director, or legal representative of Nan Ya Plastics Corporation. Therefore, they were required to recuse themselves. The Chairman of the Board designated Shyur-Jen Chien, an Independent Director, as the acting chairperson.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item8

Subject: For the proposals of transactions with related parties, please make a resolution.

(Four attended members, including the Chairman of the Board, Directors Ann-De Tang, Lien-Jui Lu and Kuo-Chun Chiang shall enter recusal due to their positions as the Chairman of the Board, Director and President, or Supervisor of Nan Ya Printed Circuit Board (Kunshan) Co., Ltd. The Chairman of the Board designated Shyur-Jen Chien, the Independent Director, as the acting chairperson.)

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Except for the Directors who shall enter recusal due to conflict of interests, all other Directors in attendance voted in favor of adopting the proposal.

Item9

Subject: To replace the Company's auditor for financial statements.

Opinions expressed by the Independent Directors and relevant follow-up actions: None.

Resolution: Approved by all Directors in attendance.

3.4.12 Major Issues of Record or Written Statements Made by Any Directors or Supervisors which Specified his/her Dissent to Important Resolutions Passed by the Board of Directors as of the Publication Date of the Annual Report: None.

3.4.13 Resignation or Dismissal of Chairman, President, and Accounting Officer, Financial Officer, Internal Audit Officer, Corporate Governance Officer and R&D Officer as of the Date of this Annual Report:

Position	Name	Commencement Date	Termination Date	Reason for Resignation or Termination
Internal audit officer	Feng-Shen Lin	2020.5.11	2023.7.20	Retirement

3.5 Information Regarding the Company's Audit Fees

3.5.1 The amount of public audit fees and non-audit public fees paid to the certified public accountants, their affiliated firms and affiliated enterprises, and the content of non-audit services should be disclosed

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total	Remarks
KPMG Certified Public Accountants Firm	Hui-Chih Ko	2023.1.1 ~ 2023.12.31	2,005	1,087	3,092	Note2
	Tzu-Hui Lee					

Note1: If there has been a change of certified public accountants or independent public accounting firm during the current fiscal year, the Company shall disclose the information regarding the audit period covered by the predecessor auditor and successor auditor as well as the reasons for change of auditors in the commentary column, as well as to disclose the audit and non-audit fees paid. There should be remark to explain the content of the non-audit fees.

Note 2: Non-audit public fees include English quarterly financial reports, tax visas, transfer pricing tax consulting, annual repayment audits and Full-time Employee Salary Information Checklist, etc.

3.5.2 If there is any change in the appointed in dependent auditors and the Company's annual auditing expenses decreased simultaneously, information regarding the amount, percentage and reasons for the decrease in auditing expenses shall be disclosed：None.

3.5.3 Auditing expenses decreased by 10% in comparison to the previous year, information regarding the amount, percentage and reason for the decrease in auditing expenses shall be disclosed：None.

3.6 Replacement of CPA:

3.6.1 About former CPA:

<table>
<tr><td>Change date</td><td colspan="5">February 29, 2024</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="5">Original auditor Hui-Chin Ko and Tzu-Hui Lee, in accordance with internal staffing adjustments within the accounting firm, starting from the first quarter of the year 2024, the financial reports will be audited and certified by auditors Hsin-Yi Kuo and Tzu-Hui Lee.</td></tr>
<tr><td rowspan="3">Note that the appointment or accountant terminates or does not accept the appointment</td><td colspan="3">party
situation</td><td>accountant</td><td>appointer</td></tr>
<tr><td colspan="3">Take the initiative to terminate the appointment</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td colspan="3">No longer accept (continue) appointment</td><td>Not Applicable</td><td>Not Applicable</td></tr>
<tr><td>Comments and reasons for the issuance of unqualified opinions outside the latest two years</td><td colspan="5">N/A</td></tr>
<tr><td rowspan="7">Opinions different from those of issuer</td><td rowspan="5">Yes</td><td></td><td colspan="3">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="3">Disclosure of financial reports</td></tr>
<tr><td></td><td colspan="3">Check the scope or step</td></tr>
<tr><td></td><td colspan="3">Other</td></tr>
<tr><td></td><td colspan="3"></td></tr>
<tr><td>N/A</td><td colspan="4">V</td></tr>
<tr><td colspan="5">Description</td></tr>
<tr><td>Other Disclosures (Disclosures required in Item 1-4 to 1-7, Subparagraph 6, Article 10 of these Regulations)</td><td colspan="5">N/A</td></tr>
</table>

3.6.2 About the successor CPA

Office name	KPMG Certified Public Accountants Firm
CPA name	Hsin-Yi Kuo and Tzu-Hui Lee.
Date of appointment	February 29, 2024
Consultation given on accounting treatment or accounting principle adopted for any specific transactions and on possible opinion issued on financial report prior to appointment and results	N/A
Successor CPA's written opinion on the different opinions of the former accountant	N/A

3.7 The Company's Chairman, Executive Officer, Financial Officer, and Managers in Charge of its Finance and Accounting Operations did not Hold Any Positions in the Company's Independent Auditing Firm or its Affiliates during 2023: None.

3.8 Change in Shareholdings and in Shares Pledged by Directors, Management, and Shareholders Holding more than 10% Share in the Company.

3.8.1 Change in Shareholding of Directors, Managers and Major Shareholders

Unit: Shares

Title	Name	2023		As of March 30,2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Nan Ya Plastics Corporation	0	0	0	0
	Chia-Chau Wu	0	0	0	0
Director	Nan Ya Plastics Corporation	0	0	0	0
	Wen-Yuan Wong	0	0	0	0
Director	Nan Ya Plastics Corporation	0	0	0	0
	Ming-Jen Tzou	0	0	0	0
Director	Nan Ya Plastics Corporation	0	0	0	0
	Chia-Fung Chang (Note1)	0	0	0	0
Director and President	Ann-De Tang	0	0	0	0
Director and Vice President	Lien-Jui Lu	0	0	0	0
Director and Vice President	Kuo-Chun Chiang (Note2)	0	0	0	0
Independent Director	Ta-Sheng Lin	0	0	0	0
Independent Director	Cheng-I Wang (Note1)	0	0	0	0
Independent Director	Shyur-Jen Chien	0	0	0	0
Independent Director	Shui-Chi Chuang (note3)	0	0	0	0
Associate Vice President	Yung-Chi Lin	0	0	0	0
Associate Vice President	Kuo-Lung Chen	0	0	0	0
Associate Vice President	Mao-Sung Huang	0	0	0	0
Associate Vice President	Kuan-Li Wang	0	0	0	0
Associate Vice President	Sung-Lung Chien	0	0	0	0
Financial Officer	Zhen-Xiao Lei	0	0	0	0
Accounting Officer	Wen-Feng Chiang	0	0	0	0
Major Shareholder	Nan Ya PlasticsCorporation	0	0	0	0

Note1：Director Chia-Fung Chang and Independent Director Cheng-I Wang did not continue their tenure as directors after the shareholders' meeting on May 23, 2023. Their equity transfer and changes in equity pledge status are calculated up to May 23, 2023.

Note2：Vice President Kuo-Chun Chiang was appointed as a new director at the shareholders' meeting on May 23, 2023.

Note3：Independent Director Shui-Chi Chuang was appointed as a new director at the shareholders' meeting on May 23, 2023. His shareholding transfers and changes in pledged shares are calculated from May 23, 2023.

3.8.2 Information of shares trade or pledge: N/A.

3.9 Relationship among the Top Ten Shareholders

Unit: Shares; %；March 30, 2024

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Nan Ya Plastics Corp. Chairman:Chia-Chau Wu	432,744,977	66.97	0	0	0	0	None	None	None
Yuanta Taiwan High Dividend Equity Fund Account	8,862,198	1.37%	0	0	0	0	None	None	None
Standard Chartered International Commercial Bank branch holds custody of the Bernstein Fund Company's International Strategic Equity Portfolio Investment Account.	7,108,000	1.10%	0	0	0	0	None	None	None
Cathay Life Insurance Co., Ltd. Chairman: Ming-Ho Hsiung	2,545,000	0.39%	0	0	0	0	None	None	None
J.P. Morgan Chase Bank Taipei Branch, entrusted to manage the custody of Stichtingh Deposit APG Emerging Market Equity Mutual Fund Investment Account.	2,146,772	0.33%	0	0	0	0	None	None	None
HSBC Bank (Taiwan) Commercial Bank Limited, entrusted to manage the custody of Wisconsin Investment Committee Investment Account.	1,453,000	0.22%	0	0	0	0	None	None	None
J.P. Morgan Chase Bank, Taipei Branch, entrusted to manage the custody of the Vanguard Institutional Index Fund Institutional Plus Shares.	1,391,000	0.22%	0	0	0	0	None	None	None
Standard Chartered International Commercial Bank, Branch, entrusted to manage the custody of the Government Pension Fund.	1,365,000	0.21%	0	0	0	0	None	None	None
Meng-chao Zeng	1,350,000	0.21%	0	0	0	0	None	None	None
New Labor Retirement Fund	1,290,000	0.20%	0	0	0	0	None	None	None

Note 1: The fore 10 shareholders have to be listed, corporate shareholder and representative name have to be liseted respectively.
Note 2: Shareholding ratio calculation is the ratio by own name, spouse, unadult children or others.
Note 3: All fore listed shareholdrs'relationship between corporate shareholder and natural person have to be exposed.
Note 4: Shareholding ratio less than 0.01% is noted by "-".

3.10 The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, the Company's Directors, Supervisors, Managers, and Any Companies Controlled either Directly or Indirectly by the Company:

Unit: shares;% ；December 31, 2023

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/ Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Nan Ya PCB (Hong Kong) Co.,Ltd	2,152,020,000	100	0	0	2,152,020,000	100
Nan Ya PCB (Kunshan) Co., Ltd.	NA	0	NA	100	NA	100
Nan Ya PCB (USA) Co., Ltd.	1,000,000	100	0	0	1,000,000	100

Note 1：Under the equality method.

IV. Capital and Shares

4.1 Capital and Shares

4.1.1 Source of Capital

Unit: Shares, NT$; March 30, 2024

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
1997.10	10	200,000,000	2,000,000,000	050,000,000	500,000,000	Original shareholder contribution	None	Note1
1998.04	10	200,000,000	2,000,000,000	200,000,000	2,000,000,000	cash capital increase	None	Note2
1999.05	20	500,000,000	5,000,000,000	300,000,000	3,000,000,000	cash capital increase	None	Note3
2000.08	10	500,000,000	5,000,000,000	351,000,000	3,510,000,000	Capital increase by retained earning	None	Note4
2000.09	40	500,000,000	5,000,000,000	400,000,000	4,000,000,000	cash capital increase	None	Note5
2001.08	10	500,000,000	5,000,000,000	464,000,000	4,640,000,000	Capital increase by retained earning	None	Note6
2002.09	10	500,000,000	5,000,000,000	482,560,000	4,825,600,000	Capital increase by retained earning	None	Note7
2004.09	10	504,825,600	5,048,256,000	487,385,600	4,873,856,000	Capital increase by retained earning	None	Note8
2005.09	10	621,700,000	6,217,000,000	516,628,736	5,166,287,360	Capital increase by retained earning	None	Note9
2006.01	27.3	621,700,000	6,217,000,000	519,924,736	5,199,247,360	Exercised ESOP	None	Note10
2006.04	250	621,700,000	6,217,000,000	599,924,736	5,999,247,360	cash capital increase	None	Note11
2006.04	27.3	621,700,000	6,217,000,000	600,305,736	6,003,057,360	Exercised ESOP	None	Note10
2006.07	27.3	621,700,000	6,217,000,000	600,318,736	6,003,187,360	Exercised ESOP	None	Note10
2007.02	21.3	621,700,000	6,217,000,000	601,448,736	6,014,487,360	Exercised ESOP	None	Note10
2007.03	21.3	621,700,000	6,217,000,000	601,508,736	6,015,087,360	Exercised ESOP	None	Note10
2007.06	21.3	621,700,000	6,217,000,000	601,518,736	6,015,187,360	Exercised ESOP	None	Note10
2007.09	21.3	621,700,000	6,217,000,000	601,525,736	6,015,257,360	Exercised ESOP	None	Note10
2007.10	10	700,000,000	7,000,000,000	617,163,403	6,171,634,030	Capital increase by retained earning	None	Note12
2007.12	10	700,000,000	7,000,000,000	617,928,403	6,179,284,030	Exercised ESOP	None	Note10
2008.03	10	700,000,000	7,000,000,000	618,013,403	6,180,134,030	Exercised ESOP	None	Note10
2008.05	10	700,000,000	7,000,000,000	618,092,403	6,180,924,030	Exercised ESOP	None	Note10
2008.08	10	700,000,000	7,000,000,000	618,145,403	6,181,454,030	Exercised ESOP	None	Note10
2008.12	10	700,000,000	7,000,000,000	618,157,403	6,181,574,030	Exercised ESOP	None	Note10
2009.09	10	700,000,000	7,000,000,000	630,398,531	6,303,985,310	Capital increase by retained earning	None	Note13
2010.03	10	700,000,000	7,000,000,000	630,399,531	6,303,995,310	Exercised ESOP	None	Note10
2010.08	-	700,000,000	7,000,000,000	624,298,531	6,242,985,310	Repurchased shares were canceled	None	Note14
2011.08	10	700,000,000	7,000,000,000	643,027,487	6,430,274,870	Capital increase by paid-in capital	None	Note15
2011.08	75.4	700,000,000	7,000,000,000	644,450,487	6,444,504,870	Exercised ESOP	None	Note16
2011.12	75.4	700,000,000	7,000,000,000	646,164,487	6,461,644,870	Exercised ESOP	None	Note16
2012.03	75.4	700,000,000	7,000,000,000	646,165,487	6,461,654,870	Exercised ESOP	None	Note16

Note 1: The Company founded with NT$500 million of share capital in October 1997.
Note 2: The cash capital increase was approved by: The Securities and Futures Bureau (SFB) certificate No. 22608 issued on March 5, 1998.
Note 3: The cash capital increase was approved by: The Securities and Futures Bureau (SFB) certificate No. 27431 issued on March 19, 1999
Note 4: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No.58813 issued on July 7, 2000.
Note 5: The cash capital increase was approved by: The Securities and Futures Bureau (SFB) certificate No. 58814 issued on July 7, 2000
Note6: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No. 146720 issued on July 18, 2001.
Note 7: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No. 0910143096 issued on August 6, 2002.
Note 8: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No.0930134967 issued on August 5, 2004.
Note 9: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No.0940133208 issued on August 12, 2005.
Note 10: The capital increase through issuance of employee stock warrants was approved by: The Securities and Futures Bureau (SFB) certificate No. 0920127845 issued on June 25, 2003.
Note 11: The cash capital increase was approved by: The Securities and Futures Bureau (SFB) certificate No. 095016446 issued on March 1, 2006.
Note12: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No.0960015115 issued on September 13, 2007.
Note13: The capital increase through capitalization of retained earnings was approved by: The Securities and Futures Bureau (SFB) certificate No.0980034347 issued on July 10, 2009.
Note 14: The treasury stock cancellation approval number: Taiwan Stock Exchange certificate No. 09900255301 issued on August 27, 2010.
Note 15: Capital increase through capitalization of capital reserve was approved by: The Financial Supervisory Commission (FSC) Certificate No. 000030866 issued on July 5, 2011.
Note 16: The capital increase through issuance of employee stock warrants was approved by: The Securities and Futures Bureau (SFB) certificate No. 0980028576 issued on June 9, 2009.

Unit: Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
Common Stock	646,165,487	53,834,513	700,000,000	Listed company stock

4.1.2 Status of Shareholders

March 30, 2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	2	9	220	60,542	560	61,333
Shareholding (shares)	17,800	5,118,707	452,436,935	135,946,181	52,645,864	646,165,487
Percentage	0.00%	0.79%	70.02%	21.04%	8.15%	100.00%

4.1.3 Shareholding Distribution StatusCommon Shares

March 30, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	22,284	4,177,023	0.65
1,000 ~ 5,000	33,973	62,740,418	9.71
5,001 ~ 10,000	2,973	22,632,176	3.50
10,001 ~ 15,000	766	9,827,620	1.52
15,001 ~ 20,000	422	7,639,577	1.18
20,001 ~ 30,000	326	8,268,684	1.28
30,001 ~ 40,000	162	5,815,397	0.90
40,001 ~ 50,000	93	4,331,690	0.67
50,001 ~ 100,000	162	11,578,758	1.79
100,001 ~ 200,000	84	11,931,033	1.85
200,001 ~ 400,000	43	12,888,483	1.99
400,001 ~ 600,000	17	8,045,442	1.25
600,001 ~ 800,000	7	4,621,641	0.72
800,001 ~ 1,000,000	6	5,703,598	0.88
1,000,001 or over	15	465,963,947	72.11
Total	61,333	646,165,487	100.00

4.1.4 List of Major Shareholders

List all shareholders with a stake of 5 percent or greater, or the names of the top ten shareholders.

March 30, 2024

Shareholder's Name	Shareholding	
	Shares	Percentage
Nan Ya Plastics Corp.	432,744,977	66.97%
Yuanta Taiwan High Dividend Equity Fund Account	8,862,198	1.37%
Standard Chartered International Commercial Bank branch holds custody of the Bernstein Fund Company's International Strategic Equity Portfolio Investment Account.	7,108,000	1.10%
Cathay Life Insurance Co., Ltd.	2,545,000	0.39%
J.P. Morgan Chase Bank Taipei Branch, entrusted to manage the custody of Stichtingh Deposit APG Emerging Market Equity Mutual Fund Investment Account.	2,146,772	0.33%
HSBC Bank (Taiwan) Commercial Bank Limited, entrusted to manage the custody of Wisconsin Investment Committee Investment Account.	1,453,000	0.22%
J.P. Morgan Chase Bank, Taipei Branch, entrusted to manage the custody of the Vanguard Institutional Index Fund Institutional Plus Shares.	1,391,000	0.22%
Standard Chartered International Commercial Bank, Branch, entrusted to manage the custody of the Government Pension Fund.	1,365,000	0.21%
Meng-chao Zeng	1,350,000	0.21%
New Labor Retirement Fund	1,290,000	0.20%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2023	2022
Market Price per Share(Note 1)		
Highest Market Price	313.00	597.00
Lowest Market Price	217.00	177.50
Average Market Price	261.25	292.93
Net Worth per Share		
Before Distribution	74.14	83.14
After Distribution(Note 12)	68.64	65.14
Earnings per Share		
Weighted Average Shares	646,165,487	646,165,487
Earnings Per Share(Note 3)	9.00	30.05
Dividends per Share		
Cash Dividends(Note 13)	5.5	18
Stock Dividends		
Dividends from Retained Earnings	0	0
Dividends from Capital Surplus	0	0
Accumulated Undistributed Dividends (Note 4)	0	0
Return on Investment		
Price / Earnings Ratio (Note 5)	28.53	11.35
Price / Dividend Ratio (Note 6)	46.69	18.95
Cash Dividend Yield Rate (Note 7)	2.14	5.28

Note 1: List the highest and lowest market price of common shares for each year, and calculate the average market price for each year based on the trading value and volume of the year.

Note 2: Please refer to the number of the outstanding issued shares at year end, and fill in the allocation status according to the resolution adopted in the next year's shareholders' meeting.

Note 3: If there is a retroactive adjustment due to circumstances such as stock dividend distribution, the earnings per share before and after adjustment should be presented.

Note 4: If there is any condition in issuing equity securities that has not been distributed for the current year to accumulated dividends that have been paid up to the subsequent year, the Company shall separately disclose the accumulated undistributed dividends as of that year.

Note 5: P/E Ratio = Average closing price for each share for the year/Earnings per share

Note 6: P/D ratio = Average closing price per share for the current fiscal year/Cash dividend per share

Note 7: Cash dividend yield = Cash dividend per share / Average closing price per share for the current year

Note 8: The net value per share and earnings per share shall be filled in with the information of the account audited (reviewed) in the most recent quarter up to the annual report date; other columns shall be filled in information of the current year up to the publication date of the Annual Report.

Note 9: Net worth per share = shareholders' equity / (number of common shares + number of preferred shares (under shareholders' equity) + capital collected in advance (under shareholders' equity) - number of treasury shares held by the parent company and its subsidiaries).

Note 10: The "market price per share" in the table above is based on the information of Taiwan Stock Exchange Corporation.

Note 11: The figures for “dividends per share” above are the dividends for the current year, and to be distributed next year.

Note 12: The figure for “after distribution” in 2023 is calculated according to the cash dividend approved by the resolution of the board of directors on February 29, 2024.

Note 13: The cash dividend of 2023 will be made after the Board of Directors sets the distribution base date.

4.1.6 Dividend Policy and Implementation Status

4.1.6.1 Dividend Policy of the Company's Articles of Incorporation

Article 20 of Incorporation of the Company:

Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulative earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting.

The Company's dividend policy adopts three methods: cash dividend, surplus profit distributed in the form of new shares, and capital reserve distributed in the form of new shares. After deducting the legal reserve and special reserve, at least 50% of the annual distributable surplus shall be distributed, with the priority of issuing cash dividends. The proportion of surplus profit distributed in the form of new shares and capital reserve distributed in the form of new shares shall not exceed 50% of the total dividend for the year.

4.1.6.2 Proposed Distribution of Dividend

The Company passed the resolution of the Board of Directors on February 29, 2024 to distribute cash dividends of NT$18 per share. The distribution will be made after the Board of Directors sets the distribution base date.

4.1.6.3 Expect Material Change in Dividend Policy: None.

4.1.7 Dividend Policy and Implementation Status: None

Proposed stock dividends were not set in the last Shareholders' Meeting and the Company itself is not required to disclose financial forecast.

4.1.8 Compensation of Employees, Directors and Supervisors

4.1.8.1 The percentage or scope of rewards for directors' compensation as set out in the Articles of Association:

1. Article 19 of Incorporation of the Company:
   When allocating the net profits for each fiscal year, the Company shall set aside 0.05% to 0.5% of the balance of pre-tax profit prior to deducting employees' compensation as compensation of employees. However, the Company's accumulated losses shall have been covered.
2. The Company's employee compensation policy adheres to the spirit of corporate governance, and is based on the principles of stimulating employee

performance and not diluting equity to protect shareholders' equity. The Company distributes all of its employees' equity in cash.

4.1.8.2The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The estimation basis for employees and directors' compensation is based on relevant laws and regulations, the Company's Articles of Incorporation and past experience. If the actual distributed amount is different from the estimated number, it will be treated as changes in accounting estimates and recognized as profit or loss for the next year.

4.1.8.3 Information on any approval by the Board of Directors of distribution of compensation:

Approved at the Shareholders' Meeting on February 29, 2024:

1. It is proposed that the cash distribution to employees is NT$14,384,521 and stock compensation is NT$0, which is not different from the estimated amount.
2. Employee compensation in the form of stock distribution is zero. The ratio of the total net profit after tax of individual financial statement on the total employee compensation in this period is zero.

4.1.8.4 The actual distribution of employees and directors' compensation for the previous fiscal year:

Passed by the Company's annual shareholders' meeting on February 24, 2023 and the actual distribution status:

1.It is proposed that the cash distribution to employees is NT$48,481,988 and stock compensation is NT$0, which is not different from the estimated amount

2.The actual amount of stock compensation for the employees is NT$0, which accounts for 0% of the sum of after-tax net profit and employee bonus in the parent company only financial report for this period.

3.The actual distribution of employee bonus and directors' remuneration are the same as that of the amount approved by the Board of Directors with no difference.

4.1.9 Repurchase of shares by the Company: None.

4.2 Corporate Bonds: None.

4.3 Status of Preferred Stock: None.

4.4 Issuance of Global Depositary Receipts: None.

4.5 Status of Employee Stock Options: None.

4.6 The status of new restricted employee shares: None.

4.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

4.8 Implementation of funds application plans: None.

V. Operations Overview

5.1 Business Content

5.1.1 Business Scope

5.1.1.1 Main Business Operations

1. CC01080 Electronic Parts and Components Manufacturing
2. CC1090 Batteries Manufacturing
3. I199990 Other Consultancy
4. ZZ99,999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

5.1.1.2 Business Distribution

December 31, 2023

Business Activities	Operating Revenue (NT$ thousands)	Proportion of Turnover (%)
Manufacturing and sale of printed circuit boards	41,572,138	98.39
Other operating income	680,440	1.61
Total	42,252,578	100.00

5.1.1.3 The Company's main product (services) project: printed circuit boards.

5.1.1.4 New products that are planned to be developed: New generation of high-end circuits boards.

5.1.2 Industry Overview

5.1.2.1 The Current Situation and Development of the Industry：

1. Conventional PCB:

   Because of lower technology barriers and encouraging policies from the China Government, there are plenty PCB manufacturers and the price competition is fierce. Peers have been lowering costs via capacity expansions to pursue the economic scale and maintain profits; however, this triggered an oversupply market and declining average selling prices of conventional PCBs. Automotive electronics and telecommunication are niche markets, those products yield better profits. Thus, PCB makers are eager to enter the fields.

2. IC Substrate:

   As the sales momentum of smart mobile devices has slowed down and the average sales price continues to decline, IC substrates for related applications are facing price pressures. Therefore, IC substrate manufacturers actively enter AI, efficient computing, 5G network communication equipment and system-in-package market with growth potential in line with the trend of the terminal market to increase profitability.

5.1.2.2 The Relations among the up, mid, and downstream in the Industry:

PCBs are the main carriers and indispensable components for the chip assembling and electronic part installation. The downstream industries include information, communication, networking, optical electronic, consumer electronic, automobile, delicate instruments, medical equipment, aerospace/military, and all kinds of industrial products. The copper clad laminate (CCL) is the upstream material for PCBs, and the raw materials of CCL include the copper foil, glass fabric, glass yarn, epoxy resin. The domestic supply chain is healthy and complete.

5.1.2.3 The Development Trend and Completion of Products:

1. Conventional PCB：

For the trend, lighter, thinner, shorter, and smaller, of electronics remains the same, high layer counts and thin circuits are still the PCB development tendencies. However, peers continue to expand capacities and the market has become severely oversupply, which impacts the average selling prices of PCBs. In addition, the rapid growth in the smartphone market drove PCB makers to enlarge HDI capacities. Consequently, the HDI is oversupply and the price keeps falling.

2. IC Substrate:

Due to the rapid changes in semiconductor packaging technology, the penetration of system-in-package technology in high-end wearable devices and mobile devices is increasing, driving the demand for system-in-package substrates; in addition, 5G network communication equipment, computers, servers, AI, efficient computing and automotive electronics use more high-end IC substrates. However, under the continuous and substantial increase in the production capacity of IC substrates, the shortage of supply has been significantly eased.

5.1.3 Overview of Technology and R&D

The Company continues to invest in technology research and development, and has obtained various patents and has been actively developing the following products:

5.1.3.1 Conventional PCB:

1. High density interconnection (HDI) PCB:

The Company mainly focused on the development of high-end blind via and high-density via technologies. The products include wearable devices, RF transmission products, high-end notebooks, solid-state drives, LED chips, automotive radar, low-earth orbit satellites, and power module products, among others

2. High layer count PCB:

The Company mainly focused on the development of multilayer board layer alignment, high aspect ratio electroplating, and impedance matching technologies. The products include high-end graphics cards, servers, and workstations.

5.1.3.2 IC substrate:

The manufacturing processes could be divided into the PP Substrate and ABF Substrate, regardless of the form of packaging, and the design trend is toward thinner lines, more micropores, slimmer and more layers.

1. PP Substrate:
The Company mainly engaged in mass production of PCBs using wire bonding and FC packaging methods. Currently, we focus on the development of high-value PCBs by advancing high aspect ratio via filling and high layer alignment technologies to enhance manufacturing capability and precision. This is aimed at solidifying our market-leading position through improved technical capabilities.Our main products are used in high-end stacked packaging, multi-core chips, power management chips, display driver chips, solid-state drive controller chips, and digital set-top boxes. They are primarily applied in smartphones, memory, TV chips, 5G high-frequency modules, and automotive processors.Additionally, SiP packaging products have entered the mature mass production stage, applied in modular components for mobile phones such as network communication, wearable devices, optical sensors, camera modules, etc., to meet the diverse applications of the future Internet of Things.

2. ABF Substrate:
The product is designed to be light, thin, short and small. This year, the focus is on the development of high layer count and large-sized PCB. The development of high-end PCB precision alignment technology for high-end communication substrates is heading toward high-speed I/O numbers and 90μm solder ball pitch technology. According to the technical challenges of future products, the Company not only strives to establish short-, medium- and long-term research and development projects for key processes to ensure that it continues to take lead in the future technology, but also introduces new materials such as highly reliable substrates and inks, low surface roughness and high dimensional stability substrates, and low signal loss buildup insulating films, to ensure the needs of future high-speed communication products are well met.

5.1.3.3 R&D expenses in the last 5 years up to the quarter of this annual report:

Unit: NT$ thousands

Year	2023	2022	2021	2020	2019
R&D expenses	477,967	584,131	550,174	460,175	455,396

Note:R&D expenses include research, development and improvement costs.

5.1.4 The Long-term and Short-term Operation Plans

5.1.4.1 Short-term Operation Plans:

Because the upstream semiconductor continues to evolve, the end devices also become smaller. Our focuses are enhancing PCB and IC substrate technologies with high density and thinning, and winning potential clients. By matching the changes in popular electronic products, we keep adjusting our product mix, accelerating the upgrades in equipment of high value-added products, and optimizing the manufacturing process to boost our values and profits.

5.1.4.2 The Long-term Operation Plans:

In response to the future growth trend of networking, HPC, and AI, the Company has held the spirit of sustained operations and innovations, and devoted to R&D and optimized manufacturing processes. We are backed by the edge of quality and technology to win clients, which is the cornerstone of our long-term operation.

5.2 Market and Production Overview

5.2.1 Market Analysis

5.2.1.1 Sales regions and market share for major products

The Company's main customers are currently the world-class computer, communication, network, consumer electronics and auto parts manufacturers in the United States, Japan, Europe, so its products are sold to the assembly plants worldwide. The percentages and amounts of sales in the 2023 and 2022 by sales region are listed as follows:

Unit: NT$ thousands

Items	2023		2022	
	Amount	%	Amount	%
Taiwan	14,504,072	34.33	28,757,417	44.48
China	16,778,042	39.71	24,710,381	38.22
Korea	2,448,173	5.79	3,781,459	5.85
Other countries	8,522,291	20.17	7,397,579	11.45
Total	42,252,578	100.00	64,646,836	100.00

5.2.1.2 The Future Demand and Supply of the Market and the Growth Envision

Looking forward to 2024, the market size of AI, data centers, edge computing, high-end network communication equipment, and high-efficient computing is expected to continue to grow, which will benefit the demand for related circuit boards; however, the trend of semiconductor consolidation will remain unchanged, the bargaining ability of customers will increase with the expansion of business scale, and the price of raw materials will continue to increase, which will increase the cost pressure of circuit board manufacturers. Thus, in addition to lifting profits and market share by developing high-value products and the optimization of the manufacturing process of high-level IC substrate, we continue to implement the projects for labor, material usage, and power reduction to lower the costs and enhance the Company's performance.

