

**NAN YA PLASTICS CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022**

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

Table of contents

Contents	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Review Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statement of Comprehensive Income	5
6. Consolidated Statement of Changes in Equity	6
7. Consolidated Statement of Cash Flows	7
8. Notes to the Consolidated Financial Statements	
(1) Company history	8
(2) Approval date and procedures of the consolidated financial statements	8
(3) New standards, amendments and interpretations adopted	8~10
(4) Summary of significant accounting policies	10~12
(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty	12~14
(6) Explanation of significant accounts	14~43
(7) Related-party transactions	44~49
(8) Pledged assets	50
(9) Significant Commitments and contingencies	50~52
(10) Losses Due to Major Disasters	52
(11) Subsequent Events	52
(12) Other	52
(13) Other disclosures	
(a) Information on significant transactions	52~53、55~63
(b) Information on investees	53、64~65
(c) Information on investment in mainland China	53、65
(d) Major shareholders	53
(14) Segment information	54



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Independent Auditors' Review Report

To the Board of Directors of NAN YA PLASTICS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of NAN YA PLASTICS CORPORATION and its subsidiaries (the "Consolidated Company") as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$93,993,902 thousand and \$89,968,902 thousand, constituting 14.01% and 13.04% of the consolidated total assets; and the total liabilities amounting to \$38,769,969 thousand and \$36,109,668 thousand, constituting 12.98% and 15.30% of the consolidated total liabilities as of March 31, 2023 and 2022, respectively; as well as the total comprehensive income (loss) amounting to \$(1,337,438) thousand and \$1,893,830 thousand, constituting (24.36)% and 7.55% of the consolidated total comprehensive income (loss) for the three months ended March 31, 2023 and 2022, respectively.

Furthermore, as stated in Note 6 (g), the other equity accounted investments of the Consolidated Company in its investee companies of \$39,099,483 thousand and \$42,137,935 thousand as of March 31, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$63,840 thousand and \$(155,308) thousand for the three months ended March 31, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Consolidated Company as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of the Consolidated Company. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The financial statements of those subsidiaries reflect the total assets amounting to \$127,602,919 thousand and \$142,204,685 thousand, constituting 19.02% and 20.61% of the consolidated total assets as of March 31, 2023 and 2022, respectively; and the total operating revenues amounting to \$15,339,873 thousand and \$24,795,544 thousand, constituting 23.32% and 24.29% of the consolidated total operating revenues for the three months ended March 31, 2023 and 2022, respectively.

We did not review the financial statements of certain investee companies, which represented the investment in other entities accounted for using the equity method of the Consolidated Company. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for those investee companies, is based solely on the review report of another auditor. The aforementioned investments accounted for using the equity method amounted to \$72,710,457 thousand and \$85,670,491 thousand, constituting 10.84% and 12.42% of the consolidated total assets as of March 31, 2023 and 2022, respectively; and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$1,024,526 thousand and \$3,155,294 thousand, constituting 54.13% and 15.73% of the consolidated total profit before tax for the three months ended March 31, 2023 and 2022, respectively.

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

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

KPMG

Taipei, Taiwan (Republic of China)
May 9, 2023

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2023, December 31 and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2023		December 31, 2022		March 31, 2022				March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets															
Current assets:															
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 91,243,701	14	89,444,513	13	76,769,087	11	2100	Short-term borrowings (notes 6(l), (w) and (z))	\$ 33,848,000	5	38,775,000	6	15,677,792	2
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,566,437	-	1,562,720	-	1,431,901	-	2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	43,631,370	7	35,449,361	5	22,095,058	3
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w) and 8)	36,801,199	5	35,494,677	5	42,496,518	6	2170	Notes and accounts payable (note 6(w))	14,297,697	2	14,484,851	2	16,221,539	3
1150	Notes receivable, net (notes 6(d) and (w))	3,988,666	1	3,503,958	1	6,588,400	1	2180	Accounts payable to related parties (notes 6(w) and 7)	5,876,576	1	5,509,673	1	10,157,884	1
1170	Accounts receivable, net (notes 6(d) and (w))	38,491,701	6	45,547,738	7	54,532,983	8	2200	Other payables (including related parties) (note 7)	58,043,603	9	32,253,802	5	32,187,052	5
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	1,826,539	-	1,531,649	-	2,663,093	-	2280	Current lease liabilities (notes 6(o), (w), (z) and 7)	133,365	-	134,521	-	88,194	-
1200	Other receivables (notes 6(e) and (w))	8,899,410	2	4,511,631	1	7,262,032	1	2321	Current portion of bonds payable (notes 6(n), (w) and (z))	9,770,259	1	11,569,513	2	10,770,089	2
1210	Other receivables due from related parties (notes 6(e), (w) and 7)	2,646,628	-	2,685,961	-	3,095,207	1	2322	Current portion of long-term borrowings (notes 6(m), (w) and (z))	7,718,160	1	30,325,562	5	2,842,130	-
130X	Inventories (note 6(f))	54,347,851	8	52,985,302	8	59,073,712	9	2399	Other current liabilities	<u>3,648,609</u>	<u>1</u>	<u>2,060,954</u>	<u>-</u>	<u>1,979,259</u>	<u>-</u>
1470	Other current assets	<u>7,660,915</u>	<u>1</u>	<u>5,945,505</u>	<u>1</u>	<u>7,298,942</u>	<u>1</u>	Total current liabilities							
Total current assets		<u>247,473,047</u>	<u>37</u>	<u>243,213,654</u>	<u>36</u>	<u>261,211,875</u>	<u>38</u>			<u>176,967,639</u>	<u>27</u>	<u>170,563,237</u>	<u>26</u>	<u>112,018,997</u>	<u>16</u>
Non-current assets:															
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	753,627	-	759,912	-	687,709	-	2530	Bonds payable (notes 6(n), (w) and (z))	52,755,241	8	52,751,979	8	62,513,626	9
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	16,515,813	2	16,106,851	2	26,423,154	4	2540	Long-term borrowings (notes 6(m), (w) and (z))	27,309,914	4	5,500,000	1	22,368,202	3
1550	Investments accounted for using equity method (notes 6(g) and 7)	169,340,162	25	171,148,248	26	187,498,075	27	2570	Deferred tax liabilities (note 6(q))	19,015,099	3	19,198,940	3	20,346,724	3
1600	Property, plant and equipment (notes 6(h), 7 and 8)	214,780,936	32	211,967,022	32	194,704,332	28	2580	Non-current lease liabilities (notes 6(o), (w), (z) and 7)	254,554	-	275,945	-	198,215	-
1755	Right-of-use assets (notes 6(i) and 7)	998,338	-	1,024,075	-	934,381	-	2640	Net defined benefit liability-non-current (note 6(p))	12,647,083	2	14,335,802	2	16,457,186	3
1782	Intangible assets (note 6(j))	1,665,874	-	1,714,160	-	1,859,019	-	2645	Guarantee deposits	820,964	-	811,256	-	763,685	-
1812	Technology development expense	14,932	-	16,111	-	19,648	-	2670	Other non-current liabilities	<u>9,034,647</u>	<u>1</u>	<u>7,777,567</u>	<u>1</u>	<u>1,405,659</u>	<u>-</u>
1840	Deferred tax assets (note 6(q))	3,994,789	1	3,632,469	1	3,620,004	1	Total non-current liabilities							
1915	Prepayments for purchase of equipment	3,743,124	1	4,232,262	1	3,684,602	1			<u>121,837,502</u>	<u>18</u>	<u>100,651,489</u>	<u>15</u>	<u>124,053,297</u>	<u>18</u>
1937	Overdue receivables (note 6(d))	-	-	-	-	-	-	Total liabilities							
1990	Other non-current assets	<u>11,482,755</u>	<u>2</u>	<u>11,501,392</u>	<u>2</u>	<u>9,272,668</u>	<u>1</u>			<u>298,805,141</u>	<u>45</u>	<u>271,214,726</u>	<u>41</u>	<u>236,072,294</u>	<u>34</u>
Total non-current assets		<u>423,290,350</u>	<u>63</u>	<u>422,102,502</u>	<u>64</u>	<u>428,703,592</u>	<u>62</u>	Equity attributable to owners of parent (note 6(r)):							
Total assets		<u>\$ 670,763,397</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>689,915,467</u>	<u>100</u>	3110	Ordinary shares	79,308,216	12	79,308,216	12	79,308,216	11
								3200	Capital surplus	27,692,598	4	27,692,943	4	26,658,102	4
								3300	Retained earnings	224,579,326	33	247,505,467	37	288,501,252	42
								3400	Others	24,395,050	4	20,597,964	3	43,317,841	6
								36XX	Non-controlling interests	<u>15,983,066</u>	<u>2</u>	<u>18,996,840</u>	<u>3</u>	<u>16,057,762</u>	<u>3</u>
								Total equity							
										371,958,256	55	394,101,430	59	453,843,173	66
								Total liabilities and equity							
										<u>\$ 670,763,397</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>689,915,467</u>	<u>100</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended			
		March 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(t) and 7)	\$ 65,773,776	100	102,092,039	100
5000	Operating costs (notes 6(f), (j), (p), (u), 7 and 12)	60,498,073	92	82,524,774	81
5910	Less: Unrealized profit from affiliated companies (note 7)	10,392	-	19,480	-
	Gross profit from operation	<u>5,265,311</u>	<u>8</u>	<u>19,547,785</u>	<u>19</u>
	Operating expenses (notes 6(p), (u), 7 and 12):				
6100	Selling expenses	2,029,839	3	3,673,657	4
6200	Administrative expenses	2,206,345	3	2,407,721	2
6450	Expected credit gains (note 6(d))	(10,030)	-	(484)	-
	Total operating expenses	<u>4,226,154</u>	<u>6</u>	<u>6,080,894</u>	<u>6</u>
	Net Operating income	<u>1,039,157</u>	<u>2</u>	<u>13,466,891</u>	<u>13</u>
	Non-operating income and expenses (notes 6(g), (o), (v) and 7):				
7010	Other income	730,790	1	669,344	1
7020	Other gains and losses	(317,667)	-	1,199,835	1
7050	Finance costs	(906,027)	(1)	(377,707)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method	779,681	1	4,819,959	5
7100	Interest income	566,824	-	278,630	-
	Total non-operating income and expenses	<u>853,601</u>	<u>1</u>	<u>6,590,061</u>	<u>7</u>
	Profit before tax	<u>1,892,758</u>	<u>3</u>	<u>20,056,952</u>	<u>20</u>
7950	Less: Income tax expenses (note 6(q))	230,923	-	3,782,903	4
	Profit	<u>1,661,835</u>	<u>3</u>	<u>16,274,049</u>	<u>16</u>
8300	Other comprehensive income (loss) (notes 6(g), (q) and (r)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	1,691,999	3	1,073,979	1
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	2,173,713	3	(155,150)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total items that may not be reclassified subsequently to profit and loss	<u>3,865,712</u>	<u>6</u>	<u>918,829</u>	<u>1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	(44,545)	-	7,899,898	8
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	7,654	-	4,335	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit and loss	<u>(36,891)</u>	<u>-</u>	<u>7,904,233</u>	<u>8</u>
8300	Other comprehensive income	<u>3,828,821</u>	<u>6</u>	<u>8,823,062</u>	<u>9</u>
8500	Total comprehensive income	<u>\$ 5,490,656</u>	<u>9</u>	<u>25,097,111</u>	<u>25</u>
	Profit, attributable to:				
8610	Owners of parent	\$ 866,324	2	15,042,909	15
8620	Non-controlling interests	795,511	1	1,231,140	1
		<u>\$ 1,661,835</u>	<u>3</u>	<u>16,274,049</u>	<u>16</u>
	Comprehensive income attributable to:				
8710	Owners of parent	\$ 4,663,410	8	23,716,256	23
8720	Non-controlling interests	827,246	1	1,380,855	2
		<u>\$ 5,490,656</u>	<u>9</u>	<u>25,097,111</u>	<u>25</u>
	Basic earnings per share (note 6(s)):	Before Tax	After Tax	Before Tax	After Tax
9710	Income from continuing operations	\$ 0.24	0.21	2.53	2.05
	Income from non-controlling equity	(0.21)	(0.10)	(0.47)	(0.15)
9750	Income attributable to shareholders of the parent	<u>\$ 0.03</u>	<u>0.11</u>	<u>2.06</u>	<u>1.90</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the three months ended March 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Items of other equity interest					Total equity
	Retained earnings					Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests	Total equity	
Balance at January 1, 2022	\$ 79,308,216	26,659,037	73,505,506	106,083,118	93,869,719	(17,523,958)	52,159,582	8,870	414,070,090	14,670,680	428,740,770
Other changes in capital surplus:											
Other changes in capital surplus	-	(935)	-	-	-	-	-	-	(935)	-	(935)
Profit	-	-	-	-	15,042,909	-	-	-	15,042,909	1,231,140	16,274,049
Other comprehensive income	-	-	-	-	-	7,749,668	919,344	4,335	8,673,347	149,715	8,823,062
Total comprehensive income	-	-	-	-	15,042,909	7,749,668	919,344	4,335	23,716,256	1,380,855	25,097,111
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	6,227	6,227
Balance at March 31, 2022	<u>\$ 79,308,216</u>	<u>26,658,102</u>	<u>73,505,506</u>	<u>106,083,118</u>	<u>108,912,628</u>	<u>(9,774,290)</u>	<u>53,078,926</u>	<u>13,205</u>	<u>437,785,411</u>	<u>16,057,762</u>	<u>453,843,173</u>
Balance at January 1, 2023	\$ 79,308,216	27,692,943	81,491,665	112,663,858	53,349,944	(6,503,889)	27,101,700	153	375,104,590	18,996,840	394,101,430
Appropriation and distribution of retained earnings:											
Cash dividends of ordinary share	-	-	-	-	(23,792,465)	-	-	-	(23,792,465)	-	(23,792,465)
Reversal of special reserve	-	-	-	(113)	113	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	(345)	-	-	-	-	-	-	(345)	-	(345)
Profit	-	-	-	-	866,324	-	-	-	866,324	795,511	1,661,835
Other comprehensive income	-	-	-	-	-	(74,585)	3,864,017	7,654	3,797,086	31,735	3,828,821
Total comprehensive income	-	-	-	-	866,324	(74,585)	3,864,017	7,654	4,663,410	827,246	5,490,656
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,841,020)	(3,841,020)
Balance at March 31, 2023	<u>\$ 79,308,216</u>	<u>27,692,598</u>	<u>81,491,665</u>	<u>112,663,745</u>	<u>30,423,916</u>	<u>(6,578,474)</u>	<u>30,965,717</u>	<u>7,807</u>	<u>355,975,190</u>	<u>15,983,066</u>	<u>371,958,256</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,892,758	20,056,952
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	5,084,026	4,845,007
Amortization expense	326,979	368,561
Expected credit gains	(10,030)	(484)
Net gain on financial assets at fair value through profit or loss	(3,717)	(61,197)
Interest expense	906,027	377,707
Interest income	(566,824)	(278,630)
Dividend income	-	(16,396)
Shares of profit of associates and joint ventures accounted for using equity method	(779,681)	(4,819,959)
Losses on disposal of property, plant and equipment	35,707	5,137
Property, plant and equipment transferred to expenses	-	1,204
Gains on disposal of other assets	-	(38)
Reversal of impairment loss on non-financial assets	(9)	-
Unrealized loss from sales	10,392	19,480
Unrealized foreign exchange gains	(8,409)	(688,129)
Other revenue, overdue dividends and compensation of board and directors	512	658
Total adjustments to reconcile profit (loss)	<u>4,994,973</u>	<u>(247,079)</u>
Changes in operating assets and liabilities:		
Increase in notes receivable	(483,955)	(641,468)
Decrease (increase) in accounts receivable (including related parties)	6,775,509	(673,983)
Decrease (increase) in other receivable	39,269	(290,051)
Increase in inventories	(1,300,982)	(1,618,559)
Increase in other current assets	(1,708,473)	(1,424,071)
Total changes in operating assets	<u>3,321,368</u>	<u>(4,648,132)</u>
Increase in notes and accounts payable (including related parties)	166,424	2,459,385
Increase (decrease) in other payable	1,009,133	(3,559,901)
Increase in other current liabilities	1,587,655	475,002
Decrease in net defined benefit liability	(1,611,749)	(1,655,348)
Total changes in operating liabilities	<u>1,151,463</u>	<u>(2,280,862)</u>
Total changes in operating assets and liabilities	<u>4,472,831</u>	<u>(6,928,994)</u>
Total adjustments	<u>9,467,804</u>	<u>(7,176,073)</u>
Cash inflow generated from operations	11,360,562	12,880,879
Interest received	537,892	216,954
Dividends received	-	16,396
Interest paid	(277,497)	(220,011)
Income taxes paid	(684,380)	(1,510,086)
Net cash flows from operating activities	<u>10,936,577</u>	<u>11,384,132</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(28,471)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	2,422,695
Acquisition of property, plant and equipment	(7,074,310)	(10,247,447)
Proceeds from disposal of property, plant and equipment	10,638	24,899
Increase in refundable deposits	(10,819)	(17,621)
Decrease (increase) in other receivables due from related parties	39,333	(54,089)
Increase in other non-current assets	(806,578)	(1,042,119)
Net cash flows used in investing activities	<u>(7,870,207)</u>	<u>(8,913,682)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(4,927,195)	(7,785,897)
Increase in short-term notes and bills payable	8,250,000	5,100,000
Repayments of bonds	(1,800,000)	(1,800,000)
Repayments of long-term debt	(609,080)	(172,779)
Increase (decrease) in guarantee deposits received	9,708	(76,339)
Payments of lease liabilities	(35,995)	(25,926)
Increase in other non-current liabilities	1,256,807	609,519
Cash dividends paid	(177)	(1,028)
Change in non-controlling interests	(3,841,020)	6,227
Net cash flows used in financing activities	<u>(1,696,952)</u>	<u>(4,146,223)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>429,770</u>	<u>3,895,434</u>
Net increase in cash and cash equivalents	1,799,188	2,219,661
Cash and cash equivalents at beginning of period	89,444,513	74,549,426
Cash and cash equivalents at end of period	<u>\$ 91,243,701</u>	<u>76,769,087</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

