

**NAN YA PRINTED CIRCUIT BOARD  
CORPORATION AND SUBSIDIARIES**

**Consolidated Financial Statements**

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

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

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## Independent Auditors' Review Report

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

### Introduction

We have reviewed the accompanying consolidated balance sheets of Nan Ya Printed Circuit Board Corporation and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, 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

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.

## **Conclusion**

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 Nan Ya Printed Circuit Board Corporation and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hui-Chih Ko and Tzu-Hui Lee.

KPMG

Taipei, Taiwan (Republic of China)  
May 4, 2023

## **Notes to Readers**

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

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

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

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

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

**(Expressed in Thousands of New Taiwan Dollars)**

Assets		March 31, 2023		December 31, 2022		March 31, 2022		Liabilities and equity		March 31, 2023		December 31, 2022		March 31, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 23,253,565	28	20,044,117	25	13,299,488	22	2100	Current borrowings (note 6(h))	\$ -	-	-	-	582,941	1
1120	Current financial assets at fair value through other comprehensive income	29,284	-	-	-	-	-	2130	Current contract liabilities (note 6(o))	2,042,484	3	1,082,286	2	233,371	-
1170	Notes and accounts receivable, net (notes 6(b) and (o))	10,940,697	13	14,790,920	18	11,094,061	18	2170	Accounts payable	4,987,803	6	5,003,404	6	3,714,671	6
1180	Accounts receivable due from related parties (notes 6(b), (o) and 7)	96,649	-	102,237	-	157,426	-	2180	Accounts payable to related parties (note 7)	269,271	-	316,155	1	265,266	-
1200	Other receivables (note 6(c))	373,560	1	237,260	-	227,631	-	2216	Dividends payable	11,630,978	14	-	-	-	-
1210	Other receivables due from related parties (notes 6(c) and 7)	46,380	-	5,349	-	3,643	-	2219	Other payables	2,117,845	3	3,575,022	4	2,072,357	3
1310	Inventories (note 6(d))	5,335,869	6	5,802,751	7	5,275,316	9	2220	Other payables to related parties (note 7)	30,724	-	36,960	-	29,614	-
1410	Prepayments	357,088	-	327,741	-	561,832	1	2230	Current tax liabilities	3,511,331	4	3,207,309	4	2,371,656	4
	<b>Total current assets</b>	<b>40,433,092</b>	<b>48</b>	<b>41,310,375</b>	<b>50</b>	<b>30,619,397</b>	<b>50</b>	2281	Current lease liabilities (note 6(j))	11,969	-	9,797	-	-	-
	<b>Non-current assets:</b>							2282	Current lease liabilities, related parties (notes 6(j) and 7)	244,192	-	237,025	-	121,778	-
1550	Investments accounted for using equity method (note 6(c))	481,642	1	513,814	1	513,094	1	2322	Long-term borrowings, current portion (note 6(i))	-	-	-	-	469,690	1
1600	Property, plant and equipment (notes 6(f) and 7)	40,677,015	48	37,266,777	46	29,045,530	47	2399	Other current liabilities	310,490	-	220,572	-	388,909	1
1755	Right-of-use assets (notes 6(g) and 7)	1,905,677	2	1,936,781	2	372,137	1		<b>Total current liabilities</b>	<b>25,157,087</b>	<b>30</b>	<b>13,688,530</b>	<b>17</b>	<b>10,250,253</b>	<b>16</b>
1840	Deferred tax assets	688,395	1	711,133	1	675,131	1		<b>Non-current liabilities:</b>						
1900	Other non-current assets	28,577	-	11,597	-	8,425	-	2527	Non-current contract liabilities (note 6(o))	8,054,325	9	7,634,928	9	1,381,243	2
	<b>Total non-current assets</b>	<b>43,781,306</b>	<b>52</b>	<b>40,440,102</b>	<b>50</b>	<b>30,614,317</b>	<b>50</b>	2540	Non-current portion of non-current borrowings (note 6(i))	-	-	-	-	185,544	-
	<b>Total assets</b>	<b>\$ 84,214,398</b>	<b>100</b>	<b>81,750,477</b>	<b>100</b>	<b>61,233,714</b>	<b>100</b>	2570	Deferred tax liabilities	3,153,330	4	3,005,723	4	2,074,413	4
								2581	Non-current lease liabilities (note 6(j))	8,986	-	7,411	-	-	-
								2582	Non-current lease liabilities, related parties (notes 6(j) and 7)	1,620,290	2	1,660,156	2	220,971	-
								2640	Net defined benefit liability, non-current	1,581,756	2	1,902,087	2	2,174,651	4
								2645	Guarantee deposits received	125,707	-	129,075	-	130,573	-
									<b>Total non-current liabilities</b>	<b>14,544,394</b>	<b>17</b>	<b>14,339,380</b>	<b>17</b>	<b>6,167,395</b>	<b>10</b>
									<b>Total liabilities</b>	<b>39,701,481</b>	<b>47</b>	<b>28,027,910</b>	<b>34</b>	<b>16,417,648</b>	<b>26</b>
									<b>Equity (note 6(m)):</b>						
								3100	Ordinary shares	6,461,655	8	6,461,655	8	6,461,655	11
								3200	Capital surplus	18,125,608	22	18,125,608	22	18,125,600	30
								3310	Legal reserve	5,896,621	7	5,896,621	7	4,859,640	8
								3320	Special reserve	861,246	1	861,246	1	592,160	1
								3350	Unappropriated retained earnings	13,833,347	16	23,139,084	29	15,184,970	25
								3400	Other equity interest	(665,560)	(1)	(761,647)	(1)	(407,959)	(1)
									<b>Total equity</b>	<b>44,512,917</b>	<b>53</b>	<b>53,722,567</b>	<b>66</b>	<b>44,816,066</b>	<b>74</b>
									<b>Total liabilities and equity</b>	<b>\$ 84,214,398</b>	<b>100</b>	<b>81,750,477</b>	<b>100</b>	<b>61,233,714</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with Standards on Auditing**  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the three months ended March 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the three months ended March 31,			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (notes 6(o) and 7)</b>	\$ 12,580,657	100	14,561,655	100
5000	<b>Operating costs (notes 6(d), (f), (g), (j), (k), (p) and 7)</b>	<u>8,862,775</u>	<u>70</u>	<u>9,169,153</u>	<u>63</u>
	<b>Gross profit from operations</b>	<u>3,717,882</u>	<u>30</u>	<u>5,392,502</u>	<u>37</u>
	<b>Operating expenses (notes 6(b), (f), (g), (j), (k), (p) and 7):</b>				
6100	Selling expenses	140,279	1	182,830	1
6200	Administrative expenses	412,448	4	423,682	3
6450	Gain on reversal of expected credit impairment	-	-	(484)	-
6000	<b>Total operating expenses</b>	<u>552,727</u>	<u>5</u>	<u>606,028</u>	<u>4</u>
6900	<b>Net operating income</b>	<u>3,165,155</u>	<u>25</u>	<u>4,786,474</u>	<u>33</u>
	<b>Non-operating income and expenses (notes 6(e), (f), (j), (q) and 7):</b>				
7100	Interest income	65,563	-	9,536	-
7010	Other income	67,094	1	41,072	-
7020	Other gains and losses	(151,713)	(1)	369,089	3
7050	Finance costs	(5,026)	-	(4,559)	-
7060	Share of profit of associates accounted for using equity method	<u>7,287</u>	<u>-</u>	<u>12,975</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>(16,795)</u>	<u>-</u>	<u>428,113</u>	<u>3</u>
7900	<b>Profit before tax</b>	3,148,360	25	5,214,587	36
7950	Less: Tax expense (note 6(l))	<u>823,119</u>	<u>7</u>	<u>1,330,781</u>	<u>9</u>
8200	<b>Profit</b>	<u>2,325,241</u>	<u>18</u>	<u>3,883,806</u>	<u>27</u>
8300	<b>Other comprehensive income (notes 6(e), (l) and (m)):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	813	-	-	-
8320	Share of other comprehensive income of associates accounted for using equity method	4,322	-	(1,559)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>5,135</u>	<u>-</u>	<u>(1,559)</u>	<u>-</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	113,690	1	568,556	3
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>22,738</u>	<u>-</u>	<u>113,711</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>	<u>90,952</u>	<u>1</u>	<u>454,845</u>	<u>3</u>
8300	<b>Other comprehensive income, net</b>	<u>96,087</u>	<u>1</u>	<u>453,286</u>	<u>3</u>
8500	<b>Total comprehensive income</b>	<u>\$ 2,421,328</u>	<u>19</u>	<u>4,337,092</u>	<u>30</u>
	<b>Earnings per share (note 6(n))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 3.60</u>		<u>6.01</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 3.60</u>		<u>6.01</u>	