5.2.1.3 Competitive Edges:

As a part of the FPG, we have stable access to the CCL, epoxy resin, copper foil, and glass fabric, which is crucial fundamental for us to root in PCB industry.

Additionally, we have completed the cross-strait strategic development, which greatly improved the capacity flexibility and the product development, and provide our client comprehensive products to meet their demands. We have rooted in the industries for years and developed outstanding quality and technology capability, while providing attractive prices. These truly are our competitive edges.

5.2.1.4 The Favorable Factors for Operations:

1. Excellent technology Quality and Production Capability:
   We are an early entrant for IC substrates, accumulate production experiences, and have complete cross-strait developments. In terms of quality, technology, and production capabilities, we are approved by world class clients and one of a few suppliers, who can offer all types of PCB products.
2. Solid Relationship with Clients:
   Our clients are world renowned companies and their products are sold all over the world. Our quality has been trusted by clients, and our relationships among clients are close. Because our quality and capacity can satisfy clients, they are willing to develop new products with us, which helps us catch the business opportunities.
3. The Excellent Management Systems inherited from the FPG:
   As a part of the FPG, our management systems and operation spirits are inherited from it. Through implementing the strict manufacturing management and cost control, and helped by the integration of the resources and effective cooperation of the Group, we are able to access stable raw materials and have strong bargaining power for external procurement.

5.2.1.5 The Unfavorable Factors for Operations and Countermeasures:

1. Influenced by the ongoing evolution of advanced packaging technologies, the IC substrate consumption for mobile device has decreased; it will make the bidding situation of low-end products more intense. Moreover, because of the tightening environmental laws in China, the operating costs have risen and become a challenge for PCB manufacturers.
2. To address the inventory clearance of consumer electronics products, which has led to a decrease in demand for IC carrier boards, we have worked closely with our customers to launch high-value-added products, such as artificial intelligence application high-performance computing chips, high-end network communication equipment, high-end graphics chips, and next-generation system-level packaging carrier boards. Additionally, we keep promoting employment rationalization projects and production automation and optimizing manufacturing processes to improve yields.
3. In addition, the Company will continue to promote energy conservation and waste reduction, such as implementing renewable energy construction like solar power systems and adding new recycling and treatment equipment to increase the recycling rate of wastewater and reduce the amount of biological sludge, to achieve a circular economy and move towards the goal of sustainable development.
4. The Company keeps actively participating in the transformation of net-zero carbon emissions by developing new energy automotive-related products to strengthen the Company's response to world climate change. The Company devotes efforts to net-zero emissions and realizes the vision of low-carbon economic transformation in order to achieve the ultimate goal of sustainable operation.

5.2.2 Important Applications and the Production Processes of the Major Products

5.2.2.1 Major uses of the primary products

Product Name	Important Uses
Conventional PCB	It is used as a key component in various electronic devices, and is used as a carrier for each electronic component and as a medium for interconnection. Applications include: notebook computers, workstations, servers, high-end memory modules, solid-state hard drives, game consoles, TV sets, vehicles, LED displays, mobile phones, wireless charging, LED chips, low-orbit satellites, power modules, and RF antenna communication technologies. etc.
IC substrate	It is applied to the carrier of the IC chip product, so that the output/input signal of the chip communicates with the inner/outer leads on the PCB, and it can also assist the heat dissipation of the chip. Products are used in a variety of electronic products, including cloud storage configuration, storage configuration control chip, POS terminal sales system, data center server, optical sensors, cloud server chips, 5G server chip, high-performance computing chip (HPC), 5G switch chip (CoWoS substrate), 5G frequency modules, solid-state hard drive controller IC, game console processor board, chip substrate for mobile devices, AI chips for data centers, 8K TV chips, traffic supervisory monitors, AI chips, 5G wireless communication modules and router chips, millimeter wave antenna, network communication chips, computer graphics chip substrate, computer accelerated processor substrate, digital TV and set-top box chipset, smart speaker AP, 3D digital graphics instrument panel, automotive image processor, AI system, high-performance computing chip PCB, Low-orbit satellites and glass substrate.

5.2.2.2 Production processes of major products

Conventional PCB Production Flow Chart

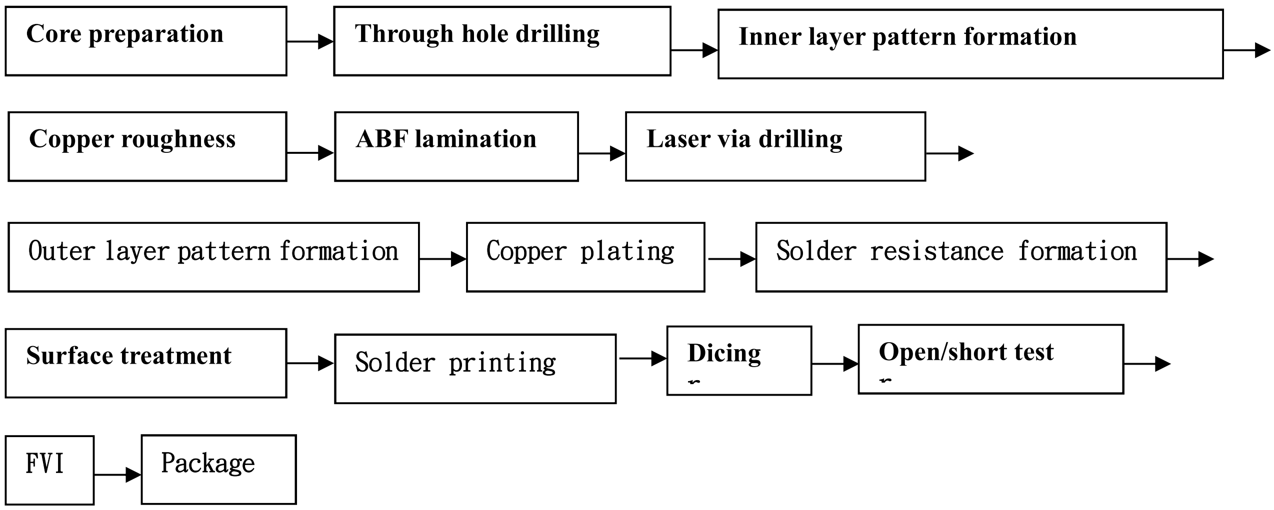
Core preparation → **Inner layer pattern formation** → **PP lamination** →

Through hole drilling → **Laser via drilling** → **Desmear** → **Copper plating** →

Outer layer pattern formation → **Solder resistance formation** → **Printing of Legend** →

Surface treatment → **Route** → **Open/short test** → **FVI** → **Package**

IC Substrate Production Flow Chart



5.2.3 Supply of Primary Raw Materials

5.2.3.1 Raw Material Supply:

The Company's most important raw materials are copper clad laminates (CCL), base material (additive film), copper foil, drill bits, dry film, inks, etc., all of which are long-term co-operation vendors, and are the leading manufacturers of the industry. Most of the materials have at least 2 qualified suppliers, therefore the supply is stable.

5.2.3.2 Procurement mechanism:

The Company has conducted procurement operations through the online e-platform to ensure the fairness and integrity of the procurement process, and to prevent procurement frauds. The procurement cases can be publicly queried on the Internet. The supplier is able to provide quotation after confirming its identity with the electronic signature, in order to ensure the safety and fairness of the overall operation and shorten the procurement process that achieves a win-win situation between the Company and its suppliers. At present, this e-platform has more than 10,000 online quotation vendors.

5.2.4 Suppliers/Customers Accounted for at Least 10% of Annual Procurement/Sales Main customers:

5.2.4.1 Major Suppliers for the Last Two Years

Unit: NT$ thousands

Item	2023				2022			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Nan Ya Plastic Co.,Ltd.	1,807,077	13.79	Note1	Nan Ya Plastic Co.,Ltd.	1,953,921	10.16	Note1
2	Nan Ya Electronic Materials (Kunshan) Co.,Ltd.	714,255	5.45	Note2	Nan Ya Electronic Materials (Kunshan) Co.,Ltd.	965,987	5.02	Note2
3	Others	10,581,531	80.76		Others	16,316,555	84.82	
	Net Total Purchases	13,102,863	100.00		Net Total Purchases	19,236,463	100.00	

Note1: The Company is the parent company of Nan Ya PCB.

Note2: The Company is the ultimate parent company of Nan Ya PCB.

Explanation for changes:

The amount of purchases decreased in 2023 compared to 2022, primarily due to a decrease in revenue.

5.2.4.2 Major Customers for the Last Two Years

Unit: NT$ thousands

Item	2023				2022			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	A	4,916,988	11.64	None	A	10,155,200	15.71	None
2	B	5,321,688	12.59	None	B	9,964,602	15.41	None
3	C	7,176,545	16.98	None	C	7,520,455	11.63	None
4	Others	24,837,357	58.79		Others	37,006,579	57.25	
	Net Sales	42,252,578	100.00		Net Sales	64,646,836	100.00	

Explanation for changes:

Net Sales in 2023 decreased compared with that of in 2022, mainly due to decrease in demand for network communication products and consumer electronics products, Computer customers cut inventories resulting in reduced orders, leading to decreased sales.

5.2.5 Production Volume for the Last Two Years

Unit: KSF;NT$ thousands

Year / Output / Major Products (or by department)	2023			2022		
	Production Capacity	Production Volume	Amount	Production Capacity	Production Volume	Amount
PCB	29,880	11,158	42,450,506	28,530	14,478	60,479,018

5.2.6 Sales Volume/Value of the Last Two Years

Unit: KSF;NT$ thousands

Year / Shipments & Sales / Major Products (or by departments)	2023				2022			
	Domestic		Export		Domestic		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
PCB	2,730	14,472,644	11,335	27,099,495	4,771	28,695,504	13,998	35,025,150
Other	-	31,428	-	649,011	-	61,913	-	864,269
Total	2,730	14,504,072	11,335	27,748,506	4,771	28,757,417	13,998	35,889,419

5.3 Employees

Manpower is the Company's most important asset. How to make every employee work with peace of mind and is willing to give it full play is the goal that every company shall strive for. Therefore, in order to attract outstanding talents, the Company provides stable and competitive compensation and welfare measures, coupled with a complete training and promotion development system, achieving the Company's basic policy of fully utilized human resources.

Year		2023	2022	As of March 31, 2024
Number of Employees	Male	6,625	7,260	6,591
	Female	3,693	4,049	3,652
	Total	10,318	11,309	10,243
Average Age		37.74	36.46	37.88
Average Years of Service		11.75	10.46	11.90
Education	Ph.D.	0.04	0.04	0.04
	Masters	5.74	4.65	4.85
	Bachelor’s Degree	6.13	5.77	6.50
	Senior High School	53.25	50.50	55.90
	Below Senior High School	34.84	39.04	32.71
	Total	100.00	100.00	100.00

5.4 Environmental Expenditure Information

5.4.1 Total losses and penalties for environmental pollution

Item \ Year	2023	As of April 29, 2024
Status of Pollution (Type and Procedure)	None	None
Compensation object or disciplinary unit		
Compensation object or disciplinary status		
Other losses		

5.4.2 The possible expenses that could be incurred and measures to be taken currently and in the future

5.4.2.1 Improvement measures and countermeasures that are intended to be adopted in the future:

Since the establishment of the first plant, the Company has responded to the government's environmental protection policy with practical actions, and has always spared no effort in pollution prevention and control. It has continuously invested huge amount of capital and actively sought improvement. In the future, the Company will continue to do its best to improve environmental quality in line with the following strategies. :

1. According to the past pollution prevention operation and improvement experience, the Company shall set up the most effective pollution prevention equipment, and adopt the best control method to improve the processing capacity of the control equipment to handle the pollutants generated during the manufacturing process.
2. Properly operate and maintain the water pollution prevention and control facilities, and improve the buffering capacity of all plants' wastewater treatment to eliminate abnormal events.
3. Continue to promote energy conservation and waste reduction to reduce greenhouse gas emissions; increase recycling water consumption; save water consumption; reduce waste from the beginning of the manufacturing process; and raise waste recycling rate.
4. Implement the ISO 14001 environmental management system; pursue continuous improvement of the performance of pollution prevention and clean production; make the manufacturing process cleaner, more eco-friendly; reduce the impact on the environment; and achieve the objectives of sustainable development

5.4.2.2 Possible expenditure:

Item \ Year	2024
Proposed acquisition of pollution prevention equipment or purchase items	1. Energy efficiency improvement. 2. Improvement in water conservation plans.
Expected improvement status	1. Utility system efficiency improves energy efficiency. 2. Improve the wastewater recycling rate in order to reduce water consumption.
Amount	NT$27,108 thousand

5.4.3 The impact on the financial business of the Company in response to the implementation of the European Union's Restriction of Hazardous Substances (RoHS):

Since its business philosophy lays stress on sustainable development and environmental friendliness, the Company continues to pay attention to various environmental protection issues. The EU RoHS directive has been the most influential to the worldwide industry. As a result, manufacturers in various countries have formulated green specifications for procurement items, requiring suppliers to submit proof of compliance with the requirements for hazardous substances. The “Green Supply Chain” also has also become the most important issue of the Company.

In addition to the commitment to meet customer needs and enhance product competitiveness, the Company's processes such as product design, component selection, supplier sourcing, and various inspections are all based on green demand. Internal guidelines are formulated as required in the RoHS directive, establishing related SOPs on design, procurement and production front. Each year, relevant operations and tests are carried out according to the content of the specification or other customer requirements to ensure that the products meet the requirements of the RoHS Directive and are eco-friendly. So far, the Company can meet customers' needs and have no impact on the its financial operations.

5.4.4 Environmental protection policies implemented by the Company:

The Company follows the safety, health and environmental protection policies set by the Formosa Plastics Group. In addition to the Company's determination to protect the environment and maintain community safety, all employees must enrich their professionalism, and take safety, health and environmental protection as the most basic consideration for any decision. Everyone should lead by example and start from myself, taking safety and health and environment protection as personal responsibility.

FPG Environmental Protection Policy

We believe that both environmental protection and industrial development are important; ensure the safety of products; ensure the safety of employees, contractors, factories and the community; all belong to corporate social responsibility and is a part of the corporate competitiveness.

We believe that every disaster, accident, no matter how huge or small, can be prevented. Through the values of the Company and utilizing the power of organization and system, the Company can let the work level of each plant reach an acceptable standard. All supervisors must have appropriate participation and understanding of the system, provide adequate training, and require thorough implementation and continuous improvement to ensure that policies and goals are achieved.

All colleagues must constantly enhance their professionalism; take safety, environmental protection as the most basic consideration for any decision; thoroughly understand the spirit of the system and implement the system; face the problem with a thorough attitude; and continuously make improvement with the industry's best operating model.
Lead by example; start from myself; maintain the safety of colleagues, neighbors, and myself; keep the environment clean; maintain the Company's assets; and aim at sustainable development.

5.4.4.1 Commitment to sustainable development of the environment

To strengthen its environmental management and sustainable business needs, the Company is well aware of the importance of the environment to human life. We have always adhered to the philosophy of "paying equal attention to environmental protection and economy", and actively participate in and promote various environmental projects. The scope covers green raw material procurement, product design, manufacturing process improvement, factory management, packaging and shipping, etc. Through strict control of energy and resource consumption, setting performance indicators and annual targets, the Company will continue to pursue improvements to implement its founder’s faith of “Endless Pursuit of the Perfection of Humanities”. We are committed to the promotion of risk management, energy conservation and carbon reduction, friendly environment and environmental protection, and fulfill our social responsibilities, in the hope to achieve the goal of zero pollution through management on environmental protection business.

5.4.4.2 Promote greenhouse gas reduction

1. Follow the measures to promote greenhouse gas reduction within the Company; review and set energy consumption targets year by year; designate energy-saving personnel to implement project improvement; and set up reward systems to continuously improve efficiency of energy and water resources.

Greenhouse gas reduction practices

Item	Category	Content
1	Every plant and business unit shall set annually energy consumption targets and conduct monthly review on the promotion situation.	Every plant and business unit shall prepare annual budget each year for reaching the energy consumption targets, and review the implementation results on a monthly basis. Improvement Projects on energy-specific issues shall also be carried out and reported.
2	Every plant and business unit shall have dedicated staff in charge of energy-saving improvement.	Have dedicated staff continuosly focus on savings of energy and water consumption.
3	Reward project improvement	Implement the project improvement reward system, and award NT$300 to NT$20,000 for each proposal based on its level.
4	Encourage personal creativity.	Have introduced the improvement proposal reward system, and award NT$300 to NT$20,000 for each proposal based on its level.
5	Set the greenhouse gas emission control standard for unit product	to understand the difference between the actual and baseline emissions of greenhouse gases at each plant, and the relevant units are required to review accordingly and make improvement afterward.

2. Through the greenhouse gas inspections and inspection system, the annual implementation of the Company's greenhouse gas emissions and greenhouse gas reduction programs could be confirmed. In 2023, the Company's totally posted 72 proposals on greenhouse gas reduction, which can reduce the electricity consumption by 13,939 degrees per day, equivalent to about 4,654.2 tons of greenhouse gas emissions. By March 31, 2024, 7 proposals on greenhouse gas reduction, which will reduce greenhouse gas emissions by approximately 658 tons per year.

Nan Ya PCB's effectiveness of GHG reduction in 2023

Number of reduction proposals	Reduction in electricity consumption (kWh)	Greenhouse gas reduction (ton CO2e)
72	13,939	4,654.2

3. The Company also holds education and training on greenhouse gas emission inspections; greenhouse gas emission boundary determination; greenhouse gas emission source determination; greenhouse gas emission data consolidation; and entrusts the third public notary (BSI, British Standards Association) to be certified by the Environmental Protection Agency to verify annual greenhouse gas emissions. The survey results of most recent two years were 433,083 tons of CO^2e in the year of 2021, and 457,053 tons of CO^2e in the year of 2022. 2023 annual inventory check is expected to be completed by July of 2024.

5.4.4.3 Air Pollution Prevention and Control Measures

The Company follows Formosa Plastics Group's accumulated experience on pollution prevention and control; plans various sound air pollution prevention measures with strict specifications; and sets relevant management regulations as follows:

1. Air pollution control planning and licensing
   According to the process and exhaust gas characteristics, the Company plans to use the closed gas collection, local gas collection, fence-type gas collection and other systems, coupled with equipment like packed tower scrubber, bag dust collector, activated carbon adsorption and UV-C reaction tower to collect air pollutants from the manufacturing process. Achieve stable treatment results higher than provisions required by Air Pollutant Emissions Standards. In addition, relevant licensing applications and operations are conducted in accordance with the law. Since 2007, the Company has invested in uninterrupted monitoring facilities including eluent flow meters, fixed pH meters, pH recorders, differential manometer, and over-limit alarm systems, etc., which can provide real-time monitor and maintain the preventive equipment be operated in the best state of its original design. Since 2007, for the newly expanded process, the air door of the planned vertical line production machine, the activated carbon adsorption tower of the coater, and the UV-C reaction tower of the layering and laminating machine have been added to further enhance exhaust gas collection efficiency, and to reduce emissions by self-establishing control and treatment of volatile organic compounds.
2. Air pollution prevention and control operation management
   Pollutant emission testing of various air pollution control equipment carried out in accordance with regulations has ensured that the effectiveness of pollutant control has reached legal standards. Daily operations also include the operation, inspection and maintenance of various air pollution control equipment to ensure that the air pollution control efficiency remains normal, and to avoid affecting the manufacturing process and the environment outside the plant.
3. Supervision and inspection
   In order to implement relevant air pollution prevention measures, the Company implements daily environmental protection independent inspection, monthly environmental protection independent inspection, and corporate environmental protection external auditing for the plant‘s air pollution control, in order to quickly highlight the potential abnormalities. The relevant plants and

departments shall implement improvement measures to ensure the work environment safety around the plant.

5.4.4.4 Water pollution prevention and control management measures

In order to ensure that the water pollution prevention operations of the Company are in compliance with the environmental protection laws and regulations, the Company has promoted wastewater reduction, cost-effective treatment of wastewater, and control of wastewater (rain) discharge. The Company has established management measures related to water pollution prevention and control in accordance with government regulations as follows:

1. Wastewater source classification management
   In view of the diverse characteristics of the wastewater generated by the PCB industry, the Company has established a wastewater classification benchmark to distinguish the nature of wastewater, and to make the most appropriate planning and treatment of the characteristics of wastewater in each classification. In addition, the Company detects the water quality of the source of the wastewater by daily inspection, properly treats wastewater of the entire plant in a cost-effective manner.
2. Relevant provisions of the wastewater treatment process were set up as follows:
   (1) Regulations governing facilities' planning, setting, and emission permits, including: (A)Plan to set up a specific department; (B)Wastewater treatment facility setting; (C)Wastewater discharge permit. Since 2007, the Company has invested in the improvement and facilities expansion of wastewater treatment to improve the effectiveness of wastewater treatment, and the buffering capacity to construct raw water changes, achieving the goal of zero abnormality of wastewater discharge.
   (2) Regulations governing the operation of wastewater treatment facilities include: (A)Wastewater treatment operation regulations; (B)Wastewater discharge operation regulations; (C)Wastewater treatment records and inputs; (D)Wastewater treatment daily reports; (E)Wastewater treatment periodic declarations; (F)Wastewater treatments functional evaluation analysis; (G)Statutory reporting of abnormal situations, etc.
   (3) Wastewater treatment cost management regulations, including: (A)Treatment cost range; (B)Wastewater cost center setting; (C)Treatment cost comparison unit setting; (D)Wastewater cost item setting;(E)Treatment cost allocation operation; (F)The pricing of wastewater processing for others; (G)Treatment costs summary review.
   (4) Rainwater collection and discharge management, including: (A)Collection, transportation and pre-treatment facilities: rainwater collection and discharge facilities at the plant, rainwater drainage system in public areas; (B)Management measures: control of rainwater discharge inlets, rainwater collection and discharge control at each plant, and inspection, maintenance and operation of rainwater channels and gates in public areas.
   (5) Waste (rainwater) drainage (inspection) and management, including: (A)wastewater flow automatic monitoring and; (B)waste (rainwater)

discharge test.

3. Promotion of wastewater reduction operations
   (1) The improvement is implemented from the origin source production process to reduce the water consumption.
   (2) The project in promotion of wastewater COD and Cu_2^+ waste reduction.
4. Promotion of water conservation operations
   (1) Water management: Monthly energy-saving meetings that follow the total water consumption, daily water consumption, and unit water consumption of all plants. The water management system is used to respond quickly to the abnormalities and make improvements.
   (2) Promotion of water-saving during the manufacturing process: The concept of energy saving is to promote the water-saving solutions between various manufacturing machines and share the implementation results.
   (3) Promotion of manufacturing process wastewater recycling: Inspect the plant's manufacturing process wastewater that has similar nature; collect and treat it as a water source to supplement the public equipment and reduce the water consumption.
   (4) Comprehensive wastewater recycling at the wastewater field: Newly added a pipeline system, convert the treated discharged water directly into the water for supplementing the air pollution control equipment. Or, after proceeding the purification procedure, making such water as a supply source for the pure water system.

   In 2023, there were 14 proposals for water reduction companywide, which reduced the water consumption by 169.6 tons per day.

Nan Ya PCB's effectiveness of water consumption saving in 2023

Number of reduction proposals	Water Consumption (ton/day)
14	169.6

5. Supervising and checking operations, including:
   (1) Supervising.
   (2) Review operation.
   (3) Audit operations
   (4) Abnormal reaction and improvement.

5.4.4.5 Waste management measures

In order to achieve sustainable use of resources and control waste disposal costs, the Company's waste management is mainly based on manufacturing process waste reduction. Secondly, the Company considers the appropriate handling through outsourcing, and the order of the outsourcing treatment is prioritized by proceeding recycle and resource treatment first, followed by incineration and landfill. The Company's management measures such as waste classification, storage, reuse and disposal processing, etc. are as follows:

1. Classification and storage of waste after disposal:
   In conjunction with the need for waste disposal and considering the provisions of the waste cleanup regulations, the general waste, manufacturing process waste, and engineering waste are reclassified and stored in collection drums

(bags) or appropriate containers, and the storage containers should be kept intact. There shall be no dirt, rust, leakage or uneven deformation. The waste storage field shall be provided with facilities for water-proof (rain-proof), and facilities and signs for wastewater and odor control. The Company will also promote waste classification, collect and sort recyclable and reusable waste, and send it to recycling or reuse, so that resources can be reused and environmental resource consumption can be reduced. In addition, all management operations are carried out through various environmental self-inspections and external audits to ensure the implementation of waste sorting and proper storage.

2. Waste disposal processing procedure:
   To ensure that all business waste is legally reused or cleaned, the Company has established a waste management computer system that includes:
   (1) Cleanup of the supplier's database to manage the environmental information of the waste contractor.
   (2) Network declaration management operations to ensure that the waste has been completed from the factory. ◦
   (3) Clean up the management operation of the project to ensure that the waste items and quantity of the factory are in compliance with the application materials.

   Furthermore, in order to keep tracking the waste material flow, the Company shall also require the contractor to declare on the Internet and all waste-cleaning suppliers that request payments shall attach the waste disposal documents, in order to prevent the waste disposal from making the secondary pollution.
3. Performance management on waste disposal:
   All departments of the Company have set up:
   (1) Benchmark of waste clean-up volume.
   (2) Benchmark of waste outsourcing fee.
   (3) Benchmark of waste self-treatment.

   Departments that exceed the control benchmark shall prepare a monthly review report and submit improvement measures.

5.4.4.6 Target Plans Promoted in 2024:

To promote the energy conservation and water-saving activities mentioned above, the Company will enhance corporate social responsibility value, pursue continuous improvement and sustainable development. The planned implementation of the goals for 2024 is as follows:

1. Improvements in efficiency of utility equipment.
2. Replacement of worn equipment.
3. Optimize processes and operations to enhance energy utilization efficiency.

5.5 Labor relations

5.5.1 The Company continues to promote many employee caring programs in order to motivate employees, enhance employee benefits, and driven the employee to have a balance development in aspect such as work, health, life, etc.

5.5.1.1 Employee welfare measures

1. Establish employee welfare committee in accordance with the " Employees' Welfare Funds Act", " Rules Governing Organization of Employees' Welfare Committee " and " Rules Governing Organization of Employees' Welfare Committee", and set aside employee welfare fund to include welfare association, staff cafeteria, hairdressing department, food and beverage department, library, health center, sports facilities, movie appreciation, annual welfare products, birthday vouchers, employee travel subsidies, life lectures and hiking activities, etc. In terms of workplace equality and diversity, we adhere to the spirit of "equal pay for equal work". The ratio of basic salaries to female and male employees in the same position and grade is 1:1, and a nursing room is set up to provide parental leave and childcare leave without pay.
2. Regulations governing employee's year-end bonus.
3. Regulations governing employee's bereavement compensation.
4. Regulations governing employee's wedding and funeral subsidies.
5. Regulations governing medical cost discounts for employees and their family members seeking medical services at Chang Gung Memorial Hospital.
6. Regulations rewards for childbirth: In order to reduce the burden of childcare for colleagues and encourage childbirth, employees and their spouses are given pregnancy gifts, childbirth gifts, maternity subsidies, and childcare subsidies (subsidies up to 6 years old) when they are pregnant or give birth.
7. Labor insurance and national health insurance.
8. Regulations governing uniforms
9. Regulations governing accommodation for employees (who those who are single or married with children)
10. Regulations governing employee stock option
11. Funds and subsidies for the employee year-end dinner party
12. Relief payments for employees hospitalized due to illness, gold coins and recognitions for senior employees

5.5.1.2 Employee care:

Continue to organize campaigns to encourage employees and improve their welfare. Encourage employees to seek a balance between work, health, and life.

1. Diverse employee welfare: In addition to those required by laws and regulations, the Company provides medical fee discounts for employees and their family members at Chang Gung Memorial Hospital, scholarships for employees’ children, encouragement bonus for stock purchasing, birthday coupons, wedding and funeral subsidies, holiday gifts and coupons, and

comprehensive living facilities. The Company offers paid sick leave and indemnity that exceeds what is required by law. It also organizes various leisure activities such as sports game, domestic travel, and a variety of clubs.

2. Remuneration: According to the conditions in the labor market, reasonable and competitive remuneration packages as well as stable pay raise policies are offered. Based on the Company's operation results, employees' would receive bonuses on Dragon Boat Festival, Mid-Autumn Festival, and Chinese New Year, etc.
3. Communication structure: Regularly hold regular meetings of supervisors and employees to issue corporate magazines every quarter to express opinions on employees' feedback through employee suggestion or feedback hotline.
4. Encourage innovation: Offer incentives for good suggestions and encourage employees to report excursions at work and offer their improvement advises. Incentives are provided if the suggestions have made significant improvement. The Company has set up an online platform for its employees to discuss and exchange ideas, and rewards those who provide innovative ideas.
5. Employee assistance plan (EAPs): Resources can be sought through the Taoyuan city’s health bureau mental health center to senior managers and employees if they have management, psychological, family, or relationship problems. The Company offers services to reduce the damage caused by man-made, natural factors, or inappropriate treatments.

5.5.1.3 Professional Development and Training:

The Company has established a comprehensive training system with quality working and learning environment, aimed to inspire employees’ proactive attitudes and innovative perspectives. In addition, a comprehensive training plan for different stages of each employee’s career has been created to facilitate gradual improvement, allowing him/her to excel and become outstanding and practical professional. The complete training program includes new employee orientation, the College Management Association Program, basic training, professional training, manager training, and middle and senior management training. This program is integrated with expatriate training, job certification, online courses, language training, internal lecturer development, training in connection with promotion, and job rotations, as well as irregular seminars with guest speakers. To meet the needs of personal career planning and the Company's operations growth, Nan Ya PCB provides its employees with a working environment full of opportunities for continuous learning and development.

5.5.1.4 Retirement system:

1. Application for retirement:

   Employees who meet one of the following requirements may apply for retirement:

   (1) Have 15 years of service or more and have reached the age of 55.