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

(1) Company history

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

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

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 9, 2023.

(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. 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”

(Continued)

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the 2020 amendments ¹ , new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability’s classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

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

(Continued)

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(4) Summary of significant accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

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

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	Nan Ya Plastics Corporation U.S.A.	production of plastic products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics Corporation America	production of plastic, polyester and chemical products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Formosa Plastics Group Investment Corp.	investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd.	plastics and electronic products trading, investment	100.00 %	100.00 %	100.00 %	
The Company	Superior World Wide Trading Co., Ltd.	plastics trading, investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya PCB Corporation	production of printed circuit board	66.97 %	66.97 %	66.97 %	
The Company	Wen Fung Industrial Co., Ltd.	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Chung Petrochemical Corporation	production of chemical products	50.00 %	50.00 %	50.00 %	Note 1
The Company	PFG Fiber Glass Corporation	production of glass fiber	100.00 %	100.00 %	100.00 %	Note 1
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited	investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	retargeting	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	electronic materials trading, investment	100.00 %	100.00 %	100.00 %	

(Continued)

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

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	production of printed circuit board	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	production of plastic products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	production of switch gear and control panel	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	China Nantong Huafeng Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nantong Huafu Plastics Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	production of copper clad laminate, glass fabrics, steam and electricity, copper clad, epoxy	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	production of fiber	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	production of plastics products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Huizhou) Co., Ltd.	production of plastics products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	production of electronic materials	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Trading (Huizhou) Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Xiamen) Co., Ltd.	production of plastic products	85.00 %	85.00 %	85.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	production of plastic products and plasticizer	100.00 %	100.00 %	100.00 %	
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	production of chemical products	100.00 %	100.00 %	100.00 %	Note 1
PFG Fiber Glass Corporation Limited	PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	100.00 %	100.00 %	100.00 %	

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

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

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

(Continued)

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

(c) Employee benefits

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

(d) Income taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management.

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2022.

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

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

The Consolidated Company holds 29.29% of the outstanding voting shares of Nanya Technology Corporation, which has a total number of 12 directors in its board, including 3 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Nanya Technology Corporation.

(Continued)

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

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

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

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

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

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

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

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

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

- (f) Judgment of whether the Consolidated Company has substantive control over its investees-Formosa Fairway Corporation

The Consolidated Company holds 33.34% of the outstanding voting shares of Formosa Fairway Corporation, which has a total number of 5 directors, including 2 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Formosa Fairway Corporation.

(Continued)

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

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

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

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2022 consolidated financial statements. Please refer to Note 6 of the 2022 annual consolidated financial statements.

- (a) Cash and Cash Equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 1,329	1,415	1,413
Cash in banks	28,821,890	27,967,657	16,536,431
Time deposits	50,178,104	48,529,146	52,033,878
Cash equivalents	<u>12,242,378</u>	<u>12,946,295</u>	<u>8,197,365</u>
Cash and cash equivalents	<u>\$ 91,243,701</u>	<u>89,444,513</u>	<u>76,769,087</u>

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
Current financial assets designated as at fair value through profit or loss:			
Funds	<u>\$ 1,566,437</u>	<u>1,562,720</u>	<u>1,431,901</u>
Non-current financial assets designated as at fair value through profit or loss:			
Foreign Bonds	\$ 441,291	444,971	352,786
Foreign Stocks	<u>312,336</u>	<u>314,941</u>	<u>334,923</u>
Total	<u>\$ 753,627</u>	<u>759,912</u>	<u>687,709</u>

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

(Continued)

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

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

Current financial assets at fair value through other comprehensive income

	March 31, 2023	December 31, 2022	March 31, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ <u>36,801,199</u>	<u>35,494,677</u>	<u>42,496,518</u>

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

	March 31, 2023	December 31, 2022	March 31, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ <u>16,515,813</u>	<u>16,106,851</u>	<u>26,423,154</u>

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

The Consolidated Company designated the investments shown above as equity instruments at fair value through other comprehensive income because these equity instruments represent those investments that the Consolidated Company intends to hold for long-term for strategic purposes.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2023 and 2022.

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

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

(d) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable from operating activities	\$ 3,996,263	3,512,308	6,600,849
Accounts receivable	40,724,292	47,494,410	57,589,946
Overdue receivables	2,502	2,652	3,101
Less: Loss allowance	<u>(416,151)</u>	<u>(426,025)</u>	<u>(409,420)</u>
	\$ <u>44,306,906</u>	<u>50,583,345</u>	<u>63,784,476</u>

(Continued)

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

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2023, December 31 and March 31, 2022. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 43,877,585	0%~1.65%	253,411
1 to 3 months past due	623,435	1.21%~20.79%	28,379
3 to 6 months past due	77,690	6.74%~72.61%	16,839
6 to 12 months past due	30,181	8.48%~89.84%	3,356
More than 1 year past due	<u>114,166</u>	100%	<u>114,166</u>
	<u>\$ 44,723,057</u>		<u>416,151</u>
	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 50,252,154	0.22%~1.75%	281,738
1 to 3 months past due	525,963	0.39%~56.85%	29,856
3 to 6 months past due	93,108	1.28%~76.13%	7,918
6 to 12 months past due	35,571	9.00%~89.81%	3,939
More than 1 year past due	<u>102,574</u>	100%	<u>102,574</u>
	<u>\$ 51,009,370</u>		<u>426,025</u>
	March 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 63,614,311	0.09%~1.09%	263,680
1 to 3 months past due	424,200	0.70%~26.06%	53,676
3 to 6 months past due	29,637	9.13%~54.77%	4,316
6 to 12 months past due	115,502	11.80%~81.57%	77,502
More than 1 year past due	<u>10,246</u>	100%	<u>10,246</u>
	<u>\$ 64,193,896</u>		<u>409,420</u>

(Continued)

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

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

	For the three months ended March 31	
	2023	2022
Balance at January 1, 2023 and 2022	\$ 426,025	401,439
Reversal of impairment losses recognized	(10,030)	(484)
Foreign exchange gains	156	8,465
Balance at March 31, 2023 and 2022	\$ 416,151	409,420

As of March 31, 2023, December 31 and March 31, 2022, notes and accounts receivable which were overdue or under legal proceedings amounted to \$2,502, 2,652 and \$3,101. Such receivables were reclassified to overdue receivables under other assets and provided with a full impairment loss provision.