See accompanying notes to consolidated financial statements.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the three months ended March 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest		Total	Total equity
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
<b>Balance at January 1, 2022</b>	\$ 6,461,655	18,125,600	4,859,640	592,160	11,301,164	(860,048)	(1,197)	(861,245)	40,478,974
Profit for the three months ended March 31, 2022	-	-	-	-	3,883,806	-	-	-	3,883,806
Other comprehensive income for the three months ended March 31, 2022	-	-	-	-	-	454,845	(1,559)	453,286	453,286
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	3,883,806	454,845	(1,559)	453,286	4,337,092
<b>Balance at March 31, 2022</b>	<b>\$ 6,461,655</b>	<b>18,125,600</b>	<b>4,859,640</b>	<b>592,160</b>	<b>15,184,970</b>	<b>(405,203)</b>	<b>(2,756)</b>	<b>(407,959)</b>	<b>44,816,066</b>
<b>Balance at January 1, 2023</b>	\$ 6,461,655	18,125,608	5,896,621	861,246	23,139,084	(744,544)	(17,103)	(761,647)	53,722,567
Profit for the three months ended March 31, 2023	-	-	-	-	2,325,241	-	-	-	2,325,241
Other comprehensive income for the three months ended March 31, 2023	-	-	-	-	-	90,952	5,135	96,087	96,087
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	2,325,241	90,952	5,135	96,087	2,421,328
Allocation of earnings:									
Cash dividends of ordinary share	-	-	-	-	(11,630,978)	-	-	-	(11,630,978)
<b>Balance at March 31, 2023</b>	<b>\$ 6,461,655</b>	<b>18,125,608</b>	<b>5,896,621</b>	<b>861,246</b>	<b>13,833,347</b>	<b>(653,592)</b>	<b>(11,968)</b>	<b>(665,560)</b>	<b>44,512,917</b>

See accompanying notes to consolidated financial statements.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the three months ended March 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2023	2022
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 3,148,360	5,214,587
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	1,278,150	1,050,922
Gain on reversal of expected credit impairment	-	(484)
Interest expense	5,026	4,559
Interest income	(65,563)	(9,536)
Share of profit of associates accounted for using equity method	(7,287)	(12,975)
Loss on disposal of property, plant and equipment	21,604	2,395
Reversal of impairment loss on non-financial assets	(9)	-
Unrealized foreign exchange gain	(15,277)	(221,993)
<b>Total adjustments to reconcile profit</b>	<u>1,216,644</u>	<u>812,888</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in notes and accounts receivable (including related parties)	3,858,209	(7,138)
Increase in other receivables (including related parties)	(127,465)	(160,389)
Decrease in inventories	466,676	70,228
Increase in prepayments	(22,191)	(57,007)
<b>Total changes in operating assets</b>	<u>4,175,229</u>	<u>(154,306)</u>
<b>Changes in operating liabilities:</b>		
Increase in contract liabilities	1,379,943	788,801
(Decrease) increase in accounts payable (including related parties)	(54,140)	324,881
Decrease in other payables (including related parties)	(1,463,413)	(999,936)
Increase in other current liabilities	89,918	158,073
Decrease in net defined benefit liabilities	(320,331)	(14,929)
<b>Total changes in operating liabilities</b>	<u>(368,023)</u>	<u>256,890</u>
<b>Total changes in operating assets and liabilities</b>	<u>3,807,206</u>	<u>102,584</u>
<b>Total adjustments</b>	<u>5,023,850</u>	<u>915,472</u>
Cash inflow generated from operations	8,172,210	6,130,059
Interest received	59,512	9,462
Interest paid	(5,026)	(4,866)
Income taxes paid	(380,083)	(363,068)
<b>Net cash flows from operating activities</b>	<u>7,846,613</u>	<u>5,771,587</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(28,471)	-
Acquisition of property, plant and equipment	(4,563,367)	(5,130,557)
Proceeds from disposal of property, plant and equipment	3,211	10,232
Increase in other non-current assets	(16,980)	(2,906)
<b>Net cash flows used in investing activities</b>	<u>(4,605,607)</u>	<u>(5,123,231)</u>
<b>Cash flows used in financing activities:</b>		
Increase in short-term loans	-	294,811
Decrease in short-term loans	-	(955,526)
Repayments of long-term debt	-	(49,200)
(Decrease) increase in guarantee deposits received	(3,368)	1,045
Payment of lease liabilities	(62,904)	(54,639)
<b>Net cash flows used in financing activities</b>	<u>(66,272)</u>	<u>(763,509)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>34,714</u>	<u>220,191</u>
<b>Net increase in cash and cash equivalents</b>	3,209,448	105,038
<b>Cash and cash equivalents at beginning of period</b>	<u>20,044,117</u>	<u>13,194,450</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 23,253,565</u>	<u>13,299,488</u>

See accompanying notes to consolidated financial statements.



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

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the Three Months Ended March 31, 2023 and 2022**

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

**(1) Company history**

Nan Ya Printed Circuit Board Corporation “the Company” was legally established with the approval by the Ministry of Economic Affairs on October 28, 1997, with registered address at 3F, No.201-36, Dunhua N. Rd., Jingzhong Vil., Songshan Dist., Taipei City, Taiwan. The Company and its subsidiaries “the Group” main operating activities are primarily in the manufacturing and selling of printed circuit boards.

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

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 4, 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. (“FSC”) which have already been adopted.