   (2) Have 25 years of service or more

(3) Have 10 years of service or more and have reached the age of 60.

2. Mandatory retirement:
   Employees who meet one of the following requirments may be required for retirement:
   (1) 65 years of age or older, and physically or mentally challenged that no longer qualified for the job.
   (2) The senior management personnel or above who are of the age of 65 years or older are allowed to be extended until the age of 70, and the high-ranking executives are allowed to be extended until the age of 75. After that, an extension shall be approved in writing, if needed.

3. Pension calculation standards:
   (1) The previous working years before July 31, 1984, are calculated based on the "the Regulations Governing the Retirement of Factory Workers in Taiwan Province" and three months' average wage of the employee at the time when his or her retirement is approved. The years of service after August 1, 1984 shall be calculated based on the provisions of Article 55 of the Labor Standards Law and calculated based on the six months' average wage of the employee at the time when his or her retirement is approved. However, the total number of bases shall be no more than 45.
   (2) For those who apply the pension payment system of the "Labor Pension Act", the average salary of the Company's retention period before retirement is calculated according to the preceding item and shall be paid at the time of retirement. The working years after the application of the Act are required to be obtained from the Labor Insurance Bureau at the age of 60 in accordance with the provisions of Article 24 of the "Labor Pension Act".
   (3) If a full-time employee is forced to retire due to his or her disability to perform duties, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to him/her. For the years of service applicable to the new "Labor Pension Act", except for the application of the new system to calculate the pension in the latter part of the second paragraph, an average salary of 0.5 months shall be added for each full year of service. For duration less than 1 year, one-twelfth year of service shall be given for each full month; for duration less than 1 month, one-thirtieth month of service shall be given for each full day. The ceiling is limited to the average salary of 6 months.

5.5.1.5 Employees' Behavior and Ethics:

1. In order to clearly define the power and obligation relationship between employers and employees, and to maintain the employment order in the workplace, the Company has established “Working Rules” in accordance with the law and publicly disclosed after being approved by the competent authority, so that the employee management are able to follow. The “Working Rules” clearly stated the appointment and relocation of colleagues, working hours, wages, disciplines to be observed and,

provisions governing rewards and punishments, dismissal, severance, retirement, training and performance review, occupational accident compensation and indemnity, welfare measures, etc.

2. In addition, to strengthen the behavior and ethical standards of the Company's managerial officers, those who ranked above engineers and specialists are required to sign the “Statement of Employees' Compliance to Nan Ya PCB‘s Operating Policy ”, which is summarized as follows:
   (1) Prohibition of unfair competition (antitrust) policy: Employees must fully comply with the provisions of the Fair Trade Law; encourage the use of legal and proper means to obtain profits; and take all actions as appropriate in accordance with all relevant laws and regulations.
   (2) Conflicts of interest policy: When an employee is required to engage in business related to the Company, the Company's rights and interests shall not be harmed, and the employee shall not directly or indirectly request gifts, entertainment or other interests from the customer or competitor of the Company. Nor shall any improper gift, hospitality or other means of benefit be accepted.
   (3) Internal information policy: Any staff shall not disclose the Company's confidential information or other undisclosed information without the written permission of the Company. Such information may not be used for personal interests or other purposes unrelated to the Company's business. When an employee resigns from the Company, all the technical information related under personal custody shall be returned.
   (4) Political activity policy: Employees shall not directly or indirectly donate the Company's money, services or other valuable items to any candidate or political party, or conduct any behavior prohibited by relevant laws and regulations. Employees are also not allowed to exert illegitimate interests on politicians, such as legislators, or government officials to influence their performance.

5.5.1.6 Protection measures for work environment and employees' personal safety:

1. “Rules Governing Occupational Safety and Health Management” is established to ensure the safety and health management of all departments and the implementation of safety and health management system; prevent accidents from happening; establish and maintain a safe and healthy working environment to achieve the "zero disaster" safety management objectives; safeguard the safety and health of employees and neighboring residents and maintain the completeness of the Company's equipment and property; and make all operations work smoothly to enhance overall business performance.
2. The scope of application includes: safety and health management organization system and work duties of various departments; various safety and health protection facilities; safety SOPs for all operations; regular

auto-inspection and check on safety and hygiene; educational training on personnel safety and hygiene and on firefighting; emergency response planning, disaster simulation drills, and accident handling operations.

3. The Jinshing and Shulin plants of our company have obtained ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and Taiwan Occupational Safety and Health Management System (TOSHMS) certifications. We have formulated an Environmental Health and Safety Management Manual and implemented training to ensure that all employees have sufficient knowledge and skills to achieve our company's environmental health and safety policies.
4. The Company convenes an "Environmental and Safety Health Management Review Meeting" annually to review and assess the implementation of the previous year's environmental and safety health management plan (tracking measures) and objectives, targets, and achievement status. It also reviews the achievement rate of objectives and sets the environmental and safety health management objectives and targets for the current year, along with the corresponding management plan. The Safety and Environmental Protection Department supervises the effective implementation of these plans across all relevant departments.
5. The Company regularly or irregularly conducts safety and health education training and publicity meetings, such as: manufacturing, disposal or use of hazardous materials, on-the-job training for radioactive substances, on-the-job training for specific chemical substances operation supervisors, and on-the-job training for forklift operators, etc. All employees have received appropriate and necessary training, and have the ability to perform their duties. In 2023, were conducted 159 times, the number of participants who joined the training was 1,734, and the total duration of training hours was 9,624.
6. To assess employee work environment and evaluate exposure to hazardous factors, in addition to installing detection alarm devices such as high-temperature alarms and chemical leak detection alarms at appropriate locations, the Company also regularly conducts operational environment testing and process hazard assessments. These serve as the basis for workplace environment improvement. Each department should prominently display the Company's safety and environmental policies and verified factory locations at entry and exit points.
7. To enhance prevention of pinch and cutting hazards, we have installed proximity light curtains or emergency pull cord interlock devices for emergency stops. Abnormal equipment conditions must be addressed after completing shutdown/power-off/lockout procedures. Personnel are required to use safety knives and cut-resistant gloves when performing cutting operations.
8. The Company regularly provides employees with health and safety education materials to enhance their awareness. We create "Safety and Health Guidelines" and "Process Area Hazard Notices" to promote safety

consciousness among employees. Through educational training and safety observations, we remind employees to work safely.

9. Employee health checks are conducted regularly, such as general health (physical) examination, special health examination, foreign employee health (physical) examination, health examination for meal preparation personnel, and management of medical and hygiene unit setting, for example: medical and health unit configuration, drug and equipment management, emergency personnel, drug configuration, and ambulance setup and management.

5.5.1.7 Employee benefits and implementation status of retirement system: Good.

5.5.1.8 Employees' continuing education and training implementation status:

In 2023, the Company's (including subsidiaries) training courses, including in-service training organized by individual units and those coordinated by the training department of the President's Office, such as the training for common professional courses and for management trainees, were conducted 4,177 times; the number of participants who joined the training was 70,333; the total duration of training hours was 251,251; and the total cost of such training reached NT$19,455,637.

5.5.1.9 Negotiations between employer and employees:

1. Establish a complaint system to improve employer and employee relations
2. Establish clear regulations and a human resource management system to specify employees and employer obligations and administrative matters, so that employees can understand and protect their rights.
3. Organize regular physical examinations in accordance with Occupational Safety and Health Act, assign a labor safety and health coordinator, and set up relevant management systems and regulations to avoid accidents and protect employees' health and safety.
4. Although the Company has established a corporate labor union, it has not yet requested collective bargaining for a collective agreement as the union has been actively engaged in negotiations with the Company through various open communication channels. The Company has been responsive and proactive in these communications and negotiations.

5.5.1.10 Implementation status of employee rights protection measures: Good.

5.5.2 In the most recent fiscal year and up to the printing date of the annual report, our company incurred losses due to labor disputes. We disclose the current and estimated future losses, along with the corresponding measures:

5.5.2.1 In 2023, our company incurred losses totaling NT$90,000 due to three labor inspection violations. The breakdown is as follows:

Date (MM/DD/YYYY)	7/10/2023	7/10/2023	10/3/2023
Reference Number	No.1120184875	No.11201848751	No.1120272045
Violation of Legal Article	Labor Standards Act §23-1	Labor Standards Act §24-1	Labor Standards Act §59-2
Nature of Violation	Failure to provide detailed breakdown of wage components	Failure to provide overtime pay as stipulated by regulations	Failure to compensate based on the salary of the month prior to the occurrence of the occupational injury.
Penalty Imposed	Fined NTD20,000	Fined NTD50,000	Fined NTD20,000

5.5.2.2 Estimated Amount and Response Measures:

1. The Company strictly adheres to local labor laws, safeguarding employees' basic labor rights and welfare. We continuously monitor amendments to labor regulations and review the timeliness of internal management regulations, revising relevant norms to ensure compliance with legal requirements.
2. Explanation and guidance from government agencies, the Company has proactively adjusted systems and established improvement mechanisms. With the premise of not affecting employees' labor rights, we aim to simplify and clarify systems.
3. To address on worker arrangements, we implement standardized attendance, promote cross-site support, and provide multi-skilled training. We also engage in communication with the labor union to eliminate unnecessary labor disputes arising from misunderstandings.

5.6 Information Security Risk Assessment

5.6.1 The policies and specific management schemes on cyber security formulated and resources invested in the management of cyber security by the Company:

In order to ensure the security and stability of the information network and avoid the abnormality of the information system and the damage of computer data which may cause the Company's business to be terminated, the Company revised and issued specific information security management measures during the year of 2022, which specified the management standards of the Company's information system, network and personal computer operations, and the safety code of conduct for employees' access to the Internet and mail, so as to ensure the information security of the Company and to satisfy the requirements of the laws and relevant information security regulations to the greatest extent; The information and communication security risk management framework, information and communication security policies, specific management plans and resources devoted to information and communication security management by the Company in 2022 are described as follows:

5.6.1.1 The structure of the information security management:

In accordance with the requirements of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" issued by the Financial Supervisory Commission on December 28, 2021 and the operating guidelines of the "Guidelines on Information and Communication Security Control for Listed and OTC Companies" issued by the Taiwan Stock Exchange on December 23, 2021, the Company appointed Chief Information Security Officers in July 25, 2022. Designated information security units, supervisors and personnel were assigned in order to supervise the execution of internal information security management business and periodically hold information communication security management review committee to review the implementation and result of information security control measures and implementation of information security management business coordination. It is also coordinated with the information security management activity promoted by information security team in IT department to integrate the division of work and consistency of execution as well as the dispatch and allocation of the Company's resources.

5.6.1.2 Information security policy:

In order to ensure the confidentiality, integrity and availability of corporate information systems, establish a trustworthy information usage environment, facilitate the smooth operation of various business operations, and achieve the goal of sustainable business operations, the corporate information security policy is formulated as follows:

1. Comply with legal requirements and promote information security wareness.
2. Attach importance to risk management and protect data security.
3. All employees are required to participate and pursue continuous provement.

5.6.1.3 Information Security Control Measures:

1. A multi-layered in-depth framework used to build firewalls, intrusion prevention systems (IPS), malicious URL filtering and advanced persistent threat defense (APT) are being adopted to prevent malicious attacks from external networks.
2. Set up employee Internet access, e-mail and personal information/sensitive data loss prevention mechanisms to prevent improper disclosure or leakage of personal and sensitive information, and prevent internal systems from being implanted with malicious programs.
3. Regularly require password changes and enable password complexity settings to strengthen authentication for system logins.
4. Install anti-virus software on the computer, update virus patterns and security patches in real time, establish security access policies, and control the connection and access of USB devices to strengthen endpoint detection and response capabilities.
5. To prevent increased threat and risks, the Company will execute information security monitoring platform (SOC) and antivirus security alert, interpret and analyze system logs, and execute real-time warning and emergency response to abnormalities.
6. The computer room and other information infrastructures are equipped with access control and CCTV systems. Backup systems, uninterruptible power supply and fire protection facilities are regularly simulated and drilled to strengthen physical security.
7. Conduct regular training and testing for employees annually to strengthen the employees' awareness of cyber security risks.
8. Review security measures and regulations annually, pay attention to security issues and its developments, and draw up response plans to ensure its appropriateness and effectiveness.
9. The privileged account management system centrally manages and records the privileged account login and operations of important hosts and servers.

5.6.1.4 Information Security Education Training and Publicity Implementation in 2023:

A total of 6,326 people in the Company completed the online training course on "AEO Employee Safety Awareness" and "Information Security Education and Training".

5.6.1.5 Resources invested in information security management:

1. Appoint the chief of information security, set up a dedicated information security management unit and allocate information security personnel (4 in total), revise and announce the revised information security management rules, methods and guidelines, and hold 12 information security meetings in 2023.

2. Starting from the first quarter of 2022, a privileged account management system (CyberArk) was planned to centrally manage and record privileged account logins and operations of important hosts and servers.
3. Complete the replacement of the Company's core switches and first-level L3 switches in each factory.
4. Vulnerability scanning and update is conducted on the mainframe and servers in each year.
5. Plan and implement employee information security awareness and information security training courses for information professionals. Currently, we have obtained valid information security certificates including EC-Council CTIA (Certified Threat Intelligence Analyst, threat intelligence analysis expert) and ISO/IEC 27701:2019 Privacy Information Management System Lead Auditor (PIMS Lead Auditor) to improve the professional functions and execution efficiency of the Company's information security of human resource.
6. Use third-party certificates, and add DKIM/DMARC functions to the mail sending and receiving function to improve the security of the Company's external website and email sending and receiving.
7. Cooperate with the general management office in the annual scheduled third-party red team offensive and defensive drills, and improve and strengthen the deficiencies after the drills.
8. Complete the CCTV dedicated network construction and separate connections through dedicated firewalls.
9. Establish an email social engineering drill system, conduct drills, and conduct real-time education, training, and re-certification for those who mistakenly open emails or click on links.

5.6.2 If the possible impact and countermeasures caused by a major information security incident cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

The Company has not had any major information security events in the most recent year and as of the date of publication of the annual report.

5.7 Important Contracts

Nature of Contract	Contracting Parties	Contract Start/ End Date	Main Content	Restrictive Provisions
Technical Cooperation Agreement	NGK Spark Plug Co.,Ltd.	2010.1 ~ 2028.12	Technical cooperation on flip chip package substrate products	None
Long-term loans	Mega Bank Suzhou Branch	2022.3 ~ 2025.3	Nan Ya PCB (Kunshan) Co., Ltd. borrowed long-term loans of RMB 500 million For the expansion of the second phase of ABF substrate. The expiration date of the utilization period (October 1, 2023) passed without any disbursement, rendering it invalid.	None
Long-term loans	Bank of Taiwan Shanghai Branch	2022.6 ~ 2025.6	Nan Ya PCB (Kunshan) Co., Ltd. borrowed long-term loans of RMB 300 million For the expansion of the second phase of ABF substrate. The expiration date of the utilization period (December 31, 2023) passed without any disbursement, rendering it invalid.	None
Long-term loans	First Bank Shanghai Branch	2022.6 ~ 2025.6	Nan Ya PCB (Kunshan) Co., Ltd. borrowed long-term loans of RMB 200 million For the expansion of the second phase of ABF substrate.	None

VI. Financial Information

6.1 Five-Year Financial Summary

6.1.1 Condensed Statements of Financial Position and Comprehensive Income– by IFRSs

6.1.1.1 Condensed Statements of Financial Position – Consolidated by IFRSs

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1)				
		2023	2022	2021	2020	2019
Current assets		24,474,187	41,310,375	30,175,645	23,256,467	21,350,827
Property, Plant and Equipment(Note2)		43,106,634	37,266,777	24,471,003	19,710,121	15,019,064
Intangible assets		0	0	0	0	0
Other assets(Note2)		2,856,624	3,173,325	1,698,527	1,589,649	1,943,418
Total assets		70,437,445	81,750,477	56,345,175	44,556,237	38,313,309
Current liabilities	Before distribution	9,100,435	13,688,530	8,253,037	8,253,037	5,706,509
	After distribution	12,654,345	25,319,508	16,978,036	10,449,999	6,158,825
Non-current liabilities		13,429,094	14,339,380	5,349,820	3,940,511	3,382,119
Total liabilities	Before distribution	22,529,529	28,027,910	15,866,201	12,193,548	9,088,628
	After distribution	26,083,439	39,658,889	22,327,856	14,390,510	9,540,944
Equity attributable to shareholders of the parent		47,907,916	53,722,567	40,478,974	32,362,689	29,224,681
Capital stock		6,461,655	6,461,655	6,461,655	6,461,655	6,461,655
Capital surplus		18,125,615	18,125,608	18,125,600	18,125,555	18,577,844
Retained earnings	Before distribution	24,433,220	29,896,951	16,752,964	8,580,115	5,104,209
	After distribution	20,879,310	18,265,972	10,291,309	6,383,153	5,104,209
Other equity interest		-1,112,574	-761,647	-861,245	-804,636	-919,027
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	47,907,916	53,722,567	40,478,974	32,362,689	29,224,681
	After distribution	44,354,006	42,091,589	34,017,319	30,165,727	28,772,365

Note 1: Financial information for each year has been audited by CPAs.
Note 2: Where there is asset revaluation for the current year, the date and the amount of the asset revaluation shall be noted.
Note 3: As of the publication date of this annual report, if a company whose stock is listed on the stock exchange or traded over the counter, its most recent audited financial information that has been audited or reviewed by CPAs shall be disclosed.
Note4: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated.
Note5: The figure after distribution in 2023 is calculated according to the cash dividend passed by the board of directors on February 29, 2024.

6.1.1.2 Condensed Statements of Financial Position – Stand-alone by IFRSs

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years (Note1)				
		2023	2022	2021	2020	2019
Current assets		14,832,047	32,558,565	23,720,261	19,092,075	17,631,413
Property, Plant and Equipment(Note2)		27,364,501	20,804,070	12,733,666	8,559,458	6,943,909
Intangible assets		0	0	0	0	0
Other assets(Note2)		26,685,557	25,283,248	15,938,812	13,106,201	11,526,626
Total assets		68,882,105	78,645,883	52,392,739	40,757,734	36,101,948
Current liabilities	Before distribution	7,698,383	10,667,633	6,890,414	5,017,586	3,588,256
	After distribution	11,252,293	22,298,612	13,352,069	7,214,548	4,040,572
Non-current liabilities		13,275,806	14,255,683	5,023,351	3,377,459	3,289,011
Total liabilities	Before distribution	20,974,189	24,923,316	11,913,765	8,395,045	6,877,267
	After distribution	24,528,099	36,554,295	18,375,420	10,592,007	7,329,583
Equity attributable to shareholders of the parent		47,907,916	53,722,567	40,478,974	32,362,689	29,224,681
Capital stock		6,461,655	6,461,655	6,461,655	6,461,655	6,461,655
Capital surplus		18,125,615	18,125,608	18,125,600	18,125,555	18,577,844
Retained earnings	Before distribution	24,433,220	29,896,951	16,752,964	8,580,115	5,104,209
	After distribution	20,879,310	18,265,972	10,291,309	6,383,153	5,104,209
Other equity interest		-1,112,574	-761,647	-861,245	-804,636	-919,027
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	47,907,916	53,722,567	40,478,974	32,362,689	29,224,681
	After distribution	44,354,006	42,091,589	34,017,319	30,165,727	28,772,365

Note 1: Financial information for each year has been audited by CPAs.

Note 2: Where there is asset revaluation for the current year, the date and the amount of the asset revaluation shall be noted.

Note 3: As of the publication date of this annual report, if a company whose stock is listed on the stock exchange or traded over the counter, its most recent audited financial information that has been audited or reviewed by CPAs shall be disclosed.

Note4: If the financial information is required to be corrected or re-edited as notified by the competent authorities, it should be prepared and presented based on the corrected or re-edited number, and the circumstances and reasons should be indicated.

Note5: The figure after distribution in 2023 is calculated according to the cash dividend passed by the board of directors on February 29, 2024.

6.1.1.3 Condensed Statements of Comprehensive Income – Consolidated by IFRSs

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note1)				
	2023	2022	2021	2020	2019
Operating revenue	42,252,578	64,646,836	52,228,457	38,512,743	31,093,989
Gross profit	8,177,400	25,867,612	14,882,856	5,751,911	1,626,800
Income from operations	6,329,982	23,574,923	12,870,648	4,107,541	71,315
Non-operating income and expenses	776,676	1,786,579	224,410	-104,483	313,997
Income before tax	7,106,658	25,361,502	13,095,058	4,003,058	385,312
Income from Continuing Operation before Income Tax	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Loss from discontinued operations	-	-	-	-	-
Net income (Loss)	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Other comprehensive income (income after tax)	-269	289,656	-268,323	-75,620	-361,988
Total comprehensive income	5,816,320	19,705,240	10,313,202	3,590,297	-53,785
Net income attributable to shareholders of the parent	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Net income attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	5,816,320	19,705,240	10,313,202	3,590,297	-53,785
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	9.00	30.05	16.38	5.67	0.48

Note 1: Financial information for each year has been audited by CPAs.

Note 2: As of the publication date of this annual report, if a company whose stock is listed on the stock exchange or traded over the counter, its most recent audited financial information that has been audited or reviewed by CPAs shall be disclosed.

Note 3: Loss from discontinued operations is shown in net amount after deducting income tax.

Note 4: If a company is notified by the competent authority that its financial information shall be corrected or restated, it shall restate the financial information with corrected and restated number and indicate its status and reasons.

6.1.1.4 Condensed Statements of Comprehensive Income– Stand-alone by IFRSs

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years (Note1)				
	2023	2022	2021	2020	2019
Operating revenue	29,480,433	48,345,341	42,187,823	33,367,222	25,730,237
Gross profit	5,971,454	18,779,508	11,260,968	5,116,512	1,356,054
Income from operations	4,547,811	17,014,551	9,699,909	3,816,009	173,219
Non-operating income and expenses	2,630,065	7,177,961	2,774,202	186,733	213,272
Income before tax	7,177,876	24,192,512	12,474,111	4,002,742	386,491
Income from Continuing Operation before Income Tax	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Loss from discontinued operations	-	-	-	-	-
Net income (Loss)	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Other comprehensive income (income after tax)	-269	289,656	-268,323	-75,620	-361,988
Total comprehensive income	5,816,320	19,705,240	10,313,202	3,590,297	-53,785
Net income attributable to shareholders of the parent	5,816,589	19,415,584	10,581,525	3,665,917	308,203
Net income attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	5,816,320	19,705,240	10,313,202	3,590,297	-53,785
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	9.00	30.05	16.38	5.67	0.48

Note 1: Financial information for each year has been audited by CPAs.

Note 2: As of the publication date of this annual report, if a company whose stock is listed on the stock exchange or traded over the counter, its most recent audited financial information that has been audited or reviewed by CPAs shall be disclosed.

Note 3: Loss from discontinued operations is shown in net amount after deducting income tax.

Note 4: Company is notified by the competent authority that its financial information shall be corrected or restated, it shall restate the financial information with corrected and restated number and indicate its status and reasons.

6.1.2 Matters of material significance which affected the comparability of the above-mentioned condensed

Financial statements: None.If the financial statements are inaccurate, the issuer and the CPA shall be responsible for the effects of these matters.

6.1.3 Name of Auditors and Auditors' Opinions

Year	Accounting Firm	CPA	Audit Opinion	Replace Reason
2019	KPMG Taiwan	Hui-Chih Ko Tzu-Hui Lee	An Unqualified Opinion	None
2020	KPMG Taiwan	Hui-Chih Ko Tzu-Hui Lee	An Unqualified Opinion	None
2021	KPMG Taiwan	Hui-Chih Ko Tzu-Hui Lee	An Unqualified Opinion	None
2022	KPMG Taiwan	Hui-Chih Ko Tzu-Hui Lee	An Unqualified Opinion	None
2023	KPMG Taiwan	Hui-Chih Ko Tzu-Hui Lee	An Unqualified Opinion	None

6.2 Five-Year Financial Analysis

6.2.1 Financial Analysis - Consolidated Financial Statements

Item	Year	Financial Analysis for the Last Five Years(Note1)				
		2023	2022	2021	2020	2019
Financial structure (%)	Debt Ratio	31.99	34.28	28.16	27.37	23.72
	Ratio of long-term capital to property, plant and equipment	111.14	144.16	166.34	166.57	194.58
Solvency (%)	Current ratio	268.93	301.79	286.94	281.79	374.15
	Quick ratio	223.70	257.00	231.32	220.30	298.50
	Interest earned ratio (times)	368	1,128	249	70	6
Operating performance	Accounts receivable turnover (times)	3.88	4.98	5.17	4.64	4.35
	Average collection period	94	73	71	79	84
	Inventory turnover (times)	7.03	6.96	7.23	7.08	6.85
	Accounts payable turnover (times)	8	9	10	12	16
	Average days in sales	52	52	50	52	53
	Property, plant and equipment turnover (times)	1.05	2.09	2.36	2.22	2.14
	Total assets turnover (times)	0.56	0.94	1.04	0.93	0.81
Profitability	Return on total assets (%)	7.66	28.15	21.03	8.93	0.96
	Return on stockholders' equity (%)	11.45	41.22	29.05	11.90	1.05
	Pre-tax income to paid-in capital (%)	109.98	392.49	202.66	61.95	5.96
	Profit ratio (%)	13.77	30.03	20.26	9.52	0.99
	Earnings per share (NT$)	9.00	30.05	16.38	5.67	0.48
Cash flow	Cash flow ratio (%)	181.46	236.02	151.47	79.81	44.59
	Cash flow adequacy ratio (%)	103.91	113.52	87.40	48.92	51.89
	Cash reinvestment ratio (%)	4.72	23.95	16.46	8.30	3.03
Leverage	Operating leverage	3.21	1.50	1.85	3.3	113.6
	Financial leverage	1.00	1.00	1.00	1.01	-3,962

Note 1: Financial information for each year has been audited by CPAs.

Analysis of financial ratio differences for the last two years:

1. The decrease in Ratio of long-term capital to property, plant and equipment is due to the increase in the total amount of property, plant and equipment in 2023.
2. The decrease in Accounts receivable turnover, Property, plant and equipment turnover and Total assets turnover and the increase in Average collection period are due to the decrease in sales in 2023 compared with that in 2022.
3. The decrease in Interest coverage ratio, Return on total assets, Return on stockholders' equity, Pre-tax net income to paid-in capital ratio, Profit ratio, and Earnings per share are due to the decrease in pre-tax and after-tax profits in 2023 compared with that in 2022.
4. The decrease in Cash flow ratio and Cash reinvestment ratio are attributable to the decrease in cash inflow from operating activities in 2023 compared with that in 2022.
5. The increase in Operating leverage is attributable to the decrease in the income from operations in 2023 compared with that in 2022.

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6.2.2 Financial Analysis - Parent Company Only Financial Statements

Item	Year	Financial Analysis for the Last Five Years (Note1)				
		2023	2022	2021	2020	2019
Financial structure (%)	Debt Ratio	30.45	31.69	22.74	20.60	19.05
	Ratio of long-term capital to property, plant and equipment	175.07	258.23	317.89	378.09	420.87
Solvency (%)	Current ratio	192.66	305.21	344.25	380.50	491.36
	Quick ratio	164.35	269.48	295.67	319.36	420.91
	Interest earned ratio (times)	372	1,696	3,247	619	72
Operating performance	Accounts receivable turnover (times)	3.62	4.79	5.02	4.57	4.18
	Average collection period	101	76	73	80	87
	Inventory turnover (times)	8.43	9.05	10.26	10.19	9.64
	Accounts payable turnover (times)	8.83	10.04	10.77	11.32	12.96
	Average days in sales	43	40	36	36	38
	Property, plant and equipment turnover (times)	1.22	2.88	3.96	4.30	4.32
	Total assets turnover (times)	0.40	0.74	0.91	0.87	0.71
Profitability	Return on total assets (%)	7.91	29.65	22.73	9.55	0.87
	Return on stockholders' equity (%)	11.45	41.22	29.05	11.90	1.05
	Pre-tax income to paid-in capital (%)	111.08	374.40	193.05	61.95	5.98
	Profit ratio (%)	19.73	40.16	25.08	10.99	1.20
	Earnings per share (NT$)	9.00	30.05	16.38	5.67	0.48
Cash flow	Cash flow ratio (%)	161.92	229.14	178.48	88.66	34.41
	Cash flow adequacy ratio (%)	100.32	115.83	83.04	33.82	30.51
	Cash reinvestment ratio (%)	0.96	19.38	14.53	6.63	1.37
Leverage	Operating leverage	3.54	1.67	2.30	4.02	61.46
	Financial leverage	1.00	1.00	1.00	1.00	1.03

Note1: Financial information for each year has been audited by CPAs.

Analysis of financial ratio differences for the last two years.

1. The decrease in Ratio of long-term capital to property, plant and equipment is due to the increase in the total amount of property, plant and equipment in 2023.
2. The decrease in Current ratio and Quick ratio are due to the decrease in the current assets amount in 2023.
3. The decrease in Accounts receivable turnover, Property, plant and equipment turnover and Total assets turnover and the increase in Average collection period are due to the decrease in sales in 2023 compared with that in 2022.
4. The decrease in Interest coverage ratio, Return on total assets, Return on stockholders' equity, Pre-tax net income to paid-in capital ratio, Profit ratio, and Earnings per share are due to the decrease in pre-tax and after-tax profits in 2023 compared with that in 2022.
5. The decrease in Cash flow ratio and Cash reinvestment ratio are attributable to the decrease in cash inflow from operating activities in 2023 compared with that in 2022.
6. The increase in Operating leverage is attributable to the decrease in the income from operations in 2023 compared with that in 2022.