The Consolidated Company signed without-recourse factoring and financing contracts with financial institutions. According to these contracts, the net accounts receivable that have matured but are still uncollected will be paid by the financial institutions, except for those affected by trade disputes. As of March 31, 2023, December 31 and March 31, 2022, the outstanding accounts receivable factoring transactions between the Consolidated Company and the financial institutions were as follows:

March 31, 2023					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 4,161	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 31,436	150,000	-	-	None
December 31, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 1,855	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 64,858	150,000	-	-	None
March 31, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 4,866	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 83,318	100,000	-	-	None

(e) Other receivables

	March 31, 2023	December 31, 2022	March 31, 2022
Other accounts receivable-other	\$ 8,899,410	4,511,631	7,262,032
Other accounts receivable-loans to associates	2,646,628	2,685,961	3,095,207
Less: Loss allowance	-	-	-
Total	\$ 11,546,038	7,197,592	10,357,239

(Continued)

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

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

(f) Inventories

The components of inventories were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Finished goods	\$ 14,841,620	14,885,120	14,653,317
Work in process	13,033,719	13,263,530	13,612,812
Machinery and accessories in process	7,993,361	7,716,895	9,884,260
Raw materials	14,451,373	13,973,802	16,901,898
Supplies	2,818,006	1,625,641	1,466,489
Consigned-out raw materials	370,879	375,958	342,965
Consigned-out finished goods	13,200	21,121	4,721
Goods in transit	825,693	1,123,235	2,207,250
Inventories, net	<u>\$ 54,347,851</u>	<u>52,985,302</u>	<u>59,073,712</u>

The details of the cost of sales were as follows:

	For the three months ended March 31	
	2023	2022
Inventory that has been sold	\$ 58,577,679	81,887,353
Write-down of inventories (Reversal of write-downs)	(70,146)	18,445
Unallocated production overheads	1,990,540	618,976
	<u>\$ 60,498,073</u>	<u>82,524,774</u>

For the three months ended March 31, 2023 and 2022, the amounts of inventories recovery benefit recognized due to changes in inventories prices and the loss of inventories decline recognized due to inventory write-down to net realizable value were recognized as cost of revenue.

As of March 31, 2023, December 31 and March 31, 2022, the Consolidated Company did not provide any inventory as collateral for its loans.

(g) Investments accounted for using equity method

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

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ 168,757,426	170,591,035	186,953,014
Joint ventures	582,736	557,213	545,061
	<u>\$ 169,340,162</u>	<u>171,148,248</u>	<u>187,498,075</u>

(Continued)

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

(i) Associates

The Consolidated Company's share of net income (loss) of associates was as follows:

	For the three months ended March 31	
	2023	2022
	The Consolidated Company's share of net income of associates	\$ 753,709

- 1) The unrealized translation gain or loss arising from the investment in foreign entities, which was based on exchange rates as of March 31, 2023, December 31 and March 31, 2022, were recognized in comprehensive income.
- 2) The unrealized sales profits from downstream transactions with investees under the equity method are treated as deductions from gross income. The realized sales profits from downstream sales are added to gross income. Details of these transactions are disclosed in note 7.
- 3) The Consolidated Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Carrying amount of individually insignificant associates' equity	\$ 168,757,426	170,591,035	186,953,014
	For the three months ended March 31		
	2023	2022	
Attributable to the Consolidated Company:			
Net Income	\$ 753,709	4,803,855	
Other comprehensive income	1,870,651	1,132,268	
Total comprehensive income	\$ 2,624,360	5,936,123	

(ii) Joint ventures

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

	For the three months ended March 31	
	2023	2022
	The Consolidated Company's share of net income of joint ventures	\$ 25,972

(Continued)

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

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

	March 31, 2023	December 31, 2022	March 31, 2022
The carrying value of joint ventures that were not individually material	\$ 582,736	557,213	545,061
	For the three months ended March 31		
	2023	2022	
Attributable to the Consolidated Company:			
Net income	\$ 25,972	16,104	
Other comprehensive income	-	-	
Total comprehensive income	\$ 25,972	16,104	

(iii) Collateral

As of March 31, 2023, December 31 and March 31, 2022, the Consolidated Company did not provide any investment accounted for using equity method as collaterals to any financial institutions or court for its loans.

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

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

(h) Property, Plant and Equipment

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

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ 19,198,613	77,046,486	416,548,705	1,661,912	15,425,545	43,042,874	572,924,135
Additions	-	794	455,226	3,869	91,620	6,522,801	7,074,310
Disposals	-	(2,889)	(1,645,171)	(9,426)	(33,786)	-	(1,691,272)
Reclassification	-	70,581	9,348,755	5,316	106,498	(8,617,088)	914,062
Effect of movements in exchange rates	(600)	(19,374)	20,625	(763)	12,586	64,315	76,789
Balance on March 31, 2023	\$ 19,198,013	77,095,598	424,728,140	1,660,908	15,602,463	41,012,902	579,298,024

(Continued)

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Balance on January 1, 2022	\$ 13,486,848	72,830,647	397,671,440	1,605,429	15,092,686	24,703,119	525,390,169
Additions	-	-	370,765	3,535	51,822	9,821,325	10,247,447
Disposals	(485)	(69,760)	(860,219)	(14,812)	(252,150)	-	(1,197,426)
Reclassification	-	164,596	3,444,514	11,218	114,270	(3,239,703)	494,895
Effect of movements in exchange rates	2,202	1,298,357	6,283,860	19,747	203,016	573,702	8,380,884
Balance on March 31, 2022	<u>\$ 13,488,565</u>	<u>74,223,840</u>	<u>406,910,360</u>	<u>1,625,117</u>	<u>15,209,644</u>	<u>31,858,443</u>	<u>543,315,969</u>
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	42,986,796	305,568,396	1,392,161	11,009,760	-	360,957,113
Depreciation for the period	-	582,892	4,217,266	17,989	221,832	-	5,039,979
Reversal of impairment	-	-	(9)	-	-	-	(9)
Disposals	-	(2,889)	(1,598,348)	(9,339)	(34,351)	-	(1,644,927)
Reclassification	-	-	(270)	2,319	(2,049)	-	-
Effect of movements in exchange rates	-	27,875	122,663	(356)	14,750	-	164,932
Balance on March 31, 2023	<u>\$ -</u>	<u>43,594,674</u>	<u>308,309,698</u>	<u>1,402,774</u>	<u>11,209,942</u>	<u>-</u>	<u>364,517,088</u>
Balance on January 1, 2022	\$ -	40,187,028	288,317,603	1,354,033	10,743,770	-	340,602,434
Depreciation for the period	-	564,731	4,023,086	15,408	208,134	-	4,811,359
Disposals	-	(63,546)	(837,760)	(12,722)	(252,158)	-	(1,166,186)
Reclassification	-	-	(437,620)	-	(236)	-	(437,856)
Effect of movements in exchange rates	-	616,258	4,033,166	14,630	137,832	-	4,801,886
Balance on March 31, 2022	<u>\$ -</u>	<u>41,304,471</u>	<u>295,098,475</u>	<u>1,371,349</u>	<u>10,837,342</u>	<u>-</u>	<u>348,611,637</u>
Carrying amounts:							
Balance on March 31, 2023	<u>\$ 19,198,013</u>	<u>33,500,924</u>	<u>116,418,442</u>	<u>258,134</u>	<u>4,392,521</u>	<u>41,012,902</u>	<u>214,780,936</u>
Balance on January 1, 2023	<u>\$ 19,198,613</u>	<u>34,059,690</u>	<u>110,980,309</u>	<u>269,751</u>	<u>4,415,785</u>	<u>43,042,874</u>	<u>211,967,022</u>
Balance on March 31, 2022	<u>\$ 13,488,565</u>	<u>32,919,369</u>	<u>111,811,885</u>	<u>253,768</u>	<u>4,372,302</u>	<u>31,858,443</u>	<u>194,704,332</u>

(i) Collateral

Please refer to note 8 for the property, plant and equipment pledged to secure bank loans as of March 31, 2023, December 31 and March 31, 2022.

(ii) Property, plant and equipment under construction

For the three months ended March 31, 2023 and 2022, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Consolidated Company amounted to \$73,354 and \$16,832, respectively. The capitalized interest rate ranged from 1.168%~5.361% and 1.132%~1.141% for the three months ended March 31, 2023 and 2022, respectively.

(Continued)

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

(i) Right-of-use assets

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:					
Balance at March 31, 2023	\$ <u>628,519</u>	<u>87,348</u>	<u>51,681</u>	<u>230,790</u>	<u>998,338</u>
Balance at January 1, 2023	\$ <u>626,031</u>	<u>82,292</u>	<u>56,496</u>	<u>259,256</u>	<u>1,024,075</u>
Balance at March 31, 2022	\$ <u>660,520</u>	<u>65,666</u>	<u>47,928</u>	<u>160,267</u>	<u>934,381</u>

The right-of-use assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2023 and 2022. Please refer to note 12 for the amount of depreciation, and for other related information, please refer to note 6(i) of the consolidated financial statement for the year ended December 31, 2022.

(j) Intangible assets

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

	<u>Trademark</u>
Carrying value :	
Balance at March 31, 2023	\$ <u>1,665,874</u>
Balance at January 1, 2023	\$ <u>1,714,160</u>
Balance at March 31, 2022	\$ <u>1,859,019</u>

The intangible assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the three months ended March 31, 2023 and 2022. For the related information, please refer to note 6(j) of the consolidated financial statement for the year ended December 31, 2022.

(k) Short-term notes and bills payable

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Short-term notes and bills payable	\$ 43,750,000	35,500,000	22,100,000
Discount on short-term notes and bills payable	<u>(118,630)</u>	<u>(50,639)</u>	<u>(4,942)</u>
Total	\$ <u>43,631,370</u>	<u>35,449,361</u>	<u>22,095,058</u>
Range of interest rates	<u>1.28%~1.41%</u>	<u>1.50%~1.61%</u>	<u>0.35%~0.38%</u>

(Continued)

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

(l) Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured short-term borrowings	<u>\$ 33,848,000</u>	<u>38,775,000</u>	<u>15,677,792</u>
Unused short-term credit lines	<u>\$ 127,557,930</u>	<u>121,575,338</u>	<u>134,810,762</u>
Range of interest rates	<u>0.80%~1.69%</u>	<u>1.30%~1.75%</u>	<u>0.59%~1.63%</u>

For the three months ended March 31, 2023 and 2022, the Consolidated Company repaid short-term borrowings amounting to \$4,927,195 and \$7,785,897, and there were no significant issuance on short-term borrowings. For information concerning interest expense, please refer to note 6(v).

As of March 31, 2023, December 31 and March 31, 2022, The Consolidated Company did not provide any assets as collaterals for its short-term borrowings.