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

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance.  The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- Amendments to IFRS16 “Requirements for Sale and Leaseback Transactions”

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**(4) Summary of significant accounting policies**

(a) Statement of compliance

The accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and IAS 34 “Interim Financial Reporting” which was endorsed by the FSC. These consolidated interim financial statements do not include all disclosures required for full annual consolidated financial statements under International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations as endorsed by the FSC (hereinafter referred to as IFRS endorsed by the FSC).

Except as described below, the significant accounting policies adopted in the accompanying consolidated financial statements are the same as those in the consolidated financial statements as of and for the year ended December 31, 2022. Please refer to note 4 of the consolidated financial statements as of and for the year ended December 31, 2022 relevant information.

(b) Basis of consolidation

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

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

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

(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 events.

(d) Income taxes

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

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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Income tax expenses for the period are best estimated by multiplying the pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management, 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 the asset or liability is recovered or settled, and should 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 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.

**(6) Explanation of significant accounts**

Except as described below, the description of significant accounts in the accompanying consolidated financial statements is not materially different from those in the consolidated financial statements as of and for the year ended December 31, 2022. Please refer to note 6 of the consolidated financial statements as of and for the year ended December 31, 2022 for relevant information.

(a) Cash and cash equivalents

	<b>March 31,</b> <b>2023</b>	<b>December 31,</b> <b>2022</b>	<b>March 31,</b> <b>2022</b>
Cash on hand	\$ 7	23	17
Cash in banks	10,644,784	11,023,535	5,503,017
Time deposits	9,453,502	7,235,634	6,101,954
Cash equivalents	<u>3,155,272</u>	<u>1,784,925</u>	<u>1,694,500</u>
	<b><u>\$ 23,253,565</u></b>	<b><u>20,044,117</u></b>	<b><u>13,299,488</u></b>

Please refer to note 6(r) for the interest rate risk and sensitivity analysis of the consolidated financial assets and liabilities of the Group.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(b) Notes and accounts receivables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable	\$ -	370	6,988
Accounts receivable – non-related parties- measured at amortized cost	10,988,651	14,838,504	11,135,027
Accounts receivable – related parties-measured at amortized cost	96,649	102,237	157,426
Less: Loss allowance	<u>(47,954)</u>	<u>(47,954)</u>	<u>(47,954)</u>
	<u>\$ 11,037,346</u>	<u>14,893,157</u>	<u>11,251,487</u>

As of March 31, 2023, December 31 and March 31, 2022, the Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes receivable and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information.

The aging analysis of notes and accounts receivable with expected credit losses was determined as follows:

	<u>March 31, 2023</u>		
	<u>Accounts receivables gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 10,882,348	0.356%	38,745
Past due within 3 months	173,335	1.211%	2,099
Past due 3 to 6 months	<u>29,617</u>	24.006%	<u>7,110</u>
	<u>\$ 11,085,300</u>		<u>47,954</u>
	<u>December 31, 2022</u>		
	<u>Notes and Accounts receivables gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ 14,767,608	0.313%	46,174
Past due within 3 months	<u>173,503</u>	1.026%	<u>1,780</u>
	<u>\$ 14,941,111</u>		<u>47,954</u>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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	<b>March 31, 2022</b>		
	<b>Notes and Accounts receivables gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 11,188,032	0.006%~0.552%	47,157
Past due within 3 months	111,375	0.639%~1.232%	776
Past due 3 to 6 months	34	60.099%	21
	<b>\$ 11,299,441</b>		<b>47,954</b>

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

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	Balance as of January 1	\$ 47,954
Impairment losses reversed	-	(484)
Effect of exchange rate changes	-	7
Balance as of March 31	<b>\$ 47,954</b>	<b>47,954</b>

As of March 31, 2023, December 31 and March 31, 2022, the Group did not provide any notes and accounts receivable as collateral for its loans.

(c) Other receivables

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Other receivables – related parties	\$ 46,380	5,349	3,643
Tax refund receivable	331,683	216,795	205,258
Others	41,877	20,465	22,373
	<b>\$ 419,940</b>	<b>242,609</b>	<b>231,274</b>

For further credit risk information, please refers to note 6(r).

(d) Inventories

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Finished goods	\$ 1,020,525	1,133,325	935,817
Work in process	2,702,318	3,033,291	2,781,704
Raw materials	939,619	1,123,455	1,092,884
Supplies	673,407	512,680	464,911
	<b>\$ 5,335,869</b>	<b>5,802,751</b>	<b>5,275,316</b>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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The details of the cost of sales were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Inventory that has been sold	\$ 8,862,848	9,162,485
Write-down of inventories (Reversal of write-downs)	(73)	6,668
	<b>\$ 8,862,775</b>	<b>9,169,153</b>

For the three months ended March 31, 2023, net realizable value of inventories has increased due to the increase in market price, the reversal of write-downs amounted to \$73.

For the three months ended March 31, 2022, the write-down of inventories amounted to \$6,668.

As of March 31, 2023, December 31 and March 31, 2022, the Group did not provide any inventories as collateral for its loan.

(e) Investments accounted for using the equity method

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

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Associates	\$ 481,642	513,814	513,094

The Group's financial information on investments accounted for using the equity method that are individually insignificant was as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Attributable to the Group:		
Net income	\$ 7,287	12,975
Other comprehensive income	4,322	(1,559)
Total comprehensive income	<b>\$ 11,609</b>	<b>11,416</b>

As of March 31, 2023, December 31 and March 31, 2022, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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(f) Property, plant and equipment

The cost and accumulated depreciation and impairment of the property, plant and equipment of the Group were as follows:

