

**NAN YA PLASTICS CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 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 September 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine 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 \$97,183,003 thousand and \$100,204,047 thousand, constituting 14.75% and 14.71% of the consolidated total assets; and the total liabilities amounting to \$40,156,111 thousand and \$42,191,102 thousand, constituting 14.52% and 15.10% of the consolidated total liabilities as of September 30, 2023 and 2022, respectively; as well as the total comprehensive income (loss) amounting to \$1,089,460 thousand, \$2,446,118 thousand, \$519,299 thousand and \$6,537,549 thousand, constituting 7.88%, (454.48)%, 3.34% and 18.88% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 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 \$42,473,267 thousand and \$41,308,441 thousand as of September 30, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of \$534,089 thousand, \$(558,807) thousand, \$697,148 thousand and \$(1,826,107) thousand for the three months and nine months ended September 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 September 30, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 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 \$131,225,127 thousand and \$128,264,954 thousand, constituting 19.92% and 18.83% of the consolidated total assets as of September 30, 2023 and 2022, respectively; and the total operating revenues amounting to \$17,974,328 thousand, \$18,889,823 thousand, \$48,840,484 thousand and \$63,896,559 thousand, constituting 26.73%, 22.87%, 24.82% and 22.87% of the consolidated total operating revenues for the three months and nine months ended September 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 \$76,347,129 thousand and \$75,391,669 thousand, constituting 11.59% and 11.07% of the consolidated total assets as of September 30, 2023 and 2022, respectively; and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$3,963,782 thousand, \$(1,450,397) thousand, \$4,721,105 thousand and \$5,617,359 thousand, constituting 74.34%, (22.83)%, 51.66% and 12.45% of the consolidated total profit before tax for the three months and nine months ended September 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)
November 10, 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.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2023, December 31 and September 30, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 79,579,051	12	89,444,513	13	86,894,663	13	2100	Short-term borrowings (notes 6(l), (w) and (z))	\$ 38,368,627	6	38,775,000	6	40,975,235	6
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,699,861	-	1,562,720	-	1,600,384	-	2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	37,695,116	6	35,449,361	5	30,926,904	5
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w) and 8)	32,405,528	5	35,494,677	5	35,238,991	5	2170	Notes and accounts payable (note 6(w))	13,690,681	2	14,484,851	2	14,768,641	2
1150	Notes receivable, net (notes 6(d) and (w))	2,885,788	-	3,503,958	1	4,332,088	1	2180	Accounts payable to related parties (notes 6(w) and 7)	5,470,496	1	5,509,673	1	6,095,309	1
1170	Accounts receivable, net (notes 6(d) and (w))	39,639,935	6	45,547,738	7	46,727,032	7	2200	Other payables (including related parties) (note 7)	25,667,992	4	32,253,802	5	32,466,399	5
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	838,697	-	1,531,649	-	2,184,142	-	2280	Current lease liabilities (notes 6(o), (w), (z) and 7)	142,511	-	134,521	-	125,781	-
1200	Other receivables (notes 6(e) and (w))	4,884,754	1	4,511,631	1	7,897,795	1	2321	Current portion of bonds payable (notes 6(n), (w) and (z))	10,270,064	2	11,569,513	2	9,870,329	1
1210	Other receivables due from related parties (notes 6(e), (w) and 7)	1,372,977	-	2,685,961	-	2,230,342	-	2322	Current portion of long-term borrowings (notes 6(m), (w) and (z))	1,290,720	-	30,325,562	5	7,134,860	1
130X	Inventories (note 6(f))	50,635,835	8	52,985,302	8	57,108,432	9	2399	Other current liabilities	3,140,585	-	2,060,954	-	2,669,588	-
1470	Other current assets	6,595,848	1	5,945,505	1	5,807,816	1		Total current liabilities	<u>135,736,792</u>	<u>21</u>	<u>170,563,237</u>	<u>26</u>	<u>145,033,046</u>	<u>21</u>
	Total current assets	<u>220,538,274</u>	<u>33</u>	<u>243,213,654</u>	<u>36</u>	<u>250,021,685</u>	<u>37</u>		Non-Current liabilities:						
	Non-current assets:							2530	Bonds payable (notes 6(n), (w) and (z))	47,288,238	7	52,751,979	8	57,547,074	9
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	693,196	-	759,912	-	353,404	-	2540	Long-term borrowings (notes 6(m), (w) and (z))	53,223,451	8	5,500,000	1	32,234,701	5
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	17,927,651	3	16,106,851	2	20,506,518	3	2570	Deferred tax liabilities	19,236,397	3	19,198,940	3	19,250,560	3
1550	Investments accounted for using equity method (notes 6(g) and 7)	176,875,094	27	171,148,248	26	177,739,971	26	2580	Non-current lease liabilities (notes 6(o), (w), (z) and 7)	236,743	-	275,945	-	292,398	-
1600	Property, plant and equipment (notes 6(h), 7 and 8)	219,749,038	33	211,967,022	32	205,821,135	30	2640	Net defined benefit liability-non-current	12,443,438	2	14,335,802	2	16,236,192	2
1755	Right-of-use assets (notes 6(i) and 7)	984,827	-	1,024,075	-	1,047,057	-	2645	Guarantee deposits	894,688	-	811,256	-	779,446	-
1782	Intangible assets (note 6(j))	1,569,302	-	1,714,160	-	1,762,448	-	2670	Other non-current liabilities	7,533,247	1	7,777,567	1	8,083,416	1
1812	Technology development expense	12,574	-	16,111	-	17,290	-		Total non-current liabilities	<u>140,856,202</u>	<u>21</u>	<u>100,651,489</u>	<u>15</u>	<u>134,423,787</u>	<u>20</u>
1840	Deferred tax assets	4,177,287	1	3,632,469	1	3,816,504	1		Total liabilities	<u>276,592,994</u>	<u>42</u>	<u>271,214,726</u>	<u>41</u>	<u>279,456,833</u>	<u>41</u>
1915	Prepayments for purchase of equipment	3,832,886	1	4,232,262	1	9,637,288	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	12,293,073	2	11,501,392	2	10,502,919	2	3200	Capital surplus	27,734,908	4	27,692,943	4	26,690,791	4
	Total non-current assets	<u>438,114,928</u>	<u>67</u>	<u>422,102,502</u>	<u>64</u>	<u>431,204,534</u>	<u>63</u>	3300	Retained earnings	229,893,242	35	247,505,467	37	246,749,665	36
	Total assets	<u>\$ 658,653,202</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>681,226,219</u>	<u>100</u>	3400	Others	28,287,590	4	20,597,964	3	31,763,890	5
								36XX	Non-controlling interests	16,836,252	3	18,996,840	3	17,256,824	2
									Total equity	<u>382,060,208</u>	<u>58</u>	<u>394,101,430</u>	<u>59</u>	<u>401,769,386</u>	<u>59</u>
									Total liabilities and equity	<u>\$ 658,653,202</u>	<u>100</u>	<u>665,316,156</u>	<u>100</u>	<u>681,226,219</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 nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	For the three months ended September 30				For the nine months ended September 30			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(t) and 7)							
	\$ 67,251,415	100	82,588,422	100	196,763,386	100	279,412,580	100
5000	Operating costs (notes 6(f), (j), (p), (u), 7 and 12)							
	62,251,925	93	74,128,147	90	182,299,198	93	235,490,739	84
5910	Less: Unrealized profit from affiliated companies (note 7)							
	15,569	-	12,370	-	14,011	-	7,987	-
	Gross profit from operation							
	4,983,921	7	8,447,905	10	14,450,177	7	43,913,854	16
	Operating expenses (notes 6(p), (u), 7 and 12):							
6100	Selling expenses							
	2,126,899	3	2,931,293	3	6,308,458	3	10,005,311	3
6200	Administrative expenses							
	2,485,484	4	2,375,961	3	6,997,269	3	7,143,782	3
6450	Expected credit (gains) losses (note 6(d))							
	13,730	-	(41,379)	-	23,508	-	(52,923)	-
	Total operating expenses							
	4,626,113	7	5,265,875	6	13,329,235	6	17,096,170	6
	Net Operating income							
	357,808	-	3,182,030	4	1,120,942	1	26,817,684	10
	Non-operating income and expenses (notes 6(g), (o), (v) and 7):							
7010	Other income							
	919,515	1	3,376,631	4	3,863,065	2	5,902,901	2
7020	Other gains and losses							
	711,733	1	1,330,857	2	902,542	-	4,479,291	2
7050	Finance costs							
	(1,145,545)	(2)	(685,467)	(1)	(3,024,090)	(1)	(1,446,785)	(1)
7060	Shares of profit of associates and joint ventures accounted for using equity method							
	3,830,974	6	(1,339,019)	(2)	4,398,519	2	8,309,471	3
7100	Interest income							
	657,560	1	488,929	1	1,877,154	1	1,053,200	-
	Total non-operating income and expenses							
	4,974,237	7	3,171,931	4	8,017,190	4	18,298,078	6
	Profit before tax							
	5,332,045	7	6,353,961	8	9,138,132	5	45,115,762	16
7950	Less: Income tax expenses (note 6(q))							
	656,534	1	1,145,853	2	1,387,815	1	7,728,315	3
	Profit							
	4,675,511	6	5,208,108	6	7,750,317	4	37,387,447	13
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							
	(168,077)	-	(10,240,482)	(13)	(1,544,215)	(1)	(12,119,307)	(4)
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							
	378,695	1	(2,779,122)	(3)	2,201,813	1	(6,916,665)	(3)
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							
	210,618	1	(13,019,604)	(16)	657,598	-	(19,035,972)	(7)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361	Exchange differences on translation							
	8,942,670	13	7,291,857	9	7,145,875	4	16,278,525	6
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							
	(10,176)	-	(18,584)	-	(4,609)	-	(9,376)	-
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							
	8,932,494	13	7,273,273	9	7,141,266	4	16,269,149	6
8300	Other comprehensive income							
	9,143,112	14	(5,746,331)	(7)	7,798,864	4	(2,766,823)	(1)
8500	Total comprehensive income							
	\$ 13,818,623	20	(538,223)	(1)	15,549,181	8	34,620,624	12
	Profit, attributable to:							
8610	Owners of parent							
	\$ 4,360,722	6	3,374,908	4	6,168,641	3	32,770,161	12
8620	Non-controlling interests							
	314,789	-	1,833,200	2	1,581,676	1	4,617,286	1
	\$ 4,675,511	6	5,208,108	6	7,750,317	4	37,387,447	13
	Comprehensive income attributable to:							
8710	Owners of parent							
	\$ 13,247,004	19	(2,419,558)	(3)	13,858,267	7	29,889,557	11
8720	Non-controlling interests							
	571,619	1	1,881,335	2	1,690,914	1	4,731,067	1
	\$ 13,818,623	20	(538,223)	(1)	15,549,181	8	34,620,624	12
	Basic earnings per share (note 6(s)):							
9710	Income from continuing operations							
	\$ 0.67	0.59	0.80	0.66	1.15	0.98	5.69	4.71
	(0.11)	(0.04)	(0.44)	(0.23)	(0.44)	(0.20)	(1.34)	(0.58)
9750	Income attributable to shareholders of the parent							
	\$ 0.56	0.55	0.36	0.43	0.71	0.78	4.35	4.13