(m) Long-term debts

Long-term debts consisted of the following:

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

December 31, 2022				
	Currency	Interest rate	Expiration	Amount
Secured bank long-term debts	USD	1.3800%~5.7900%	2023~2026	\$ 23,825,562
Unsecured bank long-term debts	TWD	1.3087%~1.5250%	2023~2024	12,000,000
Less: current portion				<u>(30,325,562)</u>
Total				<u>\$ 5,500,000</u>
Unused long-term credit lines				<u>\$ 9,755,760</u>

March 31, 2022				
	Currency	Interest rate	Expiration	Amount
Secured bank long-term debts	USD	1.4100%~1.7100%	2022~2026	\$ 22,755,098
Unsecured bank long-term debts	TWD	0.7908%	2022	1,800,000
Unsecured long-term debts	USD	1.0167%~1.5440%	2023	655,234
Less: current portion				<u>(2,842,130)</u>
Total				<u>\$ 22,368,202</u>
Unused long-term credit lines				<u>\$ 6,674,400</u>

(Continued)

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

- (i) Please refer to note 6(w) for information on the Consolidated Company's exposure to liquidity risk, and risk of changes in interest rates and liquidation risk.
- (ii) For the three months ended March 31, 2023 and 2022, the Consolidated Company repaid long-term borrowings amounting to \$609,080 and \$172,779, and there were no significant issuance on long-term borrowings. For information concerning interest expense, please refer to note 6(v).
- (iii) Pledged assets for bank loans

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

- (n) Bonds payable

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic unsecured nonconvertible corporate bonds	\$ 62,575,000	64,375,000	73,350,000
Costs of issuing bonds	(49,500)	(53,508)	(66,285)
Current portion	(9,770,259)	(11,569,513)	(10,770,089)
Total	\$ 52,755,241	52,751,979	62,513,626

The terms of domestic corporate bonds as of March 31, 2023 were as follows:

	The second domestic unsecured nonconvertible corporate bond in 2013	The first domestic unsecured nonconvertible corporate bond in 2014	The second domestic unsecured nonconvertible corporate bond in 2014	The first domestic unsecured nonconvertible corporate bond in 2017
Issued amount	TWD10,400,000	TWD10,000,000	TWD5,000,000	TWD9,500,000
Balance, end of year	7,296,597	9,989,469	1,499,632	2,999,156
Current portion	3,098,555	-	749,816	1,499,578
Issuance date	December 18, 2013	June 24, 2014	November 11, 2014	July 10, 2017
Issuance period	10 years and 12 years	14 years and 15 years	5 years and 10 years	5 years and 7 years
Coupon rate	1.98% and 2.08%	2.04%	1.45% and 1.93%	1.03% and 1.25%
Interest payment date	December 18	June 24	November 11	July 10
Repayment method	Payable in 2 equal installments for each coupon rate in 2022~2023 and 2024~2025, respectively	Payable in 2 equal installments for each coupon rate in 2028 and 2029, respectively	Payable in 2 equal installments for each coupon rate in 2018~2019 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2021~2022 and 2023~2024, respectively

(Continued)

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

	The first domestic unsecured nonconvertible corporate bond in 2018	The first domestic unsecured nonconvertible corporate bond in 2019	The second domestic unsecured nonconvertible corporate bond in 2019	The first domestic unsecured nonconvertible corporate bond in 2020	The first domestic unsecured nonconvertible corporate bond in 2021
Issued amount	TWD10,500,000	TWD6,300,000	TWD5,100,000	TWD10,000,000	TWD11,500,000
Balance, end of year	7,870,809	6,295,545	5,096,288	9,990,333	11,487,671
Current portion	2,623,603	849,399	949,308	-	-
Issuance date	September 6, 2018	June 17, 2019	October 15, 2019	September 24, 2020	June 3, 2021
Issuance period	5 years and 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years and 7 years
Coupon rate	0.83%, 0.91% and 1.07%	0.74%, 0.82% and 0.91%	0.71%, 0.75% and 0.84%	0.49%, 0.58% and 0.62%	0.45% and 0.53%
Interest payment date	September 6	June 17	October 15	September 24	June 3
Repayment method	Payable in 2 equal installments for each coupon rate in 2022~2023, 2024~2025, and 2027~2028, respectively	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026, and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026, and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2024~2025, 2026~2027 and 2029~2030, respectively	Payable in 2 equal installments for each coupon rate in 2025~2026 and 2027~2028, respectively

(o) Lease liabilities

The carrying values of lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	<u>\$ 133,365</u>	<u>134,521</u>	<u>88,194</u>
Non-current	<u>\$ 254,554</u>	<u>275,945</u>	<u>198,215</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2023	2022
Interest on lease liabilities	<u>\$ 2,422</u>	<u>1,753</u>
Expenses relating to short-term leases	<u>\$ 41,359</u>	<u>37,380</u>

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

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	<u>\$ 79,776</u>	<u>65,059</u>

(Continued)

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

(i) Real estate leases

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

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

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

(ii) Other leases

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

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

(p) Employee Benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

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

	For the three months ended	
	March 31	
	2023	2022
Operating costs	\$ 72,275	76,030
Selling expenses	3,882	3,505
Administrative expenses	19,259	14,902
	\$ 95,416	94,437

(Continued)

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

(ii) Defined contribution plan

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

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

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

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

	For the three months ended March 31	
	2023	2022
Operating costs	\$ 337,390	339,685
Selling expenses	18,985	18,950
Administrative expenses	<u>52,753</u>	<u>48,800</u>
	<u>\$ 409,128</u>	<u>407,435</u>

(q) Income taxes

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended March 31	
	2023	2022
Current income tax expense		
Current period	\$ 917,718	2,741,839
Adjustment for prior periods	28,730	-
Deferred tax expense		
Origination and reversal of temporary differences	<u>(715,525)</u>	<u>1,041,064</u>
Total income tax expense	<u>\$ 230,923</u>	<u>3,782,903</u>

(Continued)

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

(ii) Assessment of tax

The Corporation's income tax return for the year 2021 had been examined by the tax authorities.

(r) Capital and other equity

As of March 31, 2023 and 2022, the Consolidated Company's government registered total authorized capital and issued capital stock both amounted to \$79,308,216, divided into 7,930,822 thousand shares of stock with \$10 par value per share.

(i) Capital surplus

The components of capital surplus were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Paid-in capital from conversion of corporate bond to common stock in excess of par value	\$ 8,997,136	8,997,136	8,997,136
Gains on acquisition of Taiwan Plasticizer Corporation	74,474	74,474	74,474
Other	18,620,988	18,621,333	17,586,492
Total	<u>\$ 27,692,598</u>	<u>27,692,943</u>	<u>26,658,102</u>

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of \$6,277,052, which were previously recognized in shareholders' equity were reclassified to retained earnings. According to Ruleing by FSC, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, these special reserves can be reverted to distributable earnings proportionately. As the amount appropriated exceeds the increase in retained earnings arising from the adoption of IFRSs, only \$6,243,060 is appropriated in compliance to the IFRSs as endorsed by the FSC. The balance of special reserve amounted to \$6,109,676, \$6,109,789 and \$6,116,697 as of March 31, 2023, December 31 and March 31, 2022, respectively.

(Continued)

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

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

2) Earnings distribution

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

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

Two resolutions were approved during the board and shareholders' meetings held on March 8, 2023 and June 10, 2022 for the appropriation of the 2022 and 2021 earnings, respectively, as follows:

	2022	2021
Dividends per share:		
Cash dividends	\$ 3.00	7.50

(Continued)

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

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

(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2023	\$ (6,503,889)	27,101,700	153	20,597,964
Exchange differences arising on translation of foreign operations	241,266	-	-	241,266
Exchange differences on associates / joint ventures accounts for using equity method	(315,851)	-	-	(315,851)
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	1,690,304	-	1,690,304
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	2,173,713	-	2,173,713
Share of cash flow hedge of associates / joint ventures	-	-	7,654	7,654
Balance at March 31, 2023	<u>\$ (6,578,474)</u>	<u>30,965,717</u>	<u>7,807</u>	<u>24,395,050</u>
Balance at January 1, 2022	\$ (17,523,958)	52,159,582	8,870	34,644,494
Exchange differences arising on translation of foreign operations	6,465,026	-	-	6,465,026
Exchange differences on associates / joint ventures accounted for using equity method	1,284,642	-	-	1,284,642
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	1,074,494	-	1,074,494
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(155,150)	-	(155,150)
Share of cash flow hedge of associates / joint ventures	-	-	4,335	4,335
Balance at March 31, 2022	<u>\$ (9,774,290)</u>	<u>53,078,926</u>	<u>13,205</u>	<u>43,317,841</u>

(s) Earnings Per Share

	For the three months ended March 31,	
	2023	2022
Net income attributable to the Company	<u>\$ 866,324</u>	<u>15,042,909</u>
Number of weighted average outstanding shares	<u>7,930,822</u>	<u>7,930,822</u>
	<u>\$ 0.11</u>	<u>1.90</u>

(Continued)

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

(t) Revenue from contracts with customers

For the three months ended March 31, 2023						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,241,218	5,293,702	7,846,176	2,325,848	957,491	20,664,435
China	2,289,120	3,467,207	15,300,271	655,342	242,418	21,954,358
Other	2,650,439	4,439,500	7,600,874	8,375,089	89,081	23,154,983
	<u>\$ 9,180,777</u>	<u>13,200,409</u>	<u>30,747,321</u>	<u>11,356,279</u>	<u>1,288,990</u>	<u>65,773,776</u>
Main Products						
PVC sheet	\$ 1,152,711	-	-	-	-	1,152,711
Rigid sheet	1,513,268	-	-	-	-	1,513,268
Pipes	1,676,858	-	-	-	-	1,676,858
Phthalate Plasticizers	-	2,179,078	-	-	-	2,179,078
BPA	-	2,956,889	-	-	-	2,956,889
EG	-	2,105,145	-	-	-	2,105,145
CCL	-	-	6,242,204	-	-	6,242,204
Epoxy	-	-	5,873,896	-	-	5,873,896
PCB	-	-	12,580,419	-	-	12,580,419
Polyester Staple Fiber	-	-	-	2,195,338	-	2,195,338
PET Resin	-	-	-	5,446,659	-	5,446,659
DTY	-	-	-	2,346,158	-	2,346,158
Machinery and Switchgear	-	-	-	-	1,204,829	1,204,829
Others	4,837,939	5,959,297	6,050,802	1,368,124	84,162	18,300,324
	<u>\$ 9,180,776</u>	<u>13,200,409</u>	<u>30,747,321</u>	<u>11,356,279</u>	<u>1,288,991</u>	<u>65,773,776</u>
For the three months ended March 31, 2022						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,886,175	9,295,255	9,738,794	3,430,492	795,464	28,146,180
China	2,773,060	10,946,354	24,360,330	926,126	200,272	39,206,142
Other	3,488,851	9,121,080	9,437,498	12,632,574	59,714	34,739,717
	<u>\$ 11,148,086</u>	<u>29,362,689</u>	<u>43,536,622</u>	<u>16,989,192</u>	<u>1,055,450</u>	<u>102,092,039</u>
Main Products						
PVC sheet	\$ 1,685,866	-	-	-	-	1,685,866
Rigid sheet	2,000,210	-	-	-	-	2,000,210
Pipes	1,730,001	-	-	-	-	1,730,001
Phthalate Plasticizers	-	3,561,963	-	-	-	3,561,963
BPA	-	6,867,317	-	-	-	6,867,317
EG	-	9,753,607	-	-	-	9,753,607
CCL	-	-	9,286,417	-	-	9,286,417
Epoxy	-	-	10,353,101	-	-	10,353,101
PCB	-	-	14,561,387	-	-	14,561,387
Polyester Staple Fiber	-	-	-	3,020,902	-	3,020,902
PET Resin	-	-	-	8,370,646	-	8,370,646
DTY	-	-	-	3,859,820	-	3,859,820
Machinery and Switchgear	-	-	-	-	968,496	968,496
Others	5,732,009	9,179,802	9,335,717	1,737,824	86,954	26,072,306
	<u>\$ 11,148,086</u>	<u>29,362,689</u>	<u>43,536,622</u>	<u>16,989,192</u>	<u>1,055,450</u>	<u>102,092,039</u>

(Continued)

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

(u) Employee compensation

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

The remunerations to employees amounted to \$251 and \$16,365, respectively, for the three months ended March 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 proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2022 and 2021, the remunerations to employees amounted to \$33,497 and \$90,111, respectively, which were paid in cash. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended March 31,	
	2023	2022
Interest income from bank deposits	\$ 504,620	245,416
Other interest income	62,204	33,214
	<u>\$ 566,824</u>	<u>278,630</u>

(ii) Other income

The details of other income were as follows:

	For the three months ended March 31,	
	2023	2022
Dividend income	\$ -	16,396
Other income	730,790	652,948
	<u>\$ 730,790</u>	<u>669,344</u>

(Continued)

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

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2023	2022
Losses on disposal of property, plant and equipment	\$ (35,707)	(5,137)
Foreign currency exchange (losses) gains	(235,772)	1,184,798
Gains on financial assets at fair value through profit or loss	3,717	61,197
Impairment losses on plant, property, and equipment	9	-
Others	(49,914)	(41,023)
	<u>\$ (317,667)</u>	<u>1,199,835</u>

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31,	
	2023	2022
Interest expense	\$ 979,381	394,539
Less: interest capitalized	(73,354)	(16,832)
	<u>\$ 906,027</u>	<u>377,707</u>

(w) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Consolidated Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2022.