	<u>Building</u>	<u>Machinery and equipment</u>	<u>Vehicles</u>	<u>Miscellaneous equipment</u>	<u>Unfinished construction and equipment pending acceptance</u>	<u>Total</u>
<b>Cost:</b>						
Balance as of January 1, 2023	\$ 4,504,351	53,921,399	20,571	4,571,856	14,092,674	77,110,851
Additions	-	62,708	1,365	25,360	4,473,934	4,563,367
Disposals	-	(471,446)	-	(912)	-	(472,358)
Reclassification	-	6,913,104	-	(55,553)	(6,857,551)	-
Effect of exchange rate changes	<u>12,211</u>	<u>118,306</u>	<u>20</u>	<u>1,064</u>	<u>30,721</u>	<u>162,322</u>
Balance as of March 31, 2023	<u>\$ 4,516,562</u>	<u>60,544,071</u>	<u>21,956</u>	<u>4,541,815</u>	<u>11,739,778</u>	<u>81,364,182</u>
Balance as of January 1, 2022	\$ 4,469,304	50,517,957	18,803	4,953,237	2,107,969	62,067,270
Additions	-	103,628	-	8,448	5,018,481	5,130,557
Disposals	-	(287,990)	-	(221,247)	-	(509,237)
Reclassification	-	1,282,712	-	13,527	(1,296,239)	-
Effect of exchange rate changes	<u>88,139</u>	<u>860,705</u>	<u>154</u>	<u>7,790</u>	<u>24,065</u>	<u>980,853</u>
Balance as of March 31, 2022	<u>\$ 4,557,443</u>	<u>52,477,012</u>	<u>18,957</u>	<u>4,761,755</u>	<u>5,854,276</u>	<u>67,669,443</u>
<b>Accumulated depreciation and impairment:</b>						
Balance as of January 1, 2023	\$ 2,871,867	33,289,354	12,043	3,670,810	-	39,844,074
Depreciation for the period	40,204	1,133,105	428	39,195	-	1,212,932
Reversal of impairment loss	-	(9)	-	-	-	(9)
Disposals	-	(446,649)	-	(894)	-	(447,543)
Effect of exchange rate changes	<u>7,637</u>	<u>68,865</u>	<u>13</u>	<u>1,198</u>	<u>-</u>	<u>77,713</u>
Balance as of March 31, 2023	<u>\$ 2,919,708</u>	<u>34,044,666</u>	<u>12,484</u>	<u>3,710,309</u>	<u>-</u>	<u>40,687,167</u>
Balance as of January 1, 2022	\$ 2,689,897	30,829,691	11,617	4,065,062	-	37,596,267
Depreciation for the period	40,591	919,694	342	35,635	-	996,262
Disposals	-	(275,011)	-	(221,599)	-	(496,610)
Effect of exchange rate changes	<u>52,026</u>	<u>468,065</u>	<u>122</u>	<u>7,781</u>	<u>-</u>	<u>527,994</u>
Balance as of March 31, 2022	<u>\$ 2,782,514</u>	<u>31,942,439</u>	<u>12,081</u>	<u>3,886,879</u>	<u>-</u>	<u>38,623,913</u>
<b>Carrying amounts:</b>						
Balance as of March 31, 2023	<u>\$ 1,596,854</u>	<u>26,499,405</u>	<u>9,472</u>	<u>831,506</u>	<u>11,739,778</u>	<u>40,677,015</u>
Balance as of December 31, 2022	<u>\$ 1,632,484</u>	<u>20,632,045</u>	<u>8,528</u>	<u>901,046</u>	<u>14,092,674</u>	<u>37,266,777</u>
Balance as of March 31, 2022	<u>\$ 1,774,929</u>	<u>20,534,573</u>	<u>6,876</u>	<u>874,876</u>	<u>5,854,276</u>	<u>29,045,530</u>

For gains and losses on disposals, please refer to note 6(q).

(Continued)



**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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(g) Right-of-use assets

The Group leases assets including land and buildings, as recognized right-of-use assets. Information about leases for which the Group as a lessee was presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<b>Cost:</b>			
Balance as of January 1, 2023	\$ 386,040	2,135,615	2,521,655
Additions	6,542	-	6,542
Change in an index of lease payment	27,410	-	27,410
Effect of exchange rate changes	<u>184</u>	<u>-</u>	<u>184</u>
Balance as of March 31, 2023	<u><u>\$ 420,176</u></u>	<u><u>2,135,615</u></u>	<u><u>2,555,791</u></u>
Balance as of January 1, 2022	\$ 301,748	457,327	759,075
Change in an index of lease payment	23,111	-	23,111
Effect of exchange rate changes	<u>1,330</u>	<u>-</u>	<u>1,330</u>
Balance as of March 31, 2022	<u><u>\$ 326,189</u></u>	<u><u>457,327</u></u>	<u><u>783,516</u></u>
<b>Accumulated depreciation:</b>			
Balance as of January 1, 2023	\$ 93,315	491,559	584,874
Depreciation for the period	16,972	48,246	65,218
Effect of exchange rate changes	<u>22</u>	<u>-</u>	<u>22</u>
Balance as of March 31, 2023	<u><u>\$ 110,309</u></u>	<u><u>539,805</u></u>	<u><u>650,114</u></u>
Balance as of January 1, 2022	\$ 31,636	324,951	356,587
Depreciation for the period	15,125	39,535	54,660
Effect of exchange rate changes	<u>132</u>	<u>-</u>	<u>132</u>
Balance as of March 31, 2022	<u><u>\$ 46,893</u></u>	<u><u>364,486</u></u>	<u><u>411,379</u></u>
<b>Carrying amount:</b>			
Balance as of March 31, 2023	<u><u>\$ 309,867</u></u>	<u><u>1,595,810</u></u>	<u><u>1,905,677</u></u>
Balance as of December 31, 2022	<u><u>\$ 292,725</u></u>	<u><u>1,644,056</u></u>	<u><u>1,936,781</u></u>
Balance as of March 31, 2022	<u><u>\$ 279,296</u></u>	<u><u>92,841</u></u>	<u><u>372,137</u></u>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

## (h) Current borrowings

Details of current borrowings of the Group were as follows:

	<b>March 31, 2022</b>
Unsecured bank loans	<u>\$ 582,941</u>
Range of interest rates	<u>0.59%~1.63%</u>

## (i) Non-current portion of non-current borrowings

The non-current portion of non-current borrowings consisted of the following:

	<b>March 31, 2022</b>			
	<u>Currency</u>	<u>Interest rate range</u>	<u>Expiration</u>	<u>Amount</u>
Unsecured long-term bank loans	USD	1.0167%-1.5440%	2023	655,234
Less: current portion				<u>469,690</u>
Total				<u>\$ 185,544</u>
Unused quota				<u>\$ -</u>

As of March 31, 2023 and December 31, 2022, the Group did not have long term loans (including current portion) and unused quota.

## (j) Lease liabilities

The carrying amount of the lease liabilities was as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Current	<u>\$ 256,161</u>	<u>246,822</u>	<u>121,778</u>
Non-current	<u>\$ 1,629,276</u>	<u>1,667,567</u>	<u>220,971</u>

For the maturity analysis, please refer to note 6(r).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended March 31</b>	
	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	<u>\$ 4,845</u>	<u>1,177</u>
Variable lease payment not included in the measurement of lease liabilities; expenses relating to short-term leases; expenses relating to leases of low-value assets	<u>\$ 13,211</u>	<u>14,343</u>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

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

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<b>\$ 80,960</b>	<b>70,159</b>

(i) Real estate leases

The Group leases land and buildings to be used for its office space and plants, which typically runs for a period of 2 to 10 years.

(ii) Other leases

The Group leases machinery and equipment with contract periods within a year. These leases are short-term leases or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

(i) Defined benefit plan

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 pension expenses recorded were as follows:

	<b>For the three months ended</b>	
	<b>March 31,</b>	
	<b>2023</b>	<b>2022</b>
Operating costs	\$ 8,661	7,007
Selling expenses	309	216
Administrative expenses	1,328	927
	<b>\$ 10,298</b>	<b>8,150</b>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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(ii) Defined contribution plan

The pension costs contributed to the related authority were as follows:

	<b>For the three months ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Operating costs	\$ 122,943	123,838
Selling expenses	1,776	1,747
Administrative expenses	16,718	12,782
	<b>\$ 141,437</b>	<b>138,367</b>

(l) Income tax

(i) The details of income tax expense were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Current income tax expense	\$ 623,495	1,086,021
Deferred income tax expense	199,624	244,760
Total income tax expense	<b>\$ 823,119</b>	<b>1,330,781</b>

The details of income tax benefit (expense) under other comprehensive income were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Components of other comprehensive income that will be reclassified to profit or loss:		
Exchange differences on translation of foreign financial statements	<b>\$ (22,738)</b>	<b>(113,711)</b>

(ii) The Company's tax returns for the year through 2020 were assessed by the ROC tax authorities.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(m) Capital and other equity interest

Except for those described below, there were no material changes in equity for the three months ended March 31, 2023 and 2022. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2022 for other relevant disclosures.

