

**NAN YA PLASTICS CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 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.

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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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six 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 \$95,395,624 thousand and \$95,781,958 thousand, constituting 14.45% and 13.81% of the consolidated total assets; and the total liabilities amounting to \$39,308,466 thousand and \$40,159,396 thousand, constituting 13.45% and 13.78% of the consolidated total liabilities as of June 30, 2023 and 2022, respectively; as well as the total comprehensive income (loss) amounting to \$767,277 thousand, \$2,197,601 thousand, \$(570,161) thousand and \$4,091,431 thousand, constituting (20.41)%, 21.84%, (32.95)% and 11.64% of the consolidated total comprehensive income (loss) for the three months and six months ended June 30, 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 \$39,218,039 thousand and \$41,452,474 thousand as of June 30, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$99,219 thousand, \$(1,111,992) thousand, \$163,059 thousand and \$(1,267,300) thousand for the three months and six months ended June 30, 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 June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, as well as its consolidated cash flows for the six months ended June 30, 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 \$124,249,898 thousand and \$130,765,626 thousand, constituting 18.81% and 18.85% of the consolidated total assets as of June 30, 2023 and 2022, respectively; and the total operating revenues amounting to \$15,526,283 thousand, \$20,211,192 thousand, \$30,866,156 thousand and \$45,006,736 thousand, constituting 24.36%, 21.34%, 23.83% and 22.87% of the consolidated total operating revenues for the three months and six months ended June 30, 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 \$72,421,426 thousand and \$78,543,737 thousand, constituting 10.97% and 11.32% of the consolidated total assets as of June 30, 2023 and 2022, respectively; and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$(267,203) thousand, \$3,912,462 thousand, \$757,323 thousand and \$7,067,756 thousand, constituting (13.97)%, 20.92%, 19.90% and 18.23% of the consolidated total profit before tax for the three months and six months ended June 30, 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)
August 8, 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)

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2023, December 31 and June 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and Equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 89,360,706	14	89,444,513	13	76,087,618	11	2100	Short-term borrowings (notes 6(l), (w) and (z))	\$ 34,549,400	5	38,775,000	6	14,304,834	2
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,619,218	-	1,562,720	-	1,489,609	-	2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	46,147,736	7	35,449,361	5	16,840,953	3
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w) and 8)	34,949,395	5	35,494,677	5	42,481,869	6	2170	Notes and accounts payable (note 6(w))	13,861,788	2	14,484,851	2	15,009,853	2
1150	Notes receivable, net (notes 6(d) and (w))	3,346,323	1	3,503,958	1	3,598,931	1	2180	Accounts payable to related parties (notes 6(w) and 7)	4,974,088	1	5,509,673	1	9,221,027	1
1170	Accounts receivable, net (notes 6(d) and (w))	35,327,023	5	45,547,738	7	51,762,613	7	2200	Other payables (including related parties) (note 7)	51,185,673	8	32,253,802	5	94,775,757	14
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	1,208,909	-	1,531,649	-	2,001,490	-	2280	Current lease liabilities (notes 6(o), (w), (z) and 7)	147,400	-	134,521	-	82,100	-
1200	Other receivables (notes 6(e) and (w))	10,374,867	2	4,511,631	1	24,801,611	4	2321	Current portion of bonds payable (notes 6(n), (w) and (z))	9,770,880	2	11,569,513	2	11,620,160	2
1210	Other receivables due from related parties (notes 6(e), (w) and 7)	2,073,820	-	2,685,961	-	2,528,986	-	2322	Current portion of long-term borrowings (notes 6(m), (w) and (z))	7,745,400	1	30,325,562	5	1,082,320	-
130X	Inventories (note 6(f))	52,681,318	8	52,985,302	8	60,748,033	9	2399	Other current liabilities	3,288,517	-	2,060,954	-	1,781,939	-
1470	Other current assets	6,175,226	1	5,945,505	1	6,565,353	1		Total current liabilities	<u>171,670,882</u>	<u>26</u>	<u>170,563,237</u>	<u>26</u>	<u>164,718,943</u>	<u>24</u>
	Total current assets	<u>237,116,805</u>	<u>36</u>	<u>243,213,654</u>	<u>36</u>	<u>272,066,113</u>	<u>39</u>		Non-Current liabilities:						
Non-current assets:								2530	Bonds payable (notes 6(n), (w) and (z))	51,908,589	8	52,751,979	8	61,668,155	9
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	770,479	-	759,912	-	714,235	-	2540	Long-term borrowings (notes 6(m), (w) and (z))	27,806,476	4	5,500,000	1	23,046,739	3
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	15,550,861	2	16,106,851	2	23,496,181	3	2570	Deferred tax liabilities	19,172,498	3	19,198,940	3	18,943,660	3
1550	Investments accounted for using equity method (notes 6(g) and 7)	169,565,373	26	171,148,248	26	179,020,519	26	2580	Non-current lease liabilities (notes 6(o), (w), (z) and 7)	260,928	-	275,945	-	183,905	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	214,231,779	32	211,967,022	32	198,231,807	29	2640	Net defined benefit liability-non-current	12,588,878	2	14,335,802	2	16,302,918	2
1755	Right-of-use assets (notes 6(i) and 7)	995,073	-	1,024,075	-	896,028	-	2645	Guarantee deposits	831,975	-	811,256	-	741,419	-
1782	Intangible assets (note 6(j))	1,617,588	-	1,714,160	-	1,810,733	-	2670	Other non-current liabilities	7,974,813	1	7,777,567	1	5,809,101	1
1812	Technology development expense	13,360	-	16,111	-	18,469	-		Total non-current liabilities	<u>120,544,157</u>	<u>18</u>	<u>100,651,489</u>	<u>15</u>	<u>126,695,897</u>	<u>18</u>
1840	Deferred tax assets	4,573,648	1	3,632,469	1	3,744,181	1		Total liabilities	<u>292,215,039</u>	<u>44</u>	<u>271,214,726</u>	<u>41</u>	<u>291,414,840</u>	<u>42</u>
1915	Prepayments for purchase of equipment	3,723,160	1	4,232,262	1	4,282,491	1		Equity attributable to owners of parent (note 6(r)):						
1937	Overdue receivables (note 6(d))	-	-	-	-	-	-	3110	Ordinary shares	79,308,216	12	79,308,216	12	79,308,216	12
1990	Other non-current assets	12,236,027	2	11,501,392	2	9,415,277	1	3200	Capital surplus	27,691,343	4	27,692,943	4	26,653,116	4
	Total non-current assets	<u>423,277,348</u>	<u>64</u>	<u>422,102,502</u>	<u>64</u>	<u>421,629,921</u>	<u>61</u>	3300	Retained earnings	225,520,921	34	247,505,467	37	243,372,434	35
	Total assets	<u>\$ 660,394,153</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>693,696,034</u>	<u>100</u>	3400	Others	19,401,309	3	20,597,964	3	37,558,356	5
								36XX	Non-controlling interests	16,257,325	3	18,996,840	3	15,389,072	2
									Total equity	<u>368,179,114</u>	<u>56</u>	<u>394,101,430</u>	<u>59</u>	<u>402,281,194</u>	<u>58</u>
									Total liabilities and equity	<u>\$ 660,394,153</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>693,696,034</u>	<u>100</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
Consolidated Statement of Comprehensive Income
For the three months and six months ended June 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	For the three months ended				For the six months ended				
	June 30				June 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (notes 6(t) and 7)	\$ 63,738,195	100	94,732,119	100	129,511,971	100	196,824,158	100
5000	Operating costs (notes 6(f), (j), (p), (u), 7 and 12)	59,549,200	93	78,837,818	83	120,047,273	93	161,362,592	82
5920	Add: Realized profit on from sales	11,950	-	23,863	-	1,558	-	4,383	-
	Gross profit from operation	<u>4,200,945</u>	<u>7</u>	<u>15,918,164</u>	<u>17</u>	<u>9,466,256</u>	<u>7</u>	<u>35,465,949</u>	<u>18</u>
	Operating expenses (notes 6(p), (u), 7 and 12):								
6100	Selling expenses	2,151,720	3	3,400,361	4	4,181,559	3	7,074,018	4
6200	Administrative expenses	2,305,440	4	2,360,100	2	4,511,785	3	4,767,821	2
6450	Expected credit (gains) losses (note 6(d))	19,808	-	(11,060)	-	9,778	-	(11,544)	-
	Total operating expenses	<u>4,476,968</u>	<u>7</u>	<u>5,749,401</u>	<u>6</u>	<u>8,703,122</u>	<u>6</u>	<u>11,830,295</u>	<u>6</u>
	Net Operating income	<u>(276,023)</u>	<u>-</u>	<u>10,168,763</u>	<u>11</u>	<u>763,134</u>	<u>1</u>	<u>23,635,654</u>	<u>12</u>
	Non-operating income and expenses (notes 6(g), (o), (v) and 7):								
7010	Other income	2,212,760	3	1,856,926	2	2,943,550	2	2,526,270	1
7020	Other gains and losses	508,476	1	1,948,599	2	190,809	-	3,148,434	2
7050	Finance costs	(972,518)	(2)	(383,611)	-	(1,878,545)	(1)	(761,318)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method	(212,136)	-	4,828,531	5	567,545	-	9,648,490	5
7100	Interest income	652,770	1	285,641	-	1,219,594	1	564,271	-
	Total non-operating income and expenses	<u>2,189,352</u>	<u>3</u>	<u>8,536,086</u>	<u>9</u>	<u>3,042,953</u>	<u>2</u>	<u>15,126,147</u>	<u>8</u>
	Profit before tax	<u>1,913,329</u>	<u>3</u>	<u>18,704,849</u>	<u>20</u>	<u>3,806,087</u>	<u>3</u>	<u>38,761,801</u>	<u>20</u>
7950	Less: Income tax expenses (note 6(q))	500,358	1	2,799,559	3	731,281	1	6,582,462	4
	Profit	<u>1,412,971</u>	<u>2</u>	<u>15,905,290</u>	<u>17</u>	<u>3,074,806</u>	<u>2</u>	<u>32,179,339</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	(3,068,137)	(5)	(2,952,804)	(3)	(1,376,138)	(1)	(1,878,825)	(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	(350,595)	(1)	(3,982,393)	(4)	1,823,118	1	(4,137,543)	(2)
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>(3,418,732)</u>	<u>(6)</u>	<u>(6,935,197)</u>	<u>(7)</u>	<u>446,980</u>	<u>-</u>	<u>(6,016,368)</u>	<u>(3)</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation	(1,752,250)	(3)	1,086,770	1	(1,796,795)	(1)	8,986,668	5
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	(2,087)	-	4,873	-	5,567	-	9,208	-
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>(1,754,337)</u>	<u>(3)</u>	<u>1,091,643</u>	<u>1</u>	<u>(1,791,228)</u>	<u>(1)</u>	<u>8,995,876</u>	<u>5</u>
8300	Other comprehensive income	<u>(5,173,069)</u>	<u>(9)</u>	<u>(5,843,554)</u>	<u>(6)</u>	<u>(1,344,248)</u>	<u>(1)</u>	<u>2,979,508</u>	<u>2</u>
8500	Total comprehensive income	<u>\$ (3,760,098)</u>	<u>(7)</u>	<u>10,061,736</u>	<u>11</u>	<u>1,730,558</u>	<u>1</u>	<u>35,158,847</u>	<u>18</u>
	Profit, attributable to:								
8610	Owners of parent	\$ 941,595	1	14,352,344	15	1,807,919	1	29,395,253	15
8620	Non-controlling interests	471,376	1	1,552,946	2	1,266,887	1	2,784,086	1
		<u>\$ 1,412,971</u>	<u>2</u>	<u>15,905,290</u>	<u>17</u>	<u>3,074,806</u>	<u>2</u>	<u>32,179,339</u>	<u>16</u>
	Comprehensive income attributable to:								
8710	Owners of parent	\$ (4,052,147)	(7)	8,592,859	9	611,263	-	32,309,115	16
8720	Non-controlling interests	292,049	-	1,468,877	2	1,119,295	1	2,849,732	2
		<u>\$ (3,760,098)</u>	<u>(7)</u>	<u>10,061,736</u>	<u>11</u>	<u>1,730,558</u>	<u>1</u>	<u>35,158,847</u>	<u>18</u>
	Basic earnings per share (note 6(s)):								
9710	Income from continuing operations	\$ 0.24	0.18	2.36	2.01	0.48	0.39	4.89	4.06
	Income from non-controlling equity	(0.12)	(0.06)	(0.42)	(0.20)	(0.33)	(0.16)	(0.89)	(0.35)
9750	Income attributable to shareholders of the parent	<u>\$ 0.12</u>	<u>0.12</u>	<u>1.94</u>	<u>1.81</u>	<u>0.15</u>	<u>0.23</u>	<u>4.00</u>	<u>3.71</u>