(i) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
March 31, 2023							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 43,631,370	43,868,630	43,868,630	-	-	-	-
Notes and accounts payable	14,297,697	14,297,697	14,297,697	-	-	-	-
Accounts payables to related parties	5,876,576	5,876,576	5,876,576	-	-	-	-
Short-term borrowings	33,848,000	33,933,321	32,933,231	1,000,090	-	-	-
Long-term borrowings	35,028,074	39,827,585	7,886,499	1,332,527	8,084,832	22,523,717	-
Bonds payable	62,525,500	65,370,285	5,454,373	5,015,810	9,840,755	25,045,787	20,013,560
Lease liabilities	387,919	411,412	73,493	66,230	108,362	89,057	74,270
	<u>\$ 195,595,136</u>	<u>203,585,506</u>	<u>110,390,499</u>	<u>7,414,657</u>	<u>18,033,949</u>	<u>47,658,561</u>	<u>20,087,830</u>

(Continued)

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2022							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 35,449,361	35,550,639	35,550,639	-	-	-	-
Notes and accounts payable	14,484,851	14,484,851	14,484,851	-	-	-	-
Accounts payables to related parties	5,509,673	5,509,673	5,509,673	-	-	-	-
Short-term borrowings	38,775,000	38,882,153	38,882,153	-	-	-	-
Long-term borrowings	35,825,562	41,177,885	7,858,975	27,736,712	5,582,198	-	-
Bonds payable	64,321,492	67,197,285	2,989,470	9,307,713	9,840,755	25,045,787	20,013,560
Lease liabilities	410,466	436,878	73,382	66,824	110,797	106,469	79,406
	<u>\$ 194,776,405</u>	<u>203,239,364</u>	<u>105,349,143</u>	<u>37,111,249</u>	<u>15,533,750</u>	<u>25,152,256</u>	<u>20,092,966</u>
March 31, 2022							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 22,095,058	22,104,942	22,104,942	-	-	-	-
Notes and accounts payable	16,221,539	16,221,539	16,221,539	-	-	-	-
Payables to related parties	10,157,884	10,157,884	10,157,884	-	-	-	-
Short-term borrowings	15,677,792	15,687,821	15,687,821	-	-	-	-
Long-term debts	25,210,332	26,909,952	2,769,479	1,000,347	1,700,244	21,439,882	-
Bonds payable	73,283,715	76,984,110	6,409,635	5,204,190	10,470,183	28,575,322	26,324,780
Lease liability	286,409	311,336	54,569	41,684	64,708	77,685	72,690
	<u>\$ 162,932,729</u>	<u>168,377,584</u>	<u>73,405,869</u>	<u>6,246,221</u>	<u>12,235,135</u>	<u>50,092,889</u>	<u>26,397,470</u>

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

(ii) Currency risk

1) Exposure to foreign currency risk

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

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

(Continued)

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

March 31, 2023			
	Foreign Currency	Exchange Rate	TWD
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 75,837	30.4540	2,309,540
JPY	4,431,934	0.2293	1,016,242
EUR	4,920	33.1576	163,135
CNY	115	4.4319	510
December 31, 2022			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 826,463	30.7080	25,379,026
JPY	329,581	0.2306	76,001
EUR	1,915	32.7026	62,625
HKD	987	3.9369	3,886
CNY	3,999	4.4089	17,631
<u>Non-monetary items</u>			
USD	121,125	30.7080	3,719,507
CNY	69,342	4.4089	305,772
IDR	127,759,940	0.0020	255,520
VND	6,051,764,163	0.0013	7,867,293
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	98,502	30.7080	3,024,799
JPY	2,183,862	0.2306	503,599
EUR	4,736	32.7026	154,880
March 31, 2022			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 1,238,051	28.6220	35,435,496
JPY	495,964	0.2345	116,304
EUR	7,725	31.8722	246,213
HKD	2,155	3.6695	7,908
CNY	7,567	4.5087	34,117
<u>Non-monetary items</u>			
USD	130,451	28.6220	3,733,769
CNY	69,073	4.5087	311,429
IDR	108,814,813	0.0020	217,630
VND	6,051,764,163	0.0013	7,867,293

(Continued)

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

	March 31, 2022		
	Foreign Currency	Exchange Rate	TWD
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 265,874	28.6220	7,609,846
JPY	3,516,629	0.2345	824,650
EUR	4,541	31.8722	144,732
CNY	118	4.5087	532

2) Sensitivity analysis

The Consolidated Company's exposure to exchange rate risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are dominated in foreign currency. The overall effects to net income before tax for the three months ended March 31, 2023 and 2022 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR, HKD and CNY as of March 31, 2023 and 2022 were as follows:

	For the three months ended	
	March 31	
	2023	2022
Appreciation in value of 1%	\$ (209,828)	(272,720)
Depreciation in value of 1%	209,828	272,720

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

3) Foreign exchange gain and loss on monetary items

Since the Consolidated Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2023 and 2022, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to loss \$235,772 and gain \$1,184,798, respectively.

(Continued)

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

(iii) Other market price risks

For the three months ended March 31, 2023 and 2022, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

Prices of securities at the reporting date	For the three months ended March 31	
	2023	2022
	Other comprehensive income after tax	Other comprehensive income after tax
Increasing 1%	\$ 368,012	424,965
Decreasing 1%	\$ (368,012)	(424,965)

(iv) Fair value of financial instruments

1) Fair value hierarchy

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

	March 31, 2023				
	Book Value	Fair Value			Total
	Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 2,320,064	-	1,566,437	753,627	2,320,064
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 36,801,199	36,801,199	-	-	36,801,199
Unquoted equity instruments	16,515,813	-	-	16,515,813	16,515,813
Subtotal	\$ 53,317,012	36,801,199	-	16,515,813	53,317,012
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 91,243,701	-	-	-	-
Notes and accounts receivable (including related parties)	44,306,906	-	-	-	-
Other receivables (including related parties)	11,546,038	-	-	-	-
Subtotal	\$ 147,096,645	-	-	-	-

(Continued)

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

		March 31, 2023			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowings	\$ 33,848,000	-	-	-	-
Lease liabilities	387,919	-	-	-	-
Short-term notes and bills payable	43,631,370	-	-	-	-
Notes and accounts payable (including related parties)	20,174,273	-	-	-	-
Bonds payable	62,525,500	-	-	-	-
Long-term borrowings	35,028,074	-	-	-	-
Subtotal	<u>\$ 195,595,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		December 31, 2022			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	<u>\$ 2,322,632</u>	<u>-</u>	<u>1,562,720</u>	<u>759,912</u>	<u>2,322,632</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 35,494,677	35,494,677	-	-	35,494,677
Unquoted equity instruments	16,106,851	-	-	16,106,851	16,106,851
Subtotal	<u>\$ 51,601,528</u>	<u>35,494,677</u>	<u>-</u>	<u>16,106,851</u>	<u>51,601,528</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 89,444,513	-	-	-	-
Notes and accounts receivable (including related parties)	50,583,345	-	-	-	-
Other receivables (including related parties)	7,197,592	-	-	-	-
Subtotal	<u>\$ 147,225,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 38,775,000	-	-	-	-
Lease liabilities	410,466	-	-	-	-
Short-term notes and bills payable	35,449,361	-	-	-	-
Notes and accounts payable (including related parties)	19,994,524	-	-	-	-
Bonds payable	64,321,492	-	-	-	-
Long-term borrowings	35,825,562	-	-	-	-
Subtotal	<u>\$ 194,776,405</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	March 31, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ <u>2,119,610</u>	<u>-</u>	<u>1,431,901</u>	<u>687,709</u>	<u>2,119,610</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 42,496,518	42,496,518	-	-	42,496,518
Unquoted equity instruments	<u>26,423,154</u>	<u>-</u>	<u>-</u>	<u>26,423,154</u>	<u>26,423,154</u>
Subtotal	<u>\$ 68,919,672</u>	<u>42,496,518</u>	<u>-</u>	<u>26,423,154</u>	<u>68,919,672</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 76,769,087	-	-	-	-
Notes and accounts receivable (including related parties)	63,784,476	-	-	-	-
Other receivables (including related parties)	<u>10,357,239</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 150,910,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 15,677,792	-	-	-	-
Lease liabilities	286,409	-	-	-	-
Short-term notes and bills payable	22,095,058	-	-	-	-
Notes and accounts payable (including related parties)	26,379,423	-	-	-	-
Bonds payable	73,283,715	-	-	-	-
Long-term borrowings	<u>25,210,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 162,932,729</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

a) Financial assets measured at amortized cost

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

b) Financial liabilities measured at amortized cost

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

(Continued)

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

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

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

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

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

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

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

4) Transfers between levels of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the three months ended March 31, 2023 and 2022.

(Continued)

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

5) Reconciliation of Level 3 fair value

	Fair value through profit and loss	Fair value through other comprehensive income
	Bond investment and others	Unquoted equity instruments
Balance at January 1, 2023	\$ 759,912	16,106,851
Total gains and losses recognized:		
In other comprehensive income	-	409,624
Effect of exchange rate changes	(6,285)	(662)
Balance at March 31, 2023	<u>\$ 753,627</u>	<u>16,515,813</u>
Balance at January 1, 2022	\$ 665,316	25,829,225
Total gains and losses recognized:		
In other comprehensive income	-	591,490
Effect of exchange rate changes	22,393	2,439
Balance at March 31, 2022	<u>\$ 687,709</u>	<u>26,423,154</u>

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

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

Quantified information of significant unobservable inputs was as follows:

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

(Continued)

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

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

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

	<u>Input</u>	<u>Change</u>	<u>Recognized in other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
March 31, 2023				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 126,753</u>	<u>(126,753)</u>
December 31, 2022				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 119,851</u>	<u>(119,851)</u>
March 31, 2022				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	<u>\$ 215,175</u>	<u>(215,175)</u>

(Continued)

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

(x) Financial risk management

There were no significant changes in the Consolidated Company's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2022.

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the Consolidated Company has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, management believes that there were no significant changes in the Consolidated Company's capital management information as disclosed for the year ended December 31, 2022. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2022 for further details.

(z) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	Short-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2023	\$ 38,775,000	35,449,361	35,825,562	64,321,492	410,466	174,781,881
Change in cash from financing activities	(4,927,195)	8,250,000	(609,080)	(1,800,000)	(35,995)	877,730
Non-cash changes	-	(67,991)	8,650	4,008	15,519	(39,814)
Influence due to fluctuation of exchange rate	195	-	(197,058)	-	(2,071)	(198,934)
Balance as of March 31, 2023	<u>\$ 33,848,000</u>	<u>43,631,370</u>	<u>35,028,074</u>	<u>62,525,500</u>	<u>387,919</u>	<u>175,420,863</u>

	Short-term borrowings	Short-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2022	\$ 23,436,269	16,997,065	24,609,459	75,079,115	305,065	140,426,973
Change in cash from financing activities	(7,785,897)	5,100,000	(172,779)	(1,800,000)	(25,926)	(4,684,602)
Non-cash changes	-	(2,007)	7,974	4,600	289	10,856
Influence due to fluctuation of exchange rate	27,420	-	765,678	-	6,981	800,079
Balance as of March 31, 2022	<u>\$ 15,677,792</u>	<u>22,095,058</u>	<u>25,210,332</u>	<u>73,283,715</u>	<u>286,409</u>	<u>136,553,306</u>

(Continued)

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

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

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

(b) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates
Formosa Smart Energy Tech Corporation	Associates
Nan Ya Photonics Incorporation	Associates
Formosa Fairway Corporation	Associates
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Formosa Environmental Technology Corporation	Associates
Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures
Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures
P.T. Indonesia Nanya Indah Plastics Co.	Joint ventures
Formosa Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Formosa Taffeta Co., Ltd.	Other related parties
Formosa Advanced Technologies Co., Ltd.	Other related parties
Formosa Taffeta Viet Nam Co.,Ltd	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
China Man-made Fiber Corporation	Other related parties
Formosa Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties
Xiamen Haicang Investment Group Co., Ltd.	Other related parties
Formosa Plastics Marine Corporation	Other related parties
Formosa Plastics Corporation U.S.A.	Other related parties

(Continued)

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

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Formosa Industries Corporation, U.S.A.	Other related parties
Formosa Electronic (Ningbo) Co., Ltd.	Other related parties
Formosa Ineos Chemicals Corporation	Other related parties
Ming Chi University Of Technology	Other related parties