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 nine months ended September 30, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Items of other equity interest					Total equity
	Retained earnings					Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests		
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	-	-	-	-	32,770,161	-	-	-	32,770,161	4,617,286	37,387,447
Other comprehensive income	-	-	-	-	-	16,159,206	(19,030,434)	(9,376)	(2,880,604)	113,781	(2,766,823)
Total comprehensive income	-	-	-	-	32,770,161	16,159,206	(19,030,434)	(9,376)	29,889,557	4,731,067	34,620,624
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)
Reversal of special reserve	-	-	-	(54)	54	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	31,754	-	-	2,323	-	-	-	34,077	-	34,077
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,144,923)	(2,144,923)
Balance at September 30, 2022	\$ 79,308,216	26,690,791	81,491,665	112,670,712	52,587,288	(1,364,752)	33,129,148	(506)	384,512,562	17,256,824	401,769,386
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	-	-	-	-	6,168,641	-	-	-	6,168,641	1,581,676	7,750,317
Other comprehensive income	-	-	-	-	-	7,023,573	670,662	(4,609)	7,689,626	109,238	7,798,864
Total comprehensive income	-	-	-	-	6,168,641	7,023,573	670,662	(4,609)	13,858,267	1,690,914	15,549,181
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	-	-	-	(4,011)	4,011	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	41,965	-	-	11,599	-	-	-	53,564	13	53,577
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(3,851,515)	(3,851,515)
Balance at September 30, 2023	\$ 79,308,216	27,734,908	84,845,185	117,477,783	27,570,274	519,684	27,772,362	(4,456)	365,223,956	16,836,252	382,060,208

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 nine months ended September 30, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2023	2022
Cash flows from (used in) operating activities:		
Profit before tax	\$ 9,138,132	45,115,762
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	15,900,530	14,574,710
Amortization expense	819,138	836,089
Expected credit losses (gains)	23,508	(52,923)
Net (gain) loss on financial assets at fair value through profit or loss	(77,355)	148,540
Interest expense	3,024,090	1,446,785
Interest income	(1,877,154)	(1,053,200)
Dividend income	(1,801,467)	(3,512,763)
Shares of profit of associates and joint ventures accounted for using equity method	(4,398,519)	(8,309,471)
Losses (gains) on disposal of property, plant and equipment	47,306	(671,389)
Property, plant and equipment transferred to expenses	682,724	2,012
Gains on disposal of other assets	(1,695)	(38)
Reversal of impairment loss on non-financial assets	(72)	-
Unrealized profit from affiliated companies	14,011	7,987
Unrealized foreign exchange gains	(330,269)	(1,096,694)
Other revenue, overdue dividends and compensation of board and directors	1,704	2,390
Total adjustments to reconcile profit (loss)	<u>12,026,480</u>	<u>2,322,035</u>
Changes in operating assets and liabilities:		
Decrease in notes receivable	617,459	1,619,117
Decrease in accounts receivable (including related parties)	6,776,807	7,794,492
Increase in other receivable	(306,359)	(829,338)
Decrease (increase) in inventories	2,178,453	(175,971)
(Increase) decrease in other current assets	(96,150)	63,001
Total changes in operating assets	<u>9,170,210</u>	<u>8,471,301</u>
Decrease in notes and accounts payable (including related parties)	(877,157)	(3,123,089)
(Decrease) increase in other payable	(915,699)	2,671,109
Increase in other current liabilities	1,079,631	1,165,331
Decrease in net defined benefit liability	(1,815,394)	(1,876,342)
Total changes in operating liabilities	<u>(2,528,619)</u>	<u>(1,162,991)</u>
Total changes in operating assets and liabilities	<u>6,641,591</u>	<u>7,308,310</u>
Total adjustments	<u>18,668,071</u>	<u>9,630,345</u>
Cash inflow generated from operations	27,806,203	54,746,107
Interest received	1,810,390	895,048
Dividends received	6,441,726	15,656,793
Interest paid	(3,102,893)	(1,372,104)
Income taxes paid	(7,742,493)	(12,750,408)
Net cash flows from operating activities	<u>25,212,933</u>	<u>57,175,436</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,847	4,250
Proceeds from disposal of financial assets at fair value through profit or loss	41,249	2,422,695
Acquisition of investments accounted for using equity method	(1,548,600)	(1,000,000)
Acquisition of property, plant and equipment	(17,909,112)	(24,423,056)
Proceeds from disposal of property, plant and equipment	66,840	787,309
Increase in refundable deposits	-	(606,526)
Decrease in refundable deposits	32,984	-
Decrease in other receivables due from related parties	1,312,984	810,776
Increase in other non-current assets	(4,494,249)	(9,646,570)
Net cash flows used in investing activities	<u>(22,767,663)</u>	<u>(31,651,122)</u>
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(414,248)	17,447,832
Increase in short-term notes and bills payable	2,250,000	13,950,000
Repayments of bonds	(6,775,000)	(7,675,000)
Proceeds from long-term debt	25,250,000	14,750,000
Repayments of long-term debt	(7,685,360)	(3,202,247)
Increase in guarantee deposits received	83,432	-
Decrease in guarantee deposits received	-	(60,578)
Payments of lease liabilities	(109,404)	(83,862)
(Decrease) increase in other non-current liabilities	(202,115)	7,327,907
Cash dividends paid	(23,835,873)	(59,368,478)
Change in non-controlling interests	(3,851,515)	(2,144,920)
Net cash flows used in financing activities	<u>(15,290,083)</u>	<u>(19,059,346)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>2,979,351</u>	<u>5,880,269</u>
Net (decrease) increase in cash and cash equivalents	<u>(9,865,462)</u>	<u>12,345,237</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>\$ 79,579,051</u>	<u>86,894,663</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

September 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 November 10, 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”

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

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

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

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

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

(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
			September 30, 2023	December 31, 2022	September 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
			September 30, 2023	December 31, 2022	September 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, glass fabrics	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

	September 30, 2023	December 31, 2022	September 30, 2022
Cash on hand	\$ 1,303	1,415	1,433
Cash in banks	25,566,095	27,967,657	28,887,506
Time deposits	47,961,512	48,529,146	44,207,215
Cash equivalents	<u>6,050,141</u>	<u>12,946,295</u>	<u>13,798,509</u>
Cash and cash equivalents	<u>\$ 79,579,051</u>	<u>89,444,513</u>	<u>86,894,663</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

	September 30, 2023	December 31, 2022	September 30, 2022
Current financial assets designated as at fair value through profit or loss:			
Funds	<u>\$ 1,699,861</u>	<u>1,562,720</u>	<u>1,600,384</u>
Non-current financial assets designated as at fair value through profit or loss:			
Foreign Bonds	\$ 467,577	444,971	205,640
Foreign Stocks	<u>225,619</u>	<u>314,941</u>	<u>147,764</u>
Total	<u>\$ 693,196</u>	<u>759,912</u>	<u>353,404</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

	September 30, 2023	December 31, 2022	September 30, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	<u>\$ 32,405,528</u>	<u>35,494,677</u>	<u>35,238,991</u>

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

	September 30, 2023	December 31, 2022	September 30, 2022
Equity instruments at fair value through other comprehensive income:			
Stocks	<u>\$ 17,927,651</u>	<u>16,106,851</u>	<u>20,506,518</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 September 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

	September 30, 2023	December 31, 2022	September 30, 2022
Notes receivable from operating activities	\$ 2,894,849	3,512,308	4,340,264
Accounts receivable-measured as amortized cost	40,919,404	47,427,697	49,215,720
Accounts receivable-fair value through profit or loss	4,854	66,713	48,770
Overdue receivables	2,203	2,652	2,801
Less: Loss allowance	<u>(456,890)</u>	<u>(426,025)</u>	<u>(364,293)</u>
	<u>\$ 43,364,420</u>	<u>50,583,345</u>	<u>53,243,262</u>

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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 September 30, 2023, December 31 and September 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:

	September 30, 2023		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 43,145,884	0.11%~1.67%	253,091
1 to 3 months past due	367,023	0.48%~69.41%	40,103
3 to 6 months past due	118,386	2.92%~72.23%	10,149
6 to 12 months past due	57,850	10.41%~90.00%	21,380
More than 1 year past due	<u>132,167</u>	100%	<u>132,167</u>
	<u>\$ 43,821,310</u>		<u>456,890</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>
	September 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 53,098,922	0.34%~1.42%	262,628
1 to 3 months past due	324,062	0.70%~6.30%	8,768
3 to 6 months past due	53,364	1.53%~23.99%	2,733
6 to 12 months past due	26,105	11.80%~58.64%	4,464
More than 1 year past due	<u>105,102</u>	80%~100%	<u>85,700</u>
	<u>\$ 53,607,555</u>		<u>364,293</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 nine months ended September 30	
	2023	2022
Balance at January 1, 2023 and 2022	\$ 426,025	401,439
Impairment losses (reversal) recognized	23,508	(52,923)
Foreign exchange (gains) losses	7,357	15,777
Balance at September 30, 2023 and 2022	<u>\$ 456,890</u>	<u>364,293</u>

As of September 30, 2023, December 31 and September 30, 2022, notes and accounts receivable which were overdue or under legal proceedings amounted to \$2,203, \$2,652 and \$2,801. 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 September 30, 2023, December 31 and September 30, 2022, the outstanding accounts receivable factoring transactions between the Consolidated Company and the financial institutions were as follows:

September 30, 2023					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 4,210	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 644	150,000	-	-	None
December 31, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 1,855	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 64,858	150,000	-	-	None
September 30, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	\$ 6,502	USD 500	-	-	None
Gold Circuit Electronics, Ltd	\$ 42,268	150,000	-	-	None

(e) Other receivables

	September 30, 2023	December 31, 2022	September 30, 2022
Other accounts receivable-other	\$ 4,884,754	4,511,631	7,897,795
Other accounts receivable-loans to associates	1,372,977	2,685,961	2,230,342
Less: Loss allowance	-	-	-
Total	<u>\$ 6,257,731</u>	<u>7,197,592</u>	<u>10,128,137</u>

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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:

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 14,657,060	14,885,120	15,732,459
Work in process	12,558,655	13,263,530	14,355,682
Machinery and accessories in process	7,881,618	7,716,895	7,675,195
Raw materials	12,854,957	13,973,802	16,259,990
Supplies	1,767,458	1,625,641	1,967,106
Consigned-out raw materials	428,801	375,958	371,603
Consigned-out finished goods	11,201	21,121	789
Goods in transit	<u>476,085</u>	<u>1,123,235</u>	<u>745,608</u>
Inventories, net	<u>\$ 50,635,835</u>	<u>52,985,302</u>	<u>57,108,432</u>

The details of the cost of sales were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Inventory that has been sold	\$ 60,870,098	72,625,829	177,456,121	232,307,011
Write-down of inventories (Reversal of write-downs)	(3,567)	296,741	(64,289)	442,260
Unallocated production overheads	<u>1,385,394</u>	<u>1,205,577</u>	<u>4,907,366</u>	<u>2,741,468</u>
	<u>\$ 62,251,925</u>	<u>74,128,147</u>	<u>182,299,198</u>	<u>235,490,739</u>

For the nine months ended September 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 September 30, 2023, December 31 and September 30, 2022, the Consolidated Company did not provide any inventory as collateral for its loans.