Formulas for financial analysis are as follows:

1. Capital structure

(1) Debt ratio = Total liabilities / Total assets

(2) Long-term fund to property, plant and equipment ratio =(Total equity + non-currentliabilities) / Net property, plant and equipment

2. Liquidity

(1) Current ratio =Current assets / Current liabilities

(2) Quick ratio = (Current assets – inventory – prepaid expenses) / Current liabilities

(3) Times interest earned = Net Income before tax and interest expenses / Interest expenses

3. Operating performance

(1) Account receivable turnover (including accounts receivable and notes receivable) = Netsales / Average account receivable (including account receivable and notes receivable)balance

(2) Days sales outstanding = 365 / Receivable turnover

(3) Inventory turnover = Cost of goods sold / Average inventory

(4) payable turnover (including accounts payable and notes payable) = Cost of goods sold/Average account payable (including account payable and notes payable) balance

(5) Inventory turnover days = 365 / Inventory turnover

(6) Property, plant and equipment turnover = Net sales / Average net property, plant and equipment

(7) Total assets turnover =Net sales / Average total assets

4. Profitability

(1) Return on total assets = [Net income after tax + interest expense x (1-interest rate)] /Average total assets

(2) Return on total equity = Net income after tax / Average shareholders' equity

(3) Net margin = Net income / Net sales

(4) Earnings per share = (Net income - preferred stock dividend) / Weighted average number of

(5) shares outstanding

5. Cash flow

(1) Cash flow ratio = Net cash flow provided by operating activities / Current liabilities

(2) Cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividend

(3) Cash flow reinvestment ratio = (Cash provided by operating activities - cash dividends) /(Gross property, plant and equipment + long-term investments + other noncurrent assets + working capital)

6. Leverage

(1) Operating leverage = (Operating revenues – variable cost and expense) / Operating Income

(2) Financial leverage = Operating income / (Operating income – interest expenses)

6.3 Audit Committee's Review Report for the Most Recent Year:

Audit Committee' Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, including Consolidated and Individual Financial Statements, and Proposal for Profits Distribution. The CPA firm of KPMG was retained to audit Nan Ya Printed Circuit Board Corporation's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Nan Ya Printed Circuit Board Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

Nan Ya Printed Circuit Board Corporation
Chairman of the Audit Committee：Shyur-Jen Chien

February 29, 2024

6.4 Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022, and Independent Auditors' Report:

Please refer to Appendix I of the Annual Report.

6.5 Stand-Alone Financial Statements for the Year Ended December 31, 2023 and 2022, and Independent Auditors' Report:

Independent Auditors Please refer to Appendix II of the Annual Report.

6.6 The Company should Disclose the Financial Impact to the Company if the Company and its Affiliated Companies have Incurred any Financial or Cash Flow Difficulties in 2023 and as of the Date of this Annual Report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Financial Status

In the past two years, the main reasons for the significant changes in assets, liabilities and shareholders' equity (more than 20% compared with the previous period and the change amount reached NT$10 million). If the impact is significant, the future response plan shall be stated:

Unit: NT$ thousands

Year / Item	2023	2022	Difference	
			Amount	%
Current Assets	24,474,187	41,310,375	-16,836,188	-40.76
Fixed Assets	43,106,634	37,266,777	5,839,857	15.67
Intangible assets	0	0	0,	0
Other Assets	2,856,624	3,173,325	-316,701	-9.98
Total Assets	70,437,445	81,750,477	-11,313,032	-13.84
Current Liabilities	9,100,435	13,688,530	-4,588,095	-33.52
Long-term Liabilities	0	0	0	0
Other Liabilities	13,429,094	14,339,380	-910,286	-6.35
Total Liabilities	22,529,529	28,027,910	-5498,381	-19.62
Capital stock	6,461,655	6,461,655	0,	0
Capital surplus	18,125,615	18,125,608	7	0
Retained Earnings	24,433,220	29,896,951	-5,463,731	-18.28
Other equity interest	-1,112,574	-761,647	-350,927	46.07
Total Stockholders' Equity	47,907,916	53,722,567	-5,814,651	-10.82

Explanation:

1. The decrease in current assets was mainly due to the decrease in bank deposits and accounts receivable.
2. The decrease in current Liabilities was mainly due to the decrease in accounts payable and current income tax liabilities.
3. The decrease in other equity interest is mainly due to the decrease in the decrease in exchange differences in the translation of financial statements of foreign operating institutions.

7.2 Analysis of Financial Performance

The main reason for the significant changes in operating revenue, operating profit and net profit before tax in the most recent two years:

7.2.1 Comparison analysis of operating results

Unit: NT$ thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Gross Sales	42,471,511	64,916,315	-22,444,804	-34.57
Less: Sales Returns and Allowances	218,933	269,479	-50,546	-18.76
Net Sales	42,252,578	64,646,836	-22,394,258	-34.64
Cost of goods sold	34,075,178	38,779,224	-4,704,046	-12.13
Gross Profit	8,177,400	25,867,612	-17,690,212	-68.39
Operating Expenses	1,847,418	2,292,689	-445,271	-19.42
Operating Income	6,329,982	23,574,923	-17,244,941	-73.15
Non-operating income and expenses	776,676	1,786,579	-1,009,903	-56.53
Income before income tax	7,106,658	25,361,502	-18,254,844	-71.98
Income tax expense (profit)	1,290,069	5,945,918	-4,655,849	-78.30
Net income	5,816,589	19,415,584	-13,598,995	-70.04

Explanation:

1. The decrease in Gross Sales and Net Sales are due to the decrease in demand for network communication products and consumer electronics products, Computer customers cut inventories resulting in reduced orders.
2. The decrease in gross profit, operating profit, income before income tax and net income are due to the decrease in sales in 2023.
3. The decrease in non-operating income and expenses is mainly due to the decrease in foreign currency exchange benefits.
4. The decrease in income tax expenses is mainly due to the decrease in income before income tax.

7.2.2 Expected sales volume and the basis, possible effects on the Company's future financial operations, and response plan:

Please refer to "Business Plan for 2024" of "I. Letters to shareholders."

7.3 Cash Flow

Analysis of changes in cash flow in the most recent year, improvement plans for insufficient liquidity and liquidity analysis for the upcoming fiscal year:

7.3.1 Analysis of cash flow in 2023.

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	cash surplus quantity (1)+(2)-(3)	Improvement plan for insufficient liquidity	
				Investment Plans	Financing Plans
20,044,117	16,513,382	24,227,701	12,329,798	-	-

Explanation:

1. Operating activities:
   The net cash inflow from operating activities this year was NT$16,513,382 thousand, mainly due to the decrease in pre-tax net profit of NT$7,106,658 thousand and the decrease in notes receivable and accounts receivable of NT$7,842,486 thousand.
2. Investing activities:
   The net cash outflow from investment activities in this year was NT$12,250,512 thousand, mainly due to the purchase of property, plant and equipment of NT$11,779,114 thousand.
3. Financing activities:
   The net cash outflow from financing activities this year was NT$11,811,423 thousand mainly due to the distribution of cash dividends of NT$11,630,978 thousand.

7.3.2 Improvement plans for insufficient liquidity and liquidity analysis:

1. Remedial measures for cash inadequacy: There is no cash inadequacy for the current year.
2. Liquidity analysis for the past two years is as follows:

Year / Item	2023	2022	Variance (%)
Cash Flow Ratio (%)	118.46	236.02	-23.12
Cash Flow Adequacy Ratio (%)	103.91	113.52	-8.47
Cash Reinvestment Ratio (%)	4.72	23.95	-80.29

Explanation for changes:

The decrease in cash flow ratio and cash reinvestment ratio are due to the decrease in net cash inflow from operating activities in 2023 compared with that in 2022.

7.3.3 Cash liquidity analysis for the coming year

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Net Cash Flow from Operating Activities (2)	Cash Outflow (3)	cash surplus quantity (1)+(2)-(3)	Improvement plan for insufficient liquidity	
				Investment Plans	Financing Plans
12,329,798	6,752,747	8,477,769	9,604,776	-	-

Explanation:

1. Operating activities:
   It is estimated that the net cash inflow of operating activities for 2024 will be NT$6,752,747 thousand, which is mainly due to the expected profit in 2024, so the net cash inflow of operating activities is generated.
2. Investing activities:
   It is estimated that the net cash outflow from investing activities for 2024 will be NT$4,923,859 thousand, which is mostly attributable to acquisition of property, plant, and equipment, resulting in net cash outflow from investment activities.
3. Financing activities:
   It is estimated that the net cash outflow from financing activities in 2024 will be NT$3,553,910 thousand, which is mainly due to the payment of dividends, resulting in net cash outflow from financing activities.
4. It is expected that there will be no cash deficit in the coming year.

7.4 Major Capital Expenditure Item

7.4.1 Major Capital Expenditure Items and Source of Capital

Unit: NT$hundren million

Project Items	Actual or expected source of funds	Actual or expected completion date	Total expected funds required	The amount disbursed as of December 31,2023	Production volume	Sales value
ABF Substrate Capacity Expansion I (Shulin)	Working Capital and Borrowing from Banks	2023.3	86.0	86.0	330	43.2
ABF Substrate Capacity Expansion II (Shulin)		2024.1	94.0	79.1	158	56.3
ABF Substrate Capacity Expansion II (Kunshan)	Capital Increase by Cash and Borrowing from Banks	2023.3	60.0	60.0	271	44.5

Note: The application of funds regarding the schedule of equipment acquisition will be adjusted in time according to the overall economic trend and the needs of new products and technologies.

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year: None

7.6 Risk Items

7.6.1 The impact of Interest rate, exchange rate, and inflation rate changes on the Company's revenue, as well as corresponding actions

1. Interest Rate:
   In terms of long-term liabilities under floating interest rate basis (corporate bond included), the Company will carefully assess financial market conditions and consider the implementation of interest rate swap when the interest rate is relatively low to avoid interest rate fluctuation risks. The Company strives to make sure the undertaking interest rate is below the estimated cost of capital of investment plans.

2. Exchange Rate Fluctuation:
   Insufficient foreign exchange funds in daily operations are addressed by making spot or forward foreign exchange purchases when the exchange rate is favorable. Long-term foreign exchange liabilities are addressed by implementing long-term forward foreign exchange contracts or exchange-for-exchange contracts when the exchange rate is relatively low to minimize the impact of exchange rates on profitability.

3. Inflation:
   According to Directorate of Budget, Accounting, and Statistics, Executive Yuan, the annual growth rate of consumer prices in 2023 was 2.5%, and the annual growth rate of core consumer prices was 2.58%, both the second highest in 15 years, The increase in raw materials and operating costs affected the Company’s profitability but inflation is expected to slow down in the coming year.

7.6.2 Policies to high-risk, high-leveraged investments, lending or endorsement guarantees, and derivative transactions, main causes of gain or loss in the most recent year up to the publication of this annual report, and future response measures:

1. High-risk and highly-leveraged investments:
   The Company is a professional circuit board production company, and the

industry where it stands is a mature and stable one. Therefore, the Company is mainly focused on the development of this industry, and has not invested in other high-risk industries. Also, the Company has always been operating financially sound without making any high leverage investment.

2. Loaning of funds to other parties:
The counterparty of the Company's loaning of funds shall be among the Company's affiliated companies whose application of funds are centrally scheduled. The lending limit is prescribed in Article 15 of the Company's "Procedures for Engaging in Loaning of Funds to Other Parties", and is implemented by the resolution of the Board of Directors. Due to the short-term funding schedule, land the counterparty of the loan is the parent company or affiliated companies, there is no impairment loss on doubtful debts.

3. Endorsements and Guarantees:
In principle, the relationship between the endorser/guarantor and the Company includes the following: parent company and its subsidiaries; affiliated companies with business relationship; joint venture endorsed/guaranteed by shareholders based on their holding ratio. The Company's guarantee is mainly financing guarantee. The Company has been in compliance with its "Endorsement and Guarantee Operating Procedures". The Company has never incurred any loss from guarantee.

4. Derivatives trading:
The Company has never engaged in any derivatives trading. If such trading appears, it shall be held by the Finance Department of the General Management Office. To comply with the principle that personnel engaged in derivatives trading may not serve concurrently in other operations such as confirmation and settlement, the Finanace Department shall set up foreign exchange trading section and risk management section. After the foreign exchange trading section enters into a commodity transaction contract, the risk management section shall make a two-way confirmation of the transaction details with the counterparty financial institution, and subsequently execute related settlement procedures. Once any irregularity regarding the transaction is found, the Company shall immediately write up the countermeasures, report it to the Chief Financial Officer for approval, and continuously keep track of improvement status.

To avoid the default risk resulting from the abnormality of the counterparty's credit, the long-term credit rating shall be used as the indicator. According to the risk and period of the financial product, the different credit range of the counterparty shall be specified, and be reviewed every six months, in order to incur losses due to the risk of default.

The Company has an internal audit department independent of the Finance Department of the General Management Office. It regularly checks the effectiveness and validity of the various hedging transactions of the Finance Department. After the audit report is submitted for approval, it will continue to track the improvement status.

7.6.3 Future R&D plans and R&D expenditure expected to be invested

All of the Company's products are required to meet customers' design; to carry out various research and development; and to go through trial production. After the certification is passed, the customer will place the order into mass production. At present, all high-end PCBs are continuously under development. The future R&D plans will continue to develop higher layer count, thinner circuits, and the next generation of high-end PCB to meet the customers' needs. In 2024, the estimated investment in R&D plans and R&D expenditure as follows:

Unit: NT$ thousands

Plans	Expected expenditure
ABF products and new technology development	341,327
PPS products and new technology development	180,731
Conventional PCB products and new technology development	19,144
Total	541,202

7.6.4 Risk Impact and Mitigation Efforts Associated with Changes in the Government Policies and Regulatory Environment

The Company closely monitors all domestic and foreign governmental policies and regulations that might impact the Company’s business and financial operations and arranges personnel to receive professional training as needed. During the period of 2023 to the publication date of the annual report, the following changes or developments in governmental policies and regulations may influence the Company’s business and financial operations:

1. On October 21, 2021, the Environmental Protection Administration announced the draft amendment to the "Climate Change Response Act", which was passed by the Legislative Yuan in the third reading on January 10, 2023. The Ministry of Environment has also proposed the imposition of carbon fees on manufacturing and electricity industries that have carbon emissions exceeding 25,000 metric tons, starting from 2025. The collection method will be based on the greenhouse gas emissions of the previous year, and the specific rates have not yet been announced. The Company has been conducting provisional estimates on relevant carbon fees at reasonable rates since 2024, and will continue to pay attention to regulatory developments and ensure compliance accordingly. Furthermore, regarding carbon credits, in

coordination with the official launch of the Taiwan Carbon Solution Exchange on August 7, 2023, and the commencement of carbon credit trading, the Company will evaluate the demand for trading in a timely manner.

2. Tai-Zheng-Zhi-Li-Zi No. 11200147631 of the Taiwan Stock Exchange Corporation, dated August 23, 2023, has announced the amendment to the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", stipulating that the minimum number of independent directors of a TWSE listed company is one-third of the seats in the board. This requirement will be applicable to TWSE listed companies with a paid-in capital reaching NT$10 billion starting from 2024. However, for directors whose terms do not expire in 2024, this requirement shall apply upon the expiration of their terms. In addition, starting from 2024, more than half of independent directors of TWSE listed companies shall not serve beyond three consecutive terms. However, for directors whose terms do not expire in 2024, this requirement shall apply upon the expiration of their terms. Starting from 2027, all independent directors shall not serve beyond three consecutive terms. However, for directors whose terms do not expire in 2027, this requirement shall apply upon the expiration of their terms. The Company's Directors will be re-elected when their terms expire in 2026, which will be handled in accordance with the regulations.

7.6.5 Impact on the Company's financial operations and response measures

In recent years, in order to gain a foothold in the market, electronic products have to be equipped with latest technology in response to changes on the demand side. In response to future developments, the Company continues to invest in a large number of R&D manpower, equipment and budget, coupled with leading technology at home and abroad, as well as support from upstream and downstream suppliers. The Company is sensitive to the changes in PCB-related technology, which is sufficient to deal with technological changes and changes of the industry.

7.6.6 Impact of the Company's corporate image change on corporate crisis management and response measures

The Company adheres to the business philosophy of “Diligence and Perseverance, Endless Pursuit of the Perfection of Humanities, Sustainable Development, and Contribute to Society”, and has established a positive corporate image. Going forward, it will continue to implement the concept and strive for excellence, making a greater contribution to society.

7.6.7 Expected benefits and possible risks and response measures for mergers and acquisitions

In the most recent year and up to the publication date of this Annual Report, the Company did not have plans to acquire other companies. In the future, if there is a plan for mergers and acquisitions, it will adopt a prudent assessment attitude, and consider the synergies to ensure the best interests of shareholders.

7.6.8 Expected benefits and potential risks of any plant expansion and response measures

For details, please refer to the Item 4 under "VII Review and analysis of financial conditions and operating results and risk issues" – the impact of significant capital expenditures on the financial operations in the most recent year.

7.6.9 Risks associated with any consolidation of sales or purchasing operations, and response measures being or to be taken

1. Purchase: The Company purchased 10% of its purchases from a single factory in 2023. Nan Ya Plastics Co., Ltd. is the parent company of the Company. The Company maintains good relationships with other major suppliers and the risks are within the Company's control.

2. Sales:In tandem with the development of artificial intelligence and the emergence of digital currency mining, as well as the continuous expansion of the cloud computing and big data sectors, our company is actively pursuing the development of new customer segments. In addition to catering to high-end smartphone users and expanding our presence in the automotive electronics market, we anticipate rapid growth in high-performance computing products. Moreover, we are venturing into new-generation networking and memory products to mitigate the risks associated with overly concentrated sales.

7.6.10 Effect upon and risk to the Company in the event that a major quantity of shares belonging to a director or shareholder holding greater than a 10% of shares has been transferred or has otherwise changed hands, and response measures being or to be taken: None.

7.6.11 Effect upon and risk to the Company associated with any change in governance personnel or top management, and response measures being or to be taken: None.

7.6.12 If there has been any substantial impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending,

the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the publication date of this annual report shall be disclosed.: None.

7.6.13 Other important risks and response measures being or to be taken: None

7.6.14 Risk Management Organizational Structure:

Risk Assessment Items	Risk Management Unit	Risk Review
1. Interest rate, exchange rate fluctuations and inflation	President's Office, Accounting Department, Finance Department, and President's Office of the General Administration Division of Formosa Plastics Corporation	Computer audit and regular self-inspection, monthly funds review meeting, joint meeting of financial executives, board of directors
2. High-risk, highly leveraged investments, loaning of funds to other parties, endorsements and guarantees, and derivatives trading	President's Office, Accounting Department, Finance Department, and the General Administration Division of Formosa Plastics Corporation	Computer audit and regular self-inspection, monthly funds review meeting, joint meeting of financial executives, board of directors
3. R&D plans	President's Office, Research and Development Division, and the General Administration Division of Formosa Plastics Corporation	Board of Business Performance, Research and Development Projects, Board of Directors, and Patent Promotion Meetings
4. Changes in important domestic and foreign policies and laws	President’s Office, Research and Development Division, President's Office of the General Administration Division of Formosa Plastics Corporation, and Legal Affairs Office	Board of Operating Performance, Board of Directors, and Auditing Office
5. Technological changes	President's Office, Research and Development Division, and the General Administration Division of Formosa Plastics Corporation	Board of Business Performance, Research and Development Projects, and Board of Directors
6. Changes in corporate image	President's Office, the General Administration Division of Formosa Plastics Corporation	Business Performance and CSR Conference Board of Directors
7. Merger and acquisition or re-investment	President's Office, the General Administration Division of Formosa Plastics Corporation	Board of Operating Performance, Board of Directors, and Auditing Office
8. Expansion of plant	President's Office, the General Administration Division of Formosa Plastics Corporation	Board of Operating Performance, Board of Directors, and Auditing Office

Risk Assessment Items	Risk Management Unit	Risk Review
9. Concentration of purchases or sales	President's Office, Procurement Department, President's Office of the General Administration Division of Formosa Plastics Corporation	Production and Sales Meeting and Board of Operating Performance
10. Directors and major shareholders' equity Transfer	President's Office, Legal Affairs Office, and the General Administration Division of Formosa Plastics Corporation	Board of Directors and Auditing Office
11. Change in governance personnel or top management	President's Office, Legal Affairs Office, and the General Administration Division of Formosa Plastics Corporation	Board of Directors and Auditing Office
12. Litigation or non-litigation events	President's Office and Legal Affairs Office	Case Review
13. Information security	President's Office, the General Administration Division of Formosa Plastics Corporation	Board of Directors, and Auditing Office、monthly information security meeting

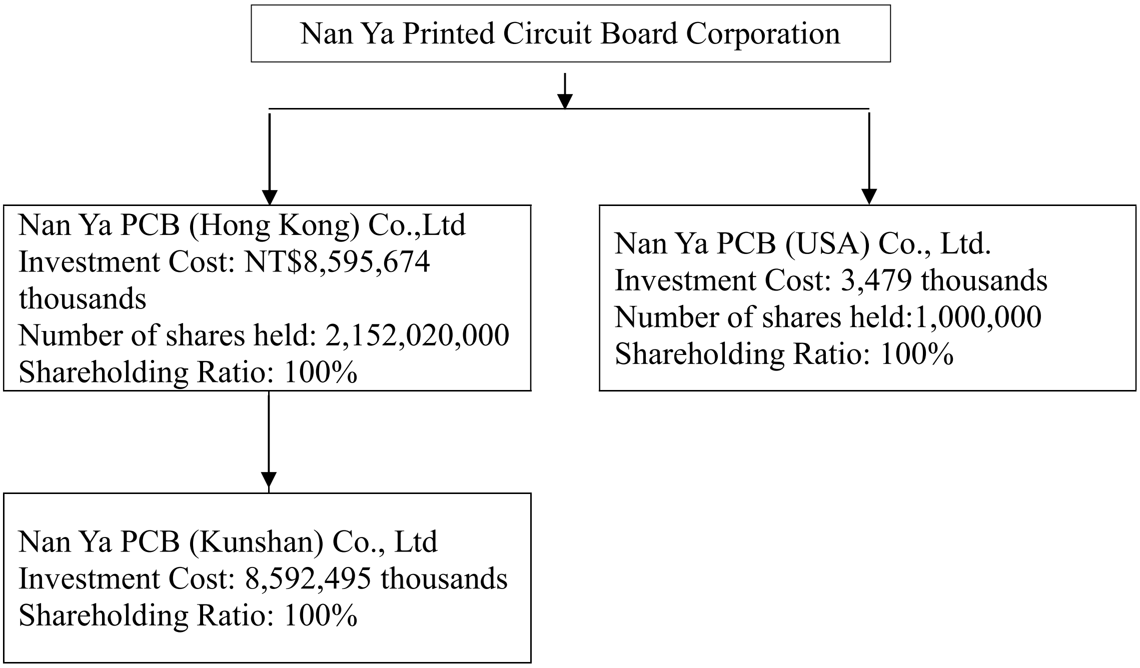
7.7 Other important items: None.

VIII. Other Special Notes

8.1 Summary of Nan Ya PCB’ s Subsidiary

8.1.1 Consolidated Business Report of Affiliated Companies

8.1.1.1 Subsidiary Chart:



Note 1: The Company is the controlling company of the above companies (shareholding and shareholding percentage of each subsidiary as of December 31, 2023).

Note 2: The amount of investment shall refer to the initial investment cost and the unit is the NT$ thousands.

8.1.1.2 Subsidiary Information:

Unit: thousands

Subsidiaries	Date of Incorporation	Address	Capital Stock (Note)	Main Business
Nan Ya PCB (Hong Kong) Co.,Ltd	1999.08.04	Room 707, Citicorp Centre 7/F,18 Whitfield Road, Causeway Bay, Hong Kong	HK$ 2, 152, 020	Electronic Product trading
Nan Ya PCB (Kunshan) Co., Ltd.	2000.08.07	No.201.Chang Jiang South Road, Kunshan Economic And Technical Development Zone, Jiangsu, China	US$ 275,800	PCB Manufacturing sales
Nan Ya PCB (USA) Co., Ltd.	2002.06.13	1761 E. McNair Drive, Suite 101 TEMPE, AZ 85283, USA	US$ 100	Customer Promotion

Note: The above-mentioned paid-in capital belongs to the affiliated companies established in mainland China as of December 31, 2023, whose capital amount is the registered capital.

8.1.1.3 Shareholders in Common of Nan Ya PCB and Its Subsidiary with Deemed Control and Subordination: None.

8.1.1.4 Business Scope of Nan Ya PCB's Subsidiary: Electronic parts manufacturing industry.

8.1.1.5 Directors, Supervisors and Presidents of Nan Ya PCB's Subsidiaries

2024.3.30

Name of Subsidiary	Title (Note1)	Name or Representative	Shareholding (Note2)(Note3)	
			Shares	%
Nan Ya PCB (Hong Kong) Co.,Ltd.	Chairman	Nan Ya PCB Co.,Ltd (Ann-De Tang)	2,152,020,000	100.00
	Director	Nan Ya PCB Co.,Ltd (Lien-Jui Lu)		
Nan Ya PCB (Kunshan) Co., Ltd.	Chairman	Nan Ya PCB (Hong Kong) Co.,Ltd (Chia-Chau Wu)	Investment Cost US$275,800 thousands	100.00
	Director & President	Nan Ya PCB (Hong Kong) Co.,Ltd (Ann-De Tang)		
	Director	Nan Ya PCB (Hong Kong) Co.,Ltd (Kuo-Chun Chiang)		
	Director &Vice President	Nan Ya PCB (Hong Kong) Co.,Ltd (Yung-Chi Lin)		
	Director	Nan Ya PCB (Hong Kong) Co.,Ltd (Kuan-Li Wang)		
	Supervisor	Nan Ya PCB (Hong Kong) Co.,Ltd (Lien-Jui Lu)		
Nan Ya PCB (USA) Co., Ltd.	Chairman	Nan Ya PCB Co.,Ltd (Ann-De Tang)	1,000,000	100.00
	Director	Nan Ya PCB Co.,Ltd (Lien-Jui Lu)		

Note1: If the affiliated companies are foreign companies, equivalent position shall be listed.

Note2: If the invested company is a limited company, please fill in the number of shares and shareholding percentage, and indicate the amount of the capital contribution and the proportion of capital contribution. Shareholding and shareholding ratio recorded were as of December 31, 2023.

Note3: When Directors and Supervisors are judicial persons, relevant information of the representatives shall be disclosed.

8.1.1.6 Operating status of affiliated companies:

Unit: NT$ thousands

Name of business	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit or loss for the current period (After tax)	Earnings per share (NT$) (After tax)
Nan Ya PCB (Hong Kong) Co.,Ltd	8,595,674	23,838,934	72	23,838,862	-	-98	2,091,411	0.97
Nan Ya PCB (Kunshan) Co., Ltd.	8,592,492	25,723,854	1,899,330	23,824,524	16,772,110	1,689,617	2,091,001	-
Nan Ya PCB (USA) Co., Ltd.	3,479	19,640	0	19,640	29,707	2,067	2,067	1.36

Note 1: If the affiliate company is a foreign company, the relevant figures are translated into NTD at the exchange rate at the reporting date.
(1) Exchange rate of HKD to NTD: 1∶3.9404 for Balance Sheet Accounts and 1∶3.9972 for Profit and Loss Accounts
(2) Exchange rate of RMB to NTD: 1∶4.3394 for Balance Sheet Accounts and 1∶4.4269 for Profit and Loss Accounts
(3) Exchange rate of USD to NTD: 1∶30.735 for Balance Sheet Accounts and 1∶31.178for Profit and Loss Accounts

Note 2: In the above-mentioned affiliated companies, Nan Ya PCB (Kunshan) Co., Ltd. was invested by Nan Ya PCB (Hong Kong) Co., Ltd. Hence, the profit and loss information of Nan Ya PCB (Hong Kong) Co., Ltd. included that of the Nan Ya PCB (Kunshan) Co., Ltd.

8.1.2 Consolidated financial statements of affiliated companies

Consolidated financial statements of the parent company (Please refer to Appendix I of the Annual Report

8.1.3 Affiliation Report

8.1.3.1 Representation Letter

Representation Letter

The entities that are required to be included in the combined financial statements of Nan Ya Printed Circuit Board Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Nan Ya Printed Circuit Board Corporation and its subsidiaries do not prepare a separate set of combined financial statements.

Company name: Nan Ya Printed Circuit Board Corporation
Chairman: Wu, Chia-Chau
Date: February 29, 2024

8.1.3.2 Opinions issued by CPAs for financial reporting CPAs:

CPA's Review Opinion on the Affiliation Report

To: Nan Ya Printed Circuit Board Corporation

In accordance with the " Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises " (hereinafter referred to as the " Criteria Governing Preparation "), the annual relationship report for the year 2023 of Nan Ya Printed Circuit Board Corporation was prepared. The financial information therein has been reviewed by our auditors based on the relevant information disclosed in the financial report notes during the aforementioned period, and our review opinion has been issued in accordance with the provisions of the Criteria Governing Preparation.

Based on the opinion of the CPAs, the information disclosed in the relationship report of Nan Ya Printed Circuit Board Corporation for the year 2023 is not significantly inconsistent with the relevant information disclosed in the financial report notes during the aforementioned period. Furthermore, no violations of the Criteria Governing Preparation have been identified.

KPMG

Certified Public Accountants: Hui-Chih Ko

February 29, 2024

8.1.3.3 The relationship between the controlling company and its subsidiaries:

As of December 31, 2023, Unit: Shares; %

Name of the controlling company	Reason for Control	Shareholding and Pledge of the Controlling Company			Personnel designated by the controlling company to serve as a director or manager	
		Number of Shares Held	Shareholding Ratio	Number of Shares Pledged	Position	Name
Nan Ya Plastics Corporation	Holding control	432,744,977	66.97%	—	Chairman Director Director	Chia-Chau Wu Wen-Yuan Wong Ming-Jen Tzou

8.1.3.4 Transaction status:

1. Purchase and sales transactions:

Unit: NT$ thousands; %

Transaction status with the controlling company				Transaction terms with the controlling company		General Terms of Transaction		Reason for difference	Accounts receivable (payable)		Overdue accounts receivable			Note
Purchase (sales)	Amount	As a percentage of total purchases (sales)	Gross sales margin	Unit Price (NT$)	Credit period	Unit Price (NT$)	Credit period		Balance	As a percentage of total accounts receivable (payable) and bills	Amount	Processing Method	Allowance amount for doubtful debts	
Purchases	1,807,077	13.79	—	—	Open Account (O/A) 30 days	—	—	Not significant difference from general transaction conditions	(129,744)	(4.24)	—	—	—	—

2. Property transaction: None.

3. Capital financing status: None.

4. Asset leasing status:

Unit: NT$ thousands

Transaction type (Rent or Lease)	Leased asset		Lease term	Nature of the lease	Indicators that determined rent level	Collection (payment) method	Rent compared with general levels	Total rent for the current period	Current payment/collection status	Other agreed items
	Name	Location								
Lessee	Office and Dormitory	Songshan District, Taipei City and Luzhu District, Taoyuan City	2023. 1.1 ~ 2023.12.31	Operating leases	—	Payment is paid on a monthly basis	No significant difference	33,134	Paid	N.A.
Lessee	Land and Plant	Luzhu District, Taoyuan City and Shulin District, New Taipei City	2023. 1.1 ~ 2023.12.31	Right-of-use asset	—	Payment is paid on a monthly basis	No significant difference	261,304	Paid	N.A.
Rent	Plant	Shulin District, New Taipei City	2023. 1.1 ~ 2023.12.31	Operating leases	—	Payment is received on a monthly basis	No significant difference	12,436	Received	N.A.