(c) Significant related-party transactions

(i) Sales to related parties

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

	For the three months ended	
	March 31	
	2023	2022
Associates and joint ventures	\$ 750,505	1,185,811
Other related parties	3,396,846	4,849,223
	\$ 4,147,351	6,035,034

The receivables from related parties were as follows:

	March 31,	December 31,	March 31,
	2023	2022	2022
Associates and joint ventures	\$ 534,691	500,238	662,971
Other related parties	1,291,848	1,031,411	2,000,122
	\$ 1,826,539	1,531,649	2,663,093

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

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

(Continued)

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

(ii) Purchase from related parties

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

	For the three months ended March 31	
	2023	2022
Associates and joint ventures		
Formosa Petrochemical Corporation	\$ 5,590,564	11,675,006
Other associates and joint ventures	11,589	154,922
Other related parties		
Formosa Chemicals and Fiber Corporation	5,850,508	6,968,181
Other related parties	4,745,404	7,601,447
	<u>\$ 16,198,065</u>	<u>26,399,556</u>

The payables to related parties were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ 2,047,874	1,671,418	4,973,992
Other associates and joint ventures	-	10,958	36,999
Other related parties			
Formosa Chemicals and Fiber Corporation	1,970,404	2,053,415	1,937,537
Other related parties	1,838,983	1,773,745	3,147,148
	<u>\$ 5,857,261</u>	<u>5,509,536</u>	<u>10,095,676</u>

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

(iii) Unrealized sales profit

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

Investee	For the three months ended March 31, 2023			For the three months ended March 31, 2022		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Associates and joint ventures	\$ 37,814	10,392	48,206	39,478	19,480	58,958

(Continued)

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

(iv) Construction

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

	For the three months ended March 31	
	<u>2023</u>	<u>2022</u>
Associates and joint ventures		
Formosa Heavy Industries Corporation	\$ <u>143,571</u>	<u>146,438</u>

The payables to related parties were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Formosa Heavy Industries Corporation	\$ <u>19,315</u>	<u>137</u>	<u>62,208</u>

(v) Utility expenses

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

	For the three months ended March 31	
	<u>2023</u>	<u>2022</u>
Associates and joint ventures		
Formosa Petrochemical Corporation	\$ 1,832,274	1,876,975
Other related parties		
Other related parties	<u>29,194</u>	<u>23,990</u>
	<u>\$ 1,861,468</u>	<u>1,900,965</u>

The payables to related parties were as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ <u>92,130</u>	<u>172,623</u>	<u>2,242</u>

(Continued)

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

(vi) Loans to related parties

The loans to related parties were as follows:

	Other receivables from related parties		
	March 31, 2023	December 31, 2022	March 31, 2022
Associates and joint ventures			
Other associates and joint ventures	\$ 101,933	176,405	118,700
Other related parties			
Formosa Plastics Marine Corporation	2,469,353	2,434,604	2,886,333
Other related parties	<u>75,342</u>	<u>74,952</u>	<u>90,174</u>
	<u>\$ 2,646,628</u>	<u>2,685,961</u>	<u>3,095,207</u>

(vii) Property transaction

1) Acquisition of property, plant, and equipment

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

	For the three months ended March 31,	
	2023	2022
Other related parties	<u>\$ 16,931</u>	<u>5,683</u>

For the three months ended March 31, 2023 and 2022, the Consolidated Company purchased property, plant, and equipment, amounting to \$16,931 and \$5,683, respectively. As of March 31, 2023 and 2022, there was no outstanding balance. For further description of property, plant and equipment, please refer to note 6(h).

(viii) Endorsements and guarantees

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

	March 31, 2023	December 31, 2022	March 31, 2022
Associates and joint ventures			
Formosa Group (Cayman) Limited	\$ 7,613,500	7,677,000	7,155,500
Other related parties			
Formosa Ha Tinh (Cayman) Ltd.	<u>-</u>	<u>-</u>	<u>4,989,902</u>
	<u>\$ 7,613,500</u>	<u>7,677,000</u>	<u>12,145,402</u>

(Continued)

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

(ix) Leases

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

	For the three months ended March 31	
	2023	2022
Associates and joint ventures		
Nan Ya Technology Corporation	\$ 106,957	69,504

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

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

The Consolidated Company rented an office building and a piece of land from Formosa Plastics Corporation. The rentals charged to related parties are determined based on the local market prices. For the three months ended March 31, 2023 and 2022, the Consolidated Company recognized the amount of \$3 and \$7 as interest expense, respectively. As of March 31, 2023, December 31 and March 31, 2022, the balance of lease liabilities amounted to \$726, \$1,013 and \$1,871, respectively.

The Consolidated Company rented an office building from Formosa Chemicals and Fiber Corporation, wherein the rentals charged to related parties were determined based on the local market prices. For the three months ended March 31, 2023 and 2022, the Consolidated Company recognized the amount to \$2 and \$4 as interest expense, respectively. As of March 31, 2023, December 31 and March 31, 2022, the balance of lease liabilities amounted to \$548, \$729 and \$1,270, respectively.

The Consolidated Company rented an office building from Ming Chi University Of Technology. The rentals charged to related parties are determined based on the local market prices. For the three months ended March 31, 2023 and 2022, the Consolidated Company recognized the amount to \$205 and \$217 as interest expense, respectively. As of March 31, 2023, December 31 and March 31, 2022, the balance of lease liabilities amounted to \$57,579, \$58,393 and \$60,820, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2023	2022
Short-term employee benefits	\$ 46,479	39,695

(Continued)

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>Usage</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current Financial asset at fair value through other comprehensive income—stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	\$ 1,169,165	1,105,485	1,356,384
Land (include idle land)	Bank loans credit line	Bank loans credit line	-	-	7,529,494
Building and Plant	Bank loans	Bank loans	38,603,167	39,364,469	37,878,593
Total			<u>\$ 39,772,332</u>	<u>40,469,954</u>	<u>46,764,471</u>

(9) Significant Commitments and contingencies:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
(a) Outstanding standby letter of credit	\$ 1,777,063	1,776,989	1,764,287
(b) Endorsements and guarantees	7,613,500	7,677,000	12,145,402
(c) Bonding guarantees by banks	54,100	52,000	39,000
(d) Letters of credit guarantees by banks	52,000	52,000	42,000
(e) Formosa Ha Tinh (Cayman) Ltd. (the Company's investee) and Formosa Ha Tinh Steel Corporation (a subsidiary of Formosa Ha Tinh (Cayman) Ltd.), each separately signed a syndicated line of credit with a group of financial institutions amounting to USD 3,498,500 thousand and USD 2,453,500 thousand, respectively, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of undertaking or a letter of support based on its ownership of 11.432% and commit to monitor the operations of both companies to ensure they fulfill their financial obligations.			
(f) Formosa Industries Corporation, a Company's investee, signed a syndicated line of credit with a group of financial institutions amounting to USD 250,000 thousand for its operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 42.50% and commit to monitor the operations of Formosa Industries Corporation to ensure that it completes its financial obligation.			
(g) Formosa Steel IB Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with a group of financial institutions amounting to USD 250,000 thousand, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 25.00% and commit to monitor the operations of Formosa Steel IB Pty Ltd. to ensure that it completes its financial obligation.			

(Continued)

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

- (h) Formosa Resources Corporation, a Company's investee company, signed a syndicated line of credit with various banks amounting to USD 430,000 thousand for its operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% direct shareholding in Formosa Resources Corporation, and commit to monitor the operations of Formosa Resources Corporation to ensure that it completes its financial obligation.
- (i) Formosa Resources Australia Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with various banks amounting to USD 550,000 thousand, for their operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% indirect shareholding in Formosa Resources Australia Pty Ltd., and commit to monitor the operations of Formosa Resources Australia Pty Ltd. to ensure that it completes its financial obligation.
- (j) Litigation between the Company and DBTEL Incorporated(a)

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

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

- (i) The Supreme Court rejected DBTEL's counterclaim, and instead, ruled in favor of the Company and ordered DBTEL to pay a portion of the payment for schedule I amounting to USD 1,278,863, with the remaining amount of USD 14,492 being dismissed by the Taiwan High Court as the interest amount did not exceed TWD 1.5 million and could not be appealed to the Supreme Court.
- (ii) The Supreme Court handed the following cases over to the Taiwan High Court for reconsideration:
 - 1) The Company's request for the compensations of USD 4,116,460, TWD 73,616,980, and TWD 27,229,161 (all including principal and interest) from DBTEL concerning Schedules II, III, and IV, respectively.
 - 2) DBTEL's request for the refund on other declarations of provisional execution.

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

(Continued)

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

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

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

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

by function by item	For the three months ended March 31,							
	2023				2022			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	6,142,913	1,591,063	-	7,733,976	6,437,370	1,698,368	-	8,135,738
Labor and health insurance	611,771	106,954	-	718,725	592,202	101,418	-	693,620
Pension expenses	409,665	94,879	-	504,544	415,715	86,157	-	501,872
Remuneration of directors	-	9,725	-	9,725	-	9,127	-	9,127
Others personnel expenses	369,475	66,705	-	436,180	374,297	70,000	-	444,297
Depreciation	4,903,409	177,153	3,464	5,084,026	4,671,809	169,424	3,774	4,845,007
Amortization	300,886	26,093	-	326,979	304,562	63,999	-	368,561

(13) Other disclosures:

(a) Information on significant transactions:

- (i) Loan to other parties: Please see attached Table 1.
- (ii) Guarantees and endorsements for other parties: Please see attached Table 2.
- (iii) Information regarding securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): Please see attached Table 3.
- (iv) Information regarding individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: None
- (v) Information regarding acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None

(Continued)

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

- (vi) Information regarding disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None
 - (vii) Information regarding related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 4.
 - (viii) Information regarding receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 5.
 - (ix) Information regarding trading in derivative financial instruments: None.
 - (x) Significant transactions and business relationship between the Company and its subsidiaries: Please see attached Table 6.
- (b) Information on investees: Please see attached Table 7.
 - (c) Information on investment in mainland China: Please see attached Table 8.
 - (d) Major shareholders:

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

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

(Continued)

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

(14) Segment information:

	For the three months ended March 31, 2023						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 9,180,777	13,200,409	30,747,321	11,356,279	1,288,990	-	65,773,776
Net revenue from sales among intersegments	253,059	2,272,126	3,157,548	382,841	869,994	(6,935,568)	-
Total revenue	<u>\$ 9,433,836</u>	<u>15,472,535</u>	<u>33,904,869</u>	<u>11,739,120</u>	<u>2,158,984</u>	<u>(6,935,568)</u>	<u>65,773,776</u>
Reportable segment profit or loss	<u>\$ 525,485</u>	<u>(1,996,865)</u>	<u>3,531,627</u>	<u>(501,654)</u>	<u>1,542,162</u>	<u>(1,207,997)</u>	<u>1,892,758</u>
	For the three months ended March 31, 2022						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 11,148,086	29,362,689	43,536,622	16,989,192	1,055,450	-	102,092,039
Net revenue from sales among intersegments	361,912	1,802,579	6,439,654	438,525	1,837,801	(10,880,471)	-
Total revenue	<u>\$ 11,509,998</u>	<u>31,165,268</u>	<u>49,976,276</u>	<u>17,427,717</u>	<u>2,893,251</u>	<u>(10,880,471)</u>	<u>102,092,039</u>
Reportable segment profit or loss	<u>\$ 641,186</u>	<u>3,241,882</u>	<u>9,244,751</u>	<u>1,772,444</u>	<u>10,869,415</u>	<u>(5,712,726)</u>	<u>20,056,952</u>
Reportable segment assets							
March 31, 2023	<u>\$ 38,740,897</u>	<u>97,036,452</u>	<u>212,924,000</u>	<u>33,919,093</u>	<u>503,150,273</u>	<u>(215,007,318)</u>	<u>670,763,397</u>
December 31, 2022	<u>\$ 39,901,743</u>	<u>102,449,513</u>	<u>211,304,562</u>	<u>34,576,065</u>	<u>513,666,439</u>	<u>(236,582,166)</u>	<u>665,316,156</u>
March 31, 2022	<u>\$ 39,515,364</u>	<u>102,403,451</u>	<u>198,950,309</u>	<u>34,475,533</u>	<u>530,415,690</u>	<u>(215,844,880)</u>	<u>689,915,467</u>
Reportable segment liabilities							
March 31, 2023	<u>\$ 9,183,119</u>	<u>52,626,115</u>	<u>61,320,205</u>	<u>9,853,499</u>	<u>178,333,509</u>	<u>(12,511,306)</u>	<u>298,805,141</u>
December 31, 2022	<u>\$ 9,703,013</u>	<u>53,210,246</u>	<u>52,311,326</u>	<u>9,986,906</u>	<u>151,338,377</u>	<u>(5,335,142)</u>	<u>271,214,726</u>
March 31, 2022	<u>\$ 10,552,636</u>	<u>52,328,125</u>	<u>48,056,820</u>	<u>11,780,691</u>	<u>119,568,677</u>	<u>(6,214,655)</u>	<u>236,072,294</u>