(Continued)

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

(g) Investments accounted for using equity method

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

	September 30, 2023	December 31, 2022	September 30, 2022
Associates	\$ 176,252,590	170,591,035	177,145,189
Joint ventures	<u>622,504</u>	<u>557,213</u>	<u>594,782</u>
	<u>\$ 176,875,094</u>	<u>171,148,248</u>	<u>177,739,971</u>

(i) Associates

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
The Consolidated Company's share of net income of associates	<u>\$ 3,814,852</u>	<u>(1,350,148)</u>	<u>4,338,083</u>	<u>8,267,828</u>

- 1) The unrealized translation gain or loss arising from the investment in foreign entities, which was based on exchange rates as of September 30, 2023, December 31 and September 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 August 2023, the Consolidated Company participated in the capital increase by cash of its associate company, Formosa Resources Corporation, with the total investment amounting to USD 25,000 thousand (equivalent to \$798,600).
- 4) In July 2023, the Consolidated Company participated in the capital increase by cash of its associate company, Formosa Smart Energy Tech Corporation, with the total investment amounting to \$750,000.
- 5) In May 2022, the Consolidated Company invested the amount of \$1,000,000 in Formosa Smart Energy Tech Corporation.

(Continued)

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

- 6) The Consolidated Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	
Carrying amount of individually insignificant associates' equity	<u>\$ 176,252,590</u>	<u>170,591,035</u>	<u>177,145,189</u>	
	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Attributable to the Consolidated Company:				
Net Income	\$ 3,814,852	(1,350,148)	4,338,083	8,267,828
Other comprehensive income	<u>1,666,047</u>	<u>(161,618)</u>	<u>4,049,182</u>	<u>(1,613,331)</u>
Total comprehensive income	<u>\$ 5,480,899</u>	<u>(1,511,766)</u>	<u>8,387,265</u>	<u>6,654,497</u>

- (ii) Joint ventures

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

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The Consolidated Company's share of net income of joint ventures	<u>\$ 16,122</u>	<u>11,129</u>	<u>60,436</u>	<u>41,643</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.

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
The carrying value of joint ventures that were not individually material	<u>\$ 622,504</u>	<u>557,213</u>	<u>594,782</u>

(Continued)

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Attributable to the Consolidated Company:				
Net income	\$ 16,122	11,129	60,436	41,643
Other comprehensive income	-	-	-	-
Total comprehensive income	\$ 16,122	11,129	60,436	41,643

(iii) Collateral

As of September 30, 2023, December 31 and September 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

For the nine months ended September 30, 2023 and 2022, except for Formosa Petrochemical Corporation, Nan Ya Technology Corporation, Formosa Advanced Technologies Co.,LTD, Nan Ya Kyowa Plastics (Nantong) Corporation and Nan Ya Plastics (Zhengzhou) Corporation, which were reviewed by other auditors, investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Property, Plant and Equipment

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

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ 19,198,613	77,046,486	416,548,705	1,661,912	15,425,545	43,042,874	572,924,135
Additions	-	46,123	1,367,185	9,014	232,455	16,254,335	17,909,112
Disposals	-	(3,856)	(5,316,659)	(37,909)	(241,409)	-	(5,599,833)
Reclassification	57,037	911,784	24,339,121	24,538	2,172,903	(25,264,551)	2,240,832
Effect of movements in exchange rates	3,685	1,243,776	5,924,881	20,047	163,936	448,887	7,805,212
Balance on September 30, 2023	\$ 19,259,335	79,244,313	442,863,233	1,677,602	17,753,430	34,481,545	595,279,458
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	-	4,913	1,163,109	12,168	230,066	23,012,800	24,423,056
Disposals	(3,075)	(144,185)	(2,346,939)	(43,098)	(621,379)	-	(3,158,676)
Reclassification	4,232	440,480	9,386,635	32,871	364,823	(7,574,112)	2,654,929
Effect of movements in exchange rates	9,575	2,745,108	12,273,051	45,771	299,756	911,508	16,284,769
Balance on September 30, 2022	\$ 13,497,580	75,876,963	418,147,296	1,653,141	15,365,952	41,053,315	565,594,247

(Continued)

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
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	-	1,837,250	13,135,781	53,087	739,114	-	15,765,232
Reversal of impairment	-	-	(65)	(7)	-	-	(72)
Disposals	-	(3,578)	(5,204,878)	(37,138)	(240,093)	-	(5,485,687)
Reclassification	-	-	10,640	2,306	(2,065)	-	10,881
Effect of movements in exchange rates	-	539,686	3,632,308	14,968	95,991	-	4,282,953
Balance on September 30, 2023	<u>\$ -</u>	<u>45,360,154</u>	<u>317,142,182</u>	<u>1,425,377</u>	<u>11,602,707</u>	<u>-</u>	<u>375,530,420</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	-	1,703,108	12,075,971	48,585	639,436	-	14,467,100
Disposals	-	(135,704)	(2,244,651)	(39,436)	(620,953)	-	(3,040,744)
Reclassification	-	-	(455,177)	-	(12,701)	-	(467,878)
Effect of movements in exchange rates	-	1,002,063	7,028,353	31,655	150,129	-	8,212,200
Balance on September 30, 2022	<u>\$ -</u>	<u>42,756,495</u>	<u>304,722,099</u>	<u>1,394,837</u>	<u>10,899,681</u>	<u>-</u>	<u>359,773,112</u>
Carrying amounts:							
Balance on September 30, 2023	<u>\$ 19,259,335</u>	<u>33,884,159</u>	<u>125,721,051</u>	<u>252,225</u>	<u>6,150,723</u>	<u>34,481,545</u>	<u>219,749,038</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 September 30, 2022	<u>\$ 13,497,580</u>	<u>33,120,468</u>	<u>113,425,197</u>	<u>258,304</u>	<u>4,466,271</u>	<u>41,053,315</u>	<u>205,821,135</u>

(i) Collateral

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

(ii) Property, plant and equipment under construction

For the three months and nine months ended September 30, 2023 and 2022, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Consolidated Company amounted to \$98,415, \$32,380, \$217,453 and \$82,668, respectively. The capitalized interest rate ranged from 1.1680%~6.4980% and 1.1745%~3.5410% for the three months and nine months ended September 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 September 30, 2023	<u>\$ 622,814</u>	<u>84,452</u>	<u>56,515</u>	<u>221,046</u>	<u>984,827</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 September 30, 2022	<u>\$ 641,767</u>	<u>60,658</u>	<u>58,405</u>	<u>286,227</u>	<u>1,047,057</u>

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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
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The right-of-use assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the nine months ended September 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:

	Trademark
Carrying value :	
Balance at September 30, 2023	<u>\$ 1,569,302</u>
Balance at January 1, 2023	<u>\$ 1,714,160</u>
Balance at September 30, 2022	<u>\$ 1,762,448</u>

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

(k) Short-term notes and bills payable

	September 30, 2023	December 31, 2022	September 30, 2022
Short-term notes and bills payable	\$ 37,750,000	35,500,000	30,950,000
Discount on short-term notes and bills payable	(54,884)	(50,639)	(23,096)
Total	<u>\$ 37,695,116</u>	<u>35,449,361</u>	<u>30,926,904</u>
Range of interest rates	<u>1.39%~1.53%</u>	<u>1.50%~1.61%</u>	<u>1.12%~1.32%</u>

(l) Short-term borrowings

	September 30, 2023	December 31, 2022	September 30, 2022
Unsecured short-term borrowings	\$ <u>38,368,627</u>	<u>38,775,000</u>	<u>40,975,235</u>
Unused short-term credit lines	<u>\$ 142,919,233</u>	<u>121,575,338</u>	<u>128,834,247</u>
Range of interest rates	<u>1.07%~6.709%</u>	<u>1.30%~1.75%</u>	<u>0.804%~4.45%</u>

For the nine months ended September 30, 2023, the Consolidated Company repaid short-term borrowings amounting to \$414,248, and there were no significant issuance on short-term borrowings. For the nine months ended September 30, 2022, the Consolidated Company issued short-term borrowings amounting to \$17,447,832, and there were no significant repurchase or repayment on short-term borrowings. For information concerning interest expense, please refer to note 6(v).

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

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

September 30, 2023				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	5.7900%~6.9418%	2023~2026	\$ 23,772,747
Unsecured bank long-term debts	TWD	1.6250%~1.7895%	2023~2025	30,741,424
Less: current portion				<u>(1,290,720)</u>
Total				<u>\$ 53,223,451</u>
Unused long-term credit lines				<u>\$ 11,389,680</u>

December 31, 2022				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
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>

September 30, 2022				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	1.3800%~4.0700%	2022~2026	\$ 24,619,561
Unsecured bank long-term debts	TWD	1.1730%~1.3692%	2023~2024	14,750,000
Less: current portion				<u>(7,134,860)</u>
Total				<u>\$ 32,234,701</u>
Unused long-term credit lines				<u>\$ 9,983,460</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) The Consolidated Company issued the amounts of \$25,250,000 and \$14,750,000 on long term loans for the nine months ended September 30, 2023 and 2022, respectively. The amounts of \$7,685,360 and \$3,202,247 were redeemed for the nine months ended September 30, 2023 and 2022, respectively. For information on interest expenses, please refer to note 6(v).
- (iii) Pledged assets for bank loans

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

(Continued)

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

(iv) Financial covenants of significant loans and borrowings

The Company entered into a syndicated credit agreement with different financial institutions, with Bank of Taiwan being the lead bank, wherein the Company shall maintain certain financial ratios on the balance sheet date. (i.e. current ratio, debt ratio, etc.) If, however, the Company breach the contract, it should enhance its performance by increasing its cash capital or other means during the improvement period. Otherwise, the loans will be considered due and the Company will be required to pay the remaining amount of loan immediately.

(n) Bonds payable

	September 30, 2023	December 31, 2022	September 30, 2022
Domestic unsecured nonconvertible corporate bonds	\$ 57,600,000	64,375,000	67,475,000
Costs of issuing bonds	(41,698)	(53,508)	(57,597)
Current portion	(10,270,064)	(11,569,513)	(9,870,329)
Total	\$ 47,288,238	52,751,979	57,547,074

The terms of domestic corporate bonds as of September 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	7,297,822	9,990,311	1,499,748	1,499,494
Current portion	3,099,075	-	749,874	1,499,494
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

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

	The first domestic unsecured nonconvertible corporate bond in 2018	The first domestic unsecured nonconvertible corporate bond in 2019	The second domestic unsecured nonconvertible corporate bond in 2019	The first domestic unsecured nonconvertible corporate bond in 2020	The first domestic unsecured nonconvertible corporate bond in 2021
Issued amount	TWD10,500,000	TWD6,300,000	TWD5,100,000	TWD10,000,000	TWD11,500,000
Balance, end of year	5,247,005	5,446,285	5,096,947	9,991,494	11,489,196
Current portion	1,524,130	849,421	949,431	1,598,639	-
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:

	September 30, 2023	December 31, 2022	September 30, 2022
Current	<u>\$ 142,511</u>	<u>134,521</u>	<u>125,781</u>
Non-current	<u>\$ 236,743</u>	<u>275,945</u>	<u>292,398</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest on lease liabilities	<u>\$ 2,320</u>	<u>2,481</u>	<u>7,706</u>	<u>5,886</u>
Expenses relating to short-term leases	<u>\$ 41,728</u>	<u>49,842</u>	<u>125,542</u>	<u>133,086</u>

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

	For the nine months ended September 30	
	2023	2022
Total cash outflow for leases	<u>\$ 242,652</u>	<u>222,834</u>

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

(i) Real estate leases

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

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

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

(ii) Other leases

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

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

(p) Employee Benefits

(i) Defined benefit plans

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

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Operating costs	\$ 78,413	76,016	228,946	228,265
Selling expenses	3,951	3,578	11,783	10,670
Administrative expenses	18,274	15,172	55,729	44,939
	\$ 100,638	94,766	296,458	283,874

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

(ii) Defined contribution plan

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

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

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

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Operating costs	\$ 321,579	346,291	986,615	1,036,654
Selling expenses	19,412	20,386	57,291	60,125
Administrative expenses	51,458	52,037	155,804	152,195
	\$ 392,449	418,714	1,199,710	1,248,974

(q) Income taxes

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Current income tax expense				
Current period	\$ 442,122	864,398	2,157,711	7,983,346
Adjustment for prior periods	9,750	23,155	30,933	(41,590)
Deferred tax expense				
Origination and reversal of temporary differences	204,662	258,300	(800,829)	(213,441)
Total income tax expense	\$ 656,534	1,145,853	1,387,815	7,728,315

(Continued)

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

(ii) Assessment of tax

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

(r) Capital and other equity

As of September 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:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
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	<u>18,663,298</u>	<u>18,621,333</u>	<u>17,619,181</u>
Total	<u><u>\$ 27,734,908</u></u>	<u><u>27,692,943</u></u>	<u><u>26,690,791</u></u>

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 "First-time Adoption of International Financial Reporting Standards" during the Company's first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of \$6,277,052, which were previously recognized in shareholders' equity were reclassified to retained earnings. According to 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 \$6,113,800, \$6,109,789 and \$6,116,643 as of September 30, 2023, December 31 and September 30, 2022, respectively.