5. Endorsement and Guarantee: None.

8.2 Private Placement Securities in 2023 and as of the Date of this Annual Report: None.

8.3 Nan Ya PCB's Shares Acquired, Disposed Of, and Held by its Subsidiary in 2023 and as of the Date of this Annual Report: None.

8.4 Other Necessary Supplement: None.

8.5 Any Events in 2023 and as of the Date of this Annual Report that Had Significant Impacts on Shareholders' Right or Share Prices as Stated in Item 3 Paragraph 2 of Article36 of Securities and Exchange Law of Taiwan: None.

Stock Code:8046

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: **7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City**
Telephone: **(02)27122211**

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Nan Ya Printed Circuit Board Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Nan Ya Printed Circuit Board Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Nan Ya Printed Circuit Board Corporation
Chairman: Chia-Chau Wu
Date: February 29, 2024

Independent Auditors' Report

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

Opinion

We have audited the consolidated financial statements of Nan Ya Printed Circuit Board Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of inventories

   The Group estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Group. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(h), 5(a), and 6(d), respectively, of the consolidated financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

Other Matter

Nan Ya Printed Circuit Board Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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 with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit committee) are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ko, Hui-Chih and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

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

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

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 12,329,798	17	20,044,117	25
1120	Current financial assets at fair value through other comprehensive income	237,283	-	-	-
1170	Notes and accounts receivable, net (notes 6(b) and (m))	6,849,920	10	14,790,920	18
1180	Accounts receivable due from related parties (notes 6(b), (m) and 7)	47,714	-	102,237	-
1200	Other receivables (note 6(c))	612,646	1	237,260	-
1210	Other receivables due from related parties (notes 6(c) and 7)	2,302	-	5,349	-
1310	Inventories (note 6(d))	3,896,223	6	5,802,751	7
1470	Prepayments and other current assets	498,301	1	327,741	-
	Total current assets	24,474,187	35	41,310,375	50
	Non-current assets:				
1550	Investments accounted for using equity method (note 6(e))	486,857	1	513,814	1
1600	Property, plant and equipment (note 6(f))	43,106,634	61	37,266,777	46
1755	Right-of-use assets (notes 6(g) and 7)	1,707,192	2	1,936,781	2
1840	Deferred tax assets (note 6(j))	647,139	1	711,133	1
1900	Other non-current assets	15,436	-	11,597	-
	Total non-current assets	45,963,258	65	40,440,102	50
	Total assets	$ 70,437,445	100	81,750,477	100

		December 31, 2023		December 31, 2022	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2130	Current contract liabilities (note 6(m))	$ 1,991,749	3	1,082,286	2
2170	Accounts payable	2,731,645	4	5,003,404	6
2180	Accounts payable to related parties (note 7)	330,321	-	316,155	1
2219	Other payables	2,746,138	4	3,575,022	4
2220	Other payables to related parties (note 7)	36,206	-	36,960	-
2230	Current tax liabilities	849,868	1	3,207,309	4
2281	Current lease liabilities (note 6(h))	9,588	-	9,797	-
2282	Current lease liabilities, related parties (notes 6(h) and 7)	246,114	-	237,025	-
2300	Other current liabilities	158,806	-	220,572	-
	Total current liabilities	9,100,435	12	13,688,530	17
	Non-current liabilities:				
2527	Non-current contract liabilities (note 6(m))	7,233,676	11	7,634,928	9
2570	Deferred tax liabilities (note 6(j))	3,441,505	5	3,005,723	4
2581	Non-current lease liabilities (note 6(h))	2,216	-	7,411	-
2582	Non-current lease liabilities, related parties (notes 6(h) and 7)	1,435,463	2	1,660,156	2
2640	Net defined benefit liability, non-current (note 6(i))	1,112,644	2	1,902,087	2
2645	Guarantee deposits received	203,590	-	129,075	-
	Total non-current liabilities	13,429,094	20	14,339,380	17
	Total liabilities	22,529,529	32	28,027,910	34
	Equity (note 6(k)):				
3100	Ordinary shares	6,461,655	9	6,461,655	8
3200	Capital surplus	18,125,615	26	18,125,608	22
3310	Legal reserve	7,857,185	11	5,896,621	7
3320	Special reserve	761,647	1	861,246	1
3350	Unappropriated retained earnings	15,814,388	23	23,139,084	29
3400	Other equity interest	(1,112,574)	(2)	(761,647)	(1)
	Total equity	47,907,916	68	53,722,567	66
	Total liabilities and equity	$ 70,437,445	100	81,750,477	100

See accompanying notes to consolidated financial statements.

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(m) and 7)**	$ 42,252,578	100	64,646,836	100
5000	**Operating costs (notes 6(d), (f), (g), (h), (i), (n) and 7)**	34,075,178	81	38,779,224	60
	Gross profit from operations	8,177,400	19	25,867,612	40
	Operating expenses (notes 6(b), (f), (g), (h), (i), (n) and 7):				
6100	Selling expenses	386,349	1	663,664	1
6200	Administrative expenses	1,486,019	3	1,629,513	3
6450	Gain on reversal of expected credit impairment	(24,950)	-	(488)	-
6000	**Total operating expenses**	1,847,418	4	2,292,689	4
6900	**Net operating income**	6,329,982	15	23,574,923	36
	Non-operating income and expenses (notes 6(e), (f), (h), (o) and 7):				
7100	Interest income	326,880	1	136,439	-
7010	Other income	336,798	1	190,819	1
7020	Other gains and losses	116,297	-	1,420,302	2
7050	Finance costs	(19,371)	-	(22,499)	-
7060	Share of profit of associates accounted for using equity method	16,072	-	61,518	-
	Total non-operating income and expenses	776,676	2	1,786,579	3
7900	**Profit before tax**	7,106,658	17	25,361,502	39
7950	Less: Tax expense (note 6(j))	1,290,069	3	5,945,918	9
8200	**Profit**	5,816,589	14	19,415,584	30
8300	**Other comprehensive income (notes 6(e), (j) and (k)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	438,026	1	237,960	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(39,323)	-	-	-
8320	Share of other comprehensive income of associates accounted for using equity method	749	-	(16,216)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	87,606	-	47,592	-
	Components of other comprehensive income that will not be reclassified to profit or loss	311,846	1	174,152	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(390,144)	(1)	144,380	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	(78,029)	-	28,876	-
	Components of other comprehensive income that will be reclassified to profit or loss	(312,115)	(1)	115,504	-
8300	**Other comprehensive income, net**	(269)	-	289,656	-
8500	**Total comprehensive income**	$ 5,816,320	14	19,705,240	30
	Earnings per share (note 6(l))				
9750	**Basic earnings per share**	$	9.00		30.05
9850	**Diluted earnings per share**	$	9.00		30.04

See accompanying notes to consolidated financial statements.

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest: Exchange differences on translation of foreign financial statements	Other equity interest: Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Other equity interest: Total	Total equity
Balance at January 1, 2022	$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	(861,245)	40,478,974
Profit for the year ended December 31, 2022	-	-	-	-	19,415,584	-	-	-	19,415,584
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	190,058	115,504	(15,906)	99,598	289,656
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	19,605,642	115,504	(15,906)	99,598	19,705,240
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	1,036,981	-	(1,036,981)	-	-	-	-
Special reserve appropriated	-	-	-	269,086	(269,086)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,461,655)	-	-	-	(6,461,655)
Other changes in capital surplus:									
Other changes in capital surplus	-	8	-	-	-	-	-	-	8
Balance at December 31, 2022	6,461,655	18,125,608	5,896,621	861,246	23,139,084	(744,544)	(17,103)	(761,647)	53,722,567
Profit for the year ended December 31, 2023	-	-	-	-	5,816,589	-	-	-	5,816,589
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	350,658	(312,115)	(38,812)	(350,927)	(269)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	6,167,247	(312,115)	(38,812)	(350,927)	5,816,320
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	1,960,564	-	(1,960,564)	-	-	-	-
Reversal of special reserve	-	-	-	(99,599)	99,599	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,630,978)	-	-	-	(11,630,978)
Other changes in capital surplus:									
Other changes in capital surplus	-	7	-	-	-	-	-	-	7
Balance at December 31, 2023	**$ 6,461,655**	**18,125,615**	**7,857,185**	**761,647**	**15,814,388**	**(1,056,659)**	**(55,915)**	**(1,112,574)**	**47,907,916**

See accompanying notes to consolidated financial statements.

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

NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit before tax	$ 7,106,658	25,361,502
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	5,895,871	4,343,965
Gain on reversal of expected credit impairment	(24,950)	(488)
Interest expense	19,371	22,499
Interest income	(326,880)	(136,439)
Dividend income	(12,583)	-
Share of profit of associates accounted for using equity method	(16,072)	(61,518)
Loss on disposal of property, plant and equipment	39,279	107,585
(Reversal of) impairment loss on non-financial assets	(14,033)	16,425
Unrealized foreign exchange loss	196,001	195,061
Total adjustments to reconcile profit	5,756,004	4,487,090
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	7,842,486	(4,018,163)
Decrease (increase) in other receivables (including related parties)	66,195	(2,186)
Decrease (increase) in inventories	1,907,587	(455,920)
Decrease in prepayments	107,385	1,721
Total changes in operating assets	9,923,653	(4,474,548)
Changes in operating liabilities:		
Increase in contract liabilities	508,211	7,897,275
(Decrease) increase in accounts payable (including related parties)	(2,240,039)	1,669,565
(Decrease) increase in other payables (including related parties)	(829,634)	510,709
Decrease in other current liabilities	(61,766)	(10,264)
Decrease in net defined benefit liabilities	(351,417)	(49,533)
Total changes in operating liabilities	(2,974,645)	10,017,752
Total changes in operating assets and liabilities	6,949,008	5,543,204
Total adjustments	12,705,012	10,030,294
Cash inflow generated from operations	19,811,670	35,391,796
Interest received	329,627	128,876
Interest paid	(19,371)	(23,428)
Income taxes paid	(3,608,544)	(3,189,801)
Net cash flows from operating activities	16,513,382	32,307,443
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Acquisition of property, plant and equipment	(11,779,114)	(16,921,893)
Proceeds from disposal of property, plant and equipment	30,605	26,122
Increase in other financial assets	(277,922)	-
Increase in other non-current assets	(3,839)	(6,078)
Dividends received	56,364	33,168
Net cash flows used in investing activities	(12,250,512)	(16,868,681)
Cash flows used in financing activities:		
Increase in short-term loans	-	294,811
Decrease in short-term loans	-	(1,550,961)
Repayments of long-term debt	-	(724,868)
Increase (decrease) in guarantee deposits received	74,515	(453)
Payment of lease liabilities	(254,960)	(221,939)
Cash dividends paid	(11,630,978)	(6,461,655)
Net cash flows used in financing activities	(11,811,423)	(8,665,065)
Effect of exchange rate changes on cash and cash equivalents	(165,766)	75,970
Net (decrease) increase in cash and cash equivalents	(7,714,319)	6,849,667
Cash and cash equivalents at beginning of period	20,044,117	13,194,450
Cash and cash equivalents at end of period	**$ 12,329,798**	**20,044,117**

See accompanying notes to consolidated financial statements.

(1) Company history

Nan Ya Printed Circuit Board Corporation “the Company” was legally established with the approval by the Ministry of Economic Affairs on October 28, 1997, with registered address at 7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City, Taiwan. The Company and its subsidiaries “the Group” main operating activities are primarily in the manufacturing and selling of printed circuit boards.

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

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on February 29, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

● Amendments to IAS 1 “Disclosure of Accounting Policies”

● Amendments to IAS 8 “Definition of Accounting Estimates”

● Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

● Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

● Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

● Amendments to IAS 1 “Non-current Liabilities with Covenants”

● Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”

● Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

(i) Basis of measurement

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

The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(Continued)

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Company. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent 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 interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries in the consolidated financial statements include:

			Percentage of ownership (%)	
Investor	**Name of subsidiary**	**Business activity**	**December 31, 2023**	**December 31, 2022**
The Company	NPUC	Selling and other services	100%	100%
The Company	NPHK	Selling and investing in electronic products	100%	100%
NPHK	NPKC	Producing and selling PCB	100%	100%

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

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

(Continued)

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

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(Continued)

(f) Cash and cash equivalents

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

(g) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: Amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

(Continued)

2) Impairment of financial assets

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

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

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable is always measured at an amount equal to lifetime ECL.

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

The Group assumes a significantly increased credit risk of a financial asset if there are indications of potential breaches of contract over the expected life of the contract period.

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

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

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

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

(Continued)

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 1 year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

3) Derecognition of financial assets

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

(ii) Financial liabilities

1) Classification of liabilities

Debt instruments issued by the Group are classified as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of a financial liability.

2) Financial liabilities

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

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations have been met, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different from the original liability. A new financial liability is then recognized, at fair value, based on the modified terms.

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

(h) Inventories

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

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

(i) Investment in associates

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

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

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

(Continued)

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

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

(j) Property, plant and equipment

(i) Recognition and measurement

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

1)	Buildings:	25 to 35 years
2)	Machinery equipment:	3 to 15 years
3)	Vehicles:	5 to 15 years
4)	Miscellaneous equipment:	5 to 15 years

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

(k) Leases

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

(i) As a leasee

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

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

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

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

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group’ s estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there are any lease modifications

(Continued)

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

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

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

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

(ii) As a lessor

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

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

For operating leases, the Group recognizes lease payments received under the straight-line basis as lease income over the lease term.

(l) Intangible assets and technical cooperation fee

(i) Technical cooperation fee

The technical cooperation fee paid by the Group is measured at cost, less, accumulated amortization and accumulated impairment loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortization is recognized as an expense on a straight-line basis over the estimated useful lives from the date that the technical cooperation fee is made available for use. The estimated useful life for the technical cooperation fee is 10 years.

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

(m) Impairment of non-financial assets

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

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

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

For other assets, an impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue recognition

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

(Continued)

(i) Sale of goods

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

(ii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

(Continued)

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

(iii) Short-term employee benefits

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

(p) Income taxes

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

(Continued)

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

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Group reports the basic earnings per share and the diluted earnings per share. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholder of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee compensation.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

(Continued)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. These assumptions and estimations have been updated to reflect the impact of COVID-19 pandemic:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ -	23
Cash in banks	5,829,891	11,023,535
Time deposits	2,403,402	7,235,634
Cash equivalents	4,096,505	1,784,925
	$ 12,329,798	20,044,117

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

(b) Notes and accounts receivables

	December 31, 2023	December 31, 2022
Notes receivable	$ 2,170	370
Accounts receivable－non-related parties-measured at amortized cost	6,870,754	14,838,504
Accounts receivable－related parties-measured at amortized cost	47,714	102,237
Less: Loss allowance	(23,004)	(47,954)
	$ 6,897,634	14,893,157

As of December 31, 2023 and 2022, the Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

(Continued)

	December 31, 2023		
	Accounts receivables gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Current	$ 6,840,123	0.321%	21,970
Past due within 3 months	80,487	1.285%	1,034
Past due 3 to 6 months	28	0.000%	-
	$ 6,920,638		23,004

	December 31, 2022		
	Notes and Accounts receivables gross carrying amount	**Weighted average loss rate**	**Loss allowance provision**
Current	$ 14,767,608	0.313%	46,174
Past due within 3 months	173,503	1.026%	1,780
	$ 14,941,111		47,954

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

	For the years ended December 31,	
	2023	**2022**
Balance at January 1	$ 47,954	48,431
Impairment losses reversed	(24,950)	(488)
Effect of exchange rate changes	-	11
Balance at December 31	$ 23,004	47,954

As of December 31, 2023 and 2022, the Group did not provide any notes and accounts receivable as collateral for its loans.

(c) Other receivables

	December 31, 2023	**December 31, 2022**
Other receivables－related parties	$ 2,302	5,349
Tax refund receivable	584,092	216,795
Others	28,554	20,465
	$ 614,948	242,609

For further credit risk information, please refers to note 6(p).

(d) Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 730,810	1,133,325
Work in process	1,883,362	3,033,291
Raw materials	788,959	1,123,455
Supplies	493,092	512,680
	$ 3,896,223	5,802,751

The details of costs of sales were as follows:

	For the years ended December 31, 2023	2022
Inventory that has been sold	$ 29,856,150	38,797,184
Write-down of inventories (Reversal of write-downs)	22,116	(17,960)
Unapportioned manufacturing expenses	4,196,912	-
	$ 34,075,178	38,779,224

For the year ended December 31, 2023, the write-down of inventories amounted to $22,116.

For the year ended December 31, 2022, net realizable value of inventories has increased due to the increase in market price, the reversal of write-downs amounted to $17,960.

As of December 31, 2023 and 2022, the Group did not provide any inventories as collateral for its loan.

(e) Investments accounted for using the equity method

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

	December 31, 2023	December 31, 2022
Associates	$ 486,857	513,814

The Group’ s financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	For the years ended December 31, 2023	2022
Attributable to the Group:		
Net income	$ 16,072	61,518
Other comprehensive income	749	(16,216)
Total comprehensive income	$ 16,821	45,302

(Continued)

As of December 31, 2023 and 2022, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(f) Property, plant and equipment

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

	Building	Machinery and equipment	Vehicles	Miscellaneous equipment	Unfinished construction and equipment pending acceptance	Total
Cost:						
Balance as of January 1, 2023	$ 4,504,351	53,921,399	20,571	4,571,856	14,092,674	77,110,851
Additions	-	337,828	3,463	88,588	11,349,235	11,779,114
Disposals	-	(3,086,455)	(1,370)	(25,577)	-	(3,113,402)
Reclassification	42,235	15,612,222	720	1,490,341	(17,145,518)	-
Effect of exchange rate changes	(36,913)	(478,215)	(47)	(3,558)	15,988	(502,745)
Balance as of December 31, 2023	$ 4,509,673	66,306,779	23,337	6,121,650	8,312,379	85,273,818
Balance as of January 1, 2022	$ 4,469,304	50,517,957	18,803	4,953,237	2,107,969	62,067,270
Additions	-	392,133	657	73,540	16,455,563	16,921,893
Disposals	-	(1,686,687)	(1,053)	(533,687)	-	(2,221,427)
Reclassification	-	4,366,892	2,100	75,705	(4,444,697)	-
Effect of exchange rate changes	35,047	331,104	64	3,061	(26,161)	343,115
Balance as of December 31, 2022	$ 4,504,351	53,921,399	20,571	4,571,856	14,092,674	77,110,851
Accumulated depreciation and impairment:						
Balance as of January 1, 2023	$ 2,871,867	33,289,354	12,043	3,670,810	-	39,844,074
Depreciation for the period	165,699	5,218,960	1,886	246,250	-	5,632,795
Reversal of impairment loss	-	(936)	(7)	(13,090)	-	(14,033)
Disposals	-	(3,017,573)	(1,263)	(24,682)	-	(3,043,518)
Reclassification	-	98,091	-	(98,091)	-	-
Effect of exchange rate changes	(25,456)	(224,095)	(37)	(2,546)	-	(252,134)
Balance as of December 31, 2023	$ 3,012,110	35,363,801	12,622	3,778,651	-	42,167,184
Balance as of January 1, 2022	$ 2,689,897	30,829,691	11,617	4,065,062	-	37,596,267
Depreciation for the period	162,437	3,803,413	1,426	148,443	-	4,115,719
Impairment loss	-	16,427	-	(2)	-	16,425
Disposals	-	(1,552,983)	(1,053)	(533,684)	-	(2,087,720)
Reclassification	-	11,761	-	(11,761)	-	-
Effect of exchange rate changes	19,533	181,045	53	2,752	-	203,383
Balance as of December 31, 2022	$ 2,871,867	33,289,354	12,043	3,670,810	-	39,844,074
Carrying amounts:						
Balance as of December 31, 2023	$ 1,497,563	30,942,978	10,715	2,342,999	8,312,379	43,106,634
Balance as of December 31, 2022	$ 1,632,484	20,632,045	8,528	901,046	14,092,674	37,266,777

For gains and losses on disposals, please refer to note 6(o).

(Continued)

The impairment loss of $16,425 incurred by the Group in 2022 was due to incapability of its machinery equipment and other equipment for future manufacturing process, which led the value-in-use to be lower than the carrying amount, resulting in the Group to expect a decrease in its future cash flow. However, in 2023, the Group decided to use and dispose some of its equipment mentioned above, resulting in a reversal of impairment gain of $14,033, recognized as " other gains and losses " in the statement of comprehensive income, wherein the Group used the value-in-use to calculate the recoverable amount of its property, plant and equipment.

(g) Right-of-use assets

The Group leases assets including land and buildings, as recognized right-of-use assets. Information about leases for which the Group as a lessee was presented below:

		Land	Buildings	Total
Cost:				
Balance as of January 1, 2023	$	386,040	2,135,615	2,521,655
Additions		6,542	-	6,542
Change in an index of lease payment		27,410	-	27,410
Effect of exchange rate changes		(557)	-	(557)
Balance as of December 31, 2023	$	419,435	2,135,615	2,555,050
Balance as of January 1, 2022	$	301,748	457,327	759,075
Additions		60,652	1,458,460	1,519,112
Change in an index of lease payment		23,111	219,828	242,939
Effect of exchange rate changes		529	-	529
Balance as of December 31, 2022	$	386,040	2,135,615	2,521,655
Accumulated depreciation:				
Balance as of January 1, 2023	$	93,315	491,559	584,874
Depreciation for the period		70,093	192,983	263,076
Effect of exchange rate changes		(92)	-	(92)
Balance as of December 31, 2023	$	163,316	684,542	847,858
Balance as of January 1, 2022	$	31,636	324,951	356,587
Depreciation for the period		61,638	166,608	228,246
Effect of exchange rate changes		41	-	41
Balance as of December 31, 2022	$	93,315	491,559	584,874
Carrying amount:				
Balance as of December 31, 2023	$	256,119	1,451,073	1,707,192
Balance as of December 31, 2022	$	292,725	1,644,056	1,936,781

(Continued)

(h) Lease liabilities

The carrying amount of the lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Current	$ 255,702	246,822
Non-current	$ 1,437,679	1,667,567

For the maturity analysis, please refer to note 6(p).

The amounts recognized in profit or loss were as follows:

	For the years ended December 31,	
	2023	2022
Interest on lease liabilities	$ 18,487	13,969
Variable lease payment not included in the measurement of lease liabilities; expenses relating to short-term leases; expenses relating to leases of low-value assets	$ 44,337	61,487

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

	For the years ended December 31,	
	2023	2022
Total cash outflow for leases	$ 317,784	297,395

(i) Real estate leases

The Group leases land and buildings to be used for its office space and plants, which typically runs for a period of 2 to 10 years.

(ii) Other leases

The Group leases machinery and equipment with contract periods within a year. These leases are short-term leases or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(i) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 2,361,295	2,844,755
Fair value of the plan assets	(1,248,651)	(942,668)
Net defined benefit liabilities	**$ 1,112,644**	**1,902,087**

Contributions are made to an independent fund that is deposited with Bank of Taiwan. For employees that are eligible for the Labor Standards Act, the payments of retirement benefits are based on the years of service and the average salary for the last six months before the employee's retirement.

1) Composition of the plan assets

The Labor Pension Fund Supervisory Committee (the "LPFSC") manages the Company's pension fund which is being funded according to the Labor Standards Act. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by the local banks.

As of the report date, the Company's pension fund with Bank of Taiwan amounted to $1,248,651. Please refer to the related information published on the website of the Labor Pension Fund Supervisory Committee concerning the utilization of the labor pension fund, related yield rate, and its allocation.

2) Movements in the present value of the defined benefit obligations were as follows:

The movements in the present value of defined benefit obligations of the Company as follows:

	For the years ended December 31	
	2023	2022
Present value of defined benefit obligations as of January 1	$ 2,844,755	3,053,708
Current service cost and interest	53,075	37,021
Remeasurement of net defined benefit obligations		
-Experience adjustments	(427,267)	(171,273)
Benefits paid	(109,268)	(74,701)
Present value of defined benefit obligations as of December 31	**$ 2,361,295**	**2,844,755**

(Continued)

3) Movements in the fair value of the plan asset were as follows:

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

	For the years ended December 31	
	2023	**2022**
Fair value of plan assets as of January 1	$ 942,668	864,128
Interest income	11,880	4,420
Remeasurements of net defined benefit obligations		
-Return on plan assets for the period (excluding interest for the period)	10,759	66,687
Appropriations to the plan	383,178	75,649
Benefits paid by plan assets	(99,834)	(68,216)
Fair value of plan assets as of December 31	**$ 1,248,651**	**942,668**

4) Expense recognized as profit or loss

Expense of the Company recognized as profit or loss as follows:

	For the years ended December 31	
	2023	**2022**
Current service cost	$ 17,892	21,844
Net interest of defined benefit obligations	23,303	10,757
	$ 41,195	**32,601**

	For the years ended December 31	
	2023	**2022**
Operating costs	$ 34,460	27,894
Selling expenses	1,302	915
Administrative expenses	5,433	3,792
	$ 41,195	**32,601**

(Continued)

5) Remeasurements of the net defined benefit obligations recognized as other comprehensive income

The Company's cumulated pretax remeasurements of the net defined benefit obligations recognized in other comprehensive income were as follows:

		For the years ended December 31	
		2023	**2022**
Balance as of January 1,	$	(602,818)	(840,778)
Recognized in the current period		438,026	237,960
Balance as of December 31,	$	(164,792)	(602,818)

6) Actuarial assumptions

The principal actuarial assumptions were as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	1.25%	1.25%
Future salary increase rate	2.85%	2.85%

The Company is expected to make a contribution of $67,383 to the defined benefit plans for the one-year period after the reporting date.

The weighted average duration of the defined benefit plan is 12.2 years.

7) Sensitivity analysis

As of December 31, 2023 and 2022, the effects on the present value of the defined benefit obligation arising from changes in principal actuarial assumptions were as follows:

		Effect on present value of defined benefit obligations	
		Decrease Amount	**Increase Amount**
December 31, 2023			
Discount rate (0.25% variation)	$	61,766	(59,538)
Future salaries (1% variation)		(223,248)	252,827
December 31, 2022			
Discount rate (0.25% variation)		88,154	(84,717)
Future salaries (1% variation)		(316,778)	363,158

(Continued)

The sensitivity analysis was conducted based on the assumption that only a single variable changed and all other variables remained constant. However, the assumptions may be correlated. The sensitivity analysis adopts the same methods used in determining the defined benefit liability on the balance sheet.

The same methods and assumptions are adopted in the two-year sensitivity analysis.

(ii) Defined contribution plan

The Company contributes an amount equal to 6% of the employees' monthly wages to the labor pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed-rate contribution.

The Company's pension costs under the contribution pension plan amounted to $237,225 and $252,358 for the years ended December 31, 2023 and 2022, respectively.

All foreign subsidiaries' pension costs under the contribution pension plan amounted to $293,125 and $302,555 for the years ended December 31, 2023 and 2022, respectively, and have been submitted to the authorities.

(j) Income tax

(i) The details of income tax expense were as follows:

	For the years ended December 31,		
		2023	2022
Current income tax expense	$	799,870	4,810,230
Deferred income tax expense		490,199	1,135,688
Total income tax expense	$	1,290,069	5,945,918

The details of income tax benefit (expense) under other comprehensive income were as follows:

	For the years ended December 31,		
		2023	2022
Components of other comprehensive income that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plans	$	(87,606)	(47,592)
Components of other comprehensive income that will be reclassified to profit or loss:			
Exchange differences on translation of foreign financial statements	$	78,029	(28,876)

(Continued)

Reconciliation of income tax expense and profit before tax were as follow:

	For the years ended December 31	
	2023	**2022**
Profit before tax	$ 7,106,658	25,361,502
Income tax expense using the Company's domestic tax rate	$ 1,421,332	5,072,300
Effect of tax rates in foreign jurisdiction	519,533	1,460,359
Other adjustments required by the tax law	(573,253)	(510,424)
Effect of profit of associates accounted for using equity method	(3,214)	(12,304)
Investment tax credits	(80,392)	(64,013)
Under provision in prior periods	6,063	-
Income tax expense	$ 1,290,069	5,945,918

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the Group's unrecognized deferred tax assets both amounted to $0.

2) Recognized deferred tax liabilities and assets

Movements in recognized deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

	Defined benefit plan	Exchange differences on translation of foreign financial statements	Others	Total
Balance on January 1, 2023	$ 373,784	186,136	151,213	711,133
Recognized in profit or loss	(70,283)	-	15,866	(54,417)
Recognized in other comprehensive income	(87,606)	78,029	-	(9,577)
Balance on December 31, 2023	**$ 215,895**	**264,165**	**167,079**	**647,139**
Balance on January 1, 2022	$ 431,283	215,012	142,547	788,842
Recognized in profit or loss	(9,907)	-	8,666	(1,241)
Recognized in other comprehensive income	(47,592)	(28,876)	-	(76,468)
Balance on December 31, 2022	**$ 373,784**	**186,136**	**151,213**	**711,133**

(Continued)

Deferred tax liabilities:

	Foreign investment income	Others	Total
Balance on January 1, 2023	$ 2,565,567	440,156	3,005,723
Recognized in profit or loss	418,553	17,229	435,782
Balance on December 31, 2023	**$ 2,984,120**	**457,385**	**3,441,505**
Balance on January 1, 2022	$ 1,443,994	427,282	1,871,276
Recognized in profit or loss	1,121,573	12,874	1,134,447
Balance on December 31, 2022	**$ 2,565,567**	**440,156**	**3,005,723**

(iii) The Company's tax returns for the year through 2021 were assessed by the ROC tax authorities.

(k) Capital and other equity interest

(i) Ordinary share

As of December 31, 2023 and 2022, the Company's total authorized capital both amounted to $7,000,000, of which $84,110 were reserved for stock options. As of December 31, 2023 and 2022, the total authorized common stocks were both 700,000 thousand shares, and the total issued common stocks both amounted to 646,166 thousand shares, with $10 par value per share. All issued shares were paid up upon issuance.

(ii) Capital surplus

The components of capital surplus were as follows:

	December 31, 2023	December 31, 2022
Paid-in capital in excess of par value	$ 17,874,841	17,874,841
Employee stock options	250,434	250,434
Others	340	333
	$ 18,125,615	**18,125,608**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received.