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Retained earnings					Items of other equity interest					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests	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
Profit	-	-	-	-	29,395,253	-	-	-	29,395,253	2,784,086	32,179,339
Other comprehensive income	-	-	-	-	-	8,917,767	(6,013,113)	9,208	2,913,862	65,646	2,979,508
Total comprehensive income	-	-	-	-	29,395,253	8,917,767	(6,013,113)	9,208	32,309,115	2,849,732	35,158,847
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	7,986,159	-	(7,986,159)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	6,587,648	(6,587,648)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(59,481,162)	-	-	-	(59,481,162)	-	(59,481,162)
Other changes in capital surplus:											
Other changes in capital surplus	-	(5,921)	-	-	-	-	-	-	(5,921)	-	(5,921)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,131,340)	(2,131,340)
Balance at June 30, 2022	\$ 79,308,216	26,653,116	81,491,665	112,670,766	49,210,003	(8,606,191)	46,146,469	18,078	386,892,122	15,389,072	402,281,194
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
Profit	-	-	-	-	1,807,919	-	-	-	1,807,919	1,266,887	3,074,806
Other comprehensive income	-	-	-	-	-	(1,654,815)	452,593	5,567	(1,196,655)	(147,593)	(1,344,248)
Total comprehensive income	-	-	-	-	1,807,919	(1,654,815)	452,593	5,567	611,264	1,119,294	1,730,558
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	3,353,520	-	(3,353,520)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	4,817,936	(4,817,936)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(23,792,465)	-	-	-	(23,792,465)	-	(23,792,465)
Reversal of special reserve	-	-	-	(1,144)	1,144	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	(1,600)	-	-	-	-	-	-	(1,600)	22	(1,578)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,858,831)	(3,858,831)
Balance at June 30, 2023	\$ 79,308,216	27,691,343	84,845,185	117,480,650	23,195,086	(8,158,704)	27,554,293	5,720	351,921,789	16,257,325	368,179,114

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES**Consolidated Statement of Cash Flows****For the six months ended June 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 3,806,087	38,761,801
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	10,509,739	9,716,565
Amortization expense	554,331	619,111
Expected credit losses (gains)	9,778	(11,544)
Net gain on financial assets at fair value through profit or loss	(56,498)	(118,905)
Interest expense	1,878,545	761,318
Interest income	(1,219,594)	(564,271)
Dividend income	(1,404,047)	(742,381)
Shares of profit of associates and joint ventures accounted for using equity method	(567,545)	(9,648,490)
Losses (gains) on disposal of property, plant and equipment	46,381	(728,362)
Property, plant and equipment transferred to expenses	656,418	2,010
Gains on disposal of other assets	-	(37)
Reversal of impairment loss on non-financial assets	(13)	-
Realized profit from affiliated companies	(1,558)	(4,383)
Unrealized foreign exchange gains	(262,431)	(436,806)
Other revenue, overdue dividends and compensation of board and directors	1,209	833
Total adjustments to reconcile profit (loss)	<u>10,144,715</u>	<u>(1,155,342)</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable	157,103	2,345,728
Decrease in accounts receivable (including related parties)	10,649,639	2,626,472
Increase in other receivable	(212,754)	(5,109,875)
Decrease (increase) in inventories	216,085	(3,555,870)
Increase in other current assets	(199,920)	(685,991)
Total changes in operating assets	<u>10,610,153</u>	<u>(4,379,536)</u>
(Decrease) increase in notes and accounts payable (including related parties)	(1,186,729)	298,254
Increase in other payable	594,626	4,366,391
Increase in other current liabilities	1,227,563	277,682
Decrease in net defined benefit liability	(1,669,954)	(1,809,616)
Total changes in operating liabilities	<u>(1,034,494)</u>	<u>3,132,711</u>
Total changes in operating assets and liabilities	<u>9,575,659</u>	<u>(1,246,825)</u>
Total adjustments	<u>19,720,374</u>	<u>(2,402,167)</u>
Cash inflow generated from operations	23,526,461	36,359,634
Interest received	1,577,503	423,673
Dividends received	19,839	67,887
Interest paid	(1,814,332)	(698,731)
Income taxes paid	(7,264,806)	(10,564,466)
Net cash flows from operating activities	<u>16,044,665</u>	<u>25,587,997</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	2,422,695
Acquisition of investments accounted for using equity method	-	(1,000,000)
Acquisition of property, plant and equipment	(11,917,303)	(16,877,704)
Proceeds from disposal of property, plant and equipment	48,766	771,091
Increase in refundable deposits	-	(95,941)
Decrease in refundable deposits	25,877	-
Decrease in other receivables due from related parties	612,141	512,132
Increase in other non-current assets	(2,943,097)	(2,636,135)
Net cash flows used in investing activities	<u>(14,450,222)</u>	<u>(16,903,862)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(4,225,597)	(9,163,549)
Increase in short-term notes and bills payable	10,750,000	-
Decrease in short-term notes and bills payable	-	(150,000)
Repayments of bonds	(2,650,000)	(1,800,000)
Repayments of long-term debt	(622,700)	(2,158,806)
Increase in guarantee deposits received	20,719	-
Decrease in guarantee deposits received	-	(98,605)
Payments of lease liabilities	(73,760)	(52,002)
Increase in other non-current liabilities	195,926	5,012,878
Cash dividends paid	(44,233)	(1,368)
Change in non-controlling interests	(3,858,831)	(2,131,340)
Net cash flows used in financing activities	<u>(508,476)</u>	<u>(10,542,792)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(1,169,774)</u>	<u>3,396,849</u>
Net (decrease) increase in cash and cash equivalents	<u>(83,807)</u>	<u>1,538,192</u>
Cash and cash equivalents at beginning of period	<u>89,444,513</u>	<u>74,549,426</u>
Cash and cash equivalents at end of period	<u>\$ 89,360,706</u>	<u>76,087,618</u>

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 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 August 8, 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”
- Amendments to IFRS16 “Requirements for Sale and Leaseback Transactions”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

(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
			June 30, 2023	December 31, 2022	June 30, 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 %	

(Continued)

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

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	retargeting	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	electronic materials trading, investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	production of printed circuit board	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	production of plastic products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	production of switch gear and control panel	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	China Nantong Huafeng Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nantong Huafu Plastics Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
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 (Hong Kong) Corporation Limited	PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	100.00 %	100.00 %	100.00 %	

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

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

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

(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. This should be recognized and allocated to current and deferred taxes based on its proportionate size.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 1,321	1,415	1,428
Cash in banks	31,011,229	27,967,657	21,660,932
Time deposits	51,318,788	48,529,146	45,979,687
Cash equivalents	<u>7,029,368</u>	<u>12,946,295</u>	<u>8,445,571</u>
Cash and cash equivalents	<u>\$ 89,360,706</u>	<u>89,444,513</u>	<u>76,087,618</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

	June 30, 2023	December 31, 2022	June 30, 2022
Current financial assets designated as at fair value through profit or loss:			
Funds	<u>\$ 1,619,218</u>	<u>1,562,720</u>	<u>1,489,609</u>
Non-current financial assets designated as at fair value through profit or loss:			
Foreign Bonds	\$ 451,159	444,971	366,394
Foreign Stocks	<u>319,320</u>	<u>314,941</u>	<u>347,841</u>
Total	<u>\$ 770,479</u>	<u>759,912</u>	<u>714,235</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

	June 30, 2023	December 31, 2022	June 30, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	<u>\$ 34,949,395</u>	<u>35,494,677</u>	<u>42,481,869</u>

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

	June 30, 2023	December 31, 2022	June 30, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	<u>\$ 15,550,861</u>	<u>16,106,851</u>	<u>23,496,181</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 June 30, 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

	June 30, 2023	December 31, 2022	June 30, 2022
Notes receivable from operating activities	\$ 3,355,205	3,512,308	3,613,653
Accounts receivable-measured as amortized cost	36,943,567	47,427,697	54,046,965
Accounts receivable-fair value through profit or loss	14,296	66,713	98,066
Overdue receivables	2,352	2,652	2,951
Less: Loss allowance	<u>(433,165)</u>	<u>(426,025)</u>	<u>(398,601)</u>
	<u>\$ 39,882,255</u>	<u>50,583,345</u>	<u>57,363,034</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 June 30, 2023, December 31 and June 30, 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:

	June 30, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 39,492,271	0.19%~1.62%	255,665
1 to 3 months past due	512,185	0.27%~38.40%	17,942
3 to 6 months past due	135,182	0.41%~61.60%	24,069
6 to 12 months past due	59,954	0.69%~80.01%	19,661
More than 1 year past due	<u>115,828</u>	100%	<u>115,828</u>
	<u>\$ 40,315,420</u>		<u>433,165</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>
	June 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 57,222,264	0.26%~0.91%	313,865
1 to 3 months past due	374,906	0.62%~27.67%	14,598
3 to 6 months past due	36,420	9.13%~37.97%	4,948
6 to 12 months past due	124,056	11.80%~57.77%	61,201
More than 1 year past due	<u>3,989</u>	100%	<u>3,989</u>
	<u>\$ 57,761,635</u>		<u>398,601</u>

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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 six months ended	
	June 30	
	2023	2022
Balance at January 1, 2023 and 2022	\$ 426,025	401,439
Impairment losses (reversal) recognized	9,778	(11,544)
Foreign exchange (gains) losses	(2,638)	8,706
Balance at June 30, 2023 and 2022	<u>\$ 433,165</u>	<u>398,601</u>