(Continued)

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

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

2) Earnings distribution

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

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

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	\$ 3.00	7.50

(Continued)

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

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

(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2023	\$ (6,503,889)	27,101,700	153	20,597,964
Exchange differences arising on translation of foreign operations	5,132,040	-	-	5,132,040
Exchange differences on associates / joint ventures accounts for using equity method	1,891,533	-	-	1,891,533
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(1,531,151)	-	(1,531,151)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	2,201,813	-	2,201,813
Share of cash flow hedge of associates / joint ventures	-	-	(4,609)	(4,609)
Balance at September 30, 2023	<u>\$ 519,684</u>	<u>27,772,362</u>	<u>(4,456)</u>	<u>28,287,590</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	10,829,728	-	-	10,829,728
Exchange differences on associates / joint ventures accounted for using equity method	5,329,478	-	-	5,329,478
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(12,113,769)	-	(12,113,769)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(6,916,665)	-	(6,916,665)
Share of cash flow hedge of associates / joint ventures	-	-	(9,376)	(9,376)
Balance at September 30, 2022	<u>\$ (1,364,752)</u>	<u>33,129,148</u>	<u>(506)</u>	<u>31,763,890</u>

(s) Earnings Per Share

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Net income attributable to the Company	<u>\$ 4,360,722</u>	<u>3,374,908</u>	<u>6,168,641</u>	<u>32,770,161</u>
Number of weighted average outstanding shares	<u>7,930,822</u>	<u>7,930,822</u>	<u>7,930,822</u>	<u>7,930,822</u>
	<u>\$ 0.55</u>	<u>0.43</u>	<u>0.78</u>	<u>4.13</u>

(Continued)

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

(t) Revenue from contracts with customers

For the three months ended September 30, 2023						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,455,553	4,053,487	5,442,018	2,434,840	1,229,184	17,615,082
China	2,714,102	3,650,009	17,006,418	762,386	234,182	24,367,097
Other	2,681,732	6,704,598	7,318,439	8,364,197	200,270	25,269,236
	\$ 9,851,387	14,408,094	29,766,875	11,561,423	1,663,636	67,251,415
Main Products						
PVC sheet	\$ 1,306,894	-	-	-	-	1,306,894
Rigid sheet	1,533,087	-	-	-	-	1,533,087
Pipes	1,774,132	-	-	-	-	1,774,132
Phthalate Plasticizers	-	2,351,621	-	-	-	2,351,621
BPA	-	2,931,847	-	-	-	2,931,847
EG	-	3,596,372	-	-	-	3,596,372
CCL	-	-	6,731,330	-	-	6,731,330
Epoxy	-	-	6,086,597	-	-	6,086,597
PCB	-	-	10,227,243	-	-	10,227,243
Polyester Staple Fiber	-	-	-	1,943,893	-	1,943,893
PET Resin	-	-	-	5,818,526	-	5,818,526
DTY	-	-	-	2,496,011	-	2,496,011
Machinery and Switchgear	-	-	-	-	1,568,739	1,568,739
Others	5,237,274	5,528,254	6,721,705	1,302,993	94,897	18,885,123
	\$ 9,851,387	14,408,094	29,766,875	11,561,423	1,663,636	67,251,415

For the three months ended September 30, 2022						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,448,100	5,993,352	10,866,399	2,764,282	1,115,297	25,187,430
China	2,809,350	4,791,804	19,778,835	905,007	126,221	28,411,217
Other	3,545,188	5,106,879	7,770,212	12,471,241	96,255	28,989,775
	\$ 10,802,638	15,892,035	38,415,446	16,140,530	1,337,773	82,588,422
Main Products						
PVC sheet	\$ 1,380,810	-	-	-	-	1,380,810
Rigid sheet	1,911,825	-	-	-	-	1,911,825
Pipes	1,743,290	-	-	-	-	1,743,290
Phthalate Plasticizers	-	2,166,949	-	-	-	2,166,949
BPA	-	4,242,172	-	-	-	4,242,172
EG	-	3,656,580	-	-	-	3,656,580
CCL	-	-	6,970,261	-	-	6,970,261
Epoxy	-	-	7,667,552	-	-	7,667,552
PCB	-	-	17,195,151	-	-	17,195,151
Polyester Staple Fiber	-	-	-	2,669,694	-	2,669,694
PET Resin	-	-	-	8,627,284	-	8,627,284
DTY	-	-	-	3,166,864	-	3,166,864
Machinery and Switchgear	-	-	-	-	1,231,783	1,231,783
Others	5,766,713	5,826,334	6,582,482	1,676,688	105,990	19,958,207
	\$ 10,802,638	15,892,035	38,415,446	16,140,530	1,337,773	82,588,422

(Continued)

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

For the nine months ended September 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	\$ 13,085,865	14,820,520	18,944,017	7,072,161	3,267,233	57,189,796
China	7,569,514	10,028,531	47,198,689	2,118,198	625,995	67,540,927
Other	<u>7,975,834</u>	<u>16,397,311</u>	<u>22,155,508</u>	<u>25,104,648</u>	<u>399,362</u>	<u>72,032,663</u>
	<u>\$ 28,631,213</u>	<u>41,246,362</u>	<u>88,298,214</u>	<u>34,295,007</u>	<u>4,292,590</u>	<u>196,763,386</u>
Main Products						
PVC sheet	\$ 3,778,370	-	-	-	-	3,778,370
Rigid sheet	4,490,786	-	-	-	-	4,490,786
Pipes	5,196,580	-	-	-	-	5,196,580
Phthalate Plasticizers	-	6,534,781	-	-	-	6,534,781
BPA	-	8,815,556	-	-	-	8,815,556
EG	-	9,114,218	-	-	-	9,114,218
CCL	-	-	19,036,390	-	-	19,036,390
Epoxy	-	-	17,687,189	-	-	17,687,189
PCB	-	-	32,941,067	-	-	32,941,067
Polyester Staple Fiber	-	-	-	6,238,383	-	6,238,383
PET Resin	-	-	-	16,939,831	-	16,939,831
DTY	-	-	-	7,090,644	-	7,090,644
Machinery and Switchgear	-	-	-	-	4,020,629	4,020,629
Others	<u>15,165,477</u>	<u>16,781,807</u>	<u>18,633,568</u>	<u>4,026,149</u>	<u>271,961</u>	<u>54,878,962</u>
	<u>\$ 28,631,213</u>	<u>41,246,362</u>	<u>88,298,214</u>	<u>34,295,007</u>	<u>4,292,590</u>	<u>196,763,386</u>
For the nine months ended September 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	\$ 14,170,543	23,730,690	31,720,767	9,466,010	2,990,389	82,078,399
China	8,190,645	21,851,640	64,015,630	2,817,101	484,969	97,359,985
Other	<u>11,103,366</u>	<u>23,637,600</u>	<u>25,710,100</u>	<u>39,351,674</u>	<u>171,456</u>	<u>99,974,196</u>
	<u>\$ 33,464,554</u>	<u>69,219,930</u>	<u>121,446,497</u>	<u>51,634,785</u>	<u>3,646,814</u>	<u>279,412,580</u>
Main Products						
PVC sheet	\$ 4,685,882	-	-	-	-	4,685,882
Rigid sheet	6,122,602	-	-	-	-	6,122,602
Pipes	5,221,523	-	-	-	-	5,221,523
Phthalate Plasticizers	-	8,489,101	-	-	-	8,489,101
BPA	-	18,493,394	-	-	-	18,493,394
EG	-	19,168,631	-	-	-	19,168,631
CCL	-	-	23,874,947	-	-	23,874,947
Epoxy	-	-	27,172,838	-	-	27,172,838
PCB	-	-	46,941,896	-	-	46,941,896
Polyester Staple Fiber	-	-	-	8,792,150	-	8,792,150
PET Resin	-	-	-	27,000,285	-	27,000,285
DTY	-	-	-	10,618,684	-	10,618,684
Machinery and Switchgear	-	-	-	-	3,341,090	3,341,090
Others	<u>17,434,547</u>	<u>23,068,804</u>	<u>23,456,816</u>	<u>5,223,666</u>	<u>305,724</u>	<u>69,489,557</u>
	<u>\$ 33,464,554</u>	<u>69,219,930</u>	<u>121,446,497</u>	<u>51,634,785</u>	<u>3,646,814</u>	<u>279,412,580</u>

(Continued)

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

(u) Employee compensation

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

The remunerations to employees amounted to \$4,469, \$2,821, \$5,686 and \$34,548, respectively, for the three months and nine months ended September 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.