According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

According to the rules of the Company's articles, the Company's annual net earnings, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. The remainder plus the undistributed earnings of the previous years are distributed or left undistributed for business purposes according to the resolution of the stockholders' dividend distribution. The Company's Board of Directors is authorized to distribute cash dividends after a resolution has been adopted by a majority vote at a board meeting attended by two-thirds or more of the directors, thereafter, to be reported to the shareholders' meeting; while the distribution of stock dividends shall be submitted to the shareholders' meeting for approval.

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

1) Legal reserve

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

2) Special reserve

According to Ruling by FSC, when the Company distributes its earnings, it should set aside from the earnings of the current period and the accumulated unappropriated earnings a special reserve which is equivalent to the amount of the net reductions of other equity interest in the current period. If the distributed earnings were appropriated from the accumulated unappropriated earnings of prior periods, a special reserve which is equivalent to the amount of the distribution should be appropriated. If subsequently there is a reversal of the reductions in other equity interest, earnings can be distributed from the reversal. Except for the above appropriations required by the regulations, the special reserve also includes:

The special reserve includes the following:

a) Special reserve recorded for special purposes.

b) Investment income under the equity method.

c) Net valuation gains from financial instrument transactions. Only when its accumulated amount decreases, the special reserve should be decreased at the same amount and is restricted to the recognized amount in this item.

(Continued)

3) Earnings distribution

The amounts of cash dividends for the 2022 earnings distribution had been approved, during the board meeting held on February 24, 2023; while the earnings distribution for 2021 had been approved during the shareholders' meeting on May 27, 2022, respectively. These earnings were appropriated as follows:

	2022		2021	
	Dividends per share (NTD)	**Amount**	**Dividends per share (NTD)**	**Amount**
Dividends distributed to common shareholders:				
Cash	$ 18.00	11,630,978	10.00	6,461,655

The amount of cash dividends on the 2023 earnings distribution had been approved and proposed, respectively during the board meeting on February 29, 2024, as follows:

	2023	
	Dividends per share (NTD)	**Amount**
Dividends distributed to common shareholders:		
Cash	$ 5.50	3,553,910

(iv) Other equity interest (net of tax)

	Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) on financial assets at fair value through other comprehensive income**	**Total**
Balances as of January 1, 2023	$ (744,544)	(17,103)	(761,647)
Exchange differences on translation of foreign operations	(312,115)	-	(312,115)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(39,323)	(39,323)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	511	511
Balances as of December 31, 2023	$ (1,056,659)	(55,915)	(1,112,574)
Balances as of January 1, 2022	$ (860,048)	(1,197)	(861,245)
Exchange differences on translation of foreign operations	115,504	-	115,504
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(15,906)	(15,906)
Balances as of December 31, 2022	$ (744,544)	(17,103)	(761,647)

(Continued)

(l) Earnings per share

Calculation of earnings per share for the years ended December 31, 2023 and 2022 was as follows:

(i) Basic earnings per share

1) Net profit attributable to equity shareholders of the Company

	For the years ended December 31,	
	2023	**2022**
Net profit attributable to equity shareholders of the Company	$ 5,816,589	19,415,584

2) Weighted average number of ordinary shares outstanding

	For the years ended December 31,	
	2023	**2022**
Weighted average number of ordinary shares outstanding (in thousands of shares)	646,166	646,166

(ii) Diluted earnings per share

1) Net profit attributable to equity shareholders of the Company (diluted)

	For the years ended December 31,	
	2023	**2022**
Net profit attributable to equity shareholders of the Company (diluted)	$ 5,816,589	19,415,584

2) Weighted average number of ordinary shares outstanding (diluted)

	For the years ended December 31,	
	2023	**2022**
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)	646,166	646,166
Effects of dilutive potential ordinary shares		
Effects of employee stock compensation (in thousands of shares)	87	221
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)	646,253	646,387

(Continued)

(m) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31, 2023	2022
Primary geographical markets:		
Taiwan	$ 14,504,072	28,757,417
USA	2,677,092	1,028,122
Mainland China	16,778,042	24,710,381
Korea	2,448,173	3,781,459
Other countries	5,845,199	6,369,457
	$ 42,252,578	64,646,836
Major products:		
Printed circuit board	$ 41,572,138	63,720,654
Others	680,440	926,182
	$ 42,252,578	64,646,836

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 2,170	370	-
Accounts receivable－non-related parties	6,870,754	14,838,504	11,030,225
Accounts receivable－related parties	47,714	102,237	79,757
Less: Loss allowance	(23,004)	(47,954)	(48,431)
	$ 6,897,634	14,893,157	11,061,551

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities－unearned sales	$ 9,225,425	8,717,214	824,374

	December 31, 2023	December 31, 2022	January 1, 2022
Current	$ 1,991,749	1,082,286	112,399
Non-current	7,233,676	7,634,928	711,975
	$ 9,225,425	8,717,214	824,374

(Continued)

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue will be recognized when products are delivered to customers.

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were $1,205,963 and $115,071, respectively.

(n) Employee compensation

According to the Company's Articles of Incorporation, which are subject to the shareholders' approval, the Company's annual net profit should be set aside from the allocation 0.05% to 0.5% as employee compensation based on the Company's net profit before tax offsetting employee compensation. When the Company incurs accumulated deficit, the Company should reserve in advance with covering the accumulated deficit.The estimated remunerations to employees amounted to $14,385 and $48,482 for the years ended December 31, 2023 and 2022, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under operating costs or expenses for the period. Related information would be available at the Market Observation Post System website.

The remunerations to employees approved by the Board of Directors were same as the financial report for the years ended December 31, 2023 and 2022.

(o) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31,	
	2023	**2022**
Interest income from bank deposits	$ 301,193	119,565
Other interest income	25,687	16,874
	$ 326,880	**136,439**

(ii) Other income

The details of other income were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Rental income	$ 54,296	50,292
Dividend revenue	12,583	-
Government grants	82,447	23,418
Others	187,472	117,109
	$ 336,798	190,819

(iii) Other gains and losses

The details of other gains and (losses) were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Losses on disposal of property, plant and equipment	$ (39,279)	(107,585)
Net foreign exchange gains	140,301	1,493,017
Reversal of impairment gains (losses) on property, plant and equipment	14,033	(16,425)
Others	1,242	51,295
	$ 116,297	1,420,302

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest expense	$ (19,371)	(22,499)

(Continued)

(p) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets after deducting the warranty amount represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022 , the Group's maximum exposure to credit risk were $5,177,639 and $12,763,216, respectively.

2) Concentration of credit risk

Since most of the Group's clients are renowned international companies with good credit which scatter in different industries and geographic areas, the Group does not make concentrated transactions with any specific client. Therefore, there is no concentration of credit risk for accounts receivable. In order to reduce its credit risk, the Group assesses the financial condition of clients consistently and periodically.

3) Credit risk of receivables

Please refer to note 6(b) for the exposure of credit risk of notes and accounts receivables.

Other financial assets measured at amortized cost includes other receivables and time deposits.

Other receivables and time deposits are considered to have low credit risk as the Group only deals with external parties with good credit ratings and with financial institutions with credit ratings qualified for investing and above.

As of December 31, 2023 and 2022, no allowance for impairment was recognized as there were no indications of impaired credit risk for the 12 month ECL or lifetime ECL for other financial assets measured at amortized cost.

(ii) Liquidity risk

The following table shows the remaining contractual maturities of financial liabilities, including estimated interest payments :

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 3,061,966	3,061,966	3,061,966	-	-	-	-
Other payables (including related parties)	2,782,344	2,782,344	2,782,344	-	-	-	-
Lease liabilities (including current portion)	1,693,381	1,756,898	137,007	134,531	264,109	635,624	585,627
	$ 7,537,691	**7,601,208**	**5,981,317**	**134,531**	**264,109**	**635,624**	**585,627**

(Continued)

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2022							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 5,319,559	5,319,559	5,319,559	-	-	-	-
Other payables (including related parties)	3,611,982	3,611,982	3,611,982	-	-	-	-
Lease liabilities (including current portion)	1,914,389	1,995,477	132,476	132,476	262,477	689,599	778,449
	$ 10,845,930	10,927,018	9,064,017	132,476	262,477	689,599	778,449

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2023		
	Foreign currency	Exchange rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 261,351	30.7350	8,032,616
EUR	313	33.9755	10,638
JPY	52,588	0.2172	11,422
CNY	44	4.3394	190
Financial liabilities			
Monetary items			
USD	17,199	30.7350	528,604
EUR	70	33.9755	2,383
JPY	1,708,820	0.2172	371,156
CNY	11	4.3394	48

(Continued)

	December 31, 2022		
	Foreign currency	Exchange rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 486,051	30.7080	14,925,649
EUR	424	32.7026	13,863
JPY	84,668	0.2306	19,525
CNY	25	4.4091	108
Financial liabilities			
Monetary items			
USD	41,675	30.7080	1,279,745
EUR	561	32.7026	18,360
JPY	1,840,577	0.2306	424,437

2) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables which are denominated in foreign currencies. A 1% depreciation or appreciation of the NTD against the USD, EUR, JPY and CNY as of December 31, 2023 and 2022 would have increased or decreased the net income before tax by $71,527 and $132,366 for the years ended December 31, 2023 and 2022, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Due to the variety of functional currencies, the Group disclosed its aggregated foreign exchange gains (losses); the Group’s foreign exchange gains, including realized and unrealized, for the years ended December 31, 2023 and 2022 were the net exchange gain of $140,301 and $1,493,017, respectively.

(iv) Interest rate analysis

The Group’s exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk section of this note.

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

(Continued)

If the interest rates increase or decrease by 1%, (with all the other factors remain constant) for the years ended December 31, 2023 and 2022, no significant impact on the Group's profit would occur.

(v) Fair value of information

1) Fair value of financial instruments

The carrying amount of the Group's financial assets and liabilities is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	$ 237,283	237,283	-	-	237,283
Financial assets measured by amortized cost					
Cash and cash equivalents	$ 12,329,798	-	-	-	-
Notes and accounts receivable, net (including related parties)	6,897,634	-	-	-	-
Other receivables (including related parties)	30,856	-	-	-	-
Other financial assets (recognized as other current assests)	277,922	-	-	-	-
Total	$ 19,773,493	237,283	-	-	237,283
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	$ 3,061,966	-	-	-	-
Other payables (including related parties)	2,782,344	-	-	-	-
Lease liabilities (including current portion)	1,693,381	-	-	-	-
Total	$ 7,537,691	-	-	-	-

(Continued)

	December 31, 2022				
	Carrying	Fair Value			
	Amount	Level 1	Level 2	Level 3	Total
Financial assets measured by amortized cost					
Cash and cash equivalents	$ 20,044,117	-	-	-	-
Notes and accounts receivable, net (including related parties)	14,893,157	-	-	-	-
Other receivables (including related parties)	25,814	-	-	-	-
Total	$ 34,963,088	-	-	-	-
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	$ 5,319,559	-	-	-	-
Other payables (including related parties)	3,611,982	-	-	-	-
Lease liabilities (including current portion)	1,914,389	-	-	-	-
Total	$ 10,845,930	-	-	-	-

(q) Financial risk management

(i) Nature and extent

The Group has exposures to the following risks from holding certain financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expresses the information of risk exposure, the goals, policies and procedures for the Group to measure and manage risks. Please refer to each note in consolidated financial statements for further quantitative disclosures.

(Continued)

(ii) Framework of risk management

The risk management policies are established according to the regulations of the authorities and the policy of the corporation. The Group understands that risk management is crucial to the business operation when facing the ever-changing market conditions. The Group, through strict internal control and complete risk management system, aims to effectively control the credit, liquidity, and market risk when operating. By doing so, the Group hopes to achieve its goal of sustainable operation.

The internal audit section of the Group reviews the effectiveness and appropriateness of each risk hedge transaction on a nonscheduled basis and reports the results to the Board of Directors.

(iii) Credit risk

Credit risk is the risk that resulted from receivables generated from operating activities and financial investments (including bank deposits, investments with fixed return, and other financial instruments).

1) Accounts receivable

To insure the collection of accounts receivable, the Group established risk management relating to operations, including operation goal management, credit authorization management, and accounts receivable management, constantly paying attention to the operating condition and dynamics of the client in order to take necessary measures and to prevent impairment of accounts receivable.

Most of the counterparties of the Group’s accounts receivable are renowned international companies with good reputation, scattering across different industrial and geographic regions.

2) Financial investments

The credit risk of bank deposits, fixed return investments and other financial instruments conforms to the financial framework of the Group. To prevent default from counterparties due to credit abnormities, the Group trades mostly with companies with long-term credit rating, larger scale and higher liquidity. Also, the Group explicitly states different credit levels and ranges for counterparties according to the risk and period of financial instruments.

(Continued)

(iv) Liquidity risk

The goal of liquidity risk management of the Group is to ensure enough cash and cash equivalents, highly liquid securities, and sufficient bank financing credit to ensure sufficient financial flexibility.

(v) Market risk

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

1) Exchange rate risk

The Group' s exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group, primarily the New Taiwan Dollars (NTD). The currencies used in these transactions are denominated in NTD, USD, CNY, JPY and EUR.

Deficit of foreign currency funds for daily operations are offset by spot exchange or forward exchange agreements bought in during an advantageous situation. For foreign currency long-term debt, in order to minimize the impact of exchange rate changes on the Group' s profit, the Group signs long period forward exchange agreements or cross currency swaps with several renowned international banks at times when exchange rates are favorable.

2) Interest rate risk

All of the Group' s long-term loans bear floating interest rates. To hedge the risk of fluctuated interest rate, the financial sector prudently evaluates the trend of the financial market and signs swap contracts with several international renowned banks at times when interest rates are relatively low; all the bearing interest rates are lower than the estimated financing cost.

(r) Capital management

The capital management of the Group focuses on ensuring necessary financial resources and operation plans support the Group' s operating funds, capital expenditure, research and development expense, and dividend payments in the following 12 months.

(Continued)

(s) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

(i) A description of acquisition the right-of-use assets through lease, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2023	**Cash flows**	**Foreign exchange movement**	**Acquisition**	**December 31, 2023**
Lease liabilities(including current portion)	$ 1,914,389	(254,960)	-	33,952	1,693,381
Total liabilities from financing activities	**$ 1,914,389**	**(254,960)**	**-**	**33,952**	**1,693,381**

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Foreign exchange movement**	**Acquisition**	**December 31, 2022**
Short-term loans	$ 1,214,969	(1,256,150)	41,181	-	-
Long-term loans (including current portion)	681,592	(724,868)	43,276	-	-
Lease liabilities (including current portion)	374,277	(221,939)	-	1,762,051	1,914,389
Total liabilities from financing activities	**$ 2,270,838**	**(2,202,957)**	**84,457**	**1,762,051**	**1,914,389**

(7) Related-party transactions

(a) Parent company and ultimate controlling party

Nan Ya Plastics Corporation is both the parent company and the ultimate controlling party of the Group. It owns 66.97% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(b) Names and relationship with related parties

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

Name of related party	Relationship with the Group
Nan Ya Plastics Corporation (NYPC)	The parent company
Formosa Advanced Technologies Co., Ltd. (FATC)	The Group's associates
Nan Ya Electronic Materials (Kunshan) Co., Ltd. (NEMK)	The Group's parent company is the ultimate controlling parent of the company

(Continued)

Name of related party	Relationship with the Group
Nan Ya Electric (Nantong) Co., Ltd. (NENC)	The Group's parent company is the ultimate controlling parent of the company
Formosa Plastics Corporation (FPC)	The Group's parent company is the company's board of director
Formosa Biomedical Technology Corporation	The Group's parent company is a board of director of the company
Wellink Technology Co., Ltd. (WTC)	The same chairman
Nanya Technology Corporation	The same chairman

(c) Significant related-party transactions

(i) Operating revenues

Significant sales to related parties were as follows:

	For the years ended December 31, 2023	2022
Associates	$ 549,600	947,828
Other related parties	781	1,421
	$ 550,381	949,249

The sales price from related parties is not significantly different from non-related general parties. The normal credit term with the companies above is collection on open account 70 days. There is no collateral received among related parties accounts receivable and there is no need to estimate loss allowance.

(ii) Receivables from related parties

The balances of accounts receivable from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable due from related parties	Associates	$ 47,636	102,050
Accounts receivable due from related parties	Other related parties	78	187
		$ 47,714	102,237

(Continued)

(iii) Purchases from related parties

Significant purchases from related parties were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
The parent company	$ 1,807,077	1,953,921
Other related parties		
NEMK	714,255	965,987
Nanya Technology Corporation	189,137	-
Others	326,947	363,655
	$ 3,037,416	3,283,563

The purchase price from related parties is not significantly different from non-related general parties. The normal credit term with the related parties above is collected on open account 30 days, on open account 60 days, on open account 90 days and on the day following the day of approving payment, respectively.

(iv) Payables to related parties

The details of accounts payable to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable to related parties	The parent company	$ 129,744	210,111
Accounts payable to related parties	Other related parties		
	NEMK	47,725	77,206
Accounts payable to related parties	WTC	20,723	13,587
Accounts payable to related parties	Nanya Technology Corporation	124,000	-
Accounts payable to related parties	Others	8,129	15,251
		$ 330,321	316,155

(v) Lease of property, plant and equipment

1) The lease revenue of the Group from leasing its property, plant and equipment to its related parties, accounted for as other income, were as follows:

	Lease revenue For the years ended December 31, 2023	Lease revenue For the years ended December 31, 2022
The parent company	$ 12,436	12,177

(Continued)

The monthly rentals charged to related parties are determined based on the market prices within the vicinity.As of December 31, 2023 and 2022,all rentals have been collected by the Group.

2) The rental expenses of the Group's property, plant and equipment leased from its related parties were as follows:

The Group entered into different lease agreements with its parent company for its Taipei office, as well as its factories and employee dormitories, both located at Luchu Dist., Taoyuan City and Shulin Dist., New Taipei City, with monthly rental fees based on the local market prices within their respective vicinities. For the years ended December 31, 2023 and 2022, the above rentals amounting to $33,134 and $29,149, respectively, were recognized as expenses. For the years ended December 31, 2023 and 2022, the amount of $18,290 and $13,927 was recognized as interest expense. As of December 31, 2023 and 2022 the balance of lease liabilities amounting to $1,681,577 and $1,897,181, respectively.

The Group added a right-of-use asset amounting to $0 and $1,499,470, for the years ended December 31, 2023 and 2022, respectively.

(vi) Others

The Group bought utilities such as steam, water and electricity from other related parties-Nan Ya Electronic Materials (Kunshan) Co., Ltd. amounting to$344,850 and $364,925, for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the Group still had unpaid payables accounted for as other payables to related parties amounting to $36,206 and $36,960, respectively.

For the years ended December 31, 2023 and 2022, the Group provides sewage treatment service to Nan Ya Electronic Materials (Kunshan) Co., Ltd. and receives $26,528 and $45,435, respectively. As of December 31, 2023 and 2022, the Group still had uncollected receivables accounted for as other receivables due from related parties amounting to $2,302 and $5,349, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised

	For the years ended December 31,	
	2023	**2022**
Short-term employee benefits	$ 34,756	36,777

(Continued)

(8) Pledged assets: None

(9) Commitments and contingencies

(a) The outstanding letters of credit for the importation of raw materials by the Group were as follows:

	December 31, 2023	December 31, 2022
Outstanding letters of credit for the importation of raw materials	$ 291,446	1,319,143

(b) The endorsements by the bank were as follows:

	December 31, 2023	December 31, 2022
The guarantee for customs	$ 22,000	52,000
The guarantee for letters of credit	$ 48,000	52,000

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other

(a) A summary of current-period employee benefits, and depreciation by function, was as follows:

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	7,262,101	739,084	8,001,185	9,271,946	915,711	10,187,657
Labor and health insurance	655,113	77,163	732,276	672,481	72,637	745,118
Pension expenses	495,499	76,046	571,545	521,355	66,159	587,514
Remuneration of directors	-	6,295	6,295	-	6,360	6,360
Other personnel expenses	222,501	31,096	253,597	233,141	31,404	264,545
Depreciation expenses	5,873,480	22,391	5,895,871	4,325,955	18,010	4,343,965

(Continued)

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

(in thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss Allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	NPHK	Other receivables due from related parties	Yes	50,000	50,000	-	-	2	-	Operat capital	-	None	-	11,976,979 (Note 2)	23,953,958 (Note 3)

Note 1: 1. With business contact

2. Necessary for short-term financing

Note 2: The amount of financing to related parties or parties with business contact is subjected to a limit, which is 25% of the net value. To other counterparties, the limit is 20% of the net value.

Note 3: The amount of financing to others is subjected to a limit, which is 50% of the net value. To those without business contact but in need of fund, the limit is 40% of the net value.

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(in thousands of shares and New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	FPC stock	Other related parties	Current financial assets at fair value through other comprehensive income	2,996	237,283	0.05%	237,283	0.05%	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	NYPC	Parent company	Purchase	1,798,481	18.45%	O/A 30 days	-	-	(127,590)	(5.85)%	-
The Company	NPKC	Subsidiary of the Company	Purchase	3,985,733	40.88%	O/A 30 days	-	-	(317,600)	(14.56)%	Note
The Company	FATC	Associates	(sale)	(175,676)	(0.60)%	O/A 70 days	-	-	10,705	0.22%	-
The Company	NTC	Same chairman	Purchase	189,137	1.94%	O/A 30 days	-	-	(124,000)	(5.69)%	-
NPKC	The Company	Parent company	(sale)	(3,985,733)	(23.76)%	O/A 30 days	-	-	317,600	13.17%	Note
NPKC	FATC	Associates	(sale)	(373,924)	(2.23)%	O/A 70 days	-	-	36,931	1.53%	-
NPKC	NEMK	Same chairman	Purchase	714,255	9.71%	O/A 60 days	-	-	(47,725)	(3.98)%	-
NPKC	WTC	Same chairman	Purchase	120,516	1.64%	O/A 60 days	-	-	(20,682)	(1.72)%	-

Note: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

(Continued)

(viii) Receivables from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss Allowance
					Amount	Action taken		
NPKC	The Company (Note)	Parent company	317,600	11.52	-		317,600	-

Note : The above transactions listed have been written off during the preparation of the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(in thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	NPKC	The Company	2	Sales	3,985,733	O/A 30 days	9.43%
1	NPKC	The Company	2	Accounts receivable due from related parties	317,600	O/A 30 days	0.45%

Note 1: Numbers are filled in as follows

1. 0 represents the parent company
2. Subsidiaries are numbered from 1

Note 2: Classifications of relation with counterparty are listed as follows:

1. Parent to subsidiary
2. Subsidiary to parent
3. Between subsidiaries

Note 3: Only data related to sales and accounts receivable of all the intercompany transactions and business contact are disclosed. The related purchase and accounts payable are not stated.

Note 4:The transactions listed above have been written off during the preparation of the consolidated financial statements.

(b) Information on investees

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(in thousands of shares and New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/(losses) of investee	Note
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying amount				
The Company	NPHK	HK	Business of electronic products	8,595,674	8,595,674	2,152,020	100.00%	23,838,862	100.00%	2,091,411	2,091,411	Note1
The Company	NPUC	USA	Customer sales promotion	3,479	3,479	1,000	100.00%	19,640	100.00%	1,356	1,356	Note1
The Company	FATC	TW	Assembling testing and producing modules for IC	472,968	472,968	13,267	3.00%	486,857	3.00%	530,215	16,072	Note2

Note1: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

Note2: Investee company accounted for using equity method.

(Continued)

(c) Information on investment in mainland China

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(in thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Carrying amount	Accumulated remittance of earnings in current period
					Outflow	Inflow							
NPKC	Production and marketing of PCBs	8,592,495	(Note 1)	8,592,495	-	-	8,592,495	2,091,001	100.00%	100.00%	2,091,001 (Note 2)	23,824,524	-

Note 1: NPKC in Mainland China is invested through a company established in a third region.

Note 2: Investment income or loss is recognized according to the financial statements audited by the CPA of the Taiwanese parent company.

Note3: The transaction listed above has been written off during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

(in thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
8,592,495	8,592,495	-

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

(iii) Significant transactions:

Please refer to "Information on significant transactions" for direct or indirect significant transactions (written off during the preparation of the consolidated financial statements), between the Company and its investees in Mainland China for the year ended December 31, 2023.

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Nan Ya Plastics Corporation	432,744,977	66.97%

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(Continued)

(14) Segment information:

(a) General information

The Group's main operating activities are manufacturing and selling PCB products. The Group's reportable segments are determined by the information used by the director, and the segments are managed separately following different management frameworks in different regions. The Group has three reportable segments: the domestic segment, the American segment and the Asian segment.

(b) The reconciliation of operating segments of the Group is as follows:

The Group allocates resources and assesses performance based on the net income before tax (excluding extraordinary income/ expenses) from the interior management reports reviewed by the operating decision makers. Since income tax and extraordinary income/ expense are managed at the group level, the Group does not allocate income tax expense (benefits), and extraordinary income/ loss to its reportable segments. Besides, not all reportable segments' income include significant non-cash items apart from depreciation and amortization. The reported amount is the same as the amount of the financial statements used by operating decision makers.

The information and reconciliation of operating segments of the Group are as follows:

	For the year ended December 31, 2023				
	Domestic	**American**	**Asian**	**Adjustments and elimination**	**Total**
Revenue:					
From external clients	$ 29,466,201	-	12,786,377	-	42,252,578
Intersegments	14,232	29,707	3,985,733	(4,029,672)	-
Total revenue	**$ 29,480,433**	**29,707**	**16,772,110**	**(4,029,672)**	**42,252,578**
Interest expense	**$ 19,371**	**-**	**-**	**-**	**19,371**
Depreciation and amortization	**$ 3,578,415**	**28**	**2,330,413**	**(12,985)**	**5,895,871**
Income/Loss of reportable segments	**$ 7,177,876**	**2,067**	**2,019,481**	**(2,092,766)**	**7,106,658**
Reportable segments assets	**$ 68,882,105**	**19,640**	**25,788,681**	**(24,252,981)**	**70,437,445**
Reportable segments liabilities	**$ 20,974,189**	**-**	**1,899,401**	**(344,061)**	**22,529,529**

(Continued)

	For the year ended December 31, 2022				
	Domestic	American	Asian	Adjustments and elimination	Total
Revenue:					
From external clients	$ 48,304,188	-	16,342,648	-	64,646,836
Intersegments	41,153	26,195	7,081,792	(7,149,140)	-
Total revenue	$ 48,345,341	26,195	23,424,440	(7,149,140)	64,646,836
Interest expense	$ 14,277	-	8,222	-	22,499
Depreciation and amortization	$ 2,435,414	35	1,921,289	(12,773)	4,343,965
Income/Loss of reportable segments	$ 24,192,512	2,120	6,774,736	(5,607,866)	25,361,502
Reportable segments assets	$ 78,645,883	18,300	25,726,474	(22,640,180)	81,750,477
Reportable segments liabilities	$ 24,923,316	13	3,538,464	(433,883)	28,027,910

(c) Types of products and service:

Information on revenue from external clients was as follows:

Products and service	For the years ended December 31 2023	2022
Printed circuit board	$ 41,572,138	63,720,654
Others	680,440	926,182
	$ 42,252,578	64,646,836

(d) Regional information

Regional information of the Group is as follows. Revenue was based on the place where the clients are located; non-current assets are based on the place where the assets are located.

District	For the years ended December 31 2023	2022
Revenue from external clients:		
Taiwan	$ 14,504,072	28,757,417
USA	2,677,092	1,028,122
Mainland China	16,778,042	24,710,381
Korea	2,448,173	3,781,459
Other countries	5,845,199	6,369,457
	$ 42,252,578	64,646,836

(Continued)

		December 31, 2023	December 31, 2022
Non-current assets:			
Taiwan	$	29,057,560	22,721,403
USA		242	161
Mainland China		15,771,460	16,493,591
	$	44,829,262	39,215,155

Non-current assets did not include non-current deferred tax assets and investments accounted for using the equity method.

(e) Major clients

Sales exceeding 10% of the Group's sales revenue were as follows:

		For the years ended December 31	
		2023	2022
Client A	$	4,916,988	10,155,200
Client B		5,321,688	9,964,602
Client C		7,176,545	7,520,455
	$	17,415,221	27,640,257

Stock Code:8046

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: 7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City
Telephone: (02)27122211

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

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Independent Auditors' Report

To the Board of Directors of Nan Ya Printed Circuit Board Corporation:

Opinion

We have audited the financial statements of Nan Ya Printed Circuit Board Corporation("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation of inventories

   The Company estimates the loss on decline of inventory market price on a monthly basis using the aging analysis of inventories and the lower of cost or net realizable value. Since the net realizable value of inventory relies on the impact of international raw material prices, the valuation of inventories is one of the key audit matters while conducting the audit for the financial statements of the Company. For accounting policies, estimation uncertainty, and related disclosures on the valuation of inventories, please refer to notes 4(g), 5(a), and 6(d), respectively, of the financial statements.

The principal audit procedures performed to address the aforementioned key audit matter included understanding the basis adopted by the management in the estimate of net realizable value, and sampling to test the reasonableness of the net realizable value and the aging analysis of inventories.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ko, Hui-Chih and Lee, Tzu-Hui.