As of June 30, 2023, December 31 and June 30, 2022, notes and accounts receivable which were overdue or under legal proceedings amounted to \$2,352, \$2,652 and \$2,951. 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 June 30, 2023, December 31 and June 30, 2022, the outstanding accounts receivable factoring transactions between the Consolidated Company and the financial institutions were as follows:

June 30, 2023					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ <u>2,601</u>	USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	\$ <u>11,695</u>	<u>150,000</u>	-	-	None
December 31, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ <u>1,855</u>	USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	\$ <u>64,858</u>	<u>150,000</u>	-	-	None
June 30, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ <u>12,459</u>	USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	\$ <u>85,607</u>	<u>150,000</u>	-	-	None

(e) Other receivables

	June 30, 2023	December 31, 2022	June 30, 2022
Other accounts receivable-other	\$ 10,374,867	4,511,631	24,801,611
Other accounts receivable-loans to associates	2,073,820	2,685,961	2,528,986
Less: Loss allowance	-	-	-
Total	<u>\$ 12,448,687</u>	<u>7,197,592</u>	<u>27,330,597</u>

(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:

	June 30, 2023	December 31, 2022	June 30, 2022
Finished goods	\$ 15,522,818	14,885,120	16,693,487
Work in process	12,688,586	13,263,530	14,915,288
Machinery and accessories in process	8,435,130	7,716,895	8,024,942
Raw materials	13,103,043	13,973,802	17,553,350
Supplies	1,819,373	1,625,641	1,656,622
Consigned-out raw materials	480,528	375,958	366,324
Consigned-out finished goods	21,560	21,121	3,818
Goods in transit	610,280	1,123,235	1,534,202
Inventories, net	<u>\$ 52,681,318</u>	<u>52,985,302</u>	<u>60,748,033</u>

The details of the cost of sales were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Inventory that has been sold	\$ 58,008,344	77,793,829	116,586,023	159,681,182
Write-down of inventories (Reversal of write-downs)	9,424	127,074	(60,722)	145,519
Unallocated production overheads	1,531,432	916,915	3,521,972	1,535,891
	<u>\$ 59,549,200</u>	<u>78,837,818</u>	<u>120,047,273</u>	<u>161,362,592</u>

For the six months ended June 30, 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 June 30, 2023, December 31 and June 30, 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:

	June 30, 2023	December 31, 2022	June 30, 2022
Associates	\$ 168,982,209	170,591,035	178,457,607
Joint ventures	583,164	557,213	562,912
	<u>\$ 169,565,373</u>	<u>171,148,248</u>	<u>179,020,519</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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
The Consolidated Company's share of net income of associates	<u>\$ (230,478)</u>	<u>4,814,121</u>	<u>523,231</u>	<u>9,617,976</u>

- 1) The unrealized translation gain or loss arising from the investment in foreign entities, which was based on exchange rates as of June 30, 2023, December 31 and June 30, 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) In May 2022, the Consolidated Company invested the amount of \$1,000,000 in Formosa Smart Energy Tech Corporation.
- 4) The Consolidated Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Carrying amount of individually insignificant associates' equity	<u>\$ 168,982,209</u>	<u>170,591,035</u>	<u>178,457,607</u>

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Attributable to the Consolidated Company:				
Net Income	\$ (230,478)	4,814,121	523,231	9,617,976
Other comprehensive income	<u>512,484</u>	<u>(2,583,981)</u>	<u>2,383,135</u>	<u>(1,451,713)</u>
Total comprehensive income	<u>\$ 282,006</u>	<u>2,230,140</u>	<u>2,906,366</u>	<u>8,166,263</u>

(Continued)

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

(ii) Joint ventures

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
The Consolidated Company's share of net income of joint ventures	\$ <u>18,342</u>	<u>14,410</u>	<u>44,314</u>	<u>30,514</u>

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.

	June 30,	December 31,	June 30,
	2023	2022	2022
The carrying value of joint ventures that were not individually material	\$ <u>583,164</u>	<u>557,213</u>	<u>562,912</u>

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Attributable to the Consolidated Company:				
Net income	\$ 18,342	14,410	44,314	30,514
Other comprehensive income	-	-	-	-
Total comprehensive income	\$ <u>18,342</u>	<u>14,410</u>	<u>44,314</u>	<u>30,514</u>

(iii) Collateral

As of June 30, 2023, December 31 and June 30, 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.

(Continued)

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

(h) Property, Plant and Equipment

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Cost or deemed cost:							
Balance on January 1, 2023	\$ 19,198,613	77,046,486	416,548,705	1,661,912	15,425,545	43,042,874	572,924,135
Additions	-	29,664	1,006,728	5,951	148,720	10,726,240	11,917,303
Disposals	-	(3,670)	(2,806,024)	(28,217)	(205,472)	-	(3,043,383)
Reclassification	57,037	557,823	20,410,381	17,311	1,881,630	(21,343,814)	1,580,368
Effect of movements in exchange rates	1,009	(273,107)	(1,850,213)	(2,975)	(92,664)	(214,616)	(2,432,566)
Balance on June 30, 2023	<u>\$ 19,256,659</u>	<u>77,357,196</u>	<u>433,309,577</u>	<u>1,653,982</u>	<u>17,157,759</u>	<u>32,210,684</u>	<u>580,945,857</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	-	-	698,881	9,551	171,289	15,997,983	16,877,704
Disposals	(3,075)	(142,847)	(1,397,001)	(30,823)	(500,792)	-	(2,074,538)
Reclassification	-	191,402	6,109,140	22,895	259,988	(5,164,121)	1,419,304
Effect of movements in exchange rates	4,810	1,484,363	6,697,627	24,499	171,426	488,152	8,870,877
Balance on June 30, 2022	<u>\$ 13,488,583</u>	<u>74,363,565</u>	<u>409,780,087</u>	<u>1,631,551</u>	<u>15,194,597</u>	<u>36,025,133</u>	<u>550,483,516</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	-	1,204,799	8,707,363	35,582	472,103	-	10,419,847
Reversal of impairment	-	-	(13)	-	-	-	(13)
Disposals	-	(3,493)	(2,723,658)	(28,114)	(192,971)	-	(2,948,236)
Reclassification	-	-	(1,294)	2,304	(1,010)	-	-
Effect of movements in exchange rates	-	(240,284)	(1,397,101)	(2,961)	(74,287)	-	(1,714,633)
Balance on June 30, 2023	<u>\$ -</u>	<u>43,947,818</u>	<u>310,153,693</u>	<u>1,398,972</u>	<u>11,213,595</u>	<u>-</u>	<u>366,714,078</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	-	1,134,693	8,061,088	31,954	421,369	-	9,649,104
Disposals	-	(134,493)	(1,365,369)	(28,606)	(501,331)	-	(2,029,799)
Reclassification	-	-	(511,594)	-	413	-	(511,181)
Effect of movements in exchange rates	-	557,102	3,876,670	16,981	90,398	-	4,541,151
Balance on June 30, 2022	<u>\$ -</u>	<u>41,744,330</u>	<u>298,378,398</u>	<u>1,374,362</u>	<u>10,754,619</u>	<u>-</u>	<u>352,251,709</u>
Carrying amounts:							
Balance on June 30, 2023	<u>\$ 19,256,659</u>	<u>33,409,378</u>	<u>123,155,884</u>	<u>255,010</u>	<u>5,944,164</u>	<u>32,210,684</u>	<u>214,231,779</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 June 30, 2022	<u>\$ 13,488,583</u>	<u>32,619,235</u>	<u>111,401,689</u>	<u>257,189</u>	<u>4,439,978</u>	<u>36,025,133</u>	<u>198,231,807</u>

(i) Collateral

Please refer to note 8 for the property, plant and equipment pledged to secure bank loans as of June 30, 2023, December 31 and June 30, 2022.

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

(ii) Property, plant and equipment under construction

For the three months and six months ended June 30, 2023 and 2022, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Consolidated Company amounted to \$45,684, \$33,456, \$119,038 and \$50,288, respectively. The capitalized interest rate ranged from 1.1680%~5.3610% and 1.1320%~2.1890% for the three months and six months ended June 30, 2023 and 2022, respectively.

(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 June 30, 2023	\$ <u>604,038</u>	<u>85,192</u>	<u>47,833</u>	<u>258,010</u>	<u>995,073</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 June 30, 2022	\$ <u>642,120</u>	<u>63,425</u>	<u>45,505</u>	<u>144,978</u>	<u>896,028</u>

The right-of-use assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the six months ended June 30, 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 June 30, 2023	\$ <u>1,617,588</u>
Balance at January 1, 2023	\$ <u>1,714,160</u>
Balance at June 30, 2022	\$ <u>1,810,733</u>

The intangible assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the six months ended June 30, 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.

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

(k) Short-term notes and bills payable

	June 30, 2023	December 31, 2022	June 30, 2022
Short-term notes and bills payable	\$ 46,250,000	35,500,000	16,850,000
Discount on short-term notes and bills payable	<u>(102,264)</u>	<u>(50,639)</u>	<u>(9,047)</u>
Total	<u>\$ 46,147,736</u>	<u>35,449,361</u>	<u>16,840,953</u>
Range of interest rates	<u>1.32%~1.545%</u>	<u>1.50%~1.61%</u>	<u>0.65%~0.855%</u>

(l) Short-term borrowings

	June 30, 2023	December 31, 2022	June 30, 2022
Unsecured short-term borrowings	<u>\$ 34,549,400</u>	<u>38,775,000</u>	<u>14,304,834</u>
Unused short-term credit lines	<u>\$ 118,619,265</u>	<u>121,575,338</u>	<u>123,301,953</u>
Range of interest rates	<u>1.07%~6.51%</u>	<u>1.30%~1.75%</u>	<u>0.783%~2.35%</u>

For the six months ended June 30, 2023 and 2022, the Consolidated Company repaid short-term borrowings amounting to \$4,225,597 and \$9,163,549, and there were no significant issuance on short-term borrowings. For information concerning interest expense, please refer to note 6(v).

As of June 30, 2023, December 31 and June 30, 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:

	June 30, 2023			
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	5.7900%~6.5400%	2023~2026	\$ 23,551,876
Unsecured bank long-term debts	TWD	1.6250%~1.7690%	2023~2024	12,000,000
Less: current portion				<u>(7,745,400)</u>
Total				<u>\$ 27,806,476</u>
Unused long-term credit lines				<u>\$ 4,245,400</u>

(Continued)

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

	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>

	June 30, 2022			
	Currency	Interest rate	Expiration	Amount
Secured bank long-term debts	USD	1.4100%~2.5700%	2022~2026	\$ 23,641,259
Unsecured long-term debts	USD	1.8157%~2.7416%	2023	487,800
Less: current portion				<u>(1,082,320)</u>
Total				<u>\$ 23,046,739</u>
Unused long-term credit lines				<u>\$ 5,945,200</u>

- (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 six months ended June 30, 2023 and 2022, the Consolidated Company repaid long-term borrowings amounting to \$622,700 and \$2,158,806, 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

	June 30, 2023	December 31, 2022	June 30, 2022
Domestic unsecured nonconvertible corporate bonds	\$ 61,725,000	64,375,000	73,350,000
Costs of issuing bonds	(45,531)	(53,508)	(61,685)
Current portion	<u>(9,770,880)</u>	<u>(11,569,513)</u>	<u>(11,620,160)</u>
Total	<u>\$ 51,908,589</u>	<u>52,751,979</u>	<u>61,668,155</u>

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

The terms of domestic corporate bonds as of June 30, 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	7,297,210	9,989,890	1,499,690	2,999,325	
Current portion	3,098,815	-	749,845	1,499,663	
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	
	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	7,871,475	5,445,914	5,096,617	9,990,914	11,488,434
Current portion	2,623,825	849,363	949,369	-	-
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:

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ 147,400	134,521	82,100
Non-current	\$ 260,928	275,945	183,905

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

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2023	2022	2023	2022
Interest on lease liabilities	<u>\$ 2,964</u>	<u>1,652</u>	<u>5,386</u>	<u>3,405</u>
Expenses relating to short-term leases	<u>\$ 42,455</u>	<u>45,864</u>	<u>83,814</u>	<u>83,244</u>

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

	For the six months ended June 30	
	2023	2022
Total cash outflow for leases	<u>\$ 162,960</u>	<u>138,651</u>

(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.