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest income from bank deposits	\$ 607,869	386,374	1,710,249	910,089
Other interest income	49,691	102,555	166,905	143,111
	<u>\$ 657,560</u>	<u>488,929</u>	<u>1,877,154</u>	<u>1,053,200</u>

(ii) Other income

The details of other income were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Dividend income	\$ 397,420	2,770,382	1,801,467	3,512,763
Other income	522,095	606,249	2,061,598	2,390,138
	<u>\$ 919,515</u>	<u>3,376,631</u>	<u>3,863,065</u>	<u>5,902,901</u>

(Continued)

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

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
(Losses) gains on disposal of property, plant and equipment	\$ (925)	(56,973)	(47,306)	671,389
Foreign currency exchange gains	730,240	1,720,916	1,012,475	4,142,955
Gains (losses) on financial assets at fair value through profit or loss	20,857	(267,445)	77,355	(148,540)
Impairment losses on plant, property, and equipment	59	-	72	-
Others	(38,498)	(65,641)	(140,054)	(186,513)
	<u>\$ 711,733</u>	<u>1,330,857</u>	<u>902,542</u>	<u>4,479,291</u>

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Interest expense	\$ 1,243,960	717,847	3,241,543	1,529,453
Less: interest capitalized	(98,415)	(32,380)	(217,453)	(82,668)
	<u>\$ 1,145,545</u>	<u>685,467</u>	<u>3,024,090</u>	<u>1,446,785</u>

(Continued)

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

(w) Financial Instruments

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

(i) Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
September 30, 2023							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 37,695,116	37,804,884	37,804,884	-	-	-	-
Notes and accounts payable	13,690,681	13,690,681	13,690,681	-	-	-	-
Accounts payables to related parties	5,470,496	5,470,496	5,470,496	-	-	-	-
Short-term borrowings	38,368,627	38,482,711	38,478,178	4,533	-	-	-
Long-term borrowings	54,514,171	60,186,311	1,742,320	1,721,394	33,969,724	22,752,873	-
Bonds payable	57,558,302	59,915,913	5,015,810	6,888,920	11,887,253	26,732,900	9,391,030
Lease liabilities	379,254	401,277	77,388	70,157	99,162	81,572	72,998
	\$ 207,676,647	215,952,273	102,279,757	8,685,004	45,956,139	49,567,345	9,464,028
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
September 30, 2022							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 30,926,904	30,973,096	30,973,096	-	-	-	-
Notes and accounts payable	14,768,641	14,768,641	14,768,641	-	-	-	-
Payables to related parties	6,095,309	6,095,309	6,095,309	-	-	-	-
Short-term borrowings	40,975,235	41,082,249	41,082,249	-	-	-	-
Long-term debts	39,369,561	43,429,272	7,718,627	1,178,168	5,066,571	29,465,906	-
Bonds payable	67,417,403	70,574,476	5,204,190	6,442,493	10,916,610	27,997,623	20,013,560
Lease liabilities	418,179	453,771	76,328	62,126	105,616	124,297	85,404
	\$ 199,971,232	207,376,814	105,918,440	7,682,787	16,088,797	57,587,826	20,098,964

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

(Continued)

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

(ii) Currency risk

1) Exposure to foreign currency risk

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

September 30, 2023			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 672,569	32.2680	21,702,456
JPY	96,949	0.2155	20,893
EUR	2,829	33.8573	95,782
HKD	1,055	4.1369	4,364
CNY	19,441	4.4943	87,374
<u>Non-monetary items</u>			
USD	118,782	32.2680	3,832,858
CNY	67,224	4.4943	302,125
IDR	154,459,272	0.0021	324,364
VND	5,259,605,178	0.0014	7,363,447
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	70,684	32.2680	2,280,831
JPY	2,486,535	0.2155	535,848
EUR	4,321	33.8573	146,297
CNY	23,802	4.4943	106,973
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

(Continued)

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

December 31, 2022			
	Foreign Currency	Exchange Rate	TWD
<u>Non-monetary items</u>			
USD	\$ 121,125	30.7080	3,719,507
CNY	69,342	4.4089	305,722
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
September 30, 2022			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 857,949	31.7430	27,233,875
JPY	453,445	0.2193	99,440
EUR	2,813	31.0969	87,476
HKD	2,116	4.0696	8,611
CNY	23,470	4.4709	104,932
<u>Non-monetary items</u>			
USD	128,193	31.7430	4,069,230
CNY	69,254	4.4709	309,628
IDR	128,435,168	0.0022	282,557
VND	6,051,764,163	0.0014	8,472,470
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	115,255	31.7430	3,658,539
JPY	4,177,209	0.2193	916,062
EUR	5,452	31.0969	169,540
CNY	587	4.4709	2,624

(Continued)

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

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

	For the nine months ended	
	September 30	
	2023	2022
Appreciation in value of 1%	\$ (188,314)	(227,825)
Depreciation in value of 1%	188,314	227,825

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 nine months ended September 30, 2023 and 2022, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain \$1,012,475 and gain \$4,142,955, respectively.

(iii) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Consolidated Company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to the interest rates risk of derivative and non derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the liabilities bearing variable interest rates are outstanding for the whole year. A 1% increase or decrease in interest rate is assessed by management to be a reasonable possible change in interest rate.

An increase or decrease of 1% in interest rates mainly from loans with floating interest rates at the reporting date would have increased or decreased net income by \$215 and \$119 for the nine months ended September 30, 2023 and 2022, respectively.

(Continued)

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

(iv) Other market price risks

For the nine months ended September 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 nine months ended September 30	
	2023	2022
	Other comprehensive income after tax	Other comprehensive income after tax
Increasing 1%	\$ 324,055	\$ 352,390
Decreasing 1%	\$ (324,055)	\$ (352,390)

(v) 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:

	September 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	\$ 2,393,057	-	1,699,861	693,196	2,393,057
Accounts receivable	4,854	-	-	-	-
Subtotal	\$ 2,397,911	-	1,699,861	693,196	2,393,057
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 32,405,528	32,405,528	-	-	32,405,528
Unquoted equity instruments	17,927,651	-	-	17,927,651	17,927,651
Subtotal	\$ 50,333,179	32,405,528	-	17,927,651	50,333,179

(Continued)

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

September 30, 2023					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 79,579,051	-	-	-	-
Notes and accounts receivable (including related parties)	43,359,566	-	-	-	-
Other receivables (including related parties)	6,257,731	-	-	-	-
Subtotal	\$ 129,196,348	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	\$ 38,368,627	-	-	-	-
Lease liabilities	379,254	-	-	-	-
Short-term notes and bills payable	37,695,116	-	-	-	-
Notes and accounts payable (including related parties)	19,161,177	-	-	-	-
Bonds payable	57,558,302	-	-	-	-
Long-term borrowings	54,514,171	-	-	-	-
Subtotal	\$ 207,676,647	-	-	-	-
December 31, 2022					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 2,322,632	-	1,562,720	759,912	2,322,632
Accounts receivable	66,713	-	-	-	-
Subtotal	\$ 2,389,345	-	1,562,720	759,912	2,322,632
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	\$ 51,601,528	35,494,677	-	16,106,851	51,601,528
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 89,444,513	-	-	-	-
Notes and accounts receivable (including related parties)	50,516,632	-	-	-	-
Other receivables (including related parties)	7,197,592	-	-	-	-
Subtotal	\$ 147,158,737	-	-	-	-

(Continued)

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

		December 31, 2022				
		Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	Total	
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	\$ 194,776,405	-	-	-	-	-
		September 30, 2022				
		Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss						
Designated at fair value through profit or loss	\$ 1,953,788	-	1,600,384	353,404	1,953,788	1,953,788
Accounts receivable	48,770	-	-	-	-	-
Subtotal	\$ 2,002,558	-	1,600,384	353,404	1,953,788	1,953,788
Financial assets at fair value through other comprehensive income						
Stocks in listed companies	\$ 35,238,991	35,238,991	-	-	35,238,991	35,238,991
Unquoted equity instruments	20,506,518	-	-	20,506,518	20,506,518	20,506,518
Subtotal	\$ 55,745,509	35,238,991	-	20,506,518	55,745,509	55,745,509
Financial assets measured at amortized cost						
Cash and cash equivalent	\$ 86,894,663	-	-	-	-	-
Notes and accounts receivable (including related parties)	53,194,492	-	-	-	-	-
Other receivables (including related parties)	10,128,137	-	-	-	-	-
Subtotal	\$ 150,217,292	-	-	-	-	-
Financial liabilities at amortized cost						
Short-term borrowings	\$ 40,975,235	-	-	-	-	-
Lease liabilities	418,179	-	-	-	-	-
Short-term notes and bills payable	30,926,904	-	-	-	-	-
Notes and accounts payable (including related parties)	20,863,950	-	-	-	-	-
Bonds payable	67,417,403	-	-	-	-	-
Long-term borrowings	39,369,561	-	-	-	-	-
Subtotal	\$ 199,971,232	-	-	-	-	-

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

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.

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.

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

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 nine months ended September 30, 2023 and 2022.

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 profit or loss	(59,786)	-
In other comprehensive income	-	1,823,566
Refund capital reduction	-	(6,847)
Disposals	(41,249)	-
Effect of exchange rate changes	<u>34,319</u>	<u>4,081</u>
Balance at September 30, 2023	<u><u>\$ 693,196</u></u>	<u><u>17,927,651</u></u>
Balance at January 1, 2022	\$ 665,316	25,829,225
Total gains and losses recognized:		
In profit or loss	(378,220)	-
In other comprehensive income	-	(5,329,060)
Refund capital reduction	-	(4,250)
Effect of exchange rate changes	<u>66,308</u>	<u>10,603</u>
Balance at September 30, 2022	<u><u>\$ 353,404</u></u>	<u><u>20,506,518</u></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.

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

- 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:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income - 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

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

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

	<u>Input</u>	<u>Change</u>	<u>Recognized in other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
September 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>143,173</u>	<u>(143,173)</u>

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

		Change	Recognized in other comprehensive income	
			Favorable change	Unfavorable change
December 31, 2022	Input			
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>
September 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>\$ 164,837</u>	<u>(164,837)</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.

(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	(414,248)	2,250,000	17,564,640	(6,775,000)	(109,404)	12,515,988
Non-cash changes	-	(4,245)	(34,996)	11,810	66,041	38,610
Influence due to fluctuation of exchange rate	7,875	-	1,158,965	-	12,151	1,178,991
Balance as of September 30, 2023	<u>\$ 38,368,627</u>	<u>37,695,116</u>	<u>54,514,171</u>	<u>57,558,302</u>	<u>379,254</u>	<u>188,515,470</u>
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	17,447,832	13,950,000	11,547,753	(7,675,000)	(83,862)	35,186,723
Non-cash changes	-	(20,161)	25,036	13,288	162,907	181,070
Influence due to fluctuation of exchange rate	91,134	-	3,187,313	-	34,069	3,312,516
Balance as of September 30, 2022	<u>\$ 40,975,235</u>	<u>30,926,904</u>	<u>39,369,561</u>	<u>67,417,403</u>	<u>418,179</u>	<u>179,107,282</u>

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

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

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

(b) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates
Formosa Smart Energy Tech Corporation	Associates
Nan Ya Photonics Incorporation	Associates
Formosa Fairway Corporation	Associates
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Formosa Environmental Technology Corporation	Associates
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

(Continued)

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

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

(c) Significant related-party transactions

(i) Sales to related parties

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

	<u>For the three months ended</u> <u>September 30</u>		<u>For the nine months ended</u> <u>September 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Associates and joint ventures	\$ 796,052	1,380,070	2,615,919	3,938,381
Other related parties	<u>2,017,264</u>	<u>3,844,660</u>	<u>7,774,587</u>	<u>13,055,491</u>
	<u>\$ 2,813,316</u>	<u>5,224,730</u>	<u>10,390,506</u>	<u>16,993,872</u>

The receivables from related parties were as follows:

	<u>September 30,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>
Associates and joint ventures	\$ 482,149	500,238	487,135
Other related parties	<u>356,548</u>	<u>1,031,411</u>	<u>1,697,007</u>
	<u>\$ 838,697</u>	<u>1,531,649</u>	<u>2,184,142</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.