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 7,327,220	11	16,982,031	22
1120	Current financial assets at fair value through other comprehensive income	237,283	-	-	-
1170	Notes and accounts receivable, net (notes 6(b) and (m))	4,793,649	7	11,416,977	15
1180	Accounts receivable due from related parties (notes 6(b), (m) and 7)	11,430	-	75,345	-
1200	Other receivables (note 6(c))	162,460	-	226,858	-
1210	Other receivables due from related parties (notes 6(c) and 7)	20,515	-	45,561	-
1310	Current inventories (note 6(d))	2,023,519	3	3,553,982	5
1470	Prepayments and other current assets	255,971	-	257,811	-
	Total current assets	14,832,047	21	32,558,565	42
	Non-current assets:				
1550	Investments accounted for using equity method (notes 6(e) and 7)	24,345,359	35	22,654,782	29
1600	Property, plant and equipment (notes 6(f) and 7)	27,364,501	40	20,804,070	26
1755	Right-of-use assets (notes 6(g) and 7)	1,677,857	3	1,905,862	2
1840	Deferred tax assets (note 6(j))	647,139	1	711,133	1
1900	Other non-current assets	15,202	-	11,471	-
	Total non-current assets	54,050,058	79	46,087,318	58
	Total assets	$ 68,882,105	100	78,645,883	100

	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities:				
2130	Current contract liabilities (note 6(m))	$ 1,991,749	3	1,082,286	2
2170	Accounts payable	1,605,086	2	2,542,141	3
2180	Accounts payable to related parties (note 7)	575,585	1	599,788	1
2200	Other payables (note 7)	2,322,369	3	3,074,317	4
2230	Current tax liabilities	849,868	1	2,974,301	4
2281	Current lease liabilities (note 6(h))	9,588	-	9,797	-
2282	Current lease liabilities, related parties (notes 6(h) and 7)	246,114	-	237,025	-
2300	Other current liabilities	98,024	-	147,978	-
	Total current liabilities	7,698,383	10	10,667,633	14
	Non-current liabilities:				
2527	Non-current contract liabilities (note 6(m))	7,233,676	11	7,634,928	10
2570	Deferred tax liabilities (note 6(j))	3,441,505	5	3,005,723	4
2581	Non-current lease liabilities (note 6(h))	2,216	-	7,411	-
2582	Non-current lease liabilities, related parties (notes 6(h) and 7)	1,435,463	2	1,660,156	2
2640	Net defined benefit liability, non-current (note 6(i))	1,112,644	2	1,902,087	2
2645	Guarantee deposits received	50,302	-	45,378	-
	Total non-current liabilities	13,275,806	20	14,255,683	18
	Total liabilities	20,974,189	30	24,923,316	32
	Equity (note 6(k)):				
3100	Ordinary shares	6,461,655	10	6,461,655	8
3200	Capital surplus	18,125,615	26	18,125,608	23
3310	Legal reserve	7,857,185	12	5,896,621	8
3320	Special reserve	761,647	1	861,246	1
3350	Unappropriated retained earnings	15,814,388	23	23,139,084	29
3400	Other equity interest	(1,112,574)	(2)	(761,647)	(1)
	Total equity	47,907,916	70	53,722,567	68
	Total liabilities and equity	$ 68,882,105	100	78,645,883	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(m) and 7)	$ 29,480,433	100	48,345,341	100
5000	Operating costs (notes 6(d), (f), (g), (h), (i), (n) and 7)	23,510,903	80	29,565,989	61
	Gross profit from operations	5,969,530	20	18,779,352	39
5910	Less: Unrealized profit on from sales (note 7)	745	-	2,669	-
5920	Add: Realized profit on from sales (note 7)	2,669	-	2,825	-
	Gross profit from operations	5,971,454	20	18,779,508	39
	Operating expenses (notes 6(b), (f), (g), (h), (i), (n) and 7):				
6100	Selling expenses	313,029	1	550,671	1
6200	Administrative expenses	1,135,564	4	1,214,286	3
6450	Gain on reversal of expected credit impairment	(24,950)	-	-	-
6000	**Total operating expenses**	1,423,643	5	1,764,957	4
6900	**Net operating income**	4,547,811	15	17,014,551	35
	Non-operating income and expenses (notes 6(f), (h), (o) and 7)**:**				
7100	Interest income	220,023	1	79,096	-
7010	Other income	235,435	1	231,322	-
7020	Other gains and losses	85,139	-	1,212,436	3
7050	Finance costs	(19,371)	-	(14,277)	-
7070	Share of profit (loss) of subsidiaries and associates accounted for using equity method, net	2,108,839	7	5,669,384	12
	Total non-operating income and expenses	2,630,065	9	7,177,961	15
7900	**Profit before tax**	7,177,876	24	24,192,512	50
7950	Less: Tax expense (note 6(j))	1,361,287	4	4,776,928	10
	Profit	5,816,589	20	19,415,584	40
8300	**Other comprehensive income** (notes 6(e), (i), (j) and (k))**:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains on remeasurements of defined benefit plans	438,026	1	237,960	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(39,323)	-	-	-
8330	Share of other comprehensive income of associates accounted for using equity method	749	-	(16,216)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	87,606	-	47,592	-
	Components of other comprehensive income that will not be reclassified to profit or loss	311,846	1	174,152	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(390,144)	(1)	144,380	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	(78,029)	-	28,876	-
	Components of other comprehensive income that will be reclassified to profit or loss	(312,115)	(1)	115,504	-
8300	**Other comprehensive income, net**	(269)	-	289,656	-
8500	**Total comprehensive income**	**$ 5,816,320**	**20**	**19,705,240**	**40**
	Earnings per share (note 6(l))				
9750	**Basic earnings per share**	**$ 9.00**		**30.05**	
9850	**Diluted earnings per share**	**$ 9.00**		**30.04**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

						Other equity interest			
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2022	$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	(861,245)	40,478,974
Profit for the year ended December 31, 2022	-	-	-	-	19,415,584	-	-	-	19,415,584
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	190,058	115,504	(15,906)	99,598	289,656
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	19,605,642	115,504	(15,906)	99,598	19,705,240
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	1,036,981	-	(1,036,981)	-	-	-	-
Special reserve appropriated	-	-	-	269,086	(269,086)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,461,655)	-	-	-	(6,461,655)
Other changes in capital surplus:									
Other changes in capital surplus	-	8	-	-	-	-	-	-	8
Balance at December 31, 2022	6,461,655	18,125,608	5,896,621	861,246	23,139,084	(744,544)	(17,103)	(761,647)	53,722,567
Profit for the year ended December 31, 2023	-	-	-	-	5,816,589	-	-	-	5,816,589
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	350,658	(312,115)	(38,812)	(350,927)	(269)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	6,167,247	(312,115)	(38,812)	(350,927)	5,816,320
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	1,960,564	-	(1,960,564)	-	-	-	-
Reversal of special reserve	-	-	-	(99,599)	99,599	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,630,978)	-	-	-	(11,630,978)
Other changes in capital surplus:									
Other changes in capital surplus	-	7	-	-	-	-	-	-	7
Balance at December 31, 2023	**$ 6,461,655**	**18,125,615**	**7,857,185**	**761,647**	**15,814,388**	**(1,056,659)**	**(55,915)**	**(1,112,574)**	**47,907,916**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit Before tax	$ 7,177,876	24,192,512
Adjustments:		
Adjustments to reconcile profit :		
Depreciation expense	3,578,415	2,435,414
Gain on reversal of expected credit impairment	(24,950)	-
Interest expense	19,371	14,277
Interest income	(220,023)	(79,096)
Dividend income	(12,583)	-
Share of profit of subsidiaries and associates accounted for using equity method	(2,108,839)	(5,669,384)
Loss on disposal of property, plant and equipment	2,091	2,861
(Reversal of) impairment loss on non-financial assets	(14,033)	16,425
Unrealized profit on from sales	745	2,669
Realized profit on from sales	(2,669)	(2,825)
Unrealized foreign exchange loss	197,191	188,541
Total adjustments to reconcile profit	1,414,716	(3,091,118)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in notes and accounts receivable (including related parties)	6,534,206	(2,979,970)
Decrease (increase) in other receivables (including related parties)	87,479	(36,746)
Decrease (increase) in inventories	1,530,463	(577,399)
Decrease (increase) in prepayments	101,753	(58,539)
Total changes in operating assets	8,253,901	(3,652,654)
Changes in operating liabilities:		
Increase in contract liabilities	508,211	8,005,239
(Decrease) increase in accounts payable (including related parties)	(943,704)	402,203
(Decrease) increase in other payables	(751,944)	425,208
(Decrease) increase in other current liabilities	(49,954)	48,683
Decrease in net defined benefit liability	(351,417)	(49,533)
Total changes in operating liabilities	(1,588,808)	8,831,800
Total changes in operating assets and liabilities	6,665,093	5,179,146
Total adjustments	8,079,809	2,088,028
Cash inflow generated from operations	15,257,685	26,280,540
Interest received	220,806	75,833
Interest paid	(19,371)	(14,277)
Income taxes paid	(2,994,252)	(1,898,164)
Net cash flows from operating activities	12,464,868	24,443,932
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Acquisition of investments accounted for using equity method	-	(2,118,214)
Acquisition of property, plant and equipment	(9,888,656)	(10,316,944)
Proceeds from disposal of property, plant and equipment	10,722	20,558
Increase in other financial assets	(100,000)	-
Increase in other non-current assets	(3,731)	(6,060)
Dividends received	56,364	33,168
Net cash flows used in investing activities	(10,201,907)	(12,387,492)
Cash flows used in financing activities:		
Increase in guarantee deposits received	4,924	15,122
Payment of lease liabilities	(254,960)	(221,939)
Cash dividends paid	(11,630,978)	(6,461,655)
Net cash flows used in financing activities	(11,881,014)	(6,668,472)
Effect of exchange rate changes on cash and cash equivalents	(36,758)	(9,055)
Net (decrease) increase in cash and cash equivalents	(9,654,811)	5,378,913
Cash and cash equivalents at beginning of period	16,982,031	11,603,118
Cash and cash equivalents at end of period	**$ 7,327,220**	**16,982,031**

See accompanying notes to financial statements.

(1) Company history

Nan Ya Printed Circuit Board Corporation "the Company" was legally established with the approval by the Ministry of Economic Affairs on October 28, 1997, with registered address at 7F., No. 390, Sec. 6, Nanjing E. Rd., Neihu Dist., Taipei City, Taiwan. The Company's main operating activities are primarily in the manufacturing and selling of printed circuit boards.

(2) Approval date and procedures of the financial statements

The accompanying financial statements were approved and authorized for issue by the Board of Directors on February 29, 2024.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

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

(Continued)

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

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

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

(4) Summary of material accounting policies

The material accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

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

The defined benefit liabilities are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

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

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

(Continued)

Exchange differences are generally recognized in profit or loss.

(ii) Foreign operations

The assets and liabilities of foreign operations are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control or significant influence, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests.

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

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty.

(Continued)

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: Amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(Continued)

2) Impairment of financial assets

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

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

· bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for accounts receivable are always measured at an amount equal to lifetime ECL.

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

The Company assumes a significantly increased credit risk of a financial asset if there are indications of potential breaches of contract over the expected life of the contract period.

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

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

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

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

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

· significant financial difficulty of the borrower or issuer;

(Continued)

- a breach of contract such as a default or being more than 1 year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

3) Derecognition of financial assets

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

(ii) Financial liabilities

1) Classification of liabilities

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

2) Financial liabilities

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

(Continued)

3) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations have been met cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different from the original liability. A new financial liability is then recognized, at fair value, based on the modified terms.

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

(g) Inventories

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

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

(h) Investment in associates

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

Investments in associates are accounted for using equity method and are recognized initially at cost. The carrying amount of the investment in associates includes goodwill arising from the acquisition.

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

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

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

(Continued)

(i) Investment in subsidiaries

On preparing financial statements, the Company values the investees over which it holds control using the equity method. Under the equity method, net income and other comprehensive income on the separate financial statement is the same as the net income and other comprehensive income attributable to parent on the consolidated financial statements. The stockholders' equity on the separate financial statement is the same as the stockholders' equity attributable to the parent on the consolidated financial statement.

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

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation.

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

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

1)	Buildings:	25 to 35 years
2)	Machinery equipment:	3 to 15 years
3)	Vehicles:	6 to 15 years
4)	Miscellaneous equipment:	5 to 15 years

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

(Continued)

(k) Leases

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

(i) As a leasee

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

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

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

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

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or

— there are any lease modifications

(Continued)

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

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

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

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

(ii) As a lessor

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

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

For operating leases, the Company recognizes lease payments received under the straight-line basis as lease income over the lease term.

(l) Intangible assets

(i) Technical cooperation fee

The technical cooperation fee paid by the Company is measured at cost, less, accumulated amortization.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortization is recognized as an expense on a straight-line basis over the estimated useful lives from the date that the technical cooperation fee is made available for use. The estimated useful life for the technical cooperation fee is 10 years.

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

(m) Impairment of non-financial assets

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue recognition

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

(Continued)

(i) Sale of goods

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

(ii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

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

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

(Continued)

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

(iii) Short-term employee benefits

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

(p) Income taxes

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

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

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

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

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(q) Earnings per share

The Company reports the basic earnings per share and the diluted earnings per share. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholder of the Company divided by the weighted average number of ordinary shares outstanding. The diluted earnings per share is calculated based on the profit attributable to ordinary shareholders of the Company, divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee compensation.

(r) Operating segments

The Company disclosed information on its operating segments in its consolidated financial statements. Therefore, no information on operating segments is disclosed in the separate financial statements.

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

The preparation of financial statements requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. These assumptions and estimations have been updated to reflect the impact of COVID-19 pandemic:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

(Continued)

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ -	23
Cash in banks	851,094	8,615,290
Time deposits	2,389,079	6,581,793
Cash equivalents	4,087,047	1,784,925
	$ 7,327,220	**16,982,031**

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

(b) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ -	370
Accounts receivable－non-related parties-measured at amortized cost	4,816,653	11,464,561
Accounts receivable－related parties-measured at amortized cost	11,430	75,345
Less: Loss allowance	(23,004)	(47,954)
	$ 4,805,079	**11,492,322**

As of December 31, 2023 and 2022, the Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The aging analysis of notes and accounts receivable with expected credit losses was determined as follows:

	December 31, 2023		
	Accounts receivables gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	$ 4,771,258	0.460%	21,970
Past due within 3 months	56,825	1.819%	1,034
	$ 4,828,083		**23,004**

(Continued)

	December 31, 2022			
	Notes and accounts receivables gross carrying amount		Weighted average loss rate	Loss allowance provision
Current	$	11,412,817	0.405%	46,174
Past due within 3 months		127,459	1.396%	1,780
	$	**11,540,276**		**47,954**

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

	For the years ended December 31		
	2023		2022
Balance at January 1	$	47,954	47,954
Impairment losses reversed		(24,950)	-
Balance at December 31	**$**	**23,004**	**47,954**

As of December 31, 2023 and 2022, the Company did not provide any notes and accounts receivable as collateral for its loans.

(c) Other receivables

	December 31, 2023		December 31, 2022
Other receivables—other related parties	$	20,515	45,561
Tax refund receivable		141,558	216,795
Others		20,902	10,063
	$	**182,975**	**272,419**

For further credit risk information, please refers to note 6(p).

(d) Inventories

	December 31, 2023		December 31, 2022
Finished goods	$	466,211	699,730
Work in process		1,146,944	2,240,418
Raw materials		234,006	419,590
Supplies		176,358	194,244
	$	**2,023,519**	**3,553,982**

(Continued)

The details of costs of sales were as follows:

	For the years ended December 31	
	2023	**2022**
Inventory that has been sold	$ 19,314,009	29,566,163
Reversal of write-downs	(18)	(174)
Unapportioned manufacturing expenses	4,196,912	-
Total	**$ 23,510,903**	**29,565,989**

During the years ended December 31, 2023 and 2022, the increase in market demand led to the reversal of write-downs of inventories.

As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral for its loan.

(e) Investments accounted for using the equity method

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

	December 31, 2023	**December 31, 2022**
Subsidiaries	$ 23,858,502	22,140,968
Associates	486,857	513,814
	$ 24,345,359	**22,654,782**

(i) Subsidiaries

For subsidiaries, please refer to the consolidated financial statements for the year ended December 31, 2023.

(ii) Associates

The Company's financial information for investments accounted for using the equity method that are individually insignificant were as follows:

Aggregate information of associates that were not individually material:

	For the years ended December 31	
	2023	**2022**
Attributable to the Company:		
Net income	$ 16,072	61,518
Other comprehensive income	749	(16,216)
Total comprehensive income	**$ 16,821**	**45,302**

(Continued)

(iii) Collateral

As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using equity method as collateral for its loans.

(f) Property, plant and equipment

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

	Building	Machinery and equipment	Vehicles	Miscellaneous equipment	Unfinished construction and equipment pending acceptance	Total
Cost:						
Balance as of January 1, 2023	$ 2,158,382	29,909,690	16,863	4,291,667	9,259,680	45,636,282
Additions	-	192,669	3,463	76,191	9,616,333	9,888,656
Disposals	-	(2,598,466)	(805)	(22,581)	-	(2,621,852)
Reclassification	42,234	9,155,643	720	1,557,613	(10,756,210)	-
Balance as of December 31, 2023	**$ 2,200,616**	**36,659,536**	**20,241**	**5,902,890**	**8,119,803**	**52,903,086**
Balance as of January 1, 2022	$ 2,158,382	28,387,645	14,763	4,699,401	1,483,054	36,743,245
Additions	-	233,997	-	39,807	10,043,140	10,316,944
Disposals	-	(902,625)	-	(521,282)	-	(1,423,907)
Reclassification	-	2,190,673	2,100	73,741	(2,266,514)	-
Balance as of December 31, 2022	**$ 2,158,382**	**29,909,690**	**16,863**	**4,291,667**	**9,259,680**	**45,636,282**
Accumulated depreciation and impairment:						
Balance as of January 1, 2023	$ 1,394,082	19,992,563	9,472	3,436,095	-	24,832,212
Depreciation for the period	53,973	3,058,912	1,475	202,098	-	3,316,458
Reversal of impairment loss	-	(936)	(7)	(13,090)	-	(14,033)
Disposals	-	(2,574,733)	(698)	(20,621)	-	(2,596,052)
Reclassification	-	(174)	-	174	-	-
Balance as of December 31, 2023	**$ 1,448,055**	**20,475,632**	**10,242**	**3,604,656**	**-**	**25,538,585**
Balance as of January 1, 2022	$ 1,341,210	18,794,295	8,479	3,865,595	-	24,009,579
Depreciation for the period	52,872	2,051,531	993	102,895	-	2,208,291
Impairment loss	-	16,427	-	(2)	-	16,425
Disposals	-	(881,451)	-	(520,632)	-	(1,402,083)
Reclassification	-	11,761	-	(11,761)	-	-
Balance as of December 31, 2022	**$ 1,394,082**	**19,992,563**	**9,472**	**3,436,095**	**-**	**24,832,212**
Carrying amounts:						
Balance as of December 31, 2023	**$ 752,561**	**16,183,904**	**9,999**	**2,298,234**	**8,119,803**	**27,364,501**
Balance as of December 31, 2022	**$ 764,300**	**9,917,127**	**7,391**	**855,572**	**9,259,680**	**20,804,070**

(Continued)

The impairment loss of $16,425 incurred by the Company in 2022 was due to incapability of its machinery equipment and other equipment for future manufacturing process, which led the value-in-use to be lower than the carrying amount, resulting in the Company to expect a decrease in its future cash flow. However, in 2023, the Company decided to use and dispose some of its equipment mentioned above, resulting in a reversal of impairment gain of $14,033, recognized as " other gains and losses " in the statement of comprehensive income, wherein the Company used the value-in-use to calculate the recoverable amount of its property, plant and equipment.

(g) Right-of-use assets

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

	Land	Buildings	Total
Cost:			
Balance as of January 1, 2023	$ 350,663	2,135,615	2,486,278
Additions	6,542	-	6,542
Change in an index of lease payment	27,410	-	27,410
Balance as of December 31, 2023	**$ 384,615**	**2,135,615**	**2,520,230**
Balance as of January 1, 2022	$ 266,900	457,327	724,227
Additions	60,652	1,458,460	1,519,112
Change in an index of lease payment	23,111	219,828	242,939
Balance as of December 31, 2022	**$ 350,663**	**2,135,615**	**2,486,278**
Accumulated depreciation:			
Balance as of January 1, 2023	$ 88,857	491,559	580,416
Depreciation for the period	68,974	192,983	261,957
Balance as of December 31, 2023	**$ 157,831**	**684,542**	**842,373**
Balance as of January 1, 2022	$ 28,342	324,951	353,293
Depreciation for the period	60,515	166,608	227,123
Balance as of December 31, 2022	**$ 88,857**	**491,559**	**580,416**
Carrying amount:			
Balance as of December 31, 2023	**$ 226,784**	**1,451,073**	**1,677,857**
Balance as of December 31, 2022	**$ 261,806**	**1,644,056**	**1,905,862**

(h) Lease liabilities

The carrying amount of the lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Current	**$ 255,702**	**246,822**
Non-current	**$ 1,437,679**	**1,667,567**

For the maturity analysis, please refer to note 6(p).

(Continued)

The amounts recognized in profit or loss was as follows:

	For the years ended December 31	
	2023	**2022**
Interest on lease liabilities	**$ 18,487**	**13,969**
Variable lease payment not included in the measurement of lease liabilities; expenses relating to short-term leases; expenses relating to leases of low-value assets	**$ 40,471**	**53,627**

The amounts recognized in the statement of cash flows for the Company was as follows:

	For the years ended December 31	
	2023	**2022**
Total cash outflow for leases	**$ 313,918**	**289,535**

(i) Real estate leases

The Company leases land and buildings to be used for its office space and plants, which typically runs for a period of 2 to 10 years.

(ii) Other leases

The Company leases equipment with contract periods within a year. These leases are short-term leases or leases of low-value items. The Company has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(i) Employee benefits

(i) Defined benefit plans

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

	December 31, 2023	**December 31, 2022**
Present value of the defined benefit obligations	$ 2,361,295	2,844,755
Fair value of the plan assets	(1,248,651)	(942,668)
Net defined benefit liabilities	**$ 1,112,644**	**1,902,087**

(Continued)

1) Composition of the plan assets

The Labor Pension Fund Supervisory Committee (the "LPFSC") manages the Company's pension fund which is being funded according to the Labor Standards Act. Under the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with interest rates offered by the local banks.

As of the report date, the Company's pension fund with Bank of Taiwan amounted to $1,248,651. Please refer to the related information published on the website of the Labor Pension Fund Supervisory Committee concerning the utilization of the labor pension fund, related yield rate, and its allocation.

2) Movements in the present value of the defined benefit obligations were as follows:

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

	For the years ended December 31	
	2023	**2022**
Present value of defined benefit obligations as of January 1	$ 2,844,755	3,053,708
Current service cost and interest	53,075	37,021
Remeasurement of net defined benefit obligations		
-Experience adjustments	(427,267)	(171,273)
Benefits paid	(109,268)	(74,701)
Present value of defined benefit obligations as of December 31	**$ 2,361,295**	**2,844,755**

3) Movements in the fair value of the plan assets were as follows:

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

	For the years ended December 31	
	2023	**2022**
Fair value of plan assets as of January 1	$ 942,668	864,128
Interest income	11,880	4,420
Remeasurements of net defined benefit obligations		
-Return on plan assets for the period (excluding interest for the period)	10,759	66,687
Appropriations to the plan	383,178	75,649
Benefits paid by plan assets	(99,834)	(68,216)
Fair value of plan assets as of December 31	**$ 1,248,651**	**942,668**

(Continued)

4) Expense recognized as profit or loss

Expense of the Company recognized as profit or loss were as follows:

	For the years ended December 31	
	2023	**2022**
Current service cost	$ 17,892	21,844
Net interest of defined benefit obligations	23,303	10,757
	$ 41,195	**32,601**

	For the years ended December 31	
	2023	**2022**
Operating costs	$ 34,460	27,894
Selling expenses	1,302	915
Administrative expenses	5,433	3,792
	$ 41,195	**32,601**

5) Remeasurements of the net defined benefit obligations recognized as other comprehensive income

The Company's cumulated pretax remeasurements of the net defined benefit obligations recognized in other comprehensive income were as follows:

	For the years ended December 31	
	2023	**2022**
Balance as of January 1	$ (602,818)	(840,778)
Recognized in the current period	438,026	237,960
Balance as of December 31	**$ (164,792)**	**(602,818)**

6) Actuarial assumptions

The principal actuarial assumptions were as follows:

	December 31, 2023	**December 31, 2022**
Discount rate	1.25 %	1.25 %
Future salary increase rate	2.85 %	2.85 %

The Company is expected to make a contribution of $67,383 to the defined benefit plans for the one-year period after the reporting date.

The weighted average duration of the defined benefit plan is 12.2 years.

(Continued)

7) Sensitivity analysis

The effects on the present value of the defined benefit obligation arising from changes in principal actuarial assumptions were as follows:

		Effect on present value of defined benefit obligations	
		Decrease Amount	**Increase Amount**
December 31, 2023			
Discount rate (0.25% variation)	$	61,766	(59,538)
Future salaries (1% variation)		(223,248)	252,827
December 31, 2022			
Discount rate (0.25% variation)		88,154	(84,717)
Future salaries (1% variation)		(316,778)	363,158

The sensitivity analysis was conducted based on the assumption that only a single variable changed and all other variables remained constant. However, the assumptions may be correlated. The sensitivity analysis adopts the same methods used in determining the defined benefit liability on the balance sheet.

The same methods and assumptions are adopted in the two-year sensitivity analysis.

(ii) Defined contribution plan

The Company contributes an amount equal to 6% of the employees' monthly wages to the labor pension personal account of the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act, under which, the Company is not required to bear the regulated or putative obligation subsequent to the payment of fixed-rate contribution.

The Company's pension costs under the contribution pension plan amounted to $237,225 and $252,358 for the years ended December 31, 2023 and 2022, respectively.

(j) Income tax

(i) Income tax expense

The details of income tax expense for company were as follows:

		For the years ended December 31	
		2023	**2022**
Current income tax expense	$	871,088	3,641,240
Deferred income tax expense		490,199	1,135,688
Income tax expense	**$**	**1,361,287**	**4,776,928**

(Continued)

The details of income tax benefit (expense) under other comprehensive income for company were as follows:

	For the years ended December 31	
	2023	**2022**
Components of other comprehensive income that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	$ **(87,606)**	**(47,592)**
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	$ **78,029**	**(28,876)**

Reconciliation of income tax and profit before tax for company were as follow:

	For the years ended December 31	
	2023	**2022**
Profit before tax	$ **7,177,876**	**24,192,512**
Income tax expense calculated based on profit before tax	$ 1,435,575	4,838,502
Effect of profit of associates accounted for using equity method	(3,214)	(12,304)
Other adjustments required by the tax law	3,255	14,743
Investment tax credits	(80,392)	(64,013)
Under provision in prior periods	6,063	-
Income tax expense	$ **1,361,287**	**4,776,928**

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the Company's unrecognized deferred tax assets both amounted to $0.

(Continued)

2) Recognized deferred tax liabilities and assets

Movements in recognized deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

	Defined benefit plan	Exchange differences on translation of foreign financial statements	Others	Total
Balance on January 1, 2023	$ 373,784	186,136	151,213	711,133
Recognized in profit or loss	(70,283)	-	15,866	(54,417)
Recognized in other comprehensive income	(87,606)	78,029	-	(9,577)
Balance on December 31, 2023	**$ 215,895**	**264,165**	**167,079**	**647,139**
Balance on January 1, 2022	$ 431,283	215,012	142,547	788,842
Recognized in profit or loss	(9,907)	-	8,666	(1,241)
Recognized in other comprehensive income	(47,592)	(28,876)	-	(76,468)
Balance on December 31, 2022	**$ 373,784**	**186,136**	**151,213**	**711,133**

Deferred tax liabilities:

	Foreign investment income	Others	Total
Balance on January 1, 2023	$ 2,565,567	440,156	3,005,723
Recognized in profit or loss	418,553	17,229	435,782
Balance on December 31, 2023	**$ 2,984,120**	**457,385**	**3,441,505**
Balance on January 1, 2022	$ 1,443,994	427,282	1,871,276
Recognized in profit or loss	1,121,573	12,874	1,134,447
Balance on December 31, 2022	**$ 2,565,567**	**440,156**	**3,005,723**

(iii) The Company's tax returns for the year through 2021 were assessed by the ROC tax authority.

(k) Capital and other equity interest

(i) Ordinary share

As of December 31, 2023 and 2022, the Company's total authorized capital both amounted to $7,000,000, of which $84,110 were reserved for stock options. As of December 31, 2023 and 2022, the total authorized common stocks were both 700,000 thousand shares, and the total issued common stocks both amounted to 646,166 thousand shares, with $10 par value per share. All issued shares were paid up upon issuance.

(Continued)

(ii) Capital surplus

The components of capital surplus were as follows:

		December 31, 2023	December 31, 2022
Paid-in capital in excess of par value	$	17,874,841	17,874,841
Employee stock options		250,434	250,434
Others		340	333
	$	**18,125,615**	**18,125,608**

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

(iii) Retained earnings

According to the rules of the Company’ s articles, the Company’ s annual net earnings, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. The remainder plus the undistributed earnings of the previous years are distributed or left undistributed the board of directors prepares a shareholder dividend distribution plan, in which the cash dividend distribution plan authorizes the board of directors to distribute with more than two-thirds of the directors present and a resolution of more than half of the directors present, and report to the shareholders' meeting; the stock dividend distribution plan is submitted to the shareholders' meeting for resolution on distribution.

The Company adopts three kinds of dividend distribution policies, which are cash dividends, capitalization of earnings, and capital surplus. The net earnings after deducting the legal reserve and special reserve may first be distributed by way of cash dividends which shall be equal to at least fifty percent of the Company’ s total dividend distribution every year. The capitalization of earnings and capital surplus shall not exceed fifty percent of the total dividends.

1) Legal reserve

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

(Continued)

2) Special reserve

According to Ruling by FSC, when the Company distributes its earnings, it should set aside from the earnings of the current period and the accumulated unappropriated earnings a special reserve which is equivalent to the amount of the net reductions of other equity interest in the current period. If the distributed earnings were appropriated from the accumulated unappropriated earnings of prior periods, a special reserve which is equivalent to the amount of the distribution should be appropriated. If subsequently there is a reversal of the reductions in other equity interest, earnings can be distributed from the reversal. Except for the above appropriations required by the regulations, the special reserve also includes:

The special reserve includes the following:

a) Special reserve recorded for special purposes.

b) Investment income under the equity method.

c) Net valuation gains from financial instrument transactions. Only when its accumulated amount decreases, the special reserve should be decreased at the same amount and is restricted to the recognized amount in this item.