(Continued)

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

(p) Employee Benefits

(i) Defined benefit plans

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

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

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Operating costs	\$ 78,258	76,219	150,533	152,249
Selling expenses	3,950	3,587	7,832	7,092
Administrative expenses	18,196	14,865	37,455	29,767
	<u>\$ 100,404</u>	<u>94,671</u>	<u>195,820</u>	<u>189,108</u>

(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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Operating costs	\$ 327,646	350,678	665,036	690,363
Selling expenses	18,894	20,789	37,879	39,739
Administrative expenses	51,593	51,358	104,346	100,158
	<u>\$ 398,133</u>	<u>422,825</u>	<u>807,261</u>	<u>830,260</u>

(Continued)

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

(q) Income taxes

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Current income tax expense				
Current period	\$ 797,871	4,377,109	1,715,589	7,118,948
Adjustment for prior periods	(7,547)	(64,745)	21,183	(64,745)
Deferred tax expense				
Origination and reversal of temporary differences	(289,966)	(1,512,805)	(1,005,491)	(471,741)
Total income tax expense	<u>\$ 500,358</u>	<u>2,799,559</u>	<u>731,281</u>	<u>6,582,462</u>

(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 June 30, 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:

	June 30,	December 31,	June 30,
	2023	2022	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	18,619,733	18,621,333	17,581,506
Total	<u>\$ 27,691,343</u>	<u>27,692,943</u>	<u>26,653,116</u>

(Continued)

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

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 “First-time Adoption of International Financial Reporting Standards” during the Company’s first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of \$6,277,052, which were previously recognized in shareholders’ equity were reclassified to retained earnings. According to Ruling by FSC, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, these special reserves can be reverted to distributable earnings proportionately. As the amount appropriated exceeds the increase in retained earnings arising from the adoption of IFRSs, only \$6,243,060 is appropriated in compliance to the IFRSs as endorsed by the FSC. The balance of special reserve amounted to \$6,108,645, \$6,109,789 and \$6,116,697 as of June 30, 2023, December 31 and June 30, 2022, respectively.

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

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.

(Continued)

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

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

The amounts of cash dividends for the 2022 earnings distribution had been approved and proposed, respectively, by the board meeting held on March 8, 2023; while other items of the 2022 earnings distribution had been approved by the stockholders' meeting held on May 31, 2023, and the 2021 earnings distribution had been approved by the stockholders' meeting held on June 10, 2022, respectively, as follows:

	2022	2021
Dividends per share:		
Cash dividends	\$ <u>3.00</u>	<u>7.50</u>

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	(2,226,255)	-	-	(2,226,255)
Exchange differences on associates / joint ventures accounts for using equity method	571,440	-	-	571,440
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(1,370,525)	-	(1,370,525)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	1,823,118	-	1,823,118
Share of cash flow hedge of associates / joint ventures	-	-	5,567	5,567
Balance at June 30, 2023	\$ <u>(8,158,704)</u>	<u>27,554,293</u>	<u>5,720</u>	<u>19,401,309</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	6,231,291	-	-	6,231,291
Exchange differences on associates / joint ventures accounted for using equity method	2,686,476	-	-	2,686,476
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(1,875,570)	-	(1,875,570)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(4,137,543)	-	(4,137,543)
Share of cash flow hedge of associates / joint ventures	-	-	9,208	9,208
Balance at June 30, 2022	\$ <u>(8,606,191)</u>	<u>46,146,469</u>	<u>18,078</u>	<u>37,558,356</u>

(Continued)

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

(s) Earnings Per Share

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Net income attributable to the Company	\$ 941,595	14,352,344	1,807,919	29,395,253
Number of weighted average outstanding shares	7,930,822	7,930,822	7,930,822	7,930,822
	\$ 0.12	1.81	0.23	3.71

(t) Revenue from contracts with customers

	For the three months ended June 30, 2023					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,389,094	5,473,331	5,655,823	2,311,473	1,080,558	18,910,279
China	2,566,292	2,911,315	14,892,000	700,470	149,395	21,219,472
Other	2,643,663	5,253,213	7,236,195	8,365,362	110,011	23,608,444
	\$ 9,599,049	13,637,859	27,784,018	11,377,305	1,339,964	63,738,195
Main Products						
PVC sheet	\$ 1,318,765	-	-	-	-	1,318,765
Rigid sheet	1,444,431	-	-	-	-	1,444,431
Pipes	1,745,590	-	-	-	-	1,745,590
Phthalate Plasticizers	-	2,004,082	-	-	-	2,004,082
BPA	-	2,926,820	-	-	-	2,926,820
EG	-	3,412,701	-	-	-	3,412,701
CCL	-	-	6,062,856	-	-	6,062,856
Epoxy	-	-	5,726,696	-	-	5,726,696
PCB	-	-	10,133,405	-	-	10,133,405
Polyester Staple Fiber	-	-	-	2,099,152	-	2,099,152
PET Resin	-	-	-	5,674,646	-	5,674,646
DTY	-	-	-	2,248,475	-	2,248,475
Machinery and Switchgear	-	-	-	-	1,247,061	1,247,061
Others	5,090,263	5,294,256	5,861,061	1,355,032	92,903	17,693,515
	\$ 9,599,049	13,637,859	27,784,018	11,377,305	1,339,964	63,738,195

	For the three months ended June 30, 2022					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,836,268	8,442,083	11,115,574	3,271,236	1,079,628	28,744,789
China	2,608,235	6,113,482	19,876,465	985,968	158,476	29,742,626
Other	4,069,327	9,409,641	8,502,390	14,247,859	15,487	36,244,704
	\$ 11,513,830	23,965,206	39,494,429	18,505,063	1,253,591	94,732,119

(Continued)

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

For the three months ended June 30, 2022						
	<u>Plastics industry</u>	<u>Chemical industry</u>	<u>Electronic industry</u>	<u>Polyester industry</u>	<u>Other industries</u>	<u>Total</u>
Main Products						
PVC sheet	\$ 1,619,206	-	-	-	-	1,619,206
Rigid sheet	2,210,567	-	-	-	-	2,210,567
Pipes	1,748,232	-	-	-	-	1,748,232
Phthalate Plasticizers	-	2,760,189	-	-	-	2,760,189
BPA	-	7,383,905	-	-	-	7,383,905
EG	-	5,758,444	-	-	-	5,758,444
CCL	-	-	7,618,269	-	-	7,618,269
Epoxy	-	-	9,152,185	-	-	9,152,185
PCB	-	-	15,185,358	-	-	15,185,358
Polyester Staple Fiber	-	-	-	3,101,554	-	3,101,554
PET Resin	-	-	-	10,002,355	-	10,002,355
DTY	-	-	-	3,592,000	-	3,592,000
Machinery and Switchgear	-	-	-	-	1,140,811	1,140,811
Others	5,935,825	8,062,668	7,538,617	1,809,154	112,780	23,459,044
	\$ 11,513,830	23,965,206	39,494,429	18,505,063	1,253,591	94,732,119

For the six months ended June 30, 2023						
	<u>Plastics industry</u>	<u>Chemical industry</u>	<u>Electronic industry</u>	<u>Polyester industry</u>	<u>Other industries</u>	<u>Total</u>
Primary geographical markets						
Taiwan	\$ 8,630,312	10,767,033	13,501,999	4,637,321	2,038,049	39,574,714
China	4,855,412	6,378,522	30,192,271	1,355,812	391,813	43,173,830
Other	5,294,102	9,692,713	14,837,069	16,740,451	199,092	46,763,427
	\$ 18,779,826	26,838,268	58,531,339	22,733,584	2,628,954	129,511,971
Main Products						
PVC sheet	\$ 2,471,476	-	-	-	-	2,471,476
Rigid sheet	2,957,699	-	-	-	-	2,957,699
Pipes	3,422,448	-	-	-	-	3,422,448
Phthalate Plasticizers	-	4,183,160	-	-	-	4,183,160
BPA	-	5,883,709	-	-	-	5,883,709
EG	-	5,517,846	-	-	-	5,517,846
CCL	-	-	12,305,060	-	-	12,305,060
Epoxy	-	-	11,600,592	-	-	11,600,592
PCB	-	-	22,713,824	-	-	22,713,824
Polyester Staple Fiber	-	-	-	4,294,490	-	4,294,490
PET Resin	-	-	-	11,121,305	-	11,121,305
DTY	-	-	-	4,594,633	-	4,594,633
Machinery and Switchgear	-	-	-	-	2,451,890	2,451,890
Others	9,928,203	11,253,553	11,911,863	2,723,156	177,064	35,993,839
	\$ 18,779,826	26,838,268	58,531,339	22,733,584	2,628,954	129,511,971

(Continued)

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

For the six months ended June 30, 2022						
	<u>Plastics industry</u>	<u>Chemical industry</u>	<u>Electronic industry</u>	<u>Polyester industry</u>	<u>Other industries</u>	<u>Total</u>
Primary geographical markets						
Taiwan	\$ 9,722,443	17,737,338	20,854,368	6,701,728	1,875,092	56,890,969
China	5,381,295	17,059,836	44,236,795	1,912,094	358,748	68,948,768
Other	7,558,178	18,530,721	17,939,888	26,880,433	75,201	70,984,421
	<u>\$ 22,661,916</u>	<u>53,327,895</u>	<u>83,031,051</u>	<u>35,494,255</u>	<u>2,309,041</u>	<u>196,824,158</u>
Main Products						
PVC sheet	\$ 3,305,072	-	-	-	-	3,305,072
Rigid sheet	4,210,777	-	-	-	-	4,210,777
Pipes	3,478,233	-	-	-	-	3,478,233
Phthalate Plasticizers	-	6,322,152	-	-	-	6,322,152
BPA	-	14,251,222	-	-	-	14,251,222
EG	-	15,512,051	-	-	-	15,512,051
CCL	-	-	16,904,686	-	-	16,904,686
Epoxy	-	-	19,505,286	-	-	19,505,286
PCB	-	-	29,746,745	-	-	29,746,745
Polyester Staple Fiber	-	-	-	6,122,456	-	6,122,456
PET Resin	-	-	-	18,373,001	-	18,373,001
DTY	-	-	-	7,451,820	-	7,451,820
Machinery and Switchgear	-	-	-	-	2,109,307	2,109,307
Others	11,667,834	17,242,470	16,874,334	3,546,978	199,734	49,531,350
	<u>\$ 22,661,916</u>	<u>53,327,895</u>	<u>83,031,051</u>	<u>35,494,255</u>	<u>2,309,041</u>	<u>196,824,158</u>

(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 \$966, \$15,362, \$1,217 and \$31,727, respectively, for the three months and six months ended June 30, 2023 and 2022, respectively. These amounts were calculated using the Company's pre-tax income for each period before deducting the remunerations of employees, multiplied by the proposed percentage of remunerations of employees as stated in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustments will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 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.