(i) Capital surplus

The components of capital surplus were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
Paid-in capital in excess of par value	\$ 17,874,841	17,874,841	17,874,841
Employee stock options	250,434	250,434	250,434
Others	<u>333</u>	<u>333</u>	<u>325</u>
	<b><u>\$ 18,125,608</u></b>	<b><u>18,125,608</u></b>	<b><u>18,125,600</u></b>

(ii) Retained earnings

According to the rules of the Company's articles, the Company's annual net earnings, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. The remainder plus the undistributed earnings of the previous years are distributed or left undistributed for business purposes according to the resolution of the stockholders' dividend distribution. The Company's Board of Directors is authorized to distribute cash dividends after a resolution has been adopted by a majority vote at a board meeting attended by two-thirds or more of the directors, thereafter, to be reported to the shareholders' meeting ; while the distribution of stock dividends shall be submitted to the shareholders' meeting for approval.

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

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

1) Earnings distribution

The amounts of cash dividends for the 2022 earnings distribution had been approved, during the board meeting held on February 24, 2023; while the earnings distribution for 2021 had been approved during the shareholders' meeting on May 27, 2022, respectively. These earnings were appropriated as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Dividends per share (NTD)</u>	<u>Amount</u>	<u>Dividends per share (NTD)</u>	<u>Amount</u>
Dividends distributed to common shareholders:				
Cash	\$ 18.00	<u><u>11,630,978</u></u>	10.00	<u><u>6,461,655</u></u>

(iii) Other equity interest (net of tax)

	<u>Exchange differences on translation of foreign financial statements</u>	<u>Unrealized gains (losses) on financial assets at fair value through other comprehensive income</u>	<u>Total</u>
Balances as of January 1, 2023	\$ (744,544)	(17,103)	(761,647)
Exchange differences on translation of foreign operations	90,952	-	90,952
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	813	813
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	4,322	4,322
Balances as of March 31, 2023	<u><u>\$ (653,592)</u></u>	<u><u>(11,968)</u></u>	<u><u>(665,560)</u></u>
Balances as of January 1, 2022	\$ (860,048)	(1,197)	(861,245)
Exchange differences on translation of foreign operations	454,845	-	454,845
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	(1,559)	(1,559)
Balances as of March 31, 2022	<u><u>\$ (405,203)</u></u>	<u><u>(2,756)</u></u>	<u><u>(407,959)</u></u>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(n) Earnings per share

Calculation of earnings per share for the three months ended March 31, 2023 and 2022 was as follows:

(i) Basic earnings per share

1) Net profit attributable to equity shareholders of the Company

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Net profit attributable to equity shareholders of the Company	<b>\$ 2,325,241</b>	<b>3,883,806</b>

2) Weighted average number of ordinary shares outstanding

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<b>646,166</b>	<b>646,166</b>

(ii) Diluted earnings per share

1) Net profit attributable to equity shareholders of the Company (diluted)

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Net profit attributable to equity shareholders of the Company (diluted)	<b>\$ 2,325,241</b>	<b>3,883,806</b>

2) Weighted average number of ordinary shares outstanding (diluted)

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
	<u>2023</u>	<u>2022</u>
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)	646,166	646,166
Effects of dilutive potential ordinary shares		
Effects of employee stock compensation (in thousands of shares)	140	49
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)	<b>646,306</b>	<b>646,215</b>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Primary geographical markets:		
Taiwan	\$ 5,353,109	5,988,675
Mainland China	4,650,116	5,506,345
Korea	808,793	783,788
Other countries	<u>1,768,639</u>	<u>2,282,847</u>
	<b><u>\$ 12,580,657</u></b>	<b><u>14,561,655</u></b>
Major products:		
Printed circuit board	\$ 12,417,035	14,305,733
Others	<u>163,622</u>	<u>255,922</u>
	<b><u>\$ 12,580,657</u></b>	<b><u>14,561,655</u></b>

(ii) Contract balances

	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Notes receivable	\$ -	370	6,988
Accounts receivable— non-related parties	10,988,651	14,838,504	11,135,027
Accounts receivable— related parties	96,649	102,237	157,426
Less: Loss allowance	<u>(47,954)</u>	<u>(47,954)</u>	<u>(47,954)</u>
	<b><u>\$ 11,037,346</u></b>	<b><u>14,893,157</u></b>	<b><u>11,251,487</u></b>
Contract liabilities— unearned sales	<b><u>\$ 10,096,809</u></b>	<b><u>8,717,214</u></b>	<b><u>1,614,614</u></b>
Current	\$ 2,042,484	1,082,286	233,371
Non-current	<u>8,054,325</u>	<u>7,634,928</u>	<u>1,381,243</u>
	<b><u>\$ 10,096,809</u></b>	<b><u>8,717,214</u></b>	<b><u>1,614,614</u></b>

(Continued)



**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

For details on notes and accounts receivable and allowance for impairment, please refer to note 6(b).

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue will be recognized when products are delivered to customers.

The amount of revenue recognized for the three months ended March 31, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$0 and \$114,222, respectively.

(p) Employee compensation

According to the Company's Articles of Incorporation, which are subject to the shareholders' approval, the Company's annual net profit should be set aside from the allocation 0.05% to 0.5% as employee compensation based on the Company's net profit before tax offsetting employee compensation. When the Company incurs accumulated deficit, the Company should reserve in advance with covering the accumulated deficit. The remunerations to employees amounted to \$5,789 and \$9,729 for the three months ended March 31, 2023 and 2022, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's Article of Incorporation. These remunerations were expensed under operating costs or expenses for the period. Related information would be available at the Market Observation Post System website.

For the years ended December 31, 2022 and 2021, the remunerations to employees amount to \$48,482 and \$24,998, respectively, which were paid in cash. There was no difference from the actual distribution. Related information can be accessed from the Market Observation Post System website.

(q) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	\$ 59,379	7,097
Other interest income	6,184	2,439
	<b>\$ 65,563</b>	<b>9,536</b>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(ii) Other income

The details of other income were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Rental income	\$ 14,525	11,874
Government grants	25,586	425
Others	26,983	28,773
	<b>\$ 67,094</b>	<b>41,072</b>

(iii) Other gains and losses

The details of other gains and (losses) were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Loss on disposal of property, plant and equipment	\$ (21,604)	(2,395)
Net foreign exchange (loss) gain	(141,203)	355,214
Reversal of impairment loss on property, plant and equipment	9	-
Others	11,085	16,270
	<b>\$ (151,713)</b>	<b>369,089</b>

(iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended March 31</b>	
	<b>2023</b>	<b>2022</b>
Interest expense	<b>\$ (5,026)</b>	<b>(4,559)</b>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(r) Financial instruments

Except for the contention mentioned below, there was no significant change with regard to the fair value and exposure risks of credit risk, liquidity risk and market risk on financial instruments. Please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2022 for the related information.