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 1

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3.4)	Maximum Limitation on Fund Financing (Note 3.4)
													Item	Value		
0	The Company	Formosa Plastics Group Investment Corp. (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	PFG Fiber Glass Corporation (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	1.863869%-1.86567%	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	5,700,000	5,700,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	4,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	88,993,798	177,987,595
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	2,969,353	2,969,353	2,469,353	1.863869%-1.902566%	2	-	Operating capital	-	-	-	88,993,798	177,987,595
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	10,963,440	10,963,440	10,963,440	5.392%-5.910%	2	-	Operating capital	-	-	-	22,543,486	45,086,971
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	913,620	913,620	8,727	5.392%-5.910%	2	-	Operating capital	-	-	-	22,543,486	45,086,971
2	Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation (Note 6)	Other receivables from related parties	YES	50,000	50,000	-	-	2	-	Operating capital	-	-	-	11,128,229	22,256,459
3	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,772,754	1,772,754	1,772,754	0.7004%	2	-	Operating capital	-	-	-	55,934,188	111,868,376
4	Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	23,000	23,000	-	-	2	-	Operating capital	-	-	-	27,408	274,079
4	Wen Fung Industrial Co., Ltd.	Formosa Environmental Technology Corporation	Other receivables from related parties	YES	60,000	60,000	-	1.863869%-1.86567%	2	-	Operating capital	-	-	-	109,632	274,079
4	Wen Fung Industrial Co., Ltd.	Formosa Fairway Corporation	Other receivables from related parties	YES	15,000	15,000	-	1.863869%-1.86567%	2	-	Operating capital	-	-	-	109,632	274,079
5	Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	633,759	633,759	558,417	2.92%-2.92%	2	-	Operating capital	-	-	-	1,455,423	2,910,847
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	975,015	975,015	970,583	2.92%-2.96%	2	-	Operating capital	-	-	-	1,802,783	3,605,567
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	75,342	75,342	75,342	2.96%-2.96%	2	-	Operating capital	-	-	-	553,730	692,162
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	101,933	101,933	101,933	2.96%-2.96%	2	-	Operating capital	-	-	-	553,730	692,162
9	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	443,188	443,188	203,867	2.92%-2.96%	2	-	Operating capital	-	-	-	5,564,721	11,129,441
10	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	175,059	175,059	175,059	2.92%-2.92%	2	-	Operating capital	-	-	-	175,259	350,517
11	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	47,421	47,421	47,421	2.92%-2.96%	2	-	Operating capital	-	-	-	49,811	99,621
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,215,942	2,215,942	101,933	2.92%-2.96%	2	-	Operating capital	-	-	-	33,538,236	67,076,471
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	9,439,913	9,439,913	3,722,783	2.89%-3.04%	2	-	Operating capital	-	-	-	33,538,236	67,076,471
14	Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,189,961	1,189,961	1,054,788	2.92%-2.96%	2	-	Operating capital	-	-	-	5,743,669	11,487,337

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

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

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

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

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

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

Note 5 : Reporting currency of Nan Ya Plastics corporation, America and Nan Ya Plastics corporation USA are denominated in USD, and the exchange rate of TWD to USD as of March 31, 2023 (in average) is 30.454(30.405) : 1.

Reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd and Superior World Wide Trading Co., Ltd. are denominated in HKD, and the exchange rate of TWD to HKD as of March 31, 2023 (in average) is 3.9044(3.8981) : 1.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
GUARANTEES AND ENDORSEMENTS FOR OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 2

No	Endorsement Guarantee Provider	Counterparty of Guarantee and Endorsement		Limitation Amount of Guarantees and Endorsements for a Specific Enterprise	Highest Balance for Guarantee and Endorsements during the Period	Balance of Guarantees and Endorsements as of September 30, 2022	Amount Secured by Guaranteed and Endorsed Property	Amount of Endorsement /Guarantee Collateralized by Properties	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Parent Company Endorses /Guarantees to Third Parties on Behalf of Subsidiary	Subsidiary Endorses /Guarantees to Third Parties on Behalf of Parent Company	Endorsements /Guarantees to the Third Parties on Behalf of the Companies in Mainland China
		Name	Relationship with The Company (Note)										
0	The Company	Formosa Group (Cayman) Ltd.	6	231,383,874	7,620,000	7,613,500	7,613,500	-	2.14%	462,767,748	N	N	N

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

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

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

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

MARCH 31, 2023

(Expressed in thousands of New Taiwan Dollars)

TABLE 3

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31, 2023				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Mega International Private USD Money Market	-	Financial assets valued at FVTPL – current	4,554	1,566,437	-	1,566,437	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI – current	294,793	27,062,007	4.63%	27,062,007	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI – current	140,520	9,709,908	2.40%	9,709,908	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI – non current	3	4,051,529	19.00%	4,051,529	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI – non current	2	795,063	0.51%	795,063	
The Company	Ostendo Technologies Inc.	-	Financial assets valued at FVTOCI – non current	150	-	0.12%	-	
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets valued at FVTOCI – non current	352	126,288	18.00%	126,288	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI – non current	19,769	265,294	18.00%	265,294	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI – non current	39,562	1,125,821	17.98%	1,125,821	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI – non current	2,429	373,947	15.00%	373,947	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI – non current	63,717	2,291,434	14.99%	2,291,434	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI – non current	2,925	211,966	12.50%	211,966	
The Company	Central Leasing Corp.	-	Financial assets valued at FVTOCI – non current	1,779	-	1.07%	-	
The Company	Chinese Television System Inc.	-	Financial assets valued at FVTOCI – non current	1,769	44,796	1.04%	44,796	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI – non current	1,287	40,346	0.80%	40,346	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31, 2023				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Taiwan Aerospace Corp.	-	Financial assets valued at FVTOCI— non current	1,070	14,788	0.79%	14,788	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI— non current	3,750	23,325	3.91%	23,325	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI— non current	2,075	16,845	1.97%	16,845	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI— non current	621,178	6,431,903	11.43%	6,431,903	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTPL — current	319	29,284	0.01%	29,284	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL — non current	-	441,291	-	441,291	
Nan Ya Plastics Corporation America	American Overseas Reinsurance Co., Ltd. (Preferred Stock)	-	Financial assets valued at FVTPL — non current	-	99,400	-	99,400	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL — non current	-	212,936	-	212,936	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI— non current	-	374,559	15.00%	374,559	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI— non current	-	327,909	15.00%	327,909	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$1,169,165.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RELATED-PARTY TRANSACTIONS FOR PURCHASES AND SALES WITH AMOUNTS EXCEEDING THE LOWER OF TWD100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 4

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
			Purchases / (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	Formosa Plastics Corporation	Other related parties	(Sales)	(438,115)	(1.43)%	30 days	-	-	201,910	1.37%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(1,596,938)	(5.21)%	30 days	-	-	674,432	4.57%	
The Company	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(498,374)	(1.63)%	30 days	-	-	176,558	1.20%	Note
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(462,081)	(1.51)%	30 days	-	-	232,427	1.57%	
The Company	Formosa Taffeta Co., Ltd.	Other related parties	(Sales)	(137,244)	(0.45)%	30 days	-	-	57,673	0.39%	
The Company	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(171,079)	(0.56)%	O/A105 days	-	-	484,390	3.28%	Note
The Company	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(296,786)	(0.97)%	O/A105 days	-	-	261,033	1.77%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(393,864)	(1.29)%	O/A180 days	-	-	319,003	2.16%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(365,750)	(1.19)%	O/A150 days	-	-	315,999	2.14%	Note
The Company	Formosa Industries Corporation	Associates	(Sales)	(130,215)	(0.43)%	O/A150 days	-	-	132,998	0.90%	
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	(Sales)	(223,876)	(0.73)%	O/A150 days	-	-	71,632	0.49%	Note
The Company	Formosa Plastics Corporation	Other related parties	Purchases	2,477,590	11.56%	30 days	-	-	(823,776)	(7.72)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	5,771,234	26.93%	30 days	-	-	(1,966,524)	(18.43)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	4,518,489	21.08%	30 days	-	-	(1,715,940)	(16.08)%	
The Company	PFG Fiber Glass Corporation	Subsidiaries	Purchases	484,559	2.26%	30 days	-	-	(187,686)	(1.76)%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	Purchases	813,620	3.80%	30 days	-	-	(240,994)	(2.26)%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	103,362	0.48%	O/A150 days	-	-	(99,108)	(0.93)%	Note
Nan Ya PCB Corporation	The Company	Parent	Purchases	498,374	19.42%	30 days	-	-	(176,558)	(4.98)%	Note
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	Purchases	895,448	34.90%	30 days	-	-	(343,547)	(9.69)%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(895,448)	(18.78)%	30 days	-	-	343,547	9.28%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Same chairman	Purchases	174,377	9.71%	60 days	-	-	(64,164)	(3.12)%	Note
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(133,979)	(2.81)%	70 days	-	-	74,577	2.01%	
Nan Chung Petrochemical Corporation	The Company	Parent	(Sales)	(813,620)	(51.09)%	30 days	-	-	240,994	50.64%	Note
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	(Sales)	(778,593)	(48.89)%	15th day of next month	-	-	234,916	49.36%	
Nan Chung Petrochemical Corporation	Formosa Petrochemical Corporation	Associates	Purchases	1,071,750	93.79%	15th day of next month	-	-	(331,908)	(92.38)%	
PFG Fiber Glass Corporation	The Company	Parent	(Sales)	(484,559)	(68.09)%	30 days	-	-	187,686	46.84%	Note
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	188,446	22.50%	payment within one month	-	-	(89,706)	(14.12)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent	Purchases	171,079	20.42%	O/A 105 days	-	-	(484,390)	(76.25)%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(164,215)	(2.23)%	payment within one month	-	-	-	-	
Nan Ya Plastics Corporation America	The Company	Parent	Purchases	296,786	4.91%	O/A105 days	-	-	(261,033)	(26.54)%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(447,951)	(66.16)%	60 days	-	-	151,911	38.60%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent	Purchases	393,864	18.74%	O/A180 days	-	-	(319,003)	(14.47)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	1,031,095	49.05%	180 days	-	-	(1,430,151)	(64.87)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	176,271	23.36%	60 days	-	-	(79,527)	(18.93)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(1,067,314)	(41.21)%	60 days	-	-	122,168	25.02%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	1,591,360	68.58%	60 days	-	-	(651,292)	(65.46)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Parent	Purchases	223,876	9.65%	O/A150 days	-	-	(71,632)	(7.20)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(103,362)	(1.02)%	O/A150 days	-	-	99,108	0.85%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(1,031,095)	(10.16)%	180 days	-	-	1,430,151	12.24%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Same chairman	(Sales)	(174,377)	(1.72)%	60 days	-	-	64,164	0.55%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(103,026)	(1.02)%	60 days	-	-	34,504	0.30%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	Purchases	365,750	3.88%	O/A150 days	-	-	(315,999)	(15.97)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	447,951	4.75%	60 days	-	-	(151,911)	(7.68)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	Purchases	1,067,314	11.33%	60 days	-	-	(122,168)	(6.18)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co.,	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	103,026	32.73%	60 days	-	-	(34,504)	(37.21)%	Note

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RECEIVABLES FROM RELATED-PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF TWD100 MILLION OR 20% OF THE CAPITAL STOCK
MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 5