(Continued)

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

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Interest income from bank deposits	\$ 597,760	278,299	1,102,380	523,715
Other interest income	<u>55,010</u>	<u>7,342</u>	<u>117,214</u>	<u>40,556</u>
	<u>\$ 652,770</u>	<u>285,641</u>	<u>1,219,594</u>	<u>564,271</u>

(ii) Other income

The details of other income were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Dividend income	\$ 1,404,047	725,985	1,404,047	742,381
Other income	<u>808,713</u>	<u>1,130,941</u>	<u>1,539,503</u>	<u>1,783,889</u>
	<u>\$ 2,212,760</u>	<u>1,856,926</u>	<u>2,943,550</u>	<u>2,526,270</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Losses on disposal of property, plant and equipment	\$ (10,674)	733,499	(46,381)	728,362
Foreign currency exchange (losses) gains	518,007	1,237,241	282,235	2,422,039
Gains on financial assets at fair value through profit or loss	52,781	57,708	56,498	118,905
Impairment losses on plant, property, and equipment	4	-	13	-
Others	<u>(51,642)</u>	<u>(79,849)</u>	<u>(101,556)</u>	<u>(120,872)</u>
	<u>\$ 508,476</u>	<u>1,948,599</u>	<u>190,809</u>	<u>3,148,434</u>

(Continued)

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

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2023	2022	2023	2022
Interest expense	\$ 1,018,202	417,067	1,997,583	811,606
Less: interest capitalized	(45,684)	(33,456)	(119,038)	(50,288)
	\$ 972,518	383,611	1,878,545	761,318

(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.

	<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>
June 30, 2023							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 46,147,736	46,352,264	46,352,264	-	-	-	-
Notes and accounts payable	13,861,788	13,861,788	13,861,788	-	-	-	-
Accounts payables to related parties	4,974,088	4,974,088	4,974,088	-	-	-	-
Short-term borrowings	34,549,400	34,640,864	34,640,864	-	-	-	-
Long-term borrowings	35,551,876	40,800,292	7,953,539	1,424,191	8,235,882	23,186,680	-
Bonds payable	61,679,469	64,207,815	9,307,712	2,674,930	11,615,715	29,732,178	10,877,280
Lease liabilities	408,328	432,622	80,414	73,597	117,385	91,990	69,236
	\$ 197,172,685	205,269,733	117,170,669	4,172,718	19,968,982	53,010,848	10,946,516
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
	\$ 194,776,405	203,239,364	105,349,143	37,111,249	15,533,750	25,152,256	20,092,966

(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>
June 30, 2022							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 16,840,953	16,859,047	16,859,047	-	-	-	-
Notes and accounts payable	15,009,853	15,009,853	15,009,853	-	-	-	-
Payables to related parties	9,221,027	9,221,027	9,221,027	-	-	-	-
Short-term borrowings	14,304,834	14,314,848	14,314,848	-	-	-	-
Long-term debts	24,129,059	26,612,780	1,007,948	1,141,374	1,762,009	22,701,449	-
Bonds payable	73,288,315	76,671,640	9,474,355	4,526,970	10,445,143	29,152,573	23,072,600
Lease liabilities	266,005	289,555	49,993	39,631	61,372	68,554	70,005
	<u>\$ 153,060,046</u>	<u>158,978,750</u>	<u>65,937,071</u>	<u>5,707,975</u>	<u>12,268,524</u>	<u>51,922,576</u>	<u>23,142,605</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:

	June 30, 2023		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$	726,925	31.1350
JPY		506,277	0.2149
EUR		1,312	33.7979
HKD		1,239	3.9917
CNY		11,677	4.3090
<u>Non-monetary items</u>			
USD		119,332	31.1350
CNY		66,770	4.3090
IDR		147,177,956	0.0020
VND		5,595,388,121	0.0013
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD		65,470	31.1350
JPY		4,034,643	0.2149
EUR		4,760	33.7979
CNY		20,520	4.3090

(Continued)

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

				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
				June 30, 2022		
				Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	1,007,755		29.7260		29,956,525
JPY		394,881		0.2177		85,966
EUR		6,677		31.0393		207,249
HKD		2,173		3.8110		8,281
CNY		10,510		4.4291		46,550
<u>Non-monetary items</u>						
USD		129,052		29.7260		3,836,200
CNY		70,140		4.4291		310,657
IDR		120,758,054		0.0021		253,592
VND		6,051,764,163		0.0013		7,867,293

(Continued)

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

	June 30, 2022		
	Foreign Currency	Exchange Rate	TWD
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	\$ 187,995	29.7260	5,588,339
JPY	2,270,155	0.2177	494,213
EUR	5,354	31.0393	166,184
CNY	217	4.4291	961

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 six months ended June 30, 2023 and 2022 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR, HKD and CNY as of June 30, 2023 and 2022 were as follows:

	For the six months ended June 30	
	2023	2022
Appreciation in value of 1%	\$ (197,068)	(240,538)
Depreciation in value of 1%	197,068	240,538

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 six months ended June 30, 2023 and 2022, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain \$282,235 and gain \$2,422,039, respectively.

(Continued)

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

(iii) Other market price risks

For the six months ended June 30, 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 six months ended June 30	
	2023	2022
	Other comprehensive income after tax	Other comprehensive income after tax
Increasing 1%	\$ 349,494	424,819
Decreasing 1%	\$ (349,494)	(424,819)

(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:

	June 30, 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	\$ 2,389,697	-	1,619,218	770,479	2,389,697
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 34,949,395	34,949,395	-	-	34,949,395
Unquoted equity instruments	15,550,861	-	-	15,550,861	15,550,861
Subtotal	\$ 50,500,256	34,949,395	-	15,550,861	50,500,256
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 89,360,706	-	-	-	-
Notes and accounts receivable (including related parties)	39,882,255	-	-	-	-
Other receivables (including related parties)	12,448,687	-	-	-	-
Subtotal	\$ 141,691,648	-	-	-	-

(Continued)

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

		June 30, 2023			
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowings	\$ 34,549,400	-	-	-	-
Lease liabilities	408,328	-	-	-	-
Short-term notes and bills payable	46,147,736	-	-	-	-
Notes and accounts payable (including related parties)	18,835,876	-	-	-	-
Bonds payable	61,679,469	-	-	-	-
Long-term borrowings	35,551,876	-	-	-	-
Subtotal	<u>\$ 197,172,685</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

	June 30, 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>2,203,844</u>	-	<u>1,489,609</u>	<u>714,235</u>	<u>2,203,844</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 42,481,869	42,481,869	-	-	42,481,869
Unquoted equity instruments	<u>23,496,181</u>	-	-	<u>23,496,181</u>	<u>23,496,181</u>
Subtotal	<u>\$ 65,978,050</u>	<u>42,481,869</u>	<u>-</u>	<u>23,496,181</u>	<u>65,978,050</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 76,087,618	-	-	-	-
Notes and accounts receivable (including related parties)	57,363,034	-	-	-	-
Other receivables (including related parties)	<u>27,330,597</u>	-	-	-	-
Subtotal	<u>\$ 160,781,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 14,304,834	-	-	-	-
Lease liabilities	266,005	-	-	-	-
Short-term notes and bills payable	16,840,953	-	-	-	-
Notes and accounts payable (including related parties)	24,230,880	-	-	-	-
Bonds payable	73,288,315	-	-	-	-
Long-term borrowings	<u>24,129,059</u>	-	-	-	-
Subtotal	<u>\$ 153,060,046</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.

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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 six months ended June 30, 2023 and 2022.

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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	-	(557,109)
Effect of exchange rate changes	10,567	1,119
Balance at June 30, 2023	<u>\$ 770,479</u>	<u>15,550,861</u>
Balance at January 1, 2022	\$ 665,316	25,829,225
Total gains and losses recognized:		
In other comprehensive income	-	(2,338,370)
Effect of exchange rate changes	48,919	5,326
Balance at June 30, 2022	<u>\$ 714,235</u>	<u>23,496,181</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

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

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

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

	Input	Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
June 30, 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>\$ 116,611</u>	<u>(116,611)</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>
June 30, 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>\$ 424,819</u>	<u>(424,819)</u>

- (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.

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

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the 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	(4,225,597)	10,750,000	(622,700)	(2,650,000)	(73,760)	3,177,943
Non-cash changes	-	(51,625)	17,390	7,977	68,695	42,437
Influence due to fluctuation of exchange rate	(3)	-	331,624	-	2,927	334,548
Balance as of June 30, 2023	<u>\$ 34,549,400</u>	<u>46,147,736</u>	<u>35,551,876</u>	<u>61,679,469</u>	<u>408,328</u>	<u>178,336,809</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	(9,163,549)	(150,000)	(2,158,806)	(1,800,000)	(52,002)	(13,324,357)
Non-cash changes	-	(6,112)	15,947	9,200	290	19,325
Influence due to fluctuation of exchange rate	32,114	-	1,662,459	-	12,652	1,707,225
Balance as of June 30, 2022	<u>\$ 14,304,834</u>	<u>16,840,953</u>	<u>24,129,059</u>	<u>73,288,315</u>	<u>266,005</u>	<u>128,829,166</u>

(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.

Name of related party	Relationship with the Consolidated Company
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

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

(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		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Associates and joint ventures	\$ 1,069,362	1,372,500	1,819,867	2,558,311
Other related parties	2,360,477	4,361,608	5,757,323	9,210,831
	\$ 3,429,839	5,734,108	7,577,190	11,769,142

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

The receivables from related parties were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Associates and joint ventures	\$ 533,317	500,238	576,252
Other related parties	<u>675,592</u>	<u>1,031,411</u>	<u>1,425,238</u>
	<u>\$ 1,208,909</u>	<u>1,531,649</u>	<u>2,001,490</u>

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.