(i) Liquidity risk

The following table shows the remaining contractual maturities of financial liabilities, including estimated interest payments :

	Carrying amount	Contractual cash flow	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
<b>March 31, 2023</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 5,257,074	5,257,074	5,257,074	-	-	-	-
Dividends payable	11,630,978	11,630,978	11,630,978	-	-	-	-
Other payables (including related parties)	2,148,569	2,148,569	2,148,569	-	-	-	-
Lease liabilities (including current portion)	1,885,437	1,962,595	137,007	137,007	269,062	687,486	732,033
	<u>\$ 20,922,058</u>	<u>20,999,216</u>	<u>19,173,628</u>	<u>137,007</u>	<u>269,062</u>	<u>687,486</u>	<u>732,033</u>
<b>December 31, 2022</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 5,319,559	5,319,559	5,319,559	-	-	-	-
Other payables (including related parties)	3,611,982	3,611,982	3,611,982	-	-	-	-
Lease liabilities (including current portion)	1,914,389	1,995,477	132,476	132,476	262,477	689,599	778,449
	<u>\$ 10,845,930</u>	<u>10,927,018</u>	<u>9,064,017</u>	<u>132,476</u>	<u>262,477</u>	<u>689,599</u>	<u>778,449</u>
<b>March 31, 2022</b>							
Non-derivative financial liabilities							
Unsecured short-term bank loans	\$ 582,941	584,816	584,816	-	-	-	-
Unsecured long-term bank loans (including current portion)	655,234	660,691	235,377	237,027	188,287	-	-
Accounts payable (including related parties)	3,979,937	3,979,937	3,979,937	-	-	-	-
Other payables (including related parties)	2,101,971	2,101,971	2,101,971	-	-	-	-
Lease liabilities (including current portion)	342,749	350,795	81,364	43,796	74,700	150,935	-
	<u>\$ 7,662,832</u>	<u>7,678,210</u>	<u>6,983,465</u>	<u>280,823</u>	<u>262,987</u>	<u>150,935</u>	<u>-</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(ii) Currency risk

1) Exposure to foreign currency risk

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

				<b>March 31, 2023</b>		
				<b>Foreign currency</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	386,157		30.4540		11,760,039
EUR		305		33.1576		10,101
JPY		52,827		0.2293		12,113
CNY		65		4.4317		288
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		25,645		30.4540		780,981
EUR		610		33.1576		20,225
JPY		3,583,049		0.2293		821,593
CNY		24		4.4317		105
				<b>December 31, 2022</b>		
				<b>Foreign currency</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	486,051		30.7080		14,925,649
EUR		424		32.7026		13,863
JPY		84,668		0.2306		19,525
CNY		25		4.4091		108
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		41,675		30.7080		1,279,745
EUR		561		32.7026		18,360
JPY		1,840,577		0.2306		424,437

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

	<b>March 31, 2022</b>		
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 458,764	28.6220	13,130,740
EUR	506	31.8722	16,112
JPY	71,049	0.2345	16,661
CNY	135	4.5086	607
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	70,814	28.6220	2,026,848
EUR	208	31.8722	6,624
JPY	2,141,226	0.2345	502,118

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable and other receivables, loans, accounts payable and other payables which are denominated in foreign currencies. A 1% depreciation or appreciation of the NTD against the USD, EUR, JPY and CNY as of March 31, 2023 and 2022 would have increased or decreased the net income before tax by \$101,597 and \$106,285 for the three months ended March 31, 2023 and 2022, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Due to the variety of functional currencies, the Group disclosed its aggregated foreign exchange gains (losses); the Group's foreign exchange gains, including realized and unrealized, for the three months ended March 31, 2023 and 2022 were the net exchange gain (loss) of \$(141,203) and \$355,214, respectively.

(iii) Interest rate analysis

The Group's exposure to interest rate risk arising from financial assets and liabilities is described in the liquidity risk section of this note.

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

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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If the interest rates increase or decrease by 1%, (with all the other factors remain constant) for the three months ended March 31, 2022, the Group's net income before tax would decrease or increase by \$3,095, which were mainly caused by the floating rate loans.

(iv) Fair value of information

1) Fair value of financial instruments

The carrying amount of the Group's financial assets and liabilities is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	Carrying Amount	March 31, 2023			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 29,284	29,284	-	-	29,284
Financial assets measured by amortized cost					
Cash and cash equivalents	23,253,565	-	-	-	-
Accounts receivable, net (including related parties)	11,037,346	-	-	-	-
Other receivables (including related parties)	88,257	-	-	-	-
Subtotal	34,379,168	-	-	-	-
Total	<u>\$ 34,408,452</u>	<u>29,284</u>	<u>-</u>	<u>-</u>	<u>29,284</u>
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	\$ 5,257,074	-	-	-	-
Dividends payable	11,630,978	-	-	-	-
Other payables (including related parties)	2,148,569	-	-	-	-
Lease liabilities (including current portion)	1,885,437	-	-	-	-
Total	<u>\$ 20,922,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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	<b>December 31, 2022</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured by amortized cost					
Cash and cash equivalents	\$ 20,044,117	-	-	-	-
Notes and accounts receivable, net (including related parties)	14,893,157	-	-	-	-
Other receivables (including related parties)	<u>25,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 34,963,088</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	\$ 5,319,559	-	-	-	-
Other payables (including related parties)	3,611,982	-	-	-	-
Lease liabilities (including current portion)	<u>1,914,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 10,845,930</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
	<b>March 31, 2022</b>				
	<b>Carrying Amount</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured by amortized cost					
Cash and cash equivalents	\$ 13,299,488	-	-	-	-
Notes and accounts receivable, net (including related parties)	11,251,487	-	-	-	-
Other receivables (including related parties)	<u>26,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 24,576,991</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
Financial liabilities measured by amortized cost					
Short-term loans	\$ 582,941	-	-	-	-
Accounts payable (including related parties)	3,979,937	-	-	-	-
Other payables (including related parties)	2,101,971	-	-	-	-
Lease liabilities (including current portion)	<u>342,749</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loans (including current portion)	<u>655,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 7,662,832</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(s) Financial risk management

There were no significant changes in the Group's financial risk management objective and policy since December 31, 2022. Please refer to the detailed disclosure on financial risk management in note 6(s) of the consolidated financial statements for the year ended December 31, 2022.

(t) Capital management

The objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Please refer to note 6(t) of the consolidated financial statements as of and for the year ended December 31, 2022, for the detailed disclosure on capital management.