(iv) Earnings distribution

The amounts of cash dividends for the 2022 earnings distribution had been approved, during the board meeting on February 24, 2023; while the earnings distribution for 2021 had been approved during the shareholders' meeting on May 27, 2022 ,respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Dividends per share (NTD)	**Amount**	**Dividends per share (NTD)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 18.00	**11,630,978**	10.00	**6,461,655**

The amount of cash dividends on the 2023 earnings distribution had been approved and proposed, respectively during the board meeting on February 29, 2024, as follows:

	2023	
	Dividends per share (NTD)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 5.50	**3,553,910**

(Continued)

(v) Other equity interest (net of tax)

		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total
Balances as of January 1, 2023	$	(744,544)	(17,103)	(761,647)
Exchange differences on translation of foreign operations		(312,115)	-	(312,115)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income		-	(39,323)	(39,323)
Unrealized gains (losses) from financial assets measured at fair value through associates accounted for using the equity method		-	511	511
Balances as of December 31, 2023	$	**(1,056,659)**	**(55,915)**	**(1,112,574)**
Balances as of January 1, 2022	$	(860,048)	(1,197)	(861,245)
Exchange differences on translation of foreign operations		115,504	-	115,504
Unrealized gains (losses) from financial assets measured at fair value through associates accounted for using the equity method		-	(15,906)	(15,906)
Balances as of December 31, 2022	$	**(744,544)**	**(17,103)**	**(761,647)**

(l) Earnings per share

Calculation of earnings per share for company were as follows:

(i) Basic earnings per share

1) Net profit attributable to equity shareholders of the Company

		For the years ended December 31	
		2023	**2022**
Net profit attributable to equity shareholders of the Company	$	**5,816,589**	**19,415,584**

2) Weighted average number of ordinary shares outstanding

		For the years ended December 31	
		2023	**2022**
Weighted average number of ordinary shares outstanding (in thousands of shares)	$	**646,166**	**646,166**

(Continued)

(ii) Diluted earnings per share

1) Net profit attributable to equity shareholders of the Company (diluted)

	For the years ended December 31	
	2023	**2022**
Net profit attributable to equity shareholders of the Company (diluted)	$ **5,816,589**	**19,415,584**

2) Weighted average number of ordinary shares outstanding (diluted)

	For the years ended December 31	
	2023	**2022**
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)	646,166	646,166
Effects of dilutive potential ordinary shares		
Effects of employee stock compensation (in thousands of shares)	87	221
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)	**646,253**	**646,387**

(m) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the years ended December 31	
	2023	**2022**
Primary geographical markets:		
Taiwan	$ 12,072,225	25,217,346
USA	2,581,260	913,324
Mainland China	6,903,432	12,812,790
Korea	2,437,298	3,754,621
Other countries	5,486,218	5,647,260
	$ **29,480,433**	**48,345,341**
Major products:		
Printed circuit board	$ 29,449,004	48,283,429
Others	31,429	61,912
	$ **29,480,433**	**48,345,341**

(Continued)

(ii) Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ -	370	-
Accounts receivable－non-related parties	4,816,653	11,464,561	8,721,499
Accounts receivable－related parties	11,430	75,345	25,841
Less: Loss allowance	(23,004)	(47,954)	(47,954)
	$ 4,805,079	**11,492,322**	**8,699,386**

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities －unearned sales revenue	**$ 9,225,425**	**8,717,214**	**711,975**
Current	$ 1,991,749	1,082,286	-
Non-current	7,233,676	7,634,928	711,975
	$ 9,225,425	**8,717,214**	**711,975**

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue will be recognized when products are delivered to customers.

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $1,205,963 and $0 , respectively.

(n) Employee compensation

According to the Company's Articles of Incorporation, which are subject to the shareholders’ approval, the Company's annual net profit should be set aside from the allocation 0.05% to 0.5% as employee compensation based on the Company's net profit before tax offsetting employee compensation. When the Company incurs accumulated deficit, the Company should be reserved in advance with covering the accumulated deficit. The remunerations to employees amounted to $14,385 and $48,482 for the years ended December 31, 2023 and 2022, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under operating costs or expenses for the period. Related information would be available at the Market Observation Post System website.

The remunerations to employees approved by the Board of Directors were same as the financial report for the years ended December 31, 2023 and 2022.

(Continued)

(o) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the years ended December 31	
	2023	**2022**
Interest income from bank deposits	$ 194,336	62,222
Other interest income	25,687	16,874
	$ 220,023	**79,096**

(ii) Other income

The details of other income were as follows:

	For the years ended December 31	
	2023	**2022**
Lease revenue	$ 54,274	50,188
Premium revenue	75,722	90,347
Dividend revenue	12,583	-
Others	92,856	90,787
	$ 235,435	**231,322**

(iii) Other gains and losses

The details of other gains and (losses) were as follows:

	For the years ended December 31	
	2023	**2022**
Net foreign exchange gains	$ 82,190	1,263,080
Losses on disposal of property, plant and equipment	(2,091)	(2,861)
Reversal of impairment gains (losses) on property, plant and equipment	14,033	(16,425)
Others	(8,993)	(31,358)
	$ 85,139	**1,212,436**

(Continued)

(iv) Finance costs

The details of finance costs were as follows:

	For the years ended December 31	
	2023	**2022**
Interest expense	$ (19,371)	(14,277)

(p) Financial instruments

(i) Credit risk

1) Exposure to credit risk

The carrying amount of financial assets after deducting the warranty amount represents the maximum amount exposed to credit risk. As of December 31, 2023 and 2022, the Company's maximum exposure to credit risk were $3,121,368 and $9,389,273, respectively.

2) Concentration of credit risk

Since most of the Company’s clients are renowned international companies with good credit which scatter in different industries and geographic areas, the Company does not make concentrated transactions with any specific client. Therefore, there is no concentration of credit risk for accounts receivable. In order to reduce its credit risk, the Company assesses the financial condition of clients consistently and periodically.

3) Credit risk of receivables

Please refer to note 6(b) for the exposure of credit risk of notes and accounts receivables.

Other financial assets measured at amortized cost includes other receivables and time deposits.

Other receivables and time deposits are considered to have low credit risk as the Company only deals with external parties with good credit ratings and with financial institutions with credit ratings qualified for investing and above.

As of December 31, 2023 and 2022, no allowance for impairment was recognized as there were no indications of impaired credit risk for the 12 month ECL or lifetime ECL for other financial assets measured at amortized cost.

(Continued)

(ii) Liquidity risk

The following table shows the remaining contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 2,180,671	2,180,671	2,180,671	-	-	-	-
Other payables	2,322,369	2,322,369	2,322,369	-	-	-	-
Lease liabilities (including current portion)	1,693,381	1,756,898	137,007	134,531	264,109	635,624	585,627
	$ 6,196,421	**6,259,938**	**4,640,047**	**134,531**	**264,109**	**635,624**	**585,627**
December 31, 2022							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 3,141,929	3,141,929	3,141,929	-	-	-	-
Other payables	3,074,317	3,074,317	3,074,317	-	-	-	-
Lease liabilities (including current portion)	1,914,389	1,995,477	132,476	132,476	262,477	689,599	778,449
	$ 8,130,635	**8,211,723**	**6,348,722**	**132,476**	**262,477**	**689,599**	**778,449**

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

(iii) Currency risk

1) Exposure to foreign currency risk

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

	December 31, 2023		
	Foreign currency	**Exchange rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 213,998	30.7350	6,577,225
EUR	10	33.9755	340
JPY	52,588	0.2172	11,422
CNY	44	4.3394	190
Financial liabilities			
Monetary items			
USD	20,624	30.7350	633,885
EUR	36	33.9755	1,223
JPY	1,433,754	0.2172	311,411
CNY	11	4.3394	48

(Continued)

	December 31, 2022		
	Foreign currency	**Exchange rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 417,098	30.7080	12,808,237
EUR	34	32.7026	1,113
JPY	84,668	0.2306	19,525
CNY	25	4.4091	108
Financial liabilities			
Monetary items			
USD	38,399	30.7080	1,179,156
EUR	543	32.7026	17,771
JPY	1,497,124	0.2306	345,237

2) Sensitivity analysis

The Company’s exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, accounts payable and other payables which are denominated in foreign currencies. A 1% depreciation or appreciation of the NTD against the USD, EUR, JPY and CNY as of December 31, 2023 and 2022 would have increased or decreased the net income before tax by $56,426 and $112,868 for the years ended December 31, 2023 and 2022, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Due to the variety of functional currencies, the Company disclosed its aggregated foreign exchange gains (losses); the Company's foreign exchange gains and losses, including realized and unrealized, for the years ended December 31, 2023 and 2022 were the net exchange gains of $82,190 and $1,263,080, respectively.

(iv) Interest rate analysis

The Company’s exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk section of this note.

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

(Continued)

If the interest rates increase or decrease by 1%, (with all the other factors remain constant) for the years ended December 31, 2023 and 2022, no significant impact on the Company's profit would occur.

(v) Fair value of information

1) Fair value of financial instruments

The carrying amount of the Company's financial assets and liabilities is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required :

	December 31, 2023				
		Fair Value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	$ 237,283	237,283	-	-	237,283
Financial assets measured by amortized cost					
Cash and cash equivalents	7,327,220	-	-	-	-
Accounts receivable, net (including related parties)	4,805,079	-	-	-	-
Other receivables (including related parties)	41,417	-	-	-	-
Other financial assets (recognized as other current assests)	100,000	-	-	-	-
Total	**$ 12,510,999**	**237,283**	**-**	**-**	**237,283**
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	$ 2,180,671	-	-	-	-
Other payables	2,322,369	-	-	-	-
Lease liabilities (including current portion)	1,693,381	-	-	-	-
Total	**$ 6,196,421**	**-**	**-**	**-**	**-**

(Continued)

	December 31, 2022				
		Fair Value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured by amortized cost					
Cash and cash equivalents	$ 16,982,031	-	-	-	-
Notes and accounts receivable, net (including related parties)	11,492,322	-	-	-	-
Other receivables (including related parties)	55,624	-	-	-	-
Total	$ 28,529,977	-	-	-	-
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	$ 3,141,929	-	-	-	-
Other payables	3,074,317	-	-	-	-
Lease liabilities (including current portion)	1,914,389	-	-	-	-
Total	$ 8,130,635	-	-	-	-

(q) Financial risk management

(i) Nature and extent

The Company has exposures to the following risks from holding certain financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note expresses the information of risk exposure, the goals, policies and procedures for the Company to measure and manage risks. Please refer to each note in financial statements for further quantitative disclosures.

(ii) Framework of risk management

The risk management policies are established according to the regulations of the authorities and the policy of the corporation. The Company understands that risk management is crucial to the business operation when facing the ever-changing market conditions. The Company, through strict internal control and complete risk management system, aims to effectively control the credit, liquidity, and market risk when operating. By doing so, the Company hopes to achieve its goal of sustainable operation.

The internal audit section of the Company reviews the effectiveness and appropriateness of each risk hedge transaction on a nonscheduled basis and reports the results to the Board of Directors.

(Continued)

(iii) Credit risk

Credit risk is the risk that resulted from receivables generated from operating activities and financial investments (including bank deposits, investments with fixed return, and other financial instruments).

1) Accounts receivable

To insure the collection of accounts receivable, the Company established risk management relating to operations, including operation goal management, credit authorization management, and accounts receivable management, constantly paying attention to the operating condition and dynamics of the client in order to take necessary measures and to prevent impairment of accounts receivable.

Most of the counterparties of the Company's accounts receivable are renowned international companies with good reputation, scattering across different industrial and geographic regions.

2) Financial investments

The credit risk of bank deposits, fixed return investments and other financial instruments conforms to the financial framework of the Company. To prevent default from counterparties due to credit abnormities, the Company trades mostly with companies with long-term credit rating, larger scale and higher liquidity. Also, the Company explicitly states different credit levels and ranges for counterparties according to the risk and period of financial instruments.

(iv) Liquidity risk

The goal of liquidity risk management of the Company is to ensure enough cash and cash equivalents, highly liquid securities, and sufficient bank financing credit to ensure sufficient financial flexibility.

(v) Market risk

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

1) Exchange rate risk

The Company’s exposure to currency risk is on sales and purchases that are denominated in a currency other than the respective functional currencies of the Company, primarily the New Taiwan Dollars (NTD). The currencies used in these transactions are denominated in NTD, USD, JPY, EUR and CNY.

(Continued)

Deficit of foreign currency funds for daily operations are offset by spot exchange or forward exchange agreements bought in during an advantageous situation. For foreign currency long-term debt, in order to minimize the impact of exchange rate changes on the Company's profit, the Company signs long period forward exchange agreements or cross currency swaps with several renowned international banks at times when exchange rates are favorable.

2) Interest rate risk

The Company has no short-term or long-term loans. Therefore, the fluctuation of interest rate in the market do not have significant impact on the Company's cash flows.

(r) Capital management

The capital management of the Company focuses on ensuring necessary financial resources and operation plans support the Company's operating funds, capital expenditure, research and development expense, and dividend payments in the following 12 months.

(s) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

(i) For right-of-use assets, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes Acquisition	December 31, 2023
Lease liabilities (including current portion)	$ 1,914,389	(254,960)	33,952	1,693,381

	January 1, 2022	Cash flows	Non-cash changes Acquisition	December 31, 2022
Lease liabilities (including current portion)	$ 374,277	(221,939)	1,762,051	1,914,389

(Continued)

(7) Related-party transactions

(a) Parent company and ultimate controlling party

Nan Ya Plastics Corporation is both the parent company and the ultimate controlling party of the Company. It owns 66.97% of all shares outstanding of the Company, and has issued the Consolidated Financial Statements Available for Public Use.

(b) Names and relationship with related parties

The following are entities that have had transactions with the Company during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Nan Ya Plastics Corporation (NYPC)	The parent company
Nan Ya PCB (Hong Kong) Corp. (NPHK)	The Company's subsidiary
Nan Ya PCB (USA) Corp. (NPUC)	The Company's subsidiary
Nan Ya PCB (Kunshan) Corp. (NPKC)	The Company's subsidiary
Formosa Advanced Technologies Co., Ltd. (FATC)	The Company's associates
Formosa Plastics Corporation (FPC)	The Company's parent company is the company's board of director
Formosa Biomedical Technology Corp.	The Company's parent company is a board of director of the company
Nanya Technology Corporation	The same chairman
Wellink Technology Co., Ltd.(WTC)	The same chairman

(c) Significant related-party transactions

(i) Operating revenues

Significant sales to related parties were as follows:

	For the years ended December 31	
	2023	**2022**
Subsidiaries－NPKC	$ 14,232	41,153
Associates	175,676	520,396
Other related parties	781	1,421
	$ 190,689	**562,970**

The selling prices and collection terms for the sales to related parties above are not significantly different from those third-party customers, and the normal credit term with the related parties above is collection on open account 70 days. There is no collateral received among related parties accounts receivable and there is no need to estimate loss allowance.

(Continued)

Downstream realized (unrealized) sales profits arising from sales to subsidiary, NPKC, were as follows:

	For the years ended December 31	
	2023	**2022**
Downstream unrealized sales profits	$ (745)	(2,669)
Downstream realized sales profits	2,669	2,825
	$ 1,924	**156**

As of December 31, 2023 and 2022, the balances of unrealized profits from inter-company sales transactions were $745 and $2,669, respectively, which were recognized as a deduction of investments accounted for using equity method.

(ii) Receivables from related parties

The balance of accounts receivable from related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable due from related parties	Subsidiaries－NPKC	$ 647	6,673
Accounts receivable due from related parties	Associates	10,705	68,485
Accounts receivable due from related parties	Other related parties	78	187
		$ 11,430	**75,345**

(iii) Purchases from related parties

Significant purchases from related parties were as follows:

	For the years ended December 31	
	2023	**2022**
The parent company	$ 1,798,481	1,944,681
Subsidiaries－NPKC	3,985,733	7,081,792
Other related parties	324,451	224,968
	$ 6,108,665	**9,251,441**

The purchase price from related parties is not significantly different from non-related general parties. The normal credit term with the related parties above is collected on open account 30 days, on open account 90 days, and on the day following the day of approving payment, respectively.

(Continued)

(iv) Payables to related parties

The details of accounts payable to related parties were as follows:

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable to related parties	The parent company	$ 127,590	209,647
Accounts payable to related parties	Subsidiaries－NPKC	317,600	374,161
Accounts payable to related parties	Other related parties	130,395	15,980
		$ 575,585	**599,788**

(v) Property transactions

1) For the year ended December 31, 2022, the Company sold equipment to NPKC at $20,942, which had been fully received during the period.

2) For the year ended December 31, 2023, the Company purchased machinery and equipment from its subsidiary, NPKC, with the acquisition price of $15,218, which had been fully paid during the period.

3) For the year ended December 31, 2022, the Company purchased fixed assets, amounting to $147, from its subsidiary, NPKC, with the unpaid payable of $146, accounted for as other payable during the period.

4) Downstream realized (unrealized) gain on disposal resulting from the sale of equipment to its subsidiary, NPKC, were as follows:

	For the years ended December 31	
	2023	**2022**
Unrealized downstream gain on disposal of property, plant and equipment	$ -	(14,368)
Realized downstream gain on disposal of property, plant and equipment	12,987	12,773
	$ 12,987	**(1,595)**

As of December 31, 2023 and 2022, unrealized gain on disposal of property, plant and equipment, amounted to $49,673 and $62,660, respectively, and was recognized as a deduction of the investments accounted for as using equity method.

(Continued)

5) Acquisition of financial assets

Relationship	Account	Item of transaction	2022 Number of shares (in thousands)	2022 Acquisition
Subsidiary-NPHK	Investments accounted for using equity method	Shares of stock of Nan Ya PCB (Hong Kong) Corp.	553,800	$ 2,118,214

(vi) Lease of property, plant and equipment

1) The lease revenue of the Company from leasing its property, plant and equipment to its related parties were as follows:

	Other income For the years ended December 31 2023	2022
The parent company	$ 12,436	12,177

The rentals charged to related parties are determined based on the local market prices and rents that are collected monthly depending on the contract. As of December 31, 2023 and 2022 there was no unreceived balance .

2) The rental expenses of the Company's property, plant and equipment leased from its related parties were as follows:

The Company entered into different lease agreements with its parent company for its Taipei office, as well as its factories and employee dormitories, both located at Luchu Dist., Taoyuan City and Shulin Dist., New Taipei City, with monthly rental fees based on the local market prices within their respective vicinities. For the years ended December 31, 2023 and 2022, the above rentals amounting to $33,134 and $29,149, respectively, were recognized as expenses. For the years ended December 31, 2023 and 2022, the amount of $18,290 and $13,927 was recognized as interest expense. As of December 31, 2023 and 2022, the balance of lease liabilities amounting to $1,681,577 and $1,897,181.

For the years ended December 31, 2023 and 2022, the Company recognized the additional amount of $0 and $1,499,470 of right-of-use assets.

(Continued)

(vii) Others

The Company appointed NPUC to collect business information, do credit investigation and introduce clients on its behalf; the commission paid to NPUC for the years ended December 31, 2023 and 2022 are $29,707 and $26,195, respectively, and all of payable had been paid as of December 31, 2023 and 2022.

For the years ended December 31, 2023 and 2022, the Company transferred the license for substrate production to its subsidiary NPKC., and was recognized, at a consideration amount of $75,722 and $90,347, with the remaining balance of $20,515 and $45,561, recognized as other receivables due from related parties, that has yet to be collected.

(d) Key management personnel compensation

Key management personnel compensation comprised

	For the years ended December 31	
	2023	**2022**
Short-term employee benefits	$ 34,756	36,777

(8) Pledged assets: None

(9) Significant Commitments and contingencies

(a) The outstanding letters of credit for the importation of raw materials by the Company were as follows:

	December 31, 2023	**December 31, 2022**
Outstanding letters of credit for the importation of raw materials	$ 291,446	1,319,143

(b) The endorsements by the bank were as follows:

	December 31, 2023	**December 31, 2022**
The guarantee for customs	$ 22,000	52,000
The guarantee for letters of credit	$ 48,000	52,000

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

(12) Other

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

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	operating costs	operating expenses	Total	operating costs	operating expenses	Total
Employee benefits						
Salaries	5,043,339	638,841	5,682,180	6,783,320	804,318	7,587,638
Labor and health insurance	520,098	47,686	567,784	528,209	47,564	575,773
Pension expenses	251,679	26,741	278,420	260,524	24,435	284,959
Remuneration of directors	-	6,295	6,295	-	6,360	6,360
Other personnel expenses	145,326	13,734	159,060	141,868	13,845	155,713
Depreciation expenses	3,557,938	20,477	3,578,415	2,419,431	15,983	2,435,414

The additional information of the number of employees and the employee benefits were as follows：

	For the years ended December 31	
	2023	**2022**
Number of employees	**6,692**	**6,511**
Number of directors who were not employees	**6**	**7**
The average employee benefit	$ **1,000**	**1,323**
The average salaries and wages	$ **850**	**1,167**
Percentage of average employee salary adjustment	**(27.16)%**	**(2.42)%**
Remuneration of supervisor	$ **-**	**-**

The Company’s remuneration policy for its employees (including directors, supervisors, managers and employees) were as follows:

The Company’s remuneration policy for its employees (including directors, supervisors, managers and employees) is based on the consideration of the equity of the shareholders and employees. The Company set up salary and remuneration committees to regularly review its directors and managers’ performance evaluation and formulate remuneration policies, systems, standards and structures. Furthermore, the Company attracts and retains talented people by providing its employees with a competitive overall salary.

(Continued)

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

(in thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss Allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	NPHK	Other receivables due from related parties	Yes	50,000	50,000	-	-	2	-	Operating capital	-	None	-	11,976,979 (Note 2)	23,953,958 (Note 3)

Note 1: 1. With business contact

2. Necessary for short-term financing

Note 2: The amount of financing to related parties or parties with business contact is subjected to a limit, which is 25% of the net value. To other counterparties, the limit is 20% of the net value.

Note 3: The amount of financing to others is subjected to a limit, which is 50% of the net value. To those without business contact but in need of fund, the limit is 40% of the net value.

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(in thousands of shares and New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	FPC stock	Other related parties	Current financial assets at fair value through other comprehensive income	2,996	237,283	0.05 %	237,283	-

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of $300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of $300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of $100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ (Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	NYPC	Parent company	Purchase	1,798,481	18.45 %	O/A 30 days	-	-	(127,590)	(5.85)%	-
The Company	NPKC	Subsidiary of the Company	Purchase	3,985,733	40.88 %	O/A 30 days	-	-	(317,600)	(14.56)%	-
The Company	FATC	Associates	(sale)	(175,676)	(0.60)%	O/A 70 days	-	-	10,705	0.22%	-
The Company	NTC	Same chairman	Purchase	189,137	1.94 %	O/A 30 days	-	-	(124,000)	(5.69)%	-
NPKC	The Company	Parent company	(sale)	(3,985,733)	(23.76)%	O/A 30 days	-	-	317,600	13.17%	-
NPKC	FATC	Associates	(sale)	(373,924)	(2.23)%	O/A 70 days	-	-	36,931	1.53%	-
NPKC	NEMK	Same chairman	Purchase	714,255	9.71 %	O/A 60 days	-	-	(47,725)	(3.98)%	-
NPKC	WTC	Same chairman	Purchase	120,516	1.64 %	O/A 60 days	-	-	(20,682)	(1.72)%	-

(Continued)

(viii) Receivables from related parties with amounts exceeding the lower of $100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss Allowance
					Amount	Action taken		
NPKC	The Company	Parent company	317,600	11.52	-		317,600	-

(ix) Trading in derivative instruments: None

(b) Information on investees

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

(in thousands of shares and New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (losses) of investee	Share of profits/(losses) of investee	Note
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying amount			
The Company	NPHK	HK	Business of electronic products	8,595,674	8,595,674	2,152,020	100.00 %	23,838,862	2,091,411	2,091,411	
The Company	NPUC	USA	Customer sales promotion	3,479	3,479	1,000	100.00 %	19,640	1,356	1,356	
The Company	FATC	TW	Assembling testing and producing modules for IC	472,968	472,968	13,267	3.00 %	486,857	530,215	16,072	Note

Note: Investee company accounted for using equity method.

(c) Information on investment in mainland China

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(in thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Carrying amount	Accumulated remittance of earnings in current period
					Outflow	Inflow						
NPKC	Production and marketing of PCBs	8,592,495	(Note 1)	8,592,495	-	-	8,592,495	2,091,001	100.00%	2,091,001 (Note 2)	23,824,524	-

Note 1: NPKC in Mainland China is invested through a company established in a third region.

Note 2: Investment income or loss is recognized according to the financial statements audited by the CPA of the Taiwanese parent company.

(ii) Limitation on investment in Mainland China:

(in thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
8,592,495	8,592,495	-

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

(iii) Significant transactions:

Please refer to "Information on significant transactions" for direct or indirect significant transactions (written off during the preparation of the consolidated financial statements), between the Company and its investees in Mainland China for the year ended December 31, 2023.

(Continued)

(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
Nan Ya Plastics Corporation	432,744,977	66.97 %

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider' s equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2023.

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash in banks	Checking account	$ 4,262
	Demand deposits	65,099
	Foreign currency demand deposits (Note 1) (Note 2)	781,733
Time deposits	Time deposits (Note 1) (Note 3)	2,389,079
Cash equivalents	Repurchase bonds (Note 4)	534,320
	Commercial paper (Note 5)	3,552,727
Total		$ 7,327,220

Note 1:

Exchange rate	
USD	30.735
JPY	0.2172
EUR	33.9755
CNY	4.3394

Note 2:

Amount	
USD	25,046
JPY	52,588
EUR	10
CNY	44

Note 3:

Amount		Maturity	Interest rate
USD	45,195	2024.1.11~2024.2.29	1.2%~5.9%
NTD	1,000,000		

Note 4:

Maturity	Interest rate
2024.1.3~2024.1.9	0.98%~1.12%

Note 5:

Maturity	Interest rate
2024.1.2~2024.1.17	1.0%~1.2%

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of notes and accounts receivable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Name Of Client	Description	Amount
Accounts receivable	Client A	Operation	$ 1,113,082
	Client B	Operation	866,003
	Client C	Operation	677,294
	Client D	Operation	382,417
	Client E	Operation	350,196
	Others (Less than 5% of the total amount)	Operation	1,427,661
	Subtotal of notes and accounts receivable		4,816,653
Loss allowance			(23,004)
	Notes and accounts receivable, net		**$ 4,793,649**
Receivables due from related parties	Nan Ya PCB (Kunshan) Corporation	Operation	$ 647
	Formosa Advanced Technologies Co., Ltd.	Operation	10,705
	Wellink Technology Co., Ltd.	Operation	78
			$ 11,430

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount	
	Cost	Net realizable value
Raw materials	$ 234,650	234,006
Supplies	177,327	176,358
Work in process	1,147,129	1,146,944
Finished goods	466,292	466,211
Subtotal	2,025,398	**2,023,519**
Less: allowance for inventory obsolescence and devaluation	(1,879)	
Inventories, net	**$ 2,023,519**	

For details on property, plant and equipment, please refer to note 6(f).

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of changes in investments accounted for using equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Balance as of January 1, 2023		Increase		Decrease		Investment Income (loss) on Equity-method	Translation Adjustment on Equity-method	Others (Note)	Balance as of December 31, 2023			Market Value or net carrying amount		
	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Amount				Shares (in thousands)	Owned%	Amount	Price	Total	Collateral
Accounted for using the equity method:															
NPHK	2,152,020	$ 22,188,010	-	-	-	-	2,091,411	(390,141)	-	2,152,020	100.00 %	23,889,280	11	23,838,862	None
NPUC	1,000	18,287	-	-	-	-	1,356	(3)	-	1,000	100.00 %	19,640	20	19,640	None
FATC	13,267	513,814	-	-	-	-	16,072	-	(43,029)	13,267	3.00 %	486,857	37	486,857	None
Add: Unrealized gain (loss)															
NPHK		(65,329)		-		-	-	-	14,911			(50,418)	-	-	
		$ 22,654,782		-		-	2,108,839	(390,144)	(28,118)			24,345,359		24,345,359	

Note: Others include dividends received, other comprehensive income on equity-method, and other changes in capital surplus.

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of accounts payable

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Accounts payable	Vendor A	$ 159,500
	Vendor B	127,825
	Vendor C	114,356
	Others (less than 5% of the total amount)	1,203,405
Total		**$ 1,605,086**
Accounts payable to related parties	Nan Ya PCB (Kunshan) Corporation	$ 317,600
	Nan Ya Plastics Corp.	127,590
	Nanya Technology Corporations	124,000
	Formosa Plastics Corporation	5,365
	Formosa Biomedical Technology Corp	989
	Wellink Technology Co.,Ltd.	41
Total		**$ 575,585**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of other payables

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Other payables	Salaries	$ 1,880,680
	Others (Less than 5% of the total amount)	441,689
Total		**$ 2,322,369**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of operating revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Unit	Quantity	Amount
Printed circuit board	KSF	5,804	$ 29,449,004
Others		-	31,429
Total			**$ 29,480,433**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Beginning balance of raw materials	$ 420,449
Purchases	5,018,225
Ending balance of raw materials	(234,650)
Add: Samples provided by manufacturers	30,697
Less: Reclassified to manufacturing overhead	100,324
Reclassified to selling and administrative expenses	7,558
Sale of raw materials	1,237
Cost of raw materials consumed	5,125,602
Beginning balance of supplies	195,282
Purchases	1,361,974
Ending balance of supplies	(177,327)
Add: Samples provided by manufacturers	39,828
Less: Reclassified to manufacturing overhead	1,391,185
Reclassified to selling expenses	865
Reclassified to administrative expenses	15,518
Sale of supplies	12,189
Cost of supplies consumed	-
Direct labor	4,926,765
Manufacturing overhead	8,749,134
Reclassified to unamortized manufacturing overhead	(4,196,912)
Manufacturing costs	14,604,589
Beginning balance of work in process	2,240,418
Ending balance of work in process	(1,147,129)
Add: Finished goods transferred in	565,818
Cost of finished goods	16,263,696
Beginning balance of finished goods	699,730
Add: Purchases of finished goods	3,369,587
Less: Reclassified to selling expenses	320
Reclassified to work in process	565,818
Ending balance of finished goods	(466,292)
Cost of finished goods for the period	19,300,583
Unamortized manufacturing overhead	4,196,912
Reversal of inventory devaluation	(18)
Sale of law materials and supplies	13,426
Operating costs	**$ 23,510,903**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of Manufacturing Overhead

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Indirect labor	$ 854,598
Depreciation	3,557,938
Supplies expenses	730,098
Utilities expenses	2,263,890
Maintenance expenses	608,231
Others (Less than 5% of the total amount)	734,379
Total	**$ 8,749,134**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of selling expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Commissions on export sales	$	107,605
Salary and food expenses		125,668
Employee benefits		22,027
Freight expenses on export sales		15,992
Others (Less than 5% of the total amount)		41,737
Total	**$**	**313,029**

NAN YA PRINTED CIRCUIT BOARD CORPORATION

Statement of administrative expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary and food expenses	$ 386,693
Research and development expense	229,505
Amortization	288,101
Others (Less than 5% of the total amount)	231,265
Total	**$ 1,135,564**

Nan Ya Printed Circuit Board Corporation

Chairman: Chia-Chau Wu