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Periods	Allowance for Bad Debts	
					Amount	Action Taken			
The Company	Formosa Plastics Corporation	Other related parties	Receivables from related parties :	201,910	12.22	-	-	147,089	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	674,432	11.26	-	-	627,649	-
The Company	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	176,558	10.32	-	-	176,558	-
The Company	Formosa Petrochemical Corporation	Associates	Receivables from related parties :	232,427	8.22	-	-	190,678	-
The Company	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Receivables from related parties :	484,390	1.45	-	-	484,390	-
The Company	Nan Ya Plastics Corporation America(Note 1)	Subsidiaries	Receivables from related parties :	261,033	7.53	-	-	15,329	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	319,003	3.39	-	-	208,340	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	315,999	3.99	-	-	218,276	-
The Company	Formosa Industries Corporation	Associates	Receivables from related parties :	132,998	4.34	-	-	41,682	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	343,547	9.98	-	-	343,547	-
Nan Chung Petrochemical Corporation	The Company(Note 1)	Parent	Receivables from related parties :	240,994	10.63	-	-	240,994	-
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	Receivables from related parties :	234,916	11.04	-	-	234,916	-
PFG Fiber Glass Corporation	The Company(Note 1)	Parent	Receivables from related parties :	187,686	11.16	-	-	187,686	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	151,911	10.19	-	-	151,911	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	112,674	2.90	-	-	18,042	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	122,168	31.03	-	-	122,168	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	1,430,151	2.69	-	-	288,385	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	2,469,353	note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas(Note 1)	Subsidiaries	Other receivables from related parties :	10,963,440	note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,772,754	note	-	-	-	-
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	970,583	note	-	-	-	-
Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures	Other receivables from related parties :	101,933	note	-	-	-	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,054,788	note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	558,417	note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	101,933	note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	3,722,783	note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	203,867	note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	175,059	note	-	-	-	-

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
SIGNIFICANT TRANSACTIONS AND BUSINESS RELATIONSHIP BETWEEN THE COMPANY AND ITS SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 6

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			Percentage of Consolidated Total Gross Sales or Total Assets
				Financial Statement Item	Amount	Terms	
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Sales	499,930	30-150 days	0.76%
0	The Company	Nan Chung Petrochemical Corporation	1	Sales	70,085	30 days	0.11%
0	The Company	PFG Fiber Glass Corporation	1	Sales	11,063	30 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Sales	171,079	O/A 105 days	0.26%
0	The Company	Nan Ya Plastics Corporation America	1	Sales	296,786	O/A 105 days	0.45%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Sales	1,097,084	O/A 150-180 days	1.67%
0	The Company	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	1	Sales	4,431	O/A 150 days	0.01%
1	Nan Chung Petrochemical Corporation	The Company	2	Sales	813,620	30 days	1.24%
2	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	27,591	30 days	0.04%
3	PFG Fiber Glass Corporation	The Company	2	Sales	484,559	30 days	0.74%
3	PFG Fiber Glass Corporation	PFG Fiber Glass (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	28,013	30 days	0.04%
4	Nan Ya Plastics Corporation U.S.A.	The Company	2	Sales	9,158	O/A 105 days	0.01%
5	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	3	Sales	30,318	payment within one month	0.05%
5	Nan Ya Plastics Corporation America	The Company	2	Sales	10,752	O/A 105 days	0.02%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Sales	200,675	O/A 150-180 days	0.31%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	265,006	60 days	0.40%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	3	Sales	42,708	60 days	0.06%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	553,133	60 days	0.84%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Accounts receivable	178,114	30-150 days	0.03%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Accounts receivable	484,390	O/A 105 days	0.07%
0	The Company	Nan Ya Plastics Corporation America	1	Accounts receivable	261,033	O/A 105 days	0.04%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Accounts receivable	827,470	O/A 150-180 days	0.12%
1	Nan Chung Petrochemical Corporation	The Company	2	Accounts receivable	240,994	30 days	0.04%
3	PFG Fiber Glass Corporation	The Company	2	Accounts receivable	187,686	30 days	0.03%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Accounts receivable	196,705	O/A 150-180 days	0.03%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Accounts receivable	94,888	60 days	0.01%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Accounts receivable	273,624	60 days	0.04%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Rent revenue	73,701	30-150 days	0.11%

Note 1: The appointed numbers represent:

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

Note 2: Transactions are categorized as follows:

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 7

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2023	December 31, 2022	Shares (in thousands)	%	Carrying Value			
The Company	Nan Ya Plastics Corporation U.S.A. (Note)	U.S.A.	production of plastic products	313,920	313,920	2	100.00%	2,895,950	46,436	46,436	Note 3.4
The Company	Nan Ya Plastics Corporation America (Note)	U.S.A.	production of plastic, polyester and chemical	7,853,605	7,853,605	60	100.00%	45,086,971	(878,943)	(878,943)	Note 3.4
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 1)	Hong Kong	plastics, electronic products trading, and investment	41,450,832	41,450,832	1,015,653	100.00%	111,804,539	598,973	598,973	Note 3.4
The Company	Superior World Wide Trading Co., Ltd. (Note 1)	Hong Kong	plastics trading and investment	33,677	33,677	14	100.00%	892,336	32,033	32,033	Note 3.4
The Company	Formosa Synthetic Rubber (Hong Kong) Corporation Limited (Note)	Hong Kong	production of synthetic rubber products	4,213,864	4,213,864	138,333	33.33%	1,788,824	(128,739)	(42,913)	Note 3
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited (Note 1)	Hong Kong	investment	4,495,987	4,495,987	76	100.00%	8,693,589	(43,240)	(48,249)	Note 3.4
The Company	Formosa Industries Corporation (Note 2)	Vietnam	chemical fiber, dyeing and finishing and electric power	8,435,875	8,435,875	-	42.50%	6,197,078	(747,636)	(317,745)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	29,803,610	2,325,241	1,559,291	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	26,959	26,959	10	100.00%	1,179	(12)	(12)	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.29%	50,460,784	(1,684,687)	(493,383)	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	258,213	4,211	1,136	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	72,710,457	4,435,496	1,024,526	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	3,540,056	(125,512)	(168,810)	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	1,099,863	44,972	22,871	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	273,022	(1,083)	(1,058)	Note 3.4
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	534,660	57,045	25,671	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	19,621	(14)	(6)	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	7,058,027	(683,676)	(225,003)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	33,340	33,340	4,699	33.34%	24,826	(10,281)	(3,428)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,269,150	50,192	16,731	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2023	December 31, 2022	Shares (in thousands)	%	Carrying Value			
The Company	Hwa Ya Science Park Management Consulting Co., Ltd.	Taiwan	service business	359	359	34	34.00%	4,275	27	9	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	20,008	(13)	(4)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	764,193	24.94%	10,648,558	2,642,641	659,123	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	761,820	761,820	10,609	23.02%	295,917	18,150	4,178	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	8,300,471	8,300,471	830,047	25.00%	7,537,901	(291,446)	(72,861)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	779,445	75,180	18,795	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	600,000	600,000	60,000	33.33%	566,320	1,902	634	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,095,692	(6,270)	(627)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	1,000,000	1,000,000	100,000	25.00%	1,000,968	601	150	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	243,632	243,632	-	12.10%	2,526,800	121,630	13,961	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	14,922,460	14,922,460	3	100.00%	5,113,445	(1,121,184)	(1,121,184)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,094,474	2,094,474	-	21.00%	3,478,260	654,655	137,478	Note 3
Nan Ya PCB Corporation	Nan Ya PCB (Hong Kong) Corporation	Hong Kong	production of electronic products and investment	8,595,674	8,595,674	2,152,020	100.00%	22,978,527	738,411	738,411	Note 3.4
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	U.S.A.	retargeting	3,479	3,479	1,000	100.00%	17,760	(376)	(376)	Note 3.4
Nan Ya PCB Corporation	Formosa Advanced Technologies Co.,LTD.	Taiwan	IC packaging, testing and modules	472,968	472,968	13,267	3.00%	481,642	231,593	7,287	Note 3
Nan Ya PCB (Hong Kong) Corporation	Nan Ya PCB (Kunshan) Corporation	China	production of printed circuit board	8,592,495	8,592,495	-	100.00%	22,964,547	738,239	738,239	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	150,451	(1,233)	(1,233)	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	123,246	123,246	5	50.00%	273,993	49,082	24,541	Note 3

Note : The reporting currency of Nan Ya Plastics Corporation U.S.A, Nan Ya Plastics Corporation America, Formosa Synthetic Rubber (Hong Kong) Corporation Limited, Formosa Group (Cayman) Limited, FG Inc., Formosa Utility Venture, Ltd., Nan Ya Plastics Corporation Texas, and Formosa Olefins, L.L.C is denominated in USD, and the exchange rate of TWD to USD as of March 31, 2023 (in average) is 30.454(30.405) : 1.

Note 1 : The reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd., Superior World Wide Trading Co., Ltd. and PFG Fiber Glass (Hong Kong) Corporation Limited is denominated in HKD, and the exchange rate of TWD to HKD as of J March 31, 2023 (in average) is 3.9044(3.8981) : 1.

Note 2 : The reporting currency of Formosa Industries Corporation, Vietnam is denominated in VND, and the exchange rate of TWD to VND as of March 31, 2023 (in average) is 0.001297571(0.001289495) : 1.

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATON ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 8**(a) Information regarding investments in Mainland China :**

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2023	For The Year Ended March 31, 2023		Investment Transferred from Taiwan as of March 31, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Nan Ya Plastics (Guangzhou) Co., Ltd.(Note1)	production of polyester products	1,998,681	Indirect investment	1,998,681	-	-	1,998,681	(40,628)	100.00%	(40,628)	1,816,273	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.(Note1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	30,946	85.00%	26,304	1,038,067	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.(Note1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	6,099	100.00%	6,099	3,479,541	191,257
Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note1)	production of copper clad laminate	12,208,913	Indirect investment	5,489,509	-	-	5,489,509	214,308	100.00%	214,308	15,564,999	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	122	100.00%	122	60,910	-
Nan Ya Plastics (Nantong) Co., Ltd.(Note1)	sale of plastic products, steam and electricity	4,540,736	Indirect investment	3,008,918	-	-	3,008,918	20,191	100.00%	20,191	10,483,590	103,612
China Nantong Huafeng Co., Ltd.(Note1)	trading	93,004	Indirect investment	99,636	-	-	99,636	691	100.00%	691	356,829	-
Nantong Huafu Plastics Co., Ltd.(Note1)	trading	79,111	Indirect investment	71,503	-	-	71,503	260	100.00%	260	102,208	-
Nan Ya Electric (Nantong) Co.,Ltd.(Note1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	37,662	100.00%	37,662	1,103,895	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	269	50.00%	134	242,118	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note1)	production of copper clad laminate, polyester products, steam and electricity, copper clad, epoxy	15,159,216	Indirect investment	15,159,216	-	-	15,159,216	501,338	100.00%	501,338	62,483,158	8,472,334
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note1)	production of polyester products	7,035,085	Indirect investment	7,035,085	-	-	7,035,085	(176,985)	100.00%	(176,985)	(1,334,453)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	2,594	50.00%	1,297	66,625	-
Nan Ya Plastics (Ningbo) Co., Ltd.(Note1)	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	(21,909)	100.00%	(21,909)	13,313,240	-
PFG Fiber Glass (Kunshan) Co., Ltd.(Note1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	(43,644)	100.00%	(43,644)	8,832,049	282,300

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2023	For The Year Ended March 31, 2023		Investment Transferred from Taiwan as of March 31, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	0	374,559	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	0	327,909	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(128,739)	33.33%	(42,913)	1,788,824	-

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

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

(b) Quota for investments in Mainland China :

Accumulative Remittance from Taiwan to Mainland China as of March 31, 2023 (Note 1)	Amount of Investment Approved by Investment Commission, Ministry of Economic Affairs (Note 2)	Limit on the Amount of Investment in Mainland China (Note 3)
49,875,128	60,186,974	-

Note 1 : Reporting currency of Chinese subsidiaries is CNY, and the monetary amount is first translated to HKD using the exchange rate as of March 31, 2023 (in average) is 1 : 1.1351(1.1392), and translated to TWD using the exchange rate as of March 31, 2023 (in average) is 1 : 3.9044(3.8981).

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

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

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

(c) Information on significant transactions :

For more information concerning the direct or indirect significant transactions between the Company and its Chinese investees for the year ended March 31, 2023, please refer to the attachment of note 13 for "Information on material transaction items".