(u) Investing and financing activities not affecting current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the three months ended March 31, 2023 and 2022 were as follows:

- (i) A description of acquisition the right-of-use assets through lease, please refer to note 6(g).  
(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Non-cash changes		March 31, 2023
			Foreign exchange movement	Acquisition	
Lease liabilities(including current portion)	\$ 1,914,389	(62,904)	-	33,952	1,885,437
Total liabilities from financing activities	<u>\$ 1,914,389</u>	<u>(62,904)</u>	<u>-</u>	<u>33,952</u>	<u>1,885,437</u>

	January 1, 2022	Cash flows	Non-cash changes		March 31, 2022
			Foreign exchange movement	Acquisition	
Short-term loans	\$ 1,214,969	(660,715)	28,687	-	582,941
Long-term loans (including current portion)	681,592	(49,200)	22,842	-	655,234
Lease liabilities (including current portion)	374,277	(54,639)	-	23,111	342,749
Total liabilities from financing activities	<u>\$ 2,270,838</u>	<u>(764,554)</u>	<u>51,529</u>	<u>23,111</u>	<u>1,580,924</u>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**(7) Related-party transactions**

(a) Parent company and ultimate controlling party

Nan Ya Plastics Corporation is both the parent company and the ultimate controlling party of the Group. It owns 66.97% of all shares outstanding of the Company, and has issued the consolidated financial statements available for public use.

(b) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Nan Ya Plastics Corporation (NYPC)	The parent company
Formosa Advanced Technologies Co., Ltd. (FATC)	The Group's associates
Nan Ya Electronic Materials (Kunshan) Co., Ltd. (NEMK)	The Group's parent company is the ultimate controlling parent of the company
Nan Ya Electric (Nantong) Co., Ltd.	The Group's parent company is the ultimate controlling parent of the company
Formosa Plastics Corporation (FPC)	The Group's parent company is the company's board of director
Formosa Biomedical Technology Corporation	The Group's parent company is a board of director of the company
Wellink Technology Co., Ltd. (WTC)	The same chairman

(c) Significant related-party transactions

(i) Operating revenues

Significant sales to related parties were as follows:

	<b>For the three months ended March 31</b>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 186,953	228,213
Other related parties	238	268
	<u>\$ 187,191</u>	<u>228,481</u>

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The sales price from related parties is not significantly different from non-related general parties. The normal credit term with the companies above is collection on open account 70 days. There is no collateral received among related parties accounts receivable and there is no need to estimate loss allowance.

(ii) Receivables from related parties

The balances of accounts receivable from related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts receivable due from related parties	Associates	\$ 96,555	102,050	157,332
Accounts receivable due from related parties	Other related parties	94	187	94
		<u>\$ 96,649</u>	<u>102,237</u>	<u>157,426</u>

(iii) Purchases from related parties

Significant purchases from related parties were as follows:

	<u>For the three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
The parent company	\$ 499,930	264,720
Other related parties		
NEMK	174,377	310,354
Others	65,914	84,657
	<u>\$ 740,221</u>	<u>659,731</u>

The purchase price from related parties is not significantly different from non-related general parties. The normal credit term with the related parties above is collected on open account 30 days, on open account 60 days, on open account 90 days and on the day following the day of approving payment, respectively.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(iv) Payables to related parties

The details of accounts payable to related parties were as follows:

<u>Account</u>	<u>Relationship</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Accounts payable to related parties	The parent company	\$ 178,114	210,111	96,899
Accounts payable to related parties	Other related parties			
	NEMK	64,164	77,206	132,108
Accounts payable to related parties	Others	<u>26,993</u>	<u>28,838</u>	<u>36,259</u>
		<u>\$ 269,271</u>	<u>316,155</u>	<u>265,266</u>

(v) Dividends

	<u>Other receivables due from related parties</u>		
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Associates – FATC	<u>\$ 43,781</u>	<u>-</u>	<u>-</u>

(vi) Lease of property, plant and equipment

- 1) The lease revenue of the Group from leasing its property, plant and equipment to its related parties, accounted for as other income, were as follows:

	<u>Lease revenue</u>	
	<u>For the three months ended</u>	
	<u>March 31</u>	
	<u>2023</u>	<u>2022</u>
The parent company	<u>\$ 3,109</u>	<u>2,844</u>

The rentals charged to related parties are determined based on the local market prices and rents that are collected monthly depending on the contract. As of March 31, 2023, December 31 and March 31, 2022, the Group had no unreceived balances.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

- 2) The rental expenses of the Group's property, plant and equipment leased from its related parties were as follows:

The Group entered into different lease agreements with its parent company for its Taipei office, as well as its factories and employee dormitories, both located at Luchu Dist., Taoyuan City and Shulin Dist., New Taipei City, with monthly rental fees based on the local market prices within their respective vicinities. For the three months ended March 31, 2023 and 2022, the above rentals amounting to \$8,447 and \$6,738, respectively, were recognized as expenses. For the three months ended March 31, 2023 and 2022, the amount of \$4,790 and \$1,177 was recognized as interest expense. As of March 31, 2023, December 31 and March 31, 2022 the balance of lease liabilities amounting to \$1,864,482, \$1,897,181 and \$342,749, respectively.

(vii) Others

The Group bought utilities from Nan Ya Electronic Materials (Kunshan) Co., Ltd. amounting to \$90,071 and \$87,654, for the three months ended March 31, 2023 and 2022, respectively. As of March 31, 2023, December 31 and March 31, 2022, the Group still had unpaid payables accounted for as other payables to related parties amounting to \$30,724, \$36,960 and \$29,614, respectively.

For the three months ended March 31, 2023 and 2022, the Group provides sewage treatment service to Nan Ya Electronic Materials (Kunshan) Co., Ltd. at the amount of \$6,252 and \$21,164. As of March 31, 2023, December 31 and March 31, 2022, the Group still had uncollected receivables accounted for as other receivables due from related parties amounting to \$2,599, \$5,349 and \$3,643, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised

	<b>For the three months ended</b>	
	<b>March 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	<u>\$ 9,046</u>	<u>8,442</u>

**(8) Pledged assets: None**

**(9) Commitments and contingencies**

- (a) The outstanding letters of credit for the importation of raw materials by the Group were as follows:

	<b>March 31,</b>	<b>December 31,</b>	<b>March 31,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Outstanding letters of credit for the importation of raw materials	<u>\$ 1,324,743</u>	<u>1,319,143</u>	<u>1,149,027</u>

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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(b) The endorsements by the bank were as follows:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>	<b>March 31, 2022</b>
The guarantee for customs	<u>\$ 54,100</u>	<u>52,000</u>	<u>39,000</u>
The guarantee for letters of credit	<u>\$ 52,000</u>	<u>52,000</u>	<u>42,000</u>

(c) The Company provided a comfort letter for the loan from Mega International Commercial Bank of the Company's subsidiary, NPKC, and are responsible for monitoring timely repayments.

**(10) Losses Due to Major Disasters: None**

**(11) Subsequent Events: None**

**(12) Other**

(a) A summary of current-period employee benefits, and depreciation by function, was as follows:

	<b>For the three months ended March 31, 2023</b>			<b>For the three months ended March 31, 2022</b>		
	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Operating costs</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefits						
Salaries	2,131,490	205,193	2,336,683	2,263,615	382,022	2,645,637
Labor and health insurance	176,681	20,155	196,836	162,325	17,415	179,740
Pension expenses	131,604	20,131	151,735	130,845	15,672	146,517
Remuneration of directors	-	1,500	1,500	-	1,530	1,530
Other personnel expenses	56,525	8,420	64,945	57,925	7,605	65,530
Depreciation expenses	1,272,975	5,175	1,278,150	1,046,665	4,257	1,050,922

(b) The seasonality of operation

The operation of the Group is not influenced by seasonality and periodicity.