(Continued)

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

(ii) Purchase from related parties

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 4,169,835	5,906,676	13,869,543	25,687,908
Other associates and joint ventures	17,220	40,503	58,032	382,970
Other related parties				
Formosa Chemicals and Fiber Corporation	6,189,607	7,177,146	18,552,797	23,313,974
Other related parties	<u>4,903,950</u>	<u>5,526,799</u>	<u>14,220,825</u>	<u>20,815,675</u>
	<u>\$ 15,280,612</u>	<u>18,651,124</u>	<u>46,701,197</u>	<u>70,200,527</u>

The payables to related parties were as follows:

	September 30,	December 31,	September 30,
	2023	2022	2022
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ 1,563,332	1,671,418	1,715,003
Other associates and joint ventures	8,586	10,958	15,612
Other related parties			
Formosa Chemicals and Fiber Corporation	2,040,720	2,053,415	2,393,320
Other related parties	<u>1,854,670</u>	<u>1,773,745</u>	<u>1,966,559</u>
	<u>\$ 5,467,308</u>	<u>5,509,536</u>	<u>6,090,494</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.

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

(iii) Unrealized sales profit

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

	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Investee						
Associates and joint ventures	\$ 36,256	15,569	51,825	35,095	12,370	47,465

	For the nine months ended September 30, 2023			For the nine months ended September 30, 2022		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Investee						
Associates and joint ventures	\$ 37,814	14,011	51,825	39,478	7,987	47,465

(iv) Construction

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Associates and joint ventures				
Formosa Heavy Industries Corporation	\$ 27,915	38,690	246,224	236,659

The payables to related parties were as follows:

	September 30, 2023	December 31, 2022	September 30, 2022
Formosa Heavy Industries Corporation	\$ 3,188	137	4,815

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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
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(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		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 1,214,096	2,459,463	4,381,035	5,743,337
Other related parties				
Other related parties	29,393	50,920	89,003	101,977
	\$ 1,243,489	2,510,383	4,470,038	5,845,314

The payables to related parties were as follows:

	September 30,	December 31,	September 30,
	2023	2022	2022
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ <u>250</u>	<u>172,623</u>	<u>186,136</u>

(vi) Loans to related parties

The loans to related parties were as follows:

	Other receivables from		
	related parties		
	September 30,	December 31,	September 30,
	2023	2022	2022
Associates and joint ventures			
Other associates and joint ventures	\$ 160,392	176,405	162,830
Other related parties			
Formosa Plastics Marine Corporation	1,136,181	2,434,604	1,991,507
Other related parties	76,404	74,952	76,005
	\$ 1,372,977	2,685,961	2,230,342

(Continued)

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

(vii) Property transaction

1) Acquisitions of financial assets

	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the nine months ended September 30, 2023
Associate - Formosa Resources Corporation	Investments accounted for using equity method	79,860	Shares of stock of Formosa Resources Corporation	\$ 798,600
Associate - Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	75,000	Shares of stock of Formosa Smart Energy Tech Corporation	750,000
				\$ 1,548,600

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

2) Acquisition of property, plant, and equipment

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

	For the three months ended September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Associates and joint ventures	\$ 20,319	131,596	177,869	131,596
Other related parties	1,943	-	52,828	5,683
	\$ 22,262	131,596	230,697	137,279

For the nine months ended September 30, 2023 and 2022, the Consolidated Company purchased property, plant and equipment, amounting to \$230,697 and \$137,279, respectively. As of September 30, 2023 and 2022, there was no outstanding balance. For further description of property, plant and equipment, please refer to note 6(h).

(Continued)

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

3) Disposals of property, plant and equipment

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

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

The Consolidated Company did not have such kind of transactions during the nine months ended September 30, 2023.

(viii) Endorsements and guarantees

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

	September 30, 2023	December 31, 2022	September 30, 2022
Associates and joint ventures			
Formosa Group (Cayman) Limited	\$ <u>8,067,000</u>	<u>7,677,000</u>	<u>7,935,750</u>

(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 September 30		For the nine months ended September 30	
	2023	2022	2023	2022
Associates and joint ventures				
Nan Ya Technology Corporation	\$ <u>109,610</u>	<u>99,527</u>	<u>326,446</u>	<u>247,418</u>

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

(Continued)

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

- 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 nine months ended September 30, 2023 and 2022, the Consolidated Company recognized the amount of \$1, \$5, \$6 and \$17 as interest expense, respectively. As of September 30, 2023, December 31 and September 30, 2022, the balance of lease liabilities amounted to \$183, \$1,013 and \$1,300, respectively.

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 nine months ended September 30, 2023 and 2022, the Consolidated Company recognized the amount to \$1, \$3, \$4 and \$11 as interest expense, respectively. As of September 30, 2023, December 31 and September 30, 2022, the balance of lease liabilities amounted to \$183, \$729 and \$910, 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 nine months ended September 30, 2023 and 2022, the Consolidated Company recognized the amount to \$200, \$211, \$608 and \$642 as interest expense, respectively. As of September 30, 2023, December 31 and September 30, 2022, the balance of lease liabilities amounted to \$55,941, \$58,393 and \$59,205, respectively.

- (d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2023	2022	2023	2022
Short-term employee benefits	<u>\$ 46,721</u>	<u>41,330</u>	<u>140,165</u>	<u>122,804</u>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	Usage	September 30, 2023	December 31, 2022	September 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	\$ 1,016,333	1,105,485	1,102,938
Building and Plant	Bank loans	Bank loans	39,578,395	39,364,469	40,952,923
Total			<u>\$ 40,594,728</u>	<u>40,469,954</u>	<u>42,055,861</u>

(Continued)

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

(9) Significant Commitments and contingencies:

	September 30, 2023	December 31, 2022	September 30, 2022
(a) Outstanding standby letter of credit	\$ 1,203,790	1,776,989	769,871
(b) Endorsements and guarantees	8,067,000	7,677,000	7,935,750
(c) Bonding guarantees by banks	22,000	52,000	42,000
(d) Letters of credit guarantees by banks	48,000	52,000	52,000
<p>(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 4,848,500 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.</p>			
<p>(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.</p>			
<p>(g) Formosa Industries Corporation, a Company's investee, signed a syndicated line of credit with a group of financial institutions amounting to USD 200,000 thousand for its operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 42.50% and commit to monitor the operations of Formosa Industries Corporation to ensure that it completes its financial obligation.</p>			
<p>(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.</p>			
<p>(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.</p>			

(Continued)

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

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

(Continued)

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

(10) Losses Due to Major Disasters: None

(11) Subsequent Events:

- (a) In order to meet the needs of the urban renewal project of Formosa Plastics Building, Formosa Plastics Construction Corporation, one of the Company's investees, decided to conduct a cash capital increase of capital of \$1,500,000 thousand, wherein the Company participated by investing the amount of \$500,000 thousand based on its 33.33% original shareholdings, resulting in the Company's cumulative total investment to be \$1,100,000 thousand.
- (b) The factory of Nan Ya Plastics (Guangzhou) Co., Ltd., a subsidiary of the Company, has been designated as a digital technology plant by the local government due to its being a zero-emission company. It is expected that the entire equity of the Company in Nan Ya Plastics (Guangzhou) Co., Ltd. will be sold to local enterprise, Guangzhou Changyuan Real Estate Investment Development Co., Ltd. for a total amount of RMB1,040,800 thousand.

(12) Other:

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

by function	For the three months ended September 30,							
	2023				2022			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	5,828,288	1,567,385	-	7,395,673	6,592,956	1,650,194	-	8,243,150
Labor and health insurance	587,967	104,950	-	692,917	617,124	102,798	-	719,922
Pension expenses	399,992	93,095	-	493,087	422,307	91,173	-	513,480
Remuneration of directors	-	9,662	-	9,662	-	9,409	-	9,409
Others personnel expenses	359,356	71,575	-	430,931	391,131	76,122	-	467,253
Depreciation expenses	5,159,719	227,245	3,827	5,390,791	4,670,741	183,852	3,552	4,858,145
Amortization expenses	200,508	64,299	-	264,807	152,715	64,263	-	216,978

by function	For the nine months ended September 30,							
	2023				2022			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	17,804,853	4,673,751	-	22,478,604	19,792,981	4,922,854	-	24,715,835
Labor and health insurance	1,801,741	318,394	-	2,120,135	1,805,939	304,464	-	2,110,403
Pension expenses	1,215,561	280,607	-	1,496,168	1,264,919	267,929	-	1,532,848
Remuneration of directors	-	29,457	-	29,457	-	28,176	-	28,176
Others personnel expenses	1,092,388	209,948	-	1,302,336	1,145,567	212,318	-	1,357,885
Depreciation	15,240,433	641,535	18,562	15,900,530	14,038,256	525,442	11,012	14,574,710
Amortization	624,658	194,480	-	819,138	643,972	192,117	-	836,089

(Continued)

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

(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: Please see attached Table 4.
 - (v) Information regarding acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: Please see attached Table 5.
 - (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 6.
 - (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 7.
 - (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 8.
- (b) Information on investees: Please see attached Table 9.
- (c) Information on investment in mainland China: Please see attached Table 10.
- (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 %

(Continued)

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

- (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.

(14) Segment information:

		For the three months ended September 30, 2023						
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :								
	Net revenue from external customers	\$ 9,851,387	14,408,094	29,766,875	11,561,423	1,663,636	-	67,251,415
	Net revenue from sales among intersegments	<u>297,910</u>	<u>1,692,704</u>	<u>4,130,033</u>	<u>390,085</u>	<u>914,276</u>	<u>(7,425,008)</u>	-
	Total revenue	<u>\$ 10,149,297</u>	<u>16,100,798</u>	<u>33,896,908</u>	<u>11,951,508</u>	<u>2,577,912</u>	<u>(7,425,008)</u>	<u>67,251,415</u>
	Reportable segment profit or loss	<u>\$ 705,610</u>	<u>(1,145,006)</u>	<u>1,471,582</u>	<u>(24,267)</u>	<u>4,862,129</u>	<u>(538,003)</u>	<u>5,332,045</u>
		For the three months ended September 30, 2022						
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :								
	Net revenue from external customers	\$ 10,802,638	15,892,035	38,415,446	16,140,530	1,337,773	-	82,588,422
	Net revenue from sales among intersegments	<u>377,322</u>	<u>2,203,813</u>	<u>3,759,241</u>	<u>442,455</u>	<u>1,892,243</u>	<u>(8,675,074)</u>	-
	Total revenue	<u>\$ 11,179,960</u>	<u>18,095,848</u>	<u>42,174,687</u>	<u>16,582,985</u>	<u>3,230,016</u>	<u>(8,675,074)</u>	<u>82,588,422</u>
	Reportable segment profit or loss	<u>\$ 410,901</u>	<u>(3,057,582)</u>	<u>6,831,937</u>	<u>800,234</u>	<u>3,949,674</u>	<u>(2,581,203)</u>	<u>6,353,961</u>
		For the nine months ended September 30, 2023						
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :								
	Net revenue from external customers	\$ 28,631,213	41,246,362	88,298,214	34,295,007	4,292,590	-	196,763,386
	Net revenue from sales among intersegments	<u>790,612</u>	<u>5,278,743</u>	<u>11,244,629</u>	<u>1,133,608</u>	<u>2,636,373</u>	<u>(21,083,965)</u>	-
	Total revenue	<u>\$ 29,421,825</u>	<u>46,525,105</u>	<u>99,542,843</u>	<u>35,428,615</u>	<u>6,928,963</u>	<u>(21,083,965)</u>	<u>196,763,386</u>
	Reportable segment profit or loss	<u>\$ 1,865,020</u>	<u>(4,563,383)</u>	<u>6,750,886</u>	<u>(507,533)</u>	<u>8,484,648</u>	<u>(2,891,506)</u>	<u>9,138,132</u>
		For the nine months ended September 30, 2022						
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Reconciliations	Total
Revenue :								
	Net revenue from external customers	\$ 33,464,554	69,219,930	121,446,497	51,634,785	3,646,814	-	279,412,580
	Net revenue from sales among intersegments	<u>1,183,961</u>	<u>5,186,695</u>	<u>15,920,323</u>	<u>1,277,199</u>	<u>5,553,615</u>	<u>(29,121,793)</u>	-
	Total revenue	<u>\$ 34,648,515</u>	<u>74,406,625</u>	<u>137,366,820</u>	<u>52,911,984</u>	<u>9,200,429</u>	<u>(29,121,793)</u>	<u>279,412,580</u>
	Reportable segment profit or loss	<u>\$ 1,731,704</u>	<u>1,924,912</u>	<u>24,141,599</u>	<u>4,557,551</u>	<u>26,340,935</u>	<u>(13,580,939)</u>	<u>45,115,762</u>