(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 June 30		For the six months ended June 30	
	2023	2022	2023	2022
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 4,109,144	8,106,226	9,699,708	19,781,232
Other associates and joint ventures	29,223	187,545	40,812	342,467
Other related parties				
Formosa Chemicals and Fiber Corporation	6,512,682	9,168,647	12,363,190	16,136,828
Other related parties	<u>4,571,471</u>	<u>7,687,429</u>	<u>9,316,875</u>	<u>15,288,876</u>
	<u>\$ 15,222,520</u>	<u>25,149,847</u>	<u>31,420,585</u>	<u>51,549,403</u>

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

The payables to related parties were as follows:

	<u>June 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ 1,266,223	1,671,418	2,706,278
Other associates and joint ventures	-	10,958	73,870
Other related parties			
Formosa Chemicals and Fiber Corporation	2,076,699	2,053,415	3,521,050
Other related parties	<u>1,596,734</u>	<u>1,773,745</u>	<u>2,919,562</u>
	<u>\$ 4,939,656</u>	<u>5,509,536</u>	<u>9,220,760</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:

	<u>For the three months ended June 30, 2023</u>			<u>For the three months ended June 30, 2022</u>		
	<u>Unrealized sales profit at beginning of period</u>	<u>(Realized) Unrealized sales profits</u>	<u>Unrealized sales profit at end of period</u>	<u>Unrealized sales profit at beginning of period</u>	<u>(Realized) Unrealized sales profits</u>	<u>Unrealized sales profit at end of period</u>
<u>Investee</u>						
Associates and joint ventures	<u>\$ 48,206</u>	<u>(11,950)</u>	<u>36,256</u>	<u>58,958</u>	<u>(23,863)</u>	<u>35,095</u>

	<u>For the six months ended June 30, 2023</u>			<u>For the six months ended June 30, 2022</u>		
	<u>Unrealized sales profit at beginning of period</u>	<u>(Realized) Unrealized sales profits</u>	<u>Unrealized sales profit at end of period</u>	<u>Unrealized sales profit at beginning of period</u>	<u>(Realized) Unrealized sales profits</u>	<u>Unrealized sales profit at end of period</u>
<u>Investee</u>						
Associates and joint ventures	<u>\$ 37,814</u>	<u>(1,558)</u>	<u>36,256</u>	<u>39,478</u>	<u>(4,383)</u>	<u>35,095</u>

(iv) Construction

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Associates and joint ventures				
Formosa Heavy Industries Corporation	<u>\$ 74,738</u>	<u>51,531</u>	<u>218,309</u>	<u>197,969</u>

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

The payables to related parties were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Formosa Heavy Industries Corporation	<u>\$ 34,432</u>	<u>137</u>	<u>267</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 June 30		For the six months ended June 30	
	2023	2022	2023	2022
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 1,334,665	1,406,899	3,166,939	3,283,874
Other related parties				
Other related parties	<u>30,416</u>	<u>27,067</u>	<u>59,610</u>	<u>51,057</u>
	<u>\$ 1,365,081</u>	<u>1,433,966</u>	<u>3,226,549</u>	<u>3,334,931</u>

The payables to related parties were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Associates and joint ventures			
Formosa Petrochemical Corporation	<u>\$ 26,684</u>	<u>172,623</u>	<u>18,798</u>

(vi) Loans to related parties

The loans to related parties were as follows:

	Other receivables from related parties		
	June 30, 2023	December 31, 2022	June 30, 2022
Associates and joint ventures			
Other associates and joint ventures	\$ 865,490	176,405	176,870
Other related parties			
Formosa Plastics Marine Corporation	1,135,076	2,434,604	2,276,821
Other related parties	<u>73,254</u>	<u>74,952</u>	<u>75,295</u>
	<u>\$ 2,073,820</u>	<u>2,685,961</u>	<u>2,528,986</u>

(Continued)

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

(vii) Property transaction

1) Acquisitions of financial assets

	<u>Financial Statement Account</u>	<u>Transaction Shares (in thousands)</u>	<u>Transaction Items</u>	<u>For the three months ended June 30, 2022</u>
Associate - Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	100,000	Shares of stock of Formosa Smart Energy Tech Corporation	\$ <u>1,000,000</u>
	<u>Financial Statement Account</u>	<u>Transaction Shares (in thousands)</u>	<u>Transaction Items</u>	<u>For the six months ended June 30, 2022</u>
Associate - Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	100,000	Shares of stock of Formosa Smart Energy Tech Corporation	\$ <u>1,000,000</u>

2) Acquisition of property, plant, and equipment

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Associates and joint ventures	\$ 157,550	-	157,550	-
Other related parties	33,954	-	50,885	5,683
	<u>\$ 191,504</u>	<u>-</u>	<u>208,435</u>	<u>5,683</u>

For the six months ended June 30, 2023 and 2022, the Consolidated Company purchased property, plant and equipment, amounting to \$208,435 and \$5,683, respectively. As of June 30, 2023 and 2022, there was no outstanding balance. For further description of property, plant and equipment, please refer to note 6(h).

3) Disposals of property, plant and equipment

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

	<u>For the three months ended June 30, 2022</u>	
	<u>Disposal price</u>	<u>Gain from disposal</u>
Other related parties		
Formosa Plastics Corporation	\$ <u>801,568</u>	<u>729,986</u>

(Continued)

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

	For the six months ended June 30, 2022	
	Disposal price	Gain from disposal
Other related parties		
Formosa Plastics Corporation	\$ 801,568	729,986

(viii) Endorsements and guarantees

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

	June 30, 2023	December 31, 2022	June 30, 2022
Associates and joint ventures			
Formosa Group (Cayman) Limited	\$ 7,783,750	7,677,000	7,431,500

(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 June 30		For the six months ended June 30	
	2023	2022	2023	2022
Associates and joint ventures				
Nan Ya Technology Corporation	\$ 109,879	78,387	216,836	147,891

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 and six months ended June 30, 2023 and 2022, the Consolidated Company recognized the amount of \$2, \$5, \$5 and \$12 as interest expense, respectively. As of June 30, 2023, December 31 and June 30, 2022, the balance of lease liabilities amounted to \$437, \$1,013 and \$1,586, respectively.

(Continued)

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

The Consolidated Company rented an office building from Formosa Chemicals and Fiber Corporation. The rentals charged to related parties are determined based on the local market prices. For the three months and six months ended June 30, 2023 and 2022, the Consolidated Company recognized the amount to \$2, \$4, \$4 and \$8 as interest expense, respectively. As of June 30, 2023, December 31 and June 30, 2022, the balance of lease liabilities amounted to \$366, \$729 and \$1,090, 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 and six months ended June 30, 2023 and 2022, the Consolidated Company recognized the amount to \$203, \$214, \$408 and \$431 as interest expense, respectively. As of June 30, 2023, December 31 and June 30, 2022, the balance of lease liabilities amounted to \$56,761, \$58,393 and \$60,014, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended		For the six months ended	
	June 30		June 30	
	2023	2022	2023	2022
Short-term employee benefits	\$ 46,965	41,779	93,444	81,474

(8) **Pledged assets:**

The carrying values of pledged assets were as follows:

Pledged assets	Object	Usage	June 30, 2023	December 31, 2022	June 30, 2022
Current Financial asset at fair value through other comprehensive income – stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	\$ 1,091,475	1,105,485	1,381,856
Building and Plant	Bank loans	Bank loans	38,755,313	39,364,469	38,863,680
Total			\$ 39,846,788	40,469,954	40,245,536

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

	June 30, 2023	December 31, 2022	June 30, 2022
(a) Outstanding standby letter of credit	\$ 1,747,315	1,776,989	903,819
(b) Endorsements and guarantees	7,783,750	7,677,000	7,431,500
(c) Bonding guarantees by banks	54,100	52,000	39,000
(d) Letters of credit guarantees by banks	52,000	52,000	42,000

(Continued)

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

- (e) Formosa Ha Tinh (Cayman) Ltd. (the Company's investee) and Formosa Ha Tinh Steel Corporation (a subsidiary of Formosa Ha Tinh (Cayman) Ltd.), each separately signed a syndicated line of credit with a group of financial institutions amounting to USD 4,998,500 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) Nan Ya Plastics Corporation America (the Company's subsidiary) and Nan Ya Plastics Corporation Texas (a subsidiary of Nan Ya Plastics Corporation America), signed a syndicated line of credit with a group of financial institutions amounting to USD 1,000,000 thousand for their investment and expansion needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its direct and indirect ownership of 100.00% and commit to monitor the operations of both companies to ensure they fulfill their financial obligations.
- (g) Formosa Industries Corporation, a Company's investee, signed a syndicated line of credit with a group of financial institutions amounting to USD 450,000 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.
- (h) Formosa Steel IB Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with a group of financial institutions amounting to USD 300,000 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.
- (i) Formosa Resources Corporation, a Company's investee company, signed a syndicated line of credit with various banks amounting to USD 430,000 thousand for its operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% direct shareholding in Formosa Resources Corporation, and commit to monitor the operations of Formosa Resources Corporation to ensure that it completes its financial obligation.
- (j) Formosa Resources Australia Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with various banks amounting to USD 550,000 thousand, for their operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% indirect shareholding in Formosa Resources Australia Pty Ltd., and commit to monitor the operations of Formosa Resources Australia Pty Ltd. to ensure that it completes its financial obligation.

(Continued)

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

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

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

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

- (i) The Supreme Court 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.

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

On June 29, 2018, DBTEL 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

(Continued)

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

(11) Subsequent Events:

To expand its investment in mineral resources and to meet future operating needs, Formosa Resources Corp., one of the Company's investees, decide to increase its capital by cash amounting to USD 100,000 thousand, wherein the Company planned to participate by the amount of USD 25,000 thousand based on its 25% direct ownership.

(12) Other:

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

by function	For the three months ended June 30,							
	2023				2022			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	5,833,652	1,515,303	-	7,348,955	6,762,655	1,574,292	-	8,336,947
Labor and health insurance	602,003	106,490	-	708,493	596,613	100,248	-	696,861
Pension expenses	405,904	92,633	-	498,537	426,897	90,599	-	517,496
Remuneration of directors	-	10,070	-	10,070	-	9,640	-	9,640
Others personnel expenses	363,557	71,668	-	435,225	380,139	66,196	-	446,335
Depreciation expenses	5,177,305	237,137	11,271	5,425,713	4,695,706	172,166	3,686	4,871,558
Amortization expenses	123,264	104,088	-	227,352	186,695	63,855	-	250,550

by function	For the six months ended June 30,							
	2023				2022			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	11,976,565	3,106,366	-	15,082,931	13,200,025	3,272,660	-	16,472,685
Labor and health insurance	1,213,774	213,444	-	1,427,218	1,188,815	201,666	-	1,390,481
Pension expenses	815,569	187,512	-	1,003,081	842,612	176,756	-	1,019,368
Remuneration of directors	-	19,795	-	19,795	-	18,767	-	18,767
Others personnel expenses	733,032	138,373	-	871,405	754,436	136,196	-	890,632
Depreciation	10,080,714	414,290	14,735	10,509,739	9,367,515	341,590	7,460	9,716,565
Amortization	424,150	130,181	-	554,331	491,257	127,854	-	619,111

(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

(Continued)

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

- (v) Information regarding acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None
 - (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 June 30, 2023						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 9,599,049	13,637,859	27,784,018	11,377,305	1,339,964	-	63,738,195
Net revenue from sales among intersegments	239,643	1,313,913	3,957,048	360,682	852,103	(6,723,389)	-
Total revenue	<u>\$ 9,838,692</u>	<u>14,951,772</u>	<u>31,741,066</u>	<u>11,737,987</u>	<u>2,192,067</u>	<u>(6,723,389)</u>	<u>63,738,195</u>
Reportable segment profit or loss	<u>\$ 633,925</u>	<u>(1,421,512)</u>	<u>1,747,677</u>	<u>18,388</u>	<u>2,080,357</u>	<u>(1,145,506)</u>	<u>1,913,329</u>
	For the three months ended June 30, 2022						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 11,513,830	23,965,206	39,494,429	18,505,063	1,253,591	-	94,732,119
Net revenue from sales among intersegments	444,727	1,180,303	5,721,428	396,219	1,823,571	(9,566,248)	-
Total revenue	<u>\$ 11,958,557</u>	<u>25,145,509</u>	<u>45,215,857</u>	<u>18,901,282</u>	<u>3,077,162</u>	<u>(9,566,248)</u>	<u>94,732,119</u>
Reportable segment profit or loss	<u>\$ 679,617</u>	<u>1,740,612</u>	<u>8,064,911</u>	<u>1,984,873</u>	<u>11,521,846</u>	<u>(5,287,010)</u>	<u>18,704,849</u>
	For the six months ended June 30, 2023						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 18,779,826	26,838,268	58,531,339	22,733,584	2,628,954	-	129,511,971
Net revenue from sales among intersegments	492,702	3,586,039	7,114,596	743,523	1,722,097	(13,658,957)	-
Total revenue	<u>\$ 19,272,528</u>	<u>30,424,307</u>	<u>65,645,935</u>	<u>23,477,107</u>	<u>4,351,051</u>	<u>(13,658,957)</u>	<u>129,511,971</u>
Reportable segment profit or loss	<u>\$ 1,159,410</u>	<u>(3,418,377)</u>	<u>5,279,304</u>	<u>(483,266)</u>	<u>3,622,519</u>	<u>(2,353,503)</u>	<u>3,806,087</u>
	For the six months ended June 30, 2022						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :							
Net revenue from external customers	\$ 22,661,916	53,327,895	83,031,051	35,494,255	2,309,041	-	196,824,158
Net revenue from sales among intersegments	806,639	2,982,882	12,161,082	834,744	3,661,372	(20,446,719)	-
Total revenue	<u>\$ 23,468,555</u>	<u>56,310,777</u>	<u>95,192,133</u>	<u>36,328,999</u>	<u>5,970,413</u>	<u>(20,446,719)</u>	<u>196,824,158</u>
Reportable segment profit or loss	<u>\$ 1,320,803</u>	<u>4,982,494</u>	<u>17,309,662</u>	<u>3,757,317</u>	<u>22,391,261</u>	<u>(10,999,736)</u>	<u>38,761,801</u>
Reportable segment assets							
June 30, 2023	<u>\$ 38,986,930</u>	<u>97,009,064</u>	<u>207,178,050</u>	<u>33,841,103</u>	<u>496,651,747</u>	<u>(213,272,741)</u>	<u>660,394,153</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>
June 30, 2022	<u>\$ 39,320,894</u>	<u>105,674,822</u>	<u>208,578,271</u>	<u>34,710,172</u>	<u>513,489,607</u>	<u>(208,077,732)</u>	<u>693,696,034</u>
Reportable segment liabilities							
June 30, 2023	<u>\$ 9,183,021</u>	<u>54,129,741</u>	<u>57,643,636</u>	<u>10,086,678</u>	<u>173,537,336</u>	<u>(12,365,373)</u>	<u>292,215,039</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>
June 30, 2022	<u>\$ 9,977,634</u>	<u>53,613,271</u>	<u>59,763,405</u>	<u>12,424,266</u>	<u>163,256,931</u>	<u>(7,620,667)</u>	<u>291,414,840</u>

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE SIX MONTHS ENDED JUNE 30, 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	-	-	-	87,980,447	175,960,895
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	87,980,447	175,960,895
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	-	-	-	87,980,447	175,960,895
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	-	-	-	87,980,447	175,960,895
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	7,600,000	6,400,000	700,000	1.993073%-1.993073%	2	-	Operating capital	-	-	-	87,980,447	175,960,895
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	8,500,000	7,000,000	-	-	2	-	Operating capital	-	-	-	87,980,447	175,960,895
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	8,500,000	7,000,000	-	-	2	-	Operating capital	-	-	-	87,980,447	175,960,895
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	8,500,000	7,000,000	-	-	2	-	Operating capital	-	-	-	87,980,447	175,960,895
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	2,969,353	1,175,076	1,135,076	1.863869%-1.993073%	2	-	Operating capital	-	-	-	87,980,447	175,960,895
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	11,208,600	11,208,600	11,208,600	5.392%-6.420%	2	-	Operating capital	-	-	-	22,967,146	45,934,293
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	934,050	934,050	6,680	5.392%-6.420%	2	-	Operating capital	-	-	-	22,967,146	45,934,293
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	-	-	-	11,385,620	22,771,240
3	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,723,616	1,723,616	1,723,616	0.7004%	2	-	Operating capital	-	-	-	54,594,016	109,188,032
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	60,000	1.863869%-1.993073%	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	15,000	1.863869%-1.993073%	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	616,193	473,994	473,994	2.92%-2.92%	2	-	Operating capital	-	-	-	1,097,467	2,194,934
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	947,989	818,718	818,718	2.92%-2.96%	2	-	Operating capital	-	-	-	1,787,842	3,575,685
7	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	146,507	73,254	73,254	2.92%-2.96%	2	-	Operating capital	-	-	-	269,174	538,347
7	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	99,108	99,108	90,490	2.96%-2.96%	2	-	Operating capital	-	-	-	269,174	538,347
8	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	560,175	327,487	327,487	2.92%-2.96%	2	-	Operating capital	-	-	-	5,391,576	10,783,152
9	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	170,207	170,207	170,207	2.92%-2.92%	2	-	Operating capital	-	-	-	173,133	346,267
10	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	46,107	46,107	46,107	2.92%-2.96%	2	-	Operating capital	-	-	-	49,562	99,123
11	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,154,520	1,292,712	366,268	2.92%-2.96%	2	-	Operating capital	-	-	-	30,940,673	61,881,345
11	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	9,178,255	3,619,594	3,619,594	2.89%-3.04%	2	-	Operating capital	-	-	-	30,940,673	61,881,345
12	Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,156,977	1,025,552	1,025,552	2.92%-2.96%	2	-	Operating capital	-	-	-	6,506,512	13,013,205

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 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 June 30, 2023 (in average) is 31.135(30.562) : 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 June 30, 2023 (in average) is 3.9917(3.9182) : 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 SIX MONTHS ENDED JUNE 30, 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	Ending Balance of Guarantees and Endorsements	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	228,749,163	7,783,750	7,783,750	7,783,750	-	2.21%	457,498,326	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)

JUNE 30, 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	Ending balance				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	1,619,218	-	1,619,218	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI – current	294,793	25,263,769	4.63%	25,263,769	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI – current	140,520	9,428,869	2.40%	9,428,869	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI – non current	3	3,692,150	19.00%	3,692,150	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI – non current	2	655,817	0.51%	655,817	
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	154,832	18.00%	154,832	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI – non current	19,769	261,110	18.00%	261,110	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI – non current	39,562	1,144,234	17.98%	1,144,234	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI – non current	2,429	458,429	15.00%	458,429	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI – non current	63,717	2,269,693	14.99%	2,269,693	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI – non current	2,925	246,077	12.50%	246,077	
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	48,547	1.04%	48,547	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI – non current	1,287	15,206	0.80%	15,206	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	Ending balance				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	42,805	0.79%	42,805	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI— non current	3,750	27,525	3.91%	27,525	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI— non current	2,075	17,069	1.97%	17,069	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI— non current	621,178	5,995,519	11.43%	5,995,519	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI— current	2,996	256,757	0.05%	256,757	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL— non current	-	451,159	-	451,159	
Nan Ya Plastics Corporation America	American Overseas Reinsurance Co., Ltd. (Preferred Stock)	-	Financial assets valued at FVTPL— non current	-	101,623	-	101,623	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL— non current	-	217,697	-	217,697	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI— non current	-	269,306	15.00%	269,306	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI— non current	-	252,542	15.00%	252,542	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$1,091,475.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RELATED-PARTY TRANSACTIONS FOR PURCHASES AND SALES WITH AMOUNTS EXCEEDING THE LOWER OF TWD 100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE SIX MONTHS ENDED JUNE 30, 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)	(1,119,625)	(1.86)%	30 days	-	-	153,508	1.13%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(3,178,727)	(5.27)%	30 days	-	-	483,446	3.54%	
The Company	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(957,511)	(1.59)%	30 days	-	-	159,034	1.17%	Note
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(841,687)	(1.40)%	30 days	-	-	145,513	1.07%	
The Company	Nanya Technology Corporation	Associates	(Sales)	(108,714)	(0.18)%	30 days	-	-	16,933	0.12%	
The Company	Formosa Taffeta Co., Ltd.	Other related parties	(Sales)	(239,221)	(0.40)%	30 days	-	-	31,067	0.23%	
The Company	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(389,924)	(0.65)%	O/A105 days	-	-	422,818	3.10%	Note
The Company	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(450,227)	(0.75)%	O/A105 days	-	-	258,141	1.89%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(879,597)	(1.46)%	O/A180 days	-	-	391,149	2.87%	Note
The Company	Nan Ya Plastics (Nantong) Co., Ltd.	Subsidiaries	(Sales)	(110,881)	(0.18)%	O/A150 days	-	-	49,159	0.36%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(796,569)	(1.32)%	O/A150 days	-	-	308,546	2.26%	Note
The Company	Formosa Industries Corporation	Associates	(Sales)	(308,551)	(0.51)%	O/A150 days	-	-	133,095	0.98%	
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	(Sales)	(511,097)	(0.85)%	O/A150 days	-	-	69,397	0.51%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	(Sales)	(111,377)	(0.18)%	30 days	-	-	-	-	Note
The Company	Formosa Plastics Corporation	Other related parties	Purchases	4,806,320	11.49%	30 days	-	-	(771,204)	(7.77)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	12,162,572	29.07%	30 days	-	-	(2,023,463)	(20.39)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	8,627,245	20.62%	30 days	-	-	(1,266,068)	(12.76)%	
The Company	PFG Fiber Glass Corporation	Subsidiaries	Purchases	996,261	2.38%	30 days	-	-	(177,293)	(1.79)%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	Purchases	846,424	2.02%	30 days	-	-	(34,444)	(0.35)%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	236,076	0.56%	O/A150 days	-	-	(131,341)	(1.32)%	Note
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	Purchases	220,864	0.53%	O/A150 days	-	-	(72,941)	(0.73)%	Note
Nan Ya PCB Corporation	The Company	Parent	Purchases	957,511	20.44%	30 days	-	-	(159,034)	(5.32)%	Note
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	Purchases	1,844,143	39.36%	30 days	-	-	(349,346)	(11.68)%	Note
Nan Ya PCB Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(103,923)	(0.67)%	70 days	-	-	38,327	0.68%	
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(1,844,143)	(20.42)%	30 days	-	-	349,346	10.54%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Same chairman	Purchases	375,022	10.22%	60 days	-	-	(82,793)	(4.75)%	Note
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(232,057)	(2.57)%	70 days	-	-	42,590	1.29%	
Nan Chung Petrochemical Corporation	The Company	Parent	(Sales)	(846,424)	(52.08)%	30 days	-	-	34,444	100.00%	Note
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	(Sales)	(778,593)	(47.91)%	15th day of next month	-	-	-	-	
Nan Chung Petrochemical Corporation	Formosa Petrochemical Corporation	Associates	Purchases	1,071,840	53.79%	15th day of next month	-	-	(95)	(14.67)%	
Nan Chung Petrochemical Corporation	The Company	Parent	Purchases	111,377	5.59%	30 days	-	-	-	-	Note
PFG Fiber Glass Corporation	The Company	Parent	(Sales)	(996,261)	(71.28)%	30 days	-	-	177,293	71.31%	Note
PFG Fiber Glass Corporation	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	186,191	38.96%	30 days	-	-	(38,620)	(13.97)%	
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	337,305	21.42%	payment within one month	-	-	(63,354)	(11.26)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent	Purchases	389,924	24.76%	O/A 105 days	-	-	(422,818)	(75.17)%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(271,584)	(1.85)%	payment within one month	-	-	-	-	
Nan Ya Plastics Corporation America	The Company	Parent	Purchases	450,227	3.36%	O/A105 days	-	-	(258,141)	(22.62)%	Note

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	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(912,605)	(64.87)%	60 days	-	-	174,812	45.31%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(192,592)	(13.69)%	60 days	-	-	131,633	34.12%	Note
Nan Ya Plastics (Guangzhou) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	226,459	29.98%	60 days	-	-	(83,859)	(56.42)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent	Purchases	879,597	20.04%	O/A180 days	-	-	(391,149)	(16.06)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	192,592	4.39%	60 days	-	-	(131,633)	(5.40)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	2,601,485	59.28%	180 days	-	-	(1,834,164)	(75.30)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	The Company	Parent	Purchases	110,881	7.28%	O/A150 days	-	-	(49,159)	(11.81)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	359,498	23.59%	60 days	-	-	(84,737)	(20.36)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(1,947,732)	(37.93)%	60 days	-	-	45,970	16.05%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	3,190,517	70.85%	60 days	-	-	(486,408)	(61.45)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Parent	Purchases	511,097	11.35%	O/A150 days	-	-	(69,397)	(8.77)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(236,076)	(1.16)%	O/A150 days	-	-	131,341	1.15%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(2,601,485)	(12.78)%	180 days	-	-	1,834,164	16.09%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Same chairman	(Sales)	(375,022)	(1.84)%	60 days	-	-	82,793	0.73%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(191,758)	(0.94)%	60 days	-	-	28,596	0.25%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	Purchases	796,569	4.61%	O/A150 days	-	-	(308,546)	(14.87)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	912,605	5.28%	60 days	-	-	(174,812)	(8.42)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	Purchases	1,947,732	11.27%	60 days	-	-	(45,970)	(2.22)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co.,	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	191,758	27.89%	60 days	-	-	(28,596)	(25.15)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co.,	The Company	Parent	(Sales)	(220,864)	(21.39)%	O/A150 days	-	-	72,941	48.56%	Note

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RECEIVABLES FROM RELATED-PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF TWD 100 MILLION OR 20% OF THE CAPITAL STOCK
JUNE 30, 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 :	153,508	18.78	-	-	111,031	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	483,446	13.47	-	-	483,446	-
The Company	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	159,034	10.39	-	-	159,034	-
The Company	Formosa Petrochemical Corporation	Associates	Receivables from related parties :	145,513	9.28	-	-	116,227	-
The Company	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Receivables from related parties :	422,818	1.77	-	-	47,451	-
The Company	Nan Ya Plastics Corporation America(Note 1)	Subsidiaries	Receivables from related parties :	258,141	5.76	-	-	95,658	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	391,149	3.51	-	-	173,261	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	308,546	4.39	-	-	39	-
The Company	Formosa Industries Corporation	Associates	Receivables from related parties :	133,095	5.15	-	-	53,584	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	349,346	10.20	-	-	349,346	-
PFG Fiber Glass Corporation	The Company(Note 1)	Parent	Receivables from related parties :	177,293	11.83	-	-	177,293	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	174,812	9.75	-	-	174,812	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	131,633	2.83	-	-	40,366	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company(Note 1)	Parent	Receivables from related parties :	131,341	2.56	-	-	20,049	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	1,834,164	3.00	-	-	389,611	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	1,135,076	note	-	-	-	-
The Company	Formosa Heavy Industries Corporation	Associates	Other receivables from related parties :	700,000	note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas(Note 1)	Subsidiaries	Other receivables from related parties :	11,208,600	note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,723,616	note	-	-	-	-
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	818,718	note	-	-	-	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,025,552	note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	473,994	note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	366,268	note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	3,619,594	note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	327,487	note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	170,207	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 SIX MONTHS ENDED JUNE 30, 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	961,709	30-150 days	0.74%
0	The Company	Nan Chung Petrochemical Corporation	1	Sales	111,377	30 days	0.09%
0	The Company	PFG Fiber Glass Corporation	1	Sales	19,675	30 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Sales	389,924	O/A 105 days	0.30%
0	The Company	Nan Ya Plastics Corporation America	1	Sales	450,227	O/A 105 days	0.35%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Sales	2,440,726	O/A 150-180 days	1.88%
0	The Company	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	1	Sales	7,457	O/A 150 days	0.01%
1	Nan Chung Petrochemical Corporation	The Company	2	Sales	846,424	30 days	0.65%
2	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	64,809	30 days	0.05%
3	PFG Fiber Glass Corporation	The Company	2	Sales	996,261	30 days	0.77%
3	PFG Fiber Glass Corporation	PFG Fiber Glass (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	30,298	30 days	0.02%
4	Nan Ya Plastics Corporation U.S.A.	The Company	2	Sales	11,197	O/A 105 days	0.01%
5	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	3	Sales	39,405	payment within one month	0.03%
5	Nan Ya Plastics Corporation America	The Company	2	Sales	22,286	O/A 105 days	0.02%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Sales	473,144	O/A 150-180 days	0.37%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	600,438	60 days	0.46%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	3	Sales	76,798	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	1,127,725	60 days	0.87%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Accounts receivable	161,314	30-150 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Accounts receivable	422,818	O/A 105 days	0.06%
0	The Company	Nan Ya Plastics Corporation America	1	Accounts receivable	258,141	O/A 105 days	0.04%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Accounts receivable	895,357	O/A 150-180 days	0.14%
1	Nan Chung Petrochemical Corporation	The Company	2	Accounts receivable	34,444	30 days	0.01%
3	PFG Fiber Glass Corporation	The Company	2	Accounts receivable	177,293	30 days	0.03%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Accounts receivable	215,719	O/A 150-180 days	0.03%

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Accounts receivable	127,104	60 days	0.02%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Accounts receivable	309,359	60 days	0.05%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Rent revenue	147,890	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 INVESTEEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 7

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of June 30, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				June 30, 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%	3,006,194	91,326	91,326	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%	45,934,293	(1,041,416)	(1,041,416)	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%	109,139,919	1,071,217	1,071,217	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%	935,475	54,959	54,959	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%	1,788,259	(248,861)	(82,954)	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%	8,299,859	(188,063)	(198,082)	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%	6,017,602	(1,439,940)	(611,974)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	30,497,327	3,897,781	2,614,336	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	26,959	26,959	10	100.00%	1,166	(25)	(25)	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.29%	50,557,820	(2,455,561)	(719,143)	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	258,760	6,238	1,683	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	72,421,426	3,277,913	757,323	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	3,352,559	(213,434)	(300,036)	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	1,047,294	(60,233)	(29,698)	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	260,053	(915)	(869)	Note 3.4
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	369,768	126,835	57,078	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	19,603	(54)	(24)	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	6,958,377	(859,243)	(282,783)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	33,340	33,340	4,699	33.34%	17,678	(20,580)	(6,861)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,275,863	70,906	23,636	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of June 30, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				June 30, 2023	December 31, 2022	Shares (in thousands)	%	Carrying Value			
The Company	Hwa Ya Technology Park Management Consulting Corporation	Taiwan	service business	359	359	34	34.00%	4,307	122	41	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	20,004	(27)	(8)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	764,193	24.94%	11,108,695	5,028,730	1,254,258	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	761,820	761,820	10,609	23.02%	263,815	43,186	9,941	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	8,300,471	8,300,471	830,047	25.00%	7,624,709	(905,670)	(226,418)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	809,404	124,761	31,190	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	600,000	600,000	60,000	33.33%	563,633	863	288	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,117,738	(30,403)	(3,040)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	1,000,000	1,000,000	100,000	25.00%	999,824	(3,974)	(994)	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	249,080	249,080	-	12.10%	2,582,930	119,224	13,666	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	15,256,150	15,256,150	3	100.00%	4,371,800	(1,967,211)	(1,967,211)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,141,310	2,141,310	-	21.00%	3,715,025	1,401,180	294,248	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%	23,105,824	1,513,277	1,513,277	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%	19,808	1,244	1,244	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%	486,969	462,501	14,078	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%	23,091,532	1,513,105	1,513,105	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	138,037	(1,495)	(1,495)	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	126,002	126,002	5	50.00%	295,449	79,429	39,714	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 June 30, 2023 (in average) is 31.135(30.562) : 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 June 30, 2023 (in average) is 3.9917(3.9182) : 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 June 30, 2023 (in average) is 0.001320679(0.001298797) : 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 SIX MONTHS ENDED June 30, 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 June 30, 2023		Investment Transferred from Taiwan as of June 30, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of June 30, 2023	Accumulated Inward Remittance of Earnings as of June 30, 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	(42,095)	100.00%	(42,095)	1,764,242	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.(Note1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	61,302	85.00%	52,107	963,601	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.(Note1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	43,711	100.00%	43,711	3,419,864	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	375,045	100.00%	375,045	15,291,879	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	205	100.00%	205	59,304	-
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	30,299	100.00%	30,299	10,203,001	103,612
China Nantong Huafeng Co., Ltd.(Note1)	trading	93,004	Indirect investment	99,636	-	-	99,636	1,409	100.00%	1,409	347,644	-
Nantong Huafu Plastics Co., Ltd.(Note1)	trading	79,111	Indirect investment	71,503	-	-	71,503	560	100.00%	560	99,670	-
Nan Ya Electric (Nantong) Co.,Ltd.(Note1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	54,522	100.00%	54,522	1,089,998	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	2,933	50.00%	1,466	221,134	-
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	817,617	100.00%	817,617	61,063,244	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	(326,660)	100.00%	(326,660)	(1,444,743)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	6,267	50.00%	3,134	66,581	-
Nan Ya Plastics (Ningbo) Co., Ltd.(Note1)	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	100,913	100.00%	100,913	13,064,030	-
PFG Fiber Glass (Kunshan) Co., Ltd.(Note1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	(188,379)	100.00%	(188,379)	8,432,979	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 June 30, 2023		Investment Transferred from Taiwan as of June 30, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of June 30, 2023	Accumulated Inward Remittance of Earnings as of June 30, 2023
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	0	269,306	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	0	252,542	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(248,861)	33.33%	(82,954)	1,788,259	-

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

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

(b) Quota for investments in Mainland China :

Accumulative Remittance from Taiwan to Mainland China as of June 30, 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 June 30, 2023 (in average) is 1 : 1.0795(1.1261), and translated to TWD using the exchange rate as of June 30, 2023 (in average) is 1 : 3.9917(3.9182).

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 June 30, 2023, please refer to the attachment of note 13 for "Information on material transaction items".