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## NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

#### (13) Other disclosures

##### (a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

##### (i) Loans to other parties:

(in thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss Allowance	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	NPHK	Other receivables due from related parties	Yes	50,000	50,000	-	-	2	-	Operating capital	-	None	-	11,128,229 (Note 2)	22,256,459 (Note 3)

Note 1: 1. With business contact

2. Necessary for short-term financing

Note 2: The amount of financing to related parties or parties with business contact is subjected to a limit, which is 25% of the net value. To other counterparties, the limit is 20% of the net value.

Note 3: The amount of financing to others is subjected to a limit, which is 50% of the net value. To those without business contact but in need of fund, the limit is 40% of the net value.

##### (ii) Guarantees and endorsements for other parties: None

##### (iii) Securities held as of March 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(in thousands of shares and New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	FPC stock	Other related parties	Current financial assets at fair value through other comprehensive income	319	29,284	0.01 %	29,284	-

##### (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of \$300 million or 20% of the capital stock: None

##### (v) Acquisition of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None

##### (vi) Disposal of individual real estate with amount exceeding the lower of \$300 million or 20% of the capital stock: None

##### (vii) Related-party transactions for purchases and sales with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/(Sale)	Amount	Percentage of total purchases/(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	NYPC	Parent company	Purchase	498,374	19.42 %	O/A 30 days	-	-	(176,558)	(4.98)%	-
The Company	NPKC	Subsidiary of the Company	Purchase	895,448	34.90 %	O/A 30 days	-	-	(343,547)	(9.69)%	Note
NPKC	The Company	Parent company	(sale)	(895,448)	(18.78)%	O/A 30 days	-	-	343,547	9.28%	Note
NPKC	FATC	Associates	(sale)	(133,979)	(2.81)%	O/A 70 days	-	-	74,577	2.01%	-
NPKC	NEMK	Same chairman	Purchase	174,377	9.71 %	O/A 60 days	-	-	(64,164)	(3.12)%	-

Note: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

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## NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES

### Notes to Consolidated Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of \$100 million or 20% of the capital stock:

(in thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Loss Allowance
					Amount	Action taken		
NPKC	The Company (Note)	Parent company	343,547	9.98	-		343,547	-

Note : The above transactions listed have been written off during the preparation of the consolidated financial statements.

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

(in thousands of New Taiwan Dollars)

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
1	NPKC	The Company	2	Sales	895,448	O/A 30 days	7.12%
1	NPKC	The Company	2	Accounts receivable due from related parties	343,547	O/A 30 days	0.41%

Note 1: Numbers are filled in as follows

1. 0 represents the parent company
2. Subsidiaries are numbered from 1

Note 2: Classifications of relation with counterparty are listed as follows:

1. Parent to subsidiary
2. Subsidiary to parent
3. Between subsidiaries

Note 3: Only data related to sales and accounts receivable of all the intercompany transactions and business contact are disclosed. The related purchase and accounts payable are not stated.

Note 4: The transactions listed above have been written off during the preparation of the consolidated financial statements.

(b) Information on investees

The following is the information on investees for the three months ended March 31, 2023 (excluding information on investees in Mainland China):

(in thousands of shares and New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/(losses) of investee	Note
				March 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying amount			
The Company	NPHK	HK	Business of electronic products	8,595,674	8,595,674	2,152,020	100.00 %	22,978,527	738,411	738,411	Note1
The Company	NPUC	USA	Customer sales promotion	3,479	3,479	1,000	100.00 %	17,760	(376)	(376)	Note1
The Company	FATC	TW	Assembling testing and producing modules for IC	472,968	472,968	13,267	3.00 %	481,642	231,593	7,287	Note2

Note1: The transactions listed in the left have been written off during the preparation of the consolidated financial statements.

Note2: Investee company accounted for using equity method.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

(c) Information on investment in mainland China

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(in thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Carrying amount	Accumulated remittance of earnings in current period
					Outflow	Inflow						
NPKC	Production and marketing of PCBs	8,592,495	(Note 1)	8,592,495	-	-	8,592,495	738,239	100.00%	738,239	22,964,547	-

Note 1: NPKC in Mainland China is invested through a company established in a third region.

Note 2: Investment income or loss is recognized according to the financial statements reviewed by the CPA of the Taiwanese parent company.

Note 3: The transaction listed above has been written off during the preparation of the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

(in thousands of New Taiwan Dollars)

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note)
8,592,495	8,592,495	-

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

(iii) Significant transactions:

Please refer to "Information on significant transactions" for direct or indirect significant transactions (written off during the preparation of the consolidated financial statements), between the Company and its investees in Mainland China for the three months ended March 31, 2023.

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Nan Ya Plastics Corporation		432,744,977	66.97 %

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**(14) Segment information:**

The information and reconciliation of operating segments of the Group are as follows:

	<b>For the three months ended March 31, 2023</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 8,709,119	-	3,871,538	-	12,580,657
Intersegments	<u>7,906</u>	<u>6,557</u>	<u>895,448</u>	<u>(909,911)</u>	<u>-</u>
Total revenue	<u>\$ 8,717,025</u>	<u>6,557</u>	<u>4,766,986</u>	<u>(909,911)</u>	<u>12,580,657</u>
Income/Loss of reportable segments	<u>\$ 2,888,498</u>	<u>(376)</u>	<u>998,273</u>	<u>(738,035)</u>	<u>3,148,360</u>
	<b>For the three months ended March 31, 2022</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 10,997,236	-	3,564,419	-	14,561,655
Intersegments	<u>7,713</u>	<u>6,073</u>	<u>2,083,166</u>	<u>(2,096,952)</u>	<u>-</u>
Total revenue	<u>\$ 11,004,949</u>	<u>6,073</u>	<u>5,647,585</u>	<u>(2,096,952)</u>	<u>14,561,655</u>
Income/Loss of reportable segments	<u>\$ 4,854,757</u>	<u>320</u>	<u>1,375,513</u>	<u>(1,016,003)</u>	<u>5,214,587</u>
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
<b>Assets of reportable segments</b>					
March 31, 2023	<u>\$ 81,343,260</u>	<u>17,773</u>	<u>26,292,438</u>	<u>(23,439,073)</u>	<u>84,214,398</u>
December 31, 2022	<u>\$ 78,645,883</u>	<u>18,300</u>	<u>25,726,474</u>	<u>(22,640,180)</u>	<u>81,750,477</u>
March 31, 2022	<u>\$ 57,855,448</u>	<u>15,886</u>	<u>20,028,437</u>	<u>(16,666,057)</u>	<u>61,233,714</u>
<b>Liabilities of reportable segments</b>					
March 31, 2023	<u>\$ 36,830,343</u>	<u>13</u>	<u>3,252,175</u>	<u>(381,050)</u>	<u>39,701,481</u>
December 31, 2022	<u>\$ 24,923,316</u>	<u>13</u>	<u>3,538,464</u>	<u>(433,883)</u>	<u>28,027,910</u>
March 31, 2022	<u>\$ 13,039,382</u>	<u>5</u>	<u>4,123,921</u>	<u>(745,660)</u>	<u>16,417,648</u>