(Continued)

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

	<u>Plastics Product</u>	<u>Plastics Material</u>	<u>Electronic Materials</u>	<u>Polyester Product</u>	<u>Other Departments</u>	<u>Reconciliations</u>	<u>Total</u>
Reportable segment assets							
September 30, 2023	\$ <u>37,898,250</u>	<u>95,298,076</u>	<u>202,965,351</u>	<u>31,275,280</u>	<u>504,931,306</u>	<u>(213,715,061)</u>	<u>658,653,202</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>
September 30, 2022	\$ <u>40,256,572</u>	<u>105,274,699</u>	<u>207,838,228</u>	<u>35,876,313</u>	<u>505,300,345</u>	<u>(213,319,938)</u>	<u>681,226,219</u>
Reportable segment liabilities							
September 30, 2023	\$ <u>9,657,208</u>	<u>56,070,238</u>	<u>47,708,542</u>	<u>10,376,723</u>	<u>157,579,195</u>	<u>(4,798,912)</u>	<u>276,592,994</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>
September 30, 2022	\$ <u>11,342,575</u>	<u>54,749,361</u>	<u>52,980,269</u>	<u>11,746,886</u>	<u>154,327,346</u>	<u>(5,689,604)</u>	<u>279,456,833</u>

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 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	-	-	-	91,305,989	182,611,978
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	PPG Fiber Glass Corporation (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	1.863869%-1.86567%	2	-	Operating capital	-	-	-	91,305,989	182,611,978
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	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	7,600,000	5,700,000	-	1.993073%-1.993392%	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	8,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	8,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	8,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	2,969,353	2,156,181	1,136,181	1.863869%-1.99378%	2	-	Operating capital	-	-	-	91,305,989	182,611,978
0	The Company	Formosa Steel IB Pty Ltd	Other receivables from related parties	YES	1,700,000	1,700,000	-	-	2	-	Operating capital	-	-	-	91,305,989	182,611,978
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	16,779,360	11,616,480	11,616,480	5.392%-6.577%	2	-	Operating capital	-	-	-	23,509,240	47,018,480
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	968,040	968,040	11,095	5.392%-6.577%	2	-	Operating capital	-	-	-	23,509,240	47,018,480
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	-	-	-	11,848,932	23,697,865
3	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,797,731	1,797,731	1,797,731	0.7004%	2	-	Operating capital	-	-	-	57,287,006	114,574,012
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%-1.99378%	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%-1.99378%	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	642,689	494,376	494,376	2.76%-2.92%	2	-	Operating capital	-	-	-	1,144,658	2,289,316
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	988,752	853,922	853,922	2.76%-2.96%	2	-	Operating capital	-	-	-	1,864,719	3,729,439
7	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	152,807	76,404	76,404	2.84%-2.96%	2	-	Operating capital	-	-	-	280,748	561,496
7	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	103,370	94,381	85,392	2.84%-2.96%	2	-	Operating capital	-	-	-	280,748	561,496
8	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	584,263	341,569	341,569	2.76%-2.96%	2	-	Operating capital	-	-	-	5,623,413	11,246,825
9	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	177,526	177,526	177,526	2.76%-2.92%	2	-	Operating capital	-	-	-	180,578	361,156
10	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	48,089	48,089	48,089	2.76%-2.96%	2	-	Operating capital	-	-	-	51,693	103,386
11	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,247,164	1,348,298	305,614	2.76%-2.96%	2	-	Operating capital	-	-	-	32,271,116	64,542,233
11	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	9,572,919	3,775,236	3,775,236	2.84%-3.04%	2	-	Operating capital	-	-	-	32,271,116	64,542,233
12	Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,206,727	1,069,650	1,069,650	2.76%-2.96%	2	-	Operating capital	-	-	-	6,786,291	13,572,583

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

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

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

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

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

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

Note 5 : Reporting currency of Nan Ya Plastics corporation, America and Nan Ya Plastics corporation USA are denominated in USD, and the exchange rate of TWD to USD as of September 30, 2023 (in average) is 32.268(30.955) : 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 September 30, 2023 (in average) is 4.1369(3.9685) : 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 NINE MONTHS ENDED SEPTEMBER 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	237,395,571	8,067,000	8,067,000	8,067,000	-	2.21%	474,791,143	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)
SEPTEMBER 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	1,699,861	-	1,699,861	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI — current	294,793	23,524,490	4.63%	23,524,490	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI — current	140,520	8,641,958	2.40%	8,641,958	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI — non current	3	4,932,232	19.00%	4,932,232	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI — non current	2	657,195	0.51%	657,195	
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	143,977	18.00%	143,977	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI — non current	20,471	253,199	18.00%	253,199	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI — non current	39,562	1,123,954	17.98%	1,123,954	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI — non current	11,657	463,916	15.00%	463,916	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI — non current	63,717	2,050,230	14.99%	2,050,230	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI — non current	2,925	303,290	12.50%	303,290	
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	48,901	1.04%	48,901	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI — non current	1,287	10,731	0.80%	10,731	

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	28,263	0.79%	28,263	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI — non current	3,750	32,700	3.91%	32,700	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI — non current	1,390	10,759	1.97%	10,759	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI — non current	621,178	7,215,904	11.43%	7,215,904	
Nan Ya PCB Corporation	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI — current	2,996	239,080	0.05%	239,080	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL — non current	-	467,577	-	467,577	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL — non current	-	225,619	-	225,619	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI — non current	-	332,729	15.00%	332,729	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI — non current	-	319,671	15.00%	319,671	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$1,016,333.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WITH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 4

Company Name	Category and Name of Security	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Price	Carrying Value	Gain/Loss on Disposal	Shares (in thousands)	Amount
The Company	Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	100,000	1,000,818	75,000	750,000	-	-	-	-	175,000	1,740,292 (Note)
The Company	Formosa Resources Corporation	Investments accounted for using equity method	Formosa Resources Corporation	Investments accounted for using equity method	830,047	7,703,818	79,860	798,600	-	-	-	-	909,907	8,416,734 (Note)

Note : End of period amount includes effects measured by fair value.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 5

Company Name	Name of Property	Transaction Date (Note 1)	Transaction Amount (Note 2)	Status of Payment	Counter-party	Relationship with the Company	Disclosure of Information on Previous Transfer of Equipment is Required for Related Parties who are also the Counter Parties				References for Determining Price	Purpose of Acquisition and Current Condition	Others
							Owner	Relationship with the Company	Date of Transfer	Amount			
Nan Ya Plastics (Ningbo) Co., Ltd.	Construction in progress	2020.7.30	RMB 257,631	RMB 231,396	China MCC20 Group Corporaion Ltd.	Unrelated party	-	-	-	-	Negotiation	Plant expansion	None
Nan Ya Plastics (Huizhou) Co., Ltd.	Construction in progress	2023.7.14	RMB 174,809	RMB -	China Construction Seventh Engineering Division. Corp. Ltd.	Unrelated party	-	-	-	-	Negotiation	Plant expansion	None

Note1 : Transaction date refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier.

Note 2 : Contract amount.

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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 6

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)	(1,334,384)	(1.47)%	30 days	-	-	102,876	0.67%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(4,540,958)	(4.99)%	30 days	-	-	89,974	0.59%	
The Company	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(1,417,865)	(1.56)%	30 days	-	-	158,777	1.03%	Note
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(1,159,309)	(1.27)%	30 days	-	-	122,402	0.80%	
The Company	Nanya Technology Corporation	Associates	(Sales)	(159,470)	(0.18)%	30 days	-	-	17,807	0.12%	
The Company	Formosa Taffeta Co., Ltd.	Other related parties	(Sales)	(356,339)	(0.39)%	30 days	-	-	44,498	0.29%	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	(Sales)	(173,282)	(0.19)%	O/A150 days	-	-	94,925	0.62%	
The Company	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(603,211)	(0.66)%	O/A105 days	-	-	384,200	2.50%	Note
The Company	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(615,547)	(0.68)%	O/A105 days	-	-	181,332	1.18%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(1,578,943)	(1.74)%	O/A180 days	-	-	543,443	3.54%	Note
The Company	Nan Ya Plastics (Nantong) Co., Ltd.	Subsidiaries	(Sales)	(226,100)	(0.25)%	O/A150 days	-	-	96,742	0.63%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(1,300,294)	(1.43)%	O/A150 days	-	-	397,965	2.59%	Note
The Company	Formosa Industries Corporation	Associates	(Sales)	(534,991)	(0.59)%	O/A150 days	-	-	197,814	1.29%	
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	(Sales)	(1,023,016)	(1.12)%	O/A150 days	-	-	237,159	1.54%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	(Sales)	(261,368)	(0.29)%	30 days	-	-	-	-	Note
The Company	Formosa Plastics Corporation	Other related parties	Purchases	7,188,868	11.65%	30 days	-	-	(769,854)	(7.62)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	18,246,568	29.56%	30 days	-	-	(1,998,997)	(19.79)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	12,792,374	20.72%	30 days	-	-	(1,558,800)	(15.44)%	
The Company	PFG Fiber Glass Corporation	Subsidiaries	Purchases	1,502,666	2.43%	30 days	-	-	(176,676)	(1.75)%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	Purchases	878,217	1.42%	30 days	-	-	-	-	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	423,275	0.69%	O/A150 days	-	-	(119,822)	(1.19)%	Note
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	Purchases	364,002	0.59%	O/A150 days	-	-	(96,212)	(0.95)%	Note
Nan Ya PCB Corporation	The Company	Parent	Purchases	1,417,865	19.42%	30 days	-	-	(158,777)	(6.12)%	Note
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	Purchases	2,910,454	39.87%	30 days	-	-	(385,915)	(14.89)%	Note
Nan Ya PCB Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(143,066)	(0.63)%	70 days	-	-	7,000	0.12%	
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(2,910,454)	(21.85)%	30 days	-	-	385,915	12.06%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Same chairman	Purchases	579,962	10.08%	60 days	-	-	(71,037)	(3.93)%	Note
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(277,941)	(2.09)%	70 days	-	-	35,026	1.09%	
Nan Chung Petrochemical Corporation	The Company	Parent	(Sales)	(878,217)	(52.96)%	30 days	-	-	-	-	Note
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	(Sales)	(778,593)	(46.95)%	15th day of next month	-	-	-	-	
Nan Chung Petrochemical Corporation	Formosa Petrochemical Corporation	Associates	Purchases	1,071,873	53.73%	15th day of next month	-	-	-	-	
Nan Chung Petrochemical Corporation	The Company	Parent	Purchases	261,368	13.10%	30 days	-	-	-	-	Note
PFG Fiber Glass Corporation	The Company	Parent	(Sales)	(1,502,666)	(72.47)%	30 days	-	-	176,676	70.96%	Note
PFG Fiber Glass Corporation	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	280,390	41.06%	30 days	-	-	(30,713)	(13.41)%	
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	493,495	21.90%	payment within one month	-	-	(60,744)	(12.45)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent	Purchases	603,211	26.77%	O/A 105 days	-	-	(384,200)	(78.73)%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(325,895)	(1.48)%	payment within one month	-	-	-	-	
Nan Ya Plastics Corporation America	The Company	Parent	Purchases	615,547	3.37%	O/A105 days	-	-	(181,332)	(19.60)%	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)	(1,409,690)	(62.80)%	60 days	-	-	197,596	40.37%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(304,215)	(13.55)%	60 days	-	-	139,843	28.57%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	110,807	8.74%	60 days	-	-	(12,826)	(4.66)%	Note
Nan Ya Plastics (Guangzhou) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	315,765	27.66%	60 days	-	-	(55,694)	(41.84)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent	Purchases	1,578,943	22.95%	O/A180 days	-	-	(543,443)	(20.85)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	304,215	4.42%	60 days	-	-	(139,843)	(5.36)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	3,956,799	57.52%	180 days	-	-	(1,843,434)	(70.72)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	The Company	Parent	Purchases	226,100	8.73%	O/A150 days	-	-	(96,742)	(19.53)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	587,269	22.67%	60 days	-	-	(92,445)	(18.66)%	
Nan Ya Plastics (Nantong) Co., Ltd.	Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures	(Sales)	(136,879)	(3.72)%	60 days	-	-	51,330	3.19%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(2,955,178)	(36.44)%	60 days	-	-	338,338	55.27%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	5,021,271	68.36%	60 days	-	-	(740,602)	(68.19)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Parent	Purchases	1,023,016	13.93%	O/A150 days	-	-	(237,159)	(21.84)%	Note
Nan Ya Plastics (Xiamen) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	136,034	19.87%	60 days	-	-	(48,725)	(59.05)%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(423,275)	(1.34)%	O/A150 days	-	-	119,822	0.98%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(3,956,799)	(12.52)%	180 days	-	-	1,843,434	15.11%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Same chairman	(Sales)	(579,962)	(1.84)%	60 days	-	-	71,037	0.58%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(110,807)	(0.35)%	60 days	-	-	12,826	0.11%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(276,197)	(0.87)%	60 days	-	-	30,671	0.25%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	Purchases	1,300,294	4.95%	O/A150 days	-	-	(397,965)	(13.56)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	1,409,690	5.36%	60 days	-	-	(197,596)	(6.73)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	Purchases	2,955,178	11.24%	60 days	-	-	(338,338)	(11.53)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	276,197	25.77%	60 days	-	-	(30,671)	(25.54)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(364,002)	(21.99)%	O/A150 days	-	-	96,212	47.00%	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
SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 7

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 :	102,876	18.95	-	-	77,865	-
The Company	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	158,777	10.26	-	-	152,784	-
The Company	Formosa Petrochemical Corporation	Associates	Receivables from related parties :	122,402	9.10	-	-	80,218	-
The Company	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Receivables from related parties :	384,200	1.91	-	-	66,007	-
The Company	Nan Ya Plastics Corporation America(Note 1)	Subsidiaries	Receivables from related parties :	181,332	6.96	-	-	77,533	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	543,443	3.65	-	-	216,499	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	397,965	4.25	-	-	161,720	-
The Company	Nan Ya Electronic Materials (Ningbo) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	237,159	11.49	-	-	139,770	-
The Company	Formosa Industries Corporation (Vietnam)	Other related company	Receivables from related parties :	197,814	4.68	-	-	58,519	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	385,915	10.21	-	-	385,915	-
PFG Fiber Glass Corporation	The Company(Note 1)	Parent	Receivables from related parties :	176,676	11.91	-	-	176,676	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	197,596	9.46	-	-	197,596	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	139,843	2.89	-	-	41,412	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	338,338	16.04	-	-	338,338	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company(Note 1)	Parent	Receivables from related parties :	119,822	3.16	-	-	12,954	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	1,843,434	3.03	-	-	542,417	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	1,136,181	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas(Note 1)	Subsidiaries	Other receivables from related parties :	11,616,480	Note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,797,731	Note	-	-	-	-
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	853,922	Note	-	-	-	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,069,650	Note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	494,376	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	305,614	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	3,775,236	Note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	341,569	Note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	177,526	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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 8

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	1,424,266	30-150 days	0.72%
0	The Company	Nan Chung Petrochemical Corporation	1	Sales	261,368	30 days	0.13%
0	The Company	PFG Fiber Glass Corporation	1	Sales	32,949	30 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Sales	603,211	O/A 105 days	0.31%
0	The Company	Nan Ya Plastics Corporation America	1	Sales	615,547	O/A 105 days	0.31%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Sales	4,379,586	O/A 150-180 days	2.23%
0	The Company	Superior World Wide Trading Co., Ltd.	1	Sales	11,617	O/A 150 days	0.01%
0	The Company	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	1	Sales	10,917	O/A 150 days	0.01%
1	Nan Chung Petrochemical Corporation	The Company	2	Sales	878,217	30 days	0.45%
2	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	103,954	30 days	0.05%
3	PFG Fiber Glass Corporation	The Company	2	Sales	1,502,666	30 days	0.76%
3	PFG Fiber Glass Corporation	PFG Fiber Glass (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	43,168	30 days	0.02%
4	Nan Ya Plastics Corporation U.S.A.	The Company	2	Sales	13,181	O/A 105 days	0.01%
5	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	3	Sales	54,007	payment within one month	0.03%
5	Nan Ya Plastics Corporation America	The Company	2	Sales	31,932	O/A 105 days	0.02%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Sales	821,874	O/A 150-180 days	0.42%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	901,037	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	111,908	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	1,742,963	60 days	0.89%
9	Superior World Wide Trading Co., Ltd.	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	11,600	O/A 60 days	0.01%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Accounts receivable	160,147	30-150 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Accounts receivable	384,200	O/A 105 days	0.06%
0	The Company	Nan Ya Plastics Corporation America	1	Accounts receivable	181,332	O/A 105 days	0.03%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Accounts receivable	1,360,482	O/A 150-180 days	0.21%
3	PFG Fiber Glass Corporation	The Company	2	Accounts receivable	176,676	30 days	0.03%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Accounts receivable	236,919	O/A 150-180 days	0.04%

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	152,614	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	337,439	60 days	0.05%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Rent revenue	221,948	30-150 days	0.11%

Note 1: The appointed numbers represent:

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

Note 2: Transactions are categorized as follows:

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 9

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of September 30, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				September 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%	3,158,106	133,286	133,286	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%	47,018,480	(1,618,265)	(1,618,265)	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%	114,525,241	1,659,486	1,659,486	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%	991,928	77,176	77,176	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%	1,812,318	(370,099)	(123,366)	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%	8,501,487	(328,493)	(343,523)	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%	5,566,271	(2,484,289)	(1,055,823)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	31,735,847	4,973,418	3,336,432	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	26,959	26,959	10	100.00%	1,152	(39)	(39)	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.29%	50,374,539	(4,960,132)	(1,452,635)	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	259,681	9,651	2,605	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	76,347,129	20,434,284	4,721,105	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	3,240,497	(282,186)	(412,098)	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	1,002,272	(150,276)	(74,719)	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	256,326	(4,659)	(4,597)	Note 3.4
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	385,585	161,959	72,884	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	19,605	(51)	(23)	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	7,314,083	(388,104)	(127,728)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	33,340	33,340	4,699	33.34%	9,849	(25,516)	(8,507)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,291,631	123,981	41,327	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of September 30, 2023			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				September 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%	4,349	245	83	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	20,000	(40)	(12)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	764,193	24.94%	12,803,602	9,891,001	2,466,998	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	761,820	761,820	10,609	23.02%	254,337	81,053	18,657	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	9,099,071	8,300,471	909,907	25.00%	8,416,734	(2,505,886)	(626,471)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	862,806	218,260	54,565	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	600,000	600,000	60,000	33.33%	554,380	(11,386)	(3,795)	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,157,744	(37,203)	(3,720)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	1,750,000	1,000,000	175,000	25.00%	1,740,292	(42,104)	(10,526)	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	258,144	258,144	-	12.10%	2,727,378	520,779	62,244	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	15,811,320	15,811,320	3	100.00%	3,600,183	(2,885,342)	(2,885,342)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,219,232	2,219,232	-	21.00%	3,846,871	1,403,922	294,824	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%	24,367,532	1,771,890	1,771,890	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%	20,458	1,192	1,192	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%	483,406	506,266	15,397	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%	24,352,404	1,771,412	1,771,412	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	134,290	(5,242)	(5,242)	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	130,585	130,585	5	50.00%	320,376	107,654	53,827	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 September 30, 2023 (in average) is 32.268(30.955) : 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 September 30, 2023 (in average) is 4.1369(3.9685) : 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 September 30, 2023 (in average) is 0.001323001(0.001308382) : 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 NINE MONTHS ENDED SEPTEMBER 30, 2023
(Expressed in thousands of New Taiwan Dollars)

TABLE 10**(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 September 30, 2023		Investment Transferred from Taiwan as of September 30, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 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	(56,174)	100.00%	(56,174)	1,825,803	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.(Note1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	91,571	85.00%	77,836	1,031,188	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.(Note1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	60,530	100.00%	60,530	3,584,007	191,257
Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note1)	production of electronic materials, glass fabrics, copper clad	12,208,913	Indirect investment	5,489,509	-	-	5,489,509	433,849	100.00%	433,849	16,009,018	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	301	100.00%	301	61,952	-
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	77,871	100.00%	77,871	10,690,129	103,612
China Nantong Huafeng Co., Ltd.(Note1)	trading	93,004	Indirect investment	99,636	-	-	99,636	4,452	100.00%	4,452	365,689	-
Nantong Huafu Plastics Co., Ltd.(Note1)	trading	79,111	Indirect investment	71,503	-	-	71,503	1,873	100.00%	1,873	105,292	-
Nan Ya Electric (Nantong) Co.,Ltd.(Note1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	66,315	100.00%	66,315	1,148,832	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	4,570	50.00%	2,285	231,475	-
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	1,235,485	100.00%	1,235,485	64,113,717	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	(465,756)	100.00%	(465,756)	(1,648,221)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	8,647	50.00%	4,324	70,653	-
Nan Ya Plastics (Ningbo) Co., Ltd.(Note1)	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	238,345	100.00%	238,345	13,765,600	-
PFG Fiber Glass (Kunshan) Co., Ltd.(Note1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	(329,554)	100.00%	(329,554)	8,652,029	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 September 30, 2023		Investment Transferred from Taiwan as of September 30, 2023	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of September 30, 2023	Accumulated Inward Remittance of Earnings as of September 30, 2023
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	-	332,729	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	-	319,671	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(370,099)	33.33%	(123,366)	1,812,318	-

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 September 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 September 30, 2023 (in average) is 1 : 1.0864(1.1126), and translated to TWD using the exchange rate as of September 30, 2023 (in average) is 1 : 4.1369(3.9